



PERMIT EPE-290

IN THE MATTER OF section 119.03 of the *National Energy Board Act* and the Regulations made thereunder, and

IN THE MATTER OF an application by the Independent Electricity System Operator (IESO) for authorization to export electricity, filed with the National Energy Board under File A-P-IES 01 (6200-J210-1).

BEFORE the Board on 2 August 2006.

WHEREAS in an application dated 30 March 2006 the IESO requested an authorization to export interruptible energy for the purpose of providing emergency assistance to neighbouring jurisdictions in the United States of America;

AND WHEREAS the IESO is not in the business of selling energy and is not contemplating energy sales to the United States of America;

AND WHEREAS the IESO published a notice of application and directions on procedure in the *Canada Gazette* on 20 May 2006, on its website on 23 May 2006, and e-mailed the notice to each registered market participants and 5 000 subscribers to the IESO's general e-mail notification service on 23 May 2006;

AND WHEREAS the Board received submissions from Énergie Brookfield Marketing Inc. on 14 June 2006 and Ontario Power Generation on 15 June 2006;

AND WHEREAS the Board is satisfied that the parties interested in buying electricity for consumption in Canada will be given fair market access to any electricity proposed for export under this permit, as conditioned;

AND WHEREAS the Board is satisfied that the proposed exports will not cause any unacceptable effects on provinces other than those from which exports will occur;

AND WHEREAS the Board is satisfied that further consideration of the impact of the exportation on the environment is not required in this case;

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AND WHEREAS the Board has determined, after considering the information provided by the IESO, that further public review of the application is not warranted;

IT IS ORDERED THAT the IESO be and is hereby authorized to export emergency interruptible energy at points on the international boundary between Ontario and the United States of America, subject to the following terms and conditions:

1. The extension of electricity export Permit EPE-177 is hereby revoked.
2. The term of this permit shall commence on 2 August 2006 and shall end 1 August 2016.
3. The class of transfer authorized hereunder shall be the sale transfer of emergency interruptible energy.
4. The energy to be exported hereunder may be transmitted over any of the international power lines located in Ontario, for which the Board has issued or will issue a Certificate of Public Convenience and Necessity, or a Permit.
5. The quantity of energy that may be exported hereunder shall not exceed 5 184 GW.h in any consecutive twelve-month period less the amount of energy exported under Permit EPE-289.
6. The exports made hereunder shall be in accordance with the Ontario Independent Electricity Market Operator (IMO) - New York ISO Interconnection Agreement executed 1 May 2002, the IMO - MISO Interim Coordination Agreement executed 1 July 2004, the IMO - Minnesota Power (Allete Inc.) Interconnection Agreement executed 31 July 2002, and the IESO – DECO Emergency Energy Transaction Agreement executed 27 July 2005.
7. The IESO shall file copies of the agreements referred to in Condition 6 with the Board.
8. The IESO shall not export energy hereunder without first:
 - i. informing those who have declared an interest in buying electricity for consumption in Canada of the quantities and classes available for sale; and
 - ii. giving an opportunity to purchase electricity on terms and conditions as favourable as the terms and conditions which apply to the proposed exports, to those who, within a reasonable time after being so informed, demonstrate an intention to buy electricity for consumption in Canada.

9. The IESO shall:


- i. for exports of less than one month duration, subsequent to the commencement of an export, inform all accessible Canadian purchasers, upon request, of the terms and conditions under which a particular export was made, and, upon request, file the terms and conditions with the Board; and
- ii. for exports of one month or more in duration, or a series of similar consecutive exports of less than one month in duration to the same customer that together exceed one month or more in duration, file with the Board, within fifteen consecutive days of execution, a copy of any specific contractual arrangements associated with an export and, upon request, serve a copy thereof on requesting accessible Canadian purchasers.

10. It is ordered that:

- iii. The IESO shall obtain from any person in Canada seeking to wheel electricity over facilities over which the IESO has operational control, a copy of the export permit or licence issued by the National Energy Board to the exporter, prior to providing transmission facilities to facilitate the export; and
- iv. The IESO shall not provide the facilities or otherwise facilitate the export of electricity from Canada without first obtaining a copy of the exporter's permit or licence issued by the National Energy Board.

NATIONAL ENERGY BOARD



 Michel L. Mantha
Secretary