

Ministry of Energy,
Northern Development
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NOV 06 2019

Mr. Peter Gregg
President and Chief Executive Officer
Independent Electricity System Operator
1600–120 Adelaide Street West
Toronto ON M5H 1T1

Dear Mr. Gregg:

Re: Independent Electricity System Operator Report on Billing Practices, Industrial Conservation Initiative (ICI) and other matters.

I, Greg Rickford, write in my capacity as the Minister of Energy, Northern Development and Mines, with the support of Bill Walker, Associate Minister of Energy, in order to exercise the statutory power I have under section 25.4 of the *Electricity Act, 1998* (the "Act") to require the Independent Electricity System Operator ("IESO") to examine and report back to the Ministry of Energy, Northern Development and Mines ("ENDM") with advice on the questions outlined below.

Background

In April 2019, ENDM launched an industrial electricity pricing consultation in response to stakeholder concerns. The consultation included ten regional in-person sessions with key sectors including the automotive, mining, steel, forestry, manufacturing, chemical and agriculture sectors, as well as more focused consultations with industry-representative organizations.

Two of the themes that ENDM heard from industrial consumers related to regulatory burden and electricity cost-certainty. In particular, specific issues were raised related to information reporting, peak demand measurement, billing complexity, customer service, and Global Adjustment ("GA") fluctuations.

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Section 25.4 Report-Back and Timing

Therefore, I require IESO to review and report-back to ENDM on opportunities to improve billing and settlement processes as well as customer service practices for electricity market participants. The report should also include an assessment of current processes and practices related to GA estimation and peak demand measurement. The report should be provided to ENDM by no later than February 28, 2020.

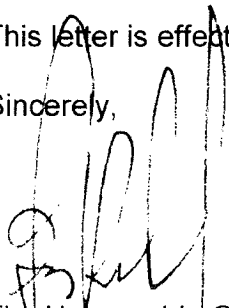
In this regard, IESO shall:

1. Review its current bill presentment activities and processes to identify ways that electricity bills can be improved, with a particular focus on simplification, while still providing the information required under IESO Market Rules to all market participants;
2. Review its customer service processes, with a particular focus on market participants that operate load facilities, in order to identify areas where IESO can improve its customer service activities, processes and practices;
3. Review its current GA estimation processes, in order to determine where there is the potential to improve the manner by which IESO calculates its current estimation of GA or remove the estimation process; and
4. Review its peak demand data publication processes in order to determine where there is potential for improvement and to provide an assessment of the implications of using real-time data for Peak Demand Factor determination.

In carrying out its work to complete this review and report back, it is anticipated that IESO will consult with relevant stakeholders, where appropriate, in a manner that ensures that the interests of all relevant parties are considered.

This letter is effective as of the date hereof.

Sincerely,



The Honourable Greg Rickford
Minister of Energy, Northern
Development and Mines



The Honourable Bill Walker
Associate Minister of Energy