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For immediate release

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OEB Approves OPG's Reliability Must-Run Contract with the IESO

Toronto – Today, the Ontario Energy Board (OEB) issued a Decision approving a reliability must-run contract between Ontario Power Generation (OPG) and the Independent Electricity System Operator (IESO) for OPG's Lennox generating station. Reliability must run contracts keep generating stations available to maintain the reliability of the electricity system.

OPG applied to the Board seeking approval of a reliability must-run contract signed by OPG and the IESO. Initially, OPG sought approval from the IESO to close the Lennox plant because it is too expensive to operate, but the IESO denied the request on the grounds that doing so would likely have an unacceptable impact on the reliability of the electricity system.

In its Decision, the Board recognized that Lennox is a higher cost facility relative to other generating stations in the province but agreed with the IESO that no other alternatives to the continued operation of Lennox are currently under consideration that could be brought to bear in a timely manner to maintain the reliability of the electricity system. The Board also found it was appropriate for OPG to be allowed to recover 100% of its fixed and variable operating costs of the Lennox generating station.

In conclusion, the Board determined it was satisfied that the reliability must-run contract complies with the OPG's licence conditions and with market rules and approved the contract as submitted.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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