

SENT BY BOARD WEB PORTAL

September 30, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Independent Electricity
System Operator
655 Bay Street
Suite 410, PO Box 1
Toronto, Ontario M5G 2K4
t 416 506 2800
www.ieso.ca

Dear Ms. Walli:

**Re: 2014 Natural Gas Market Review (“NGMR”)
Consultation and Stakeholder Conference, Board File No. EB-2014-0289**

The Independent Electricity System Operator (“IESO”) has reviewed the proposed purpose, objectives, and scope of the Ontario Energy Board’s (“the Board”) 2014 Natural Gas Market Review as described in the Board’s letter to stakeholders on September 19, 2014¹ and would like to suggest additional issues for discussion as part of the review.

The 2014 NGMR provides an opportunity for the Board to consider how recent regulatory developments in neighbouring jurisdictions may impact Ontario or provide learning opportunities to facilitate gas-electric coordination efforts in the province. The IESO, in exercising its responsibilities to ensure reliable operation of the IESO-controlled grid and to effectively manage the IESO-administered markets, actively monitors market and regulatory developments in other jurisdictions that relate to the gas-electric interface and regularly engages with stakeholders representing the natural gas generator and pipeline sectors.

IESO continues to review internal and external manuals and processes to identify opportunities to optimize operating and planning procedures related to gas pipelines and generators. Those activities are informed by the IESO’s participation in the Eastern Interconnection Planning Collaborative (EIPC)², a U.S. Department of Energy-funded initiative to analyze the natural gas infrastructure that serves the north eastern planning authority area.

In support of improving information exchange and facilitating coordination between the gas

¹ http://www.ontarioenergyboard.ca/oeb/Documents/EB-2014-0289/ltr_2014_NGMR_20140919.pdf

² Source: www.eipconline.com: The Eastern Interconnection Planning Authority, (EIPC) which includes PJM, ISO New England (ISO NE), New York ISO (NYISO), Independent Electric System Operator (IESO), Midcontinent ISO (MISO), and the Tennessee Valley Authority, has completed its first target report which involves developing a baseline of the existing electric and gas systems, including their planning, operation and interactions.

and electricity industries, the IESO is hosting two information sessions for stakeholders this fall:

- October 15 – webinar for stakeholders from the natural gas pipeline and generator sectors to review gas-electric operations matters
- November 5 – Market Operations awareness session which will include items related to gas-electric coordination

In light of these activities and related recent developments in the United States, the IESO recommends the following two items be included in scope of the 2014 NGMR:

- **Removing communication barriers between gas pipelines and electric utilities**
Federal Energy Regulatory Commission (“FERC”) Order 787³, which went into effect on December 23, 2013, authorizes voluntary sharing of non-public operational information between gas pipelines and electric transmission utilities that is necessary for promoting reliability and operational planning and includes provisions to ensure confidentiality.
- **Improving coordination of scheduling between gas and electric industries**
FERC NOPR Coordination of the Scheduling Processes (FERC docket RM14-2). The North American Energy Standards Board (“NAESB”), working with relevant gas and electric sector stakeholders, proposed modified NAESB Wholesale Gas Quadrant (WGQ) Business Practice Standards on September 29, 2014⁴ for natural gas transportation service scheduling to better coordinate natural gas and electricity the scheduling practices, and to provide additional natural gas scheduling flexibility.

The IESO respectfully recommends that the Board add these two issues to the 2014 Natural Gas Market Review. Subject matter experts from the IESO will be available to present at the December 3, 2014 Conference to further elaborate on Ontario’s experience with these matters and to engage with the Board and stakeholders.

Yours truly,



David Barrett, CPA, CA
Government and Regulatory Affairs, IESO

cc: Stephen Cain, Policy Advisor, Regulations & Liaison, Ontario Energy Board
Andres Mand, Manager, Regulations & Liaison, Ontario Energy Board
Jessica Savage, Manager, Government and Regulatory Affairs, IESO

³ <https://www.federalregister.gov/articles/2013/11/22/2013-28078/communication-of-operational-information-between-natural-gas-pipelines-and-electric-transmission>

⁴ https://www.naesb.org/pdf4/ferc092914_naesb_geh_report_nopr032014.pdf