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Market Surveillance Panel | Comité de surveillance du marché

CONFIDENTIAL

BY E-MAIL AND BY HAND

September 24, 2018

Ms. Rosemarie Leclair
Chair & CEO
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Leclair:

RE: Report on an Investigation regarding the Electricity Trade Agreement between Hydro-Québec and the Ontario Independent Electricity System Operator

As you know, in the fall of 2017 the Market Surveillance Panel (Panel) initiated an investigation in relation to the electricity trade agreement entered into between the Independent Electricity System Operator (IESO) and Hydro-Québec (HQ Agreement). The Panel's investigation is now complete, and I am pleased to submit the Report that sets out the Panel's findings.

The scope of the Panel's investigation was to consider whether the HQ Agreement operates within the Market Rules. The Panel is satisfied that it does. The Report also notes that the impact, if any, of the HQ Agreement on market efficiency or effective competition within the IESO-administered markets is being monitored by the Panel as part of its regular market monitoring responsibility, and will be reported on in the normal course as may be warranted.

Prior to finalization of the Report, a draft was provided to the IESO to provide it with an opportunity to comment on matters of factual accuracy and confidentiality. The IESO confirmed that it had no comments.

As required by the Board's By-law #3, I will be providing the Report to the President & CEO of the IESO. In so doing, I have invited the IESO to provide a copy of the Report to Hydro-Québec as a courtesy, provided that the IESO expressly requests that Hydro-Québec treat the Report as confidential until it has been posted on the Ontario Energy Board's website.

Please do not hesitate to contact me should you have any questions or wish to discuss the above or the Panel's Report.

Yours truly,



Glenn Leslie
Chair, Market Surveillance Panel