

October 11, 2019

Kent Elson
Environmental Defence
1062 College Street
Toronto, Ontario M6H 1A9

Dear Kent:

In response to the feedback you submitted following the first Transmission Losses Public Information Session, the IESO will reposition the series of public information sessions as a stakeholder engagement initiative with a dedicated engagement webpage and engagement plan to more clearly identify objectives, deliverables, and timing.

As part of this engagement, the IESO and Hydro One will collaboratively prepare materials for the remaining engagement meetings to present to stakeholders. The IESO and Hydro One have also agreed to work jointly to draft a report that will document our respective practices regarding mitigating transmission losses as well as identifying potential areas for overall net benefit reductions in transmission losses. The report will be informed by stakeholder feedback provided throughout the engagement, including discussion on current IESO and Hydro One practices, other jurisdictions reports on best practices and identified opportunities for improvement.

Accordingly, as per the IESO's commitment in the settlement agreement for its 2018 Fees Case, the engagement will examine jurisdictional practices through the processes used by National Grid UK and recommendations of the Council of European Energy Regulators including comparisons within an Ontario context.

Rather than retain an independent expert to develop the report, at this time we will leverage the expertise of IESO, Hydro One and stakeholders to identify best practices and areas for improvement where there are overall net benefits in reducing transmission losses and such opportunities can be readily identified. The need for, and the incremental value of, retaining independent expertise should be assessed once the report has been finalized.

As discussed in the first information session, this engagement will be conducted in accordance with the IESO's stakeholder engagement principles, which will enable a comprehensive discussion about transmission losses.

Similar to the regulatory scorecard process, intervenors who participated in the IESO's 2018 Fees Case proceeding are eligible to have their participation costs reimbursed.

Yours truly,

IESO Stakeholder Engagement