



January 19, 2021

IESO Stakeholder Engagement
Uninsured Liability Risk

Submitted via email

Re: AMPCO Comments on IESO Uninsured Liability Risk

AMPCO is the voice of industrial power users in Ontario. Our mission is industrial electricity rates that are competitive and fair.

Attached are AMPCO's comments on the IESO's stakeholding of the Uninsured Liability Risk issue. AMPCO appreciates the opportunity to provide such feedback.

Best Regards,

[Original signed by]

Colin Anderson
President

Uninsured Liability Risk

Submissions of the Association of Major Power Consumers in Ontario (AMPCO)

INTRODUCTION

Ontario's electricity system is complex and always evolving. AMPCO provides Ontario industries with effective advocacy on critical electricity policies, timely market analysis and expertise on regulatory matters that affect their bottom line. We are the forum of choice for major power consumers who recognize that their business success depends on an affordable and reliable electricity system.

These submissions are in relation to the IESO's stakeholding of the Uninsured Liability Risk (ULR) issue. AMPCO's members are major power consumers, responsible for over 15 TWh of annual load in the province. The IESO's approach to ULR could have an impact on electricity pricing in Ontario, which is why AMPCO has an interest in this consultation.

AMPCO appreciates the opportunity to provide feedback and looks forward to continued dialogue.

AMPCO COMMENTS

1. Section 13.1 of Chapter 1 contains an IESO indemnity for losses caused by IESO willful misconduct and negligence. AMPCO supports the amendment of the market rules to limit the IESO indemnity to losses caused by gross negligence, subject to the current limitations on recoverable damages. [Amendments would be made to Chapter 1, Section 13.1]. AMPCO understands that this option most closely aligns with available insurance and liability of other ISOs.

2. Should the preferred option not be chosen, the existing IESO indemnity in Section 13.1 of Chapter 1 will be retained, and a compensation mechanism under the market rules for losses will need to be established.

In this case, AMPCO suggests that recovery should be from all market participants, not just from load customers. In fact, AMPCO wonders why these two alternatives are being considered in the absence of a third alternative - recovery from supply side participants only.

Recovery from all participants (similar to a default levy) is the fair solution.