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File No. TO209150002.2

December 14, 2007

BY COURIER AND RESS FILING

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Authority (“OPA”)
Integrated Power System Plan and Procurement Process
Ontario Energy Board (“OEB”) File No. EB-2007-0707**

Please find attached a minor amendment to APPrO’s submission filed yesterday. We have removed Issue 3 from the IPSP section of our submission and replaced it with a comment on the same subject.

We trust the Board will find our comment helpful.

Yours sincerely,

A handwritten signature in cursive script that reads "Tom Brett".

Tom Brett
TB:jc
Attached

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Dear Ms. Walli:

**Re: Ontario Power Authority (“OPA”)
Integrated Power System Plan and Procurement Process
Ontario Energy Board (“OEB”) File No. EB-2007-0707**

The Association of Power Producers of Ontario (“APPPrO”) submits the following issues that it would like to add to the issues list proposed by the OPA, and also a comment on the concept of enabling lines:

I. IPSP

1. The IPSP recognizes the contributions expected to be made by existing NUG facilities following the expiry of their present PPA terms. The OPA should be explicitly authorized to negotiate follow-on contract arrangements, where such follow-on contract arrangements are economically prudent and cost effective, well prior to the PPA term date in order to provide for the appropriate planning and commitments.
2. The OPA should take all reasonable steps, including making recommendations to the Government of Ontario and the Board, to bring about the legislative, regulatory and administrative changes necessary to facilitate the implementation of the IPSP, once approved. The first such recommendation should be made to the government by December 31, 2008. It should include, at a minimum, methods of streamlining and reducing the time required for local approvals (e.g. planning/zoning), provincial and federal approvals including the need to consult/gain acceptances for projects from First Nations in appropriate circumstances.

Comment:

Finally, APPrO wishes to comment on the concept of enabling lines, which are introduced in the IPSP. These are necessary to implement the supply choices outlined in the Ontario government's supply directive, especially to access the proposed renewable generation projects. The IPSP also makes suggestions as to how such lines, and any required network upgrades, should be financed and who should pay for them.

It is not clear to APPrO whether the Board should decide the issue of who should pay for such lines in this IPSP proceeding, or initiate another process to determine this issue. In the event the Board were to decide the matter as part of its decision in this proceeding, section 1(2) of the Ontario Energy Board Act would apply. It states:

"In exercising its powers and performing its duties under this or any other Act in relation to electricity, the Board shall facilitate the implementation of all integrated power system plans approved under the Electricity Act, 1998."

The Generator Connection Task Force (of which APPrO is a member) recently noted that "the province needs to replace 80% of its current electricity supply by 2025. However, the current process for connecting generators to the transmission and distribution system poses fundamental challenges to effectively completing the required amounts of new connections in a manner that would be required to meet this need. The disconnect between the need for new generation and the current treatment of generator connection is particularly acute in light of the renewable generation targets that are included in the Supply Mix Directive and in current procurement directives. Simply put, the regulatory design of transmission and distribution systems were not developed to incorporate the quantity and types of power that is called for in the Supply Mix Directive. The physical and regulatory designs of these systems were developed in a different era and should be brought up to date."

The decision is critical to the planning and implementation of such enabling lines and cannot wait until the next IPSP, nor can it be properly decided on a case by case basis. For these reasons, the GCTF requested the Board to include in its 2008-2011 Business Plan a review of the way in which expansions to distribution and transmission infrastructure are funded in order to facilitate generation.

II. Procurement Process

The IPSP recognizes the contributions expected to be made by existing NUGs following the expiry of their present PPA terms. The NUGs shall be considered sole proponents for purposes of the Procurement Process.

Yours sincerely,



Tom Brett
TB:jc