



September 27, 2024

Dear members of the Panel:

Re: Algoma Steel Inc. ("Algoma") Application for Exemption from Chapter 9, Section 2.4A.2 of Market Rules (the "Application") – Request for Confidential Treatment

Algoma requests that certain information contained in its financial analysis (Attachment 2) in support of the Application (the "**Financial Analysis**") be afforded confidential treatment, pursuant to Chapter 3, Section 5.4.2.5 and, in the alternative, Section 5.4.5.1 of the Market Rules.

Descriptions of the particular information contained in the Application for which Algoma seeks confidential treatment and the rationale for the request are set out below.

The information for which Algoma requests confidential treatment is redacted in the public version of the Financial Analysis as filed. **Schedule "B"** contains the redacted versions (non-confidential) of the Financial Analysis, as included with the public Application. **Schedule "C"** contains the unredacted (confidential) versions of the Financial Analysis, which is marked "confidential" and highlights the specific portions of the documents for which Algoma requests confidential treatment. Algoma has filed the confidential Attachment 'B' with the IESO as a separate electronic document that is marked "confidential".

Description of information subject to confidential treatment

The tables below describe the types of information for which Algoma requests confidential treatment. The first such category is "**Confidential Operational Information**" consisting of the information included in the following columns of the Financial Analysis, which reveals Algoma's assumptions and/or forecasts about its operations in IESO-administered markets ("**IAM**") over the course of a typical settlement hour:

Columns heading/Note No.	Description of information included in the column or note
Load Profile	Algoma's expected (a) energy withdrawn from the IESO-controlled grid (" ICG "), and (b) energy injected to the ICG over the course of a typical settlement hour
Energy Purchased (1hr)	Algoma's expected energy purchased from the IESO-administered markets (" IAM ") over the course of a typical settlement hour
Energy Sold (1hr)	Algoma's expected energy sold to the IAM from LSP over the course of a typical settlement hour
Note 2	Algoma's expected operational characteristics and strategy in connection with Global Adjustment charges

The second category of information for which Algoma requests confidential treatment is "**Confidential Settlement Information**", consisting of the information included in the following columns of the Financial Analysis, which reveals financial information about Algoma's expected settlement outcomes over the course of a typical settlement hour:

Columns heading/Note	Description
Misc. Energy Charges	Algoma's expected quantity of various market service charges and similar charges payable over the course of a typical settlement hour, which, for the avoidance of doubt, excludes transmission related charges
GA Charges	Algoma's expected quantity of Global Adjustment payable over the course of a typical settlement hour
Total	Algoma's expected settlement amounts payable to the IESO based on a typical settlement, inclusive of hour excluding transmission charges and inclusive of Global Adjustment

Algoma submits that although it has classified confidential information into the two classes of Confidential Operational information and Confidential Settlement Information to provide the IESO and any interested third parties with clearer description of the information for which Algoma is seeking confidential treatment, there are important interdependencies between these categories of confidential information. To this end, Algoma wishes to highlight that because Algoma's

Confidential Operational Data is an input to the Confidential Settlement Data, the disclosure of one such class of information may allow third parties to extrapolate the other class of information.

Basis for confidential treatment

Algoma submits that the information in question is confidential because it is analogous to types of information that is listed as “confidential” under Market Manual 2.14 (the “**Confidentiality Catalogue**”), and as such is automatically subject to confidential treatment.¹ Referenced portions of the Confidentiality Catalogue are reproduced in Schedule “A” hereto. In the alternative, recognizing that the relevant classifications under the Confidentiality Catalogue apply by analogy, Algoma submits that it is appropriate to designate the information as confidential pursuant to the framework applicable for information that is not listed in the information confidentiality catalogue.² Algoma’s submissions, to the end, are set out below.

Confidential Operational Information

Algoma submits that the Confidential Operational Information is analogous to dispatch data submitted by market participants in the real-time market, which is afforded confidential treatment under the Confidentiality Catalogue.³ The dispatch data of self-schedules and forecast of intermittent generation most closely resemble the Confidential Operational Information described above (i.e., Algoma’s *expected* injections and withdrawals within typical settlement hour). The Confidentiality Catalogue specifically affords confidential treatment to self-schedules, which the Market Rules describe as an “indicat[ion] [of] the amount of energy that the registered market participant reasonably expects to be provided by that self-scheduling generation facility in each dispatch hour” [emphasis added].⁴ To this end, Algoma notes that the generation facility subject to the Application is a self-scheduling generation facility. Similarly, the Confidentiality Catalogue affords confidential treatment to forecast of intermittent generation which the Market Rules describe as the “best forecast of the amount of energy that the intermittent generator will inject in each dispatch hour” [emphasis added].⁵ These forms of dispatch data represent substantively the same information as the Confidential Operational Data, albeit used in different context.

Moreover, the Confidentiality Catalogue affords confidential treatment to real-time schedules and dispatch instructions.⁶ These IESO produced outputs represent the quantities of energy that a registered facility is required to inject or withdraw onto or from the ICG over the course of 5-minute dispatch interval. Similarly, the allocated physical data based on metered readings, which the IESO

¹ Market Rules, Chapter 3, s.5.4.2.5.

² Market Rules, Chapter 3, ss. 5.4.5.1, 5.4.11.

³ Confidentiality Catalogue, ID 776, p.100; see also Catalogue ID 592, p.101.

⁴ Confidentiality Catalogue, ID 158, p. 101; See also Market Rules, Chapter 3, s.7.3.1.

⁵ Confidentiality Catalogue, ID 501, p. 102; See also Market Rules, Chapter 3, s.7.8.1.

⁶ Confidentiality Catalogue, ID 253, p.106; Confidentiality Catalogue, ID 261, p.106; Confidentiality Catalogue, ID 1075, p.107; Confidentiality Catalogue, ID 268, p.107.

uses for settlement purposes, is also listed as confidential under the Confidentiality Catalogue.⁷ As such, the Confidential Operational information serves as a proxy for Algoma's expected real-time schedules, dispatch instructions, and operational data over the course of a typical hour, and should therefore be subject the same confidential treatment.

In the alternative, in the event that the IESO decides that the Confidential Operational Information is not analogous to any of the above-referenced sections of the Confidentiality Catalogue, Algoma submits that the Confidential Operational Information is not otherwise listed in the Confidentiality catalogue. As such, Algoma submits the Confidential Operational Information, if disclosed, would adversely impact Algoma as it would allow other market participants, including its competitors, to gain visibility on sensitive operational, commercial and financial aspects of its business, including the quantity of energy that it typically sells and purchases to and from the IAM, and its operational strategies.⁸ To this end, disclosing the Confidential Information would prejudice Algoma's competitive position. Algoma further submits that this information is inherently proprietary,⁹ and equivalent information in respect of other market participants, including its competitors, is not publicly available.

Confidential Settlement Information

The Confidential Settlement Information is analogous to certain settlement and financial information that is afforded confidential treatment under the Confidentiality Catalogue. The types of settlement and financial information that is most analogous to the Confidential Settlement Information – which, as described above, represents Algoma's expected settlement outcomes and components thereof within typical settlement hour – are "hourly settlement amounts"¹⁰ and "energy market price"¹¹. To this end, the Confidential Settlement Information serves as the proxy for Algoma's expected hourly settlement amounts, and components thereof, and should therefore be afforded the same confidential treatment.

In the alternative, in the event that the IESO decides that the Confidential Settlement Information is not listed in any of the above-referenced sections of the Confidentiality Catalogue, Algoma submits the Confidential Settlement Information, if disclosed, would adversely impact Algoma, and is inherently proprietary, for the same reasons applicable to the Confidential Operational Information, as set out above.

⁷ Confidentiality Catalogue, ID 545, p. 127.

⁸ Market Rules, Chapter 3, s.5.4.11.2.

⁹ Market Rules, Chapter 3, s.5.4.11.3.

¹⁰ Confidentiality Catalogue, ID 538, p.126.

¹¹ Confidentiality Catalogue, ID 542, p.126.

Yours truly,

Gordon Lees

Senior Project Manager, Algoma Steel Inc.

Schedule "A"

Confidentiality Catalogue Excerpts

776	Market Rules	7	3.1.1	System Operations and Physical Markets	Data submissions for the real-time markets	Dispatch data	Registered MP dispatch data	those being retired. Dispatch data submitted by a registered MP for its registered facilities in accordance with section 3 of Chapter 7.	MP	C	IAP	MPS	
592	Market Rules	7	3.5.2	System Operations and Physical Markets	Data submissions for the real-time markets	Energy offers and energy bids	Registered MPs energy offers and bids	All energy offers and energy bids shall be submitted using such forms as may be specified by the IESO ...	MP	C	IAP	MPS	
158	Market Rules	7	3.7.1	System Operations and Physical Markets	Data submissions for the real-time markets	Self - scheduling generators	Registered MPs dispatch data	A registered MP for a self-scheduling generation facility shall submit dispatch data indicating the amount of energy...	MP	C	IAP	MPS	
501	Market Rules	7	3.8.1	System Operations and Physical Markets	Data submissions for the real-time markets	Intermittent generators	Registered MPs dispatch data	A registered MP for an intermittent generator shall submit dispatch data indicating its best forecast of the amount ...	MP	C	IAP	MPS	
253	Market Rules	7	6.1.1	System Operations and Physical Markets	The real-time scheduling process	Purpose and timing of real-time schedules	Real-time schedule	The IESO shall determine real-time schedules and use these as the primary determinant of the dispatch instructions the IESO issues to MPs.	IESO	C	IAP	MPS	
261	Market Rules	7	6.1.2	System Operations and Physical Markets	The real-time scheduling process	Purpose and timing of real-time schedules	Real-time schedule – non boundary facilities	The IESO shall determine, for registered facilities other than boundary facilities, a real-time schedule for every dispatch interval two minutes before the dispatch interval to which it applies.	IESO	C	IAP	MPS	
1075	Market Rules	7	6.5.1A	System Operations and Physical Markets	The real-time scheduling process	Publication of real-time schedule information	Provisional Market Schedule	Subject to section 8.4, the IESO shall, within one hour after each dispatch hour, release to each registered MP the provisional market schedule for their registered facilities for each dispatch interval of that dispatch hour.	IESO	C	IAP	MPS	
268	Market Rules	7	7.1.1	System Operations and Physical Markets	IESO dispatch instructions	Purpose and timing of dispatch instructions	Dispatch instructions for facilities	The IESO shall determine dispatch instructions for each registered facility as described in this section 7, as the primary means of co-ordinating the real-time operation of the electricity system	IESO	C	IAP	MPS	
545	Market Rules	9	3.1.9	Settlements and billing	Determination of hourly settlement amounts	Hourly settlement variables and data	Allocated physical quantities	The IESO shall determine the following allocated physical quantities for each MP for each primary RWM and each intertie RWM using metering data, operating results, physical allocation data submitted by MP and interchange schedule data.	IESO	C	IAP	MPS	
538	Market Rules	9	3.1.1	Settlements and billing	Determination of hourly settlement amounts	Hourly settlement variables and data	Hourly settlement amounts	The IESO shall determine hourly settlement amounts for the hourly markets using the hourly price and quantity variables and data described in this section 3.1	IESO	C	IAP	MPS	

542	Market Rules	9	3.1.3	Settlements and billing	Determination of hourly settlement amounts	Hourly settlement variables and data	Energy market price	The IESO shall determine energy market prices and quantities as provided in Chapter 7 and shall provide the following variables and data from the energy market directly to the settlement process	IESO	C	IAP	MPS	
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Schedule "B" – Financial Analysis (Public/Redacted Version)
(Attachment 2 of Application)

Scenarios	Description	Load Profile (Note 1)	Energy Purchased (1hr) (MWH's)	Energy Sold (1hr) (MWH's)	Energy Charge (HOEP)	Misc Energy Charges	GA Charges (Note 2)	Total
No Exemption	LSP sells all MW's into the Market	<div></div> <div></div>	<div></div>	<div></div>	Same in all scenarios	\$ <div></div>	\$ <div></div>	\$ <div></div>
With Exemption	Cogen 1 & 2 Settle as a bi-directional delivery points each hour	<div></div> <div></div> <div></div>	<div></div>	<div></div>	Same in all scenarios	\$ <div></div>	\$ <div></div>	\$ <div></div>
							Delta	\$ 34,979,235

Notes: 1	This is a typical profile during Phase 1 operation but there will be a wide variation of actual hourly profiles. This "typical" profile provides a good approximation of average operation over a year for cost estimation and comparison.
2	Assumes <div></div>

Charge Rates Used:
Misc. Energy Charges \$ 5.00 2023 actual \$/MWh
GA \$6.7 Billion Estimate for 2026

Schedule "C" – Financial Analysis (Confidential Version)
(Attachment 2 of Application)

[Intentionally Omitted]