
December 13, 2021

Mr. Darren Matsugu
Senior Manager, Operational Effectiveness
Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Matsugu,

Re: Adjustments to Intertie Flow Limits

Capital Power appreciates the IESO's communication to stakeholders regarding its actions taken to reduce intertie flow limits in August 2021. In order to better understand the implications of the actions taken and confirm that the proposed drafting changes clarify the meaning of the Market Rule and do not change its effect, Capital Power is seeking more information with respect to the following:

- i. Were the IESO's actions on August 23rd consistent with historical practices under similar operating conditions, and have similar actions been taken on other Ontario interties before or after August 2021? If the actions were inconsistent with historical practices under similar conditions, could the IESO provide more information regarding factors considered in its decision to reduce intertie flow limits in August 2021?
- ii. As it is understood from the IESO that the mathematical calculations included in this formula are the basis for the proposed amendment to clarify the meaning of the Market Rules, can the IESO provide a detailed breakdown of the formula in Appendix 7.5.1 section 6.4.4?
- iii. Are there scenarios where, supported by the Market Rules, the IESO would lower export limits on all interties where the IAM needs energy/capacity and price is insufficient to incentivize needed imports?

Capital Power also submits that future communications to stakeholders regarding actions taken by the IESO in the market that could affect supply, demand, or price, be (i) communicated to all market participants, (ii) identify the actions being taken by the IESO, and (iii) identify the Market Rules relied upon to support the IESO's actions.

Capital Power looks forward to participating in future stakeholder engagement sessions on this matter. Should the IESO have any questions or wish to discuss the questions and feedback above, please feel free to contact me directly at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read "Emma Coyle".

Emma Coyle
Director, Regulatory & Environmental Policy
Capital Power Corporation