

Decision of the Independent Panel – Exemption Amendment Application 1304

Part 1 – Panel Members

Panel Members hearing the application: Tom Mitchell, Fiona Oliver-Glasford and Robert Wong
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Part 2 – General Information

1. <i>Exemption</i> Application ID: 1304
2. <i>Market Participant</i> Name: Gerdau Ameristeel Corporation (“Gerdau”)
3. Location/Site: Whitby, ON / GERDAUWBY-LT.T3_LF (“Gerdau Whitby’s <i>dispatchable load</i> ”) (Gerdau Whitby Customer Transformer Station)
4. Role of Applicant in the market as it pertains to this <i>exemption</i> amendment application: <i>market participant – dispatchable load</i>
5. Date <i>Exemption</i> Amendment Application Heard: June 5, 2025
6. Did <i>Exemption</i> Amendment Applicant agree to Terms and Conditions of the <i>IESO</i> Staff Recommendation: Yes
7. <i>Market Rule(s)</i> or related <i>market manual(s)</i> from which the <i>exemption</i> is requested (All references herein to chapters or provisions of the <i>market rules</i> will be interpreted as, and deemed to be references to chapters and provisions of the <i>renewed market rules</i> .): MR Ch.5 App.5.1 ss.1.2.1 and 1.2.4; Ch.7 ss.2.1.2, 3.3.8, 7.4.1, 7.4.2, 7.4.2.1, 7.5.1 and 7.5.2; Ch.9 ss.3.10.8 and 3.10.17.
8. Material Reviewed: a) <i>IESO</i> Staff Presentation b) Gerdau Ameristeel Corporation (“Gerdau”) <i>Exemption</i> Amendment Application

c) IESO Staff Recommendation

9. Applicant's Position: Gerdau requests an amendment to its reconsidered *exemption* approved on November 27, 2024. The request is for administrative changes only to align the reconsidered *exemption* with the new market and renewed *market rules*. No changes are proposed to the nature of the existing *exemption* or to changes in operation.

10. IESO Staff Recommendation: IESO staff recommend that the *exemption* amendment be granted, subject to the Terms and Conditions listed below and the Operating Parameters described in Appendix A. The amendment to the reconsidered *exemption* is needed to align it with the renewed *market rules* implemented by the Market Renewal Program. The proposed changes are minor changes to the Terms and Conditions, to update the specific section references to the *market rules* from which the *exemption* is granted and to include an additional *settlement amount* created by the Market Renewal Program.

Part 3 – Decision

Decision: The *Exemption* Panel agrees with the IESO Staff Recommendation of the streamlined process for these *exemption* amendments. Amended *Exemption* 1304 is granted to Gerdau subject to the Terms and Conditions and Operating Parameters set forth below.

Part 4 – Reasons

Reasons of the Panel:

In rendering the decision, the Panel considered the IESO Staff Recommendation, the materials submitted by the IESO and Gerdau, as well as the applicable *market rules*. In consideration of the *exemption* amendment application, the Panel specifically considered the following points:

-The basis for granting an *exemption* to Gerdau's *dispatchable load* portion or its Electric Arc Furnace has already been considered in its original exemption, granted December 16, 2004. A reconsideration of the *exemption* was granted November 27, 2024, to Gerdau in light of proposed *market rule* amendments that would improve the accessibility of *operating reserve* (MR-00467-R00).

-These amendments are needed to update the *exemption* to align with the *renewed market rules* to ensure it continues to apply as intended.

- Gerdau Ameristeel Corporation ("Gerdau") is not changing the way it operates its *dispatchable load* as it relates to the nature of its reconsidered *exemption*.

There are no changes to the exemption assessment criteria and limited stakeholder submissions on the original and reconsidered exemptions; therefore, the streamlined amendment process, which does not invite third party submissions, is appropriate for this exemption.

The rationale contained in the *IESO* Staff Recommendation satisfied the Panel that granting this amendment will address the administrative amendments required to bring Gerdau's reconsidered *exemption* in line with the new market and associated *market rules*. The Panel is satisfied that the Terms and Conditions remain the same and continue to provide the appropriate obligations for participation in the *energy* and *operating reserve markets*.

Part 5 – Terms and Conditions

Effective Date of <i>Exemption</i> (or event causing <i>exemption</i> to become effective)	May 1, 2025
Date of Expiration of <i>Exemption</i> <ul style="list-style-type: none"> If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date Circumstances which will cause the <i>exemption</i> to immediately expire 	<i>Exemption</i> will be effective until: Gerdau Ameristeel Corporation ("Gerdau") <i>dispatchable load</i> registration status changes to be non- <i>dispatchable</i> -Gerdau's <i>dispatchable load</i> ceases utilizing an electric arc furnace in its operations - <i>IESO</i> implements necessary tool and/or market rule changes, as applicable, such that the <i>IESO</i> determines the <i>exemption</i> is no longer required
Market rule(s) or related market manual(s) from which the <i>exemption</i> is granted	MR Ch.5 App.5.1 s.1.2.1 MR Ch.5 App.5.1 s.1.2.4 MR Ch.7 s.2.1.2 MR Ch.7 s.3.3.8 MR Ch.7 s.7.4.1 MR Ch.7 s.7.4.2 MR Ch.7 s.7.4.2.1 MR Ch.7 s.7.5.1 MR Ch.7 s.7.5.2 MR Ch.9 s.3.10.8 MR Ch.9 s.3.10.17 Until such time as the <i>IESO</i> eliminates the zero series chapters, the above references will be understood to refer to the <i>renewed market rules</i> .
Restrictions on the manner of operation and/or additional obligations to be met during the term of the <i>exemption</i>, if any	See Appendix A
Monitoring Information Required Information required to be provided by the <i>exemption applicant</i> for monitoring by the <i>IESO</i>	N/A

<p>Payment of Costs</p> <ul style="list-style-type: none"> • Processing costs (when introduced) • Incremental <i>exemption</i> costs • Settlement amounts to be withheld or repaid 	
<p>Reconsideration/Removal</p> <ul style="list-style-type: none"> • Date on which the <i>exemption</i> will be reconsidered (if applicable) • Circumstances under which the <i>exemption</i> will be reconsidered (if applicable) other than unforeseen future change in circumstances 	<p>The <i>exemption</i> may be reconsidered, at the sole discretion of the <i>IESO</i>, if:</p> <ul style="list-style-type: none"> - the dispatchable consumption of Gerdau Ameristeel Corporation ("Gerdau") Gerdau's <i>dispatchable load</i> deviates significantly from its Typical Consumption Pattern, including in the following circumstances: <ul style="list-style-type: none"> • the peak <i>dispatchable</i> consumption of Gerdau's <i>dispatchable load</i> exceeds [REDACTED] in 10% or more of peak <i>dispatch intervals</i> over any consecutive 6-month period, where peak <i>dispatch intervals</i> refers to the <i>dispatch interval</i> within each <i>settlement hour</i> during business hours where Gerdau's <i>dispatchable load's</i> consumption is the greatest. • on average over any 6-month period, the production cycle of Gerdau's <i>dispatchable load</i> has 4 or more <i>dispatch intervals</i> of less than 1MW <i>dispatchable</i> consumption than described in its Typical Consumption Pattern, as determined by the <i>IESO</i> - the <i>IESO</i> determines that allowing Gerdau to continue to operate as specified in this <i>exemption</i> would have a detrimental impact on the <i>IESO's</i> ability to maintain the <i>reliability</i> of the <i>IESO-controlled grid</i> - the <i>IESO</i> implements any <i>market rule</i> amendment which impacts this <i>exemption</i>
<p>Transferability</p> <ul style="list-style-type: none"> - List the Terms and Conditions that need to be met to allow for a transfer of this <i>exemption</i> to be approved by <i>IESO</i> staff 	<p>None</p>

<p>- Transferability in respect of a corporation, refers to a change of control of the corporation within the meaning of the Business Corporations Act (Ontario)</p>	
<p>Other:</p>	<p><i>Exemption</i> only applies to Gerdau Ameristeel Corporation's ("Gerdau") <i>dispatchable load</i>.</p> <p>Should Gerdau encounter unintended consequences arising from the operation of this amended exemption, Gerdau may apply for further amendments.</p>

