

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule. B;

**AND IN THE MATTER OF** a notice of written proceeding by the Ontario Energy Board, pursuant to sub-section 19(4) of the *Ontario Energy Board Act, 1998*, sub-section 12.2 of the Hydro One Electricity Transmission License and sub-section 13.2 of the York Region Utilities' Distribution Licenses, to determine whether to order Hydro One and the York Region Utilities to take steps to implement the Holland Junction Proposal.

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR  
NOTICE OF INTERVENTION**

1. The Independent Electricity System Operator (the "IESO") seeks to intervene and participate in the hearing of this matter. The IESO intends to participate by, *inter alia*, submitting written evidence, answering interrogatories and appearing at any oral hearing held by the Ontario Energy Board (the "Board") in respect of this proceeding.
2. The IESO is a non-profit, non-share capital corporation independent of all other participants in the Ontario electricity industry. The IESO does not own any electric power generation or transmission facilities. It directs the operation of transmission and generation facilities, including interconnections that are situated in Ontario. The role of the IESO is established by legislation, its licence issued by the Board and the Market Rules.
3. The IESO has a direct and substantial interest in this proceeding. The IESO is established under the *Electricity Act, 1998* to administer the Ontario wholesale power markets and to direct the operations and maintain the reliability of the IESO-controlled grid. The *Electricity Act, 1998* specifically mandates the IESO to fulfill certain objects to maintain the reliability of the IESO-controlled grid.

4. The IESO's responsibility for maintaining the reliability of the IESO-controlled grid is more precisely set out in the Market Rules which, among other things, require the IESO to identify emerging constraints on the power system that may adversely affect the reliability of the grid, and conduct system impact assessments in order to assess the reliability and market impacts of any proposed new or modified connections and measures to mitigate any identified adverse impacts.

5. The IESO and the Ontario Power Authority (the "OPA") has signed a Memorandum of Understanding committing both parties to maintain a cooperative and mutually supported relationship in fulfilling their respective objects under the *Electricity Act, 1998*, including regional assessments of transmission and resource adequacy, demand forecasting, contracting for generation resources, development of demand response and demand management initiatives and assessment of reliability and market impacts of proposed new or modified connections to the IESO-controlled grid.

6. The present proceeding before the Board arises directly from the IESO's earlier identification of emerging and critical constraints on the grid that will impact the reliability of supply to York Region and the subsequent proposed regional supply plan for the area developed by the OPA. The IESO identified these specific reliability concerns and requested solutions in its 10-year Outlooks. In particular, the IESO's March 31, 2003 Outlook first identified that the high rate of load growth in the municipalities of Newmarket, Aurora, Markham, Richmond Hill, Vaughan, Mississauga, Brampton, Milton and Oakville located to the north, west and southwest of Toronto has created an urgent need to increase the supply capability to these areas. Subsequent Outlooks examined the concerns in more detail.

7. The IESO commends the Board for assuming the leadership role in addressing the critical reliability supply concerns in York Region. Given the circumstance, the IESO supports the need for expedited solutions to deal with these concerns. The IESO also supports the OPA's proposed transmission, generation and demand management conceptual framework for addressing reliability of supply

in York Region, including and more precisely the Holland Junction Proposal. The IESO expects that each aspect of the proposed plan will be developed more fully and subject to a system and customer impact assessment—as may be required—to examine their impact on the IESO-controlled grid, the electricity market and the quality of electricity services to neighbouring customers. As an outcome of this proceeding, the IESO submits that the Board should issue an order or orders to enable Hydro One and the York Region Utilities to proceed with timely development and implementation of a project plan for the Holland Junction Proposal.

8. The IESO takes no position on whether the Board should deal with this matter by way of a written or oral proceeding. The IESO wishes to receive copies of all evidence filed by intervenors. The IESO asks that copies of all filed materials be sent to its solicitors, Stikeman Elliott LLP, and to the IESO at the addresses set out below.

9. The address of the solicitors for and authorized representative of the IESO is:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario  
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10. The address of the IESO is:

Independent Electricity System Operator  
655 Bay Street, Suite 410  
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Mr. Carl Burrell                      Tel: (416) 506-2858  
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11. The IESO will not be seeking an award of costs for its intervention.

DATED at Toronto this 4<sup>th</sup> day of November, 2005.

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