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December 4, 2006

BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2006-0207
Principles to Guide a Review of OPA's IPSP and Procurement Processes
Submission of Energy Probe Research Foundation

In response to the Board's invitation by letter dated November 16, 2006, to submit written comments on the Draft Report of the Board, please find 5 hard copies of the comments of Energy Probe Research Foundation (Energy Probe). An electronic copy of this communication in PDF format will be forwarded to your attention.

Should you have any questions or require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Miriam Heinz, Ontario Power Authority (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

IN THE MATTER OF a process initiated by the Ontario Energy Board to review the regulatory process for the consideration of the Integrated Power System Plan of the Ontario Power Authority.

**SUBMISSIONS ON THE DRAFT BOARD REPORT
FROM THE ENERGY PROBE RESEARCH FOUNDATION**

In its Submission of October 4, 2006, Energy Probe Research Foundation (Energy Probe) stated that the Board staff's discussion paper had provided the Board with a workable approach to evaluating the Integrated Power System Plan (IPSP) consistent with the scope of review directed by the Ontario government. In addition, Energy Probe made several suggestions for expanding that scope which now are encompassed in the Draft Board Report.

Although there are many examples of analytical elements in the Draft Board Report which Energy Probe considers especially important, Energy Probe submits that a subset of these is worth emphasizing as particularly important to consider as part of a review of the Ontario Power Authority's IPSP: the electricity price implications of the Plan; specific level of transmission system reliability/adequacy and generation reserve margins selected by the OPA; assumptions about the remaining service performance and life expectancy of the existing facilities; the full costs of conservation measures regardless of the person that bears the costs; the savings expected of particular conservation measures; and, the financial and other risks associated with IPSP initiatives.

The Board indicates that issues that are adequately addressed in the context of the IPSP review will not be subject to re-examination by the Board at a later date. This approach is sensible as stated, but only if there are no significant changes in conditions that relate to particular decided issues. For example, a transmission expansion project designed to some purpose might have to be reconsidered after approval if the purposes for which it was designed changed in a significant way.

The OEB Report indicates that proposed generation resources should be considered with respect to “the level of dispatchability of the generation resource, and any measures for enhancing dispatchability, mitigating intermittency or load following capabilities”. Energy Probe is concerned that this direction is insufficiently specific to ensure adequate consideration of this issue. This requirement might only elicit a simple qualitative ranking of the dispatchability of various resources. A proper consideration of dispatchability/intermittency for nuclear generation should consider the risk of prolonged forced outages, deratings, and forced extensions of planned outages – all of which have been major concerns in Ontario in the past. A proper consideration of dispatchability/intermittency for wind generation should consider seasonal production profiles including the implications of low summer generation and the potential for wind power to contribute to unutilized baseload generation during low demand periods.

The Act requires substantial environmental analysis. Specifically the *Electricity Act* Section 25.30 (6), and the IPSP Regulation Sections 7 and 8(i) require environmental analysis. Energy Probe submits that the only sensible approach for interpreting these directions is to analyze environmental impacts on a lifecycle basis. To do otherwise would be to create the risk of considering only a subset, and potentially a trivial subset, of the actual impacts of energy choices. For example, if a proposed option was imported power, it would be important to consider any significant environmental impacts associated with the ultimate source of that power. Similarly,

the environmental footprint of fuels imported into Ontario should be considered, where the impacts are potentially significant.

Respectfully submitted at Toronto, Ontario this 4th day of December, 2006,

**Tom Adams
Executive Director
Energy Probe**