

Memorandum

To: Stakeholder Advisory Committee

From: Devon Huber, Director, Regulatory Affairs and Market Rules

Date: August 4, 2021

Re: 2020 and 2021 Revenue Requirement Submissions

The following provides an update to members of the Stakeholder Advisory Committee (SAC) on the IESO's 2020 and 2021 revenue requirement submission to the Ontario Energy Board (OEB).

The IESO's expenditure and revenue requirements, as well as the fees it charges, are regulated by the OEB. The IESO filed its 2020 and 2021 revenue requirement submission with the OEB on May 27, 2021. The submission and other documents which form the record of the proceeding are available on the OEB's web site (Case Number EB-2020-0230).

Key elements from the submission include:

- A 2020 and 2021 revenue requirement of \$188.6 million and \$191.8 million respectively. For reference, from 2017 to 2019 the IESO had a revenue requirement of \$190.8 million
- No change in 2020 usage fees from the 2019 usage fees for domestic and export customers of \$1.227/MWh and \$1.0125/MWh, respectively
- 2021 usage fee of \$1.271/MWh for domestic customers
- 2021 usage fee of \$1.0943/MWh for export customers
- 2020 capital expenditure envelope of \$52.0 million, including \$25.0 million for MRP
- 2021 capital expenditure envelope of \$68.6 million, including \$36.0 million for MRP

The IESO's revenue requirement submission allows for the continuing collaboration with stakeholders to implement a competitive framework to address supply shortfalls emerging later this decade, and promote greater participation in the electricity markets. Through its priority initiatives the organization has worked to find new efficiencies and drive down costs, in an effort to deliver value to Ontario's electricity customers and ensure reliability over the long term. You can learn more about the initiatives and financial plans in IESO's [2020-2022 Business Plan](#), which forms the basis of the revenue requirement submission.

The OEB issued a procedural order on July 15th, 2021 outlining the next steps in the process. In that procedural order, the OEB made provisions for submissions on the issues of the proceeding, followed by written interrogatories on the IESO's evidence, and then a settlement conference to provide an opportunity for intervenors and the IESO to come to an agreement on the issues.