

Ontario Energy  
Board  
P.O. Box 2319  
2300 Yonge Street  
27th Floor  
Toronto ON M4P 1E4  
Telephone: (416) 481-1967  
Facsimile: (416) 440-7656  
Toll Free : 1-888-632-6273

Rosemarie T. Leclair  
Chair & CEO

Commission de l'énergie  
de l'Ontario  
C.P. 2319  
2300, rue Yonge  
27e étage  
Toronto ON M4P 1E4  
Téléphone: (416) 481-1967  
Télécopieur: (416) 440-7656  
Numéro sans frais : 1-888-632-6273

Rosemarie T. Leclair  
Présidente et Directrice Générale



June 20, 2013

**BY E-MAIL AND WEB POSTING**

Mr. Bruce Campbell  
President and Chief Executive Officer  
Independent Electricity System Operator  
655 Bay Street, Suite 410  
Toronto, ON M5G 2K4

Dear Mr. Campbell:

**RE: Market Surveillance Panel Monitoring Report**

The Market Surveillance Panel ("MSP") has delivered to me its *Monitoring Report on the IESO-Administered Electricity Markets* for the period from May 2012 – October 2012 (the "MSP Report"). I attach a copy of the MSP Report for your reference.

The MSP Report sets out two recommendations, both of which pertain to uplift and other payments and are directed to the Independent Electricity System Operator (the "IESO"). The two recommendations, which the Panel believes will enhance market efficiency and help to reduce uplift and other payments, are as follows (listed in the order in which they appear in the MSP Report):

- The IESO should consider expanding the current local market power framework to cover analogous circumstances that arise as part of the day-ahead commitment process.
- The IESO should implement a permanent, rule-based solution to eliminate self-induced CMSC payments to ramping down generators.

I would appreciate if you would advise me in writing within 30 days of: a) the steps that the IESO plans to take in response to the above recommendations and the timelines for completion of those steps; and b) whether, in the IESO's view, any actions or market rule amendments, in addition to those reflected in the MSP's recommendations, should be taken or initiated.

I would also appreciate if you would include in your response an update on the status of actions taken by the IESO further to the recommendations set out in the MSP's previous monitoring report, relative to the IESO's responses that are set out in Table 4-1 of the MSP Report.

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

Yours truly,



Rosemarie T. Leclair  
Chair & CEO  
Ontario Energy Board

cc Bill Rupert, Acting Chair, Market Surveillance Panel

Attachment