

From: Wayne Clark
Sent: December 18, 2008 3:16 PM
To: IESO Stakeholder Engagement
Subject: Stakeholder Engagement Plan SE-78 - Export Transmission Service Tariff Study

I would like to volunteer to be part of the working group for this study.

Also, I would like to provide the following comments on process and the stakeholder engagement plan as written:

Process:

This initiative is being undertaken in support of an OEB hearing in 2009 to determine an appropriate ETS tariff. When transmitters prepare for an application, they are permitted to compensate intervenors (other than individual companies) for their involvement. This cost is then recovered as a regulatory cost in their revenue requirement. To ensure the maximum involvement of intervenors that represent stakeholders other than companies with a direct financial interest in exports, the IESO should consider seeking agreement/approval from the OEB to fund intervenor involvement in this initiative. Otherwise, the IESO will run the risk of having this review criticised and challenged for not having meaningful stakeholder involvement.

The IESO may wish to consider updating its 2009 fees application to reflect anticipated intervenor funding for this process. (note: AMPCO's involvement in this review does not depend on funding).

Following the above, the IESO should provide specific notice to all intervenors in EB-2008-0272 of this review, with an indication of whether or not intervenor funding will be available. At the time Hydro One filed their application in this proceeding, the link to the stakeholder plan was non-existent, so intervenors may not necessarily be aware of the review and its parameters.

Assessment of options:

Please add cost allocation as an item to evaluate. Being a "placeholder", the existing tariff has not been established as properly recovering costs associated with exports.

The review should also provide comment on the options being considered in terms of the extent to which they may incent or discourage "phoney" wheeling for financial purposes only, such as occurred early in 2008 in the NYISO-IESO-MISO-PJM linked wheels.

The reason for insertion of an assessment of cross border emissions as part of this review is unclear. It was not a requirement of the original settlement process in EB-2006-0501, nor was it referenced in Hydro One's evidence in that case. Please indicate whether this criterion has been the subject of other IESO reports or initiatives and how this relates to the IESO's objectives. If the IESO does not have the mandate to consider cross-border emissions or the expertise to accurately assess the impact of the ETS on these emissions, then this item should be removed from the review objectives.

Regards,

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