

November 19, 2019

Independent Electricity System Operator
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www.ieso.ca

To: Select IESO Contracted Suppliers

Re: Solicitation of ideas for potential cost-lowering opportunities

Background:

On November 6, 2019, the Minister of Energy, Northern Development and Mines issued a directive to the IESO to undertake a targeted review of existing generation contracts for viable cost-lowering opportunities.

Among other things, the directive requires the IESO to:

1. Retain the services of an independent third party;
2. Identify measures or adjustments that could result in reduced costs for Ontario consumers;
3. Place particular focus on larger gas, wind and solar contracts expiring in the next 10 years; and
4. Provide the third-party report along with IESO's assessment of the findings to the Ministry by no later than February 28, 2020.

The IESO is currently in the process of competitively procuring an independent third party.

Solicitation of Ideas:

In order to cover the broad nature of the directive, the IESO wishes to solicit ideas for potential cost-lowering opportunities from all larger gas, wind and solar contracted suppliers (including suppliers with portfolios representing larger amounts of capacity), irrespective of when their contracts expire. The scope of the ideas can be open and broad, as long as they meet the objective of lowering costs to Ontario consumers.

Format of Response:

The IESO requests that all responses:

- Clearly identify and describe any proposed viable opportunities for lowering costs to Ontario consumers;
- Provide sufficient detail and quantification if possible; and
- Are sent directly to the IESO by contracted suppliers.

The IESO will:

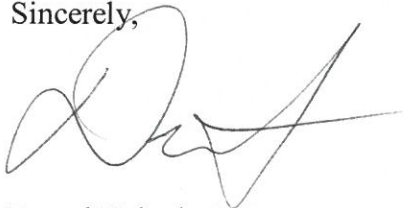
- Treat all submissions as non-binding and without prejudice to any party's existing rights and obligations under the terms of respective contracts;
- Treat the individual responses as confidential information in accordance with the terms of respective contracts;
- Share the responses with the independent third party on a confidential basis in order to assess the viability of each idea;
- Summarize the responses and ideas received, without attribution, and provide the IESO's and the independent third party's assessment, if applicable, in the report to the Ministry; and
- Based on the recommendations in the report to the Ministry, follow-up with any contracted suppliers as the IESO considers appropriate regarding implementation of any viable ideas.

Please send all responses to contract.management@ieso.ca with the subject of "Cost-Lowering Directive".

Timing:

The IESO requests that all responses be provided to the IESO no later than **December 14, 2019**.

Sincerely,



Darryl Yahoda, P.Eng.
Director, Contract Management
Independent Electricity System Operator