



Transmission Connection Cost Responsibility Review

EB-2008-0003

Association of Power Producers of Ontario Comments

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1. Implementing the Supply Mix Directive is a new requirement for the provincial power system that requires special consideration and new approval procedures

- The codes and approval processes used to regulate Ontario transmission need to be reconsidered in light of current circumstances and policies.
- The OEB needs to ensure that the SMD and the enabler lines are built in an efficient, expedient and cost effective manner.
- The generation and transmission needed to meet the SMD will be identified by the OPA and the transmission routing and costs will be assessed by the OEB, in the IPSP and LTC processes respectively.
- The appropriateness and need for the generation and transmission will be considered in the IPSP and should not be re-opened in subsequent proceedings.
- The costs of building the SMD transmission connections should be recovered from all electricity consumers who will benefit from the newly connected supply.
- The OEB is in the best position to assess the routing and economics associated with new transmission lines and ensure that consumers are protected.

2. Ontario needs to develop significant supply and transmission capability

- The current development of transmission plant to connect the OPA approved projects can be managed in a way that ensures:
 - Efficient Regulatory Oversight

- Transparency and Attainable Milestones
- Contestability of New Transmission Connections

3. There is no need to re-open the TSC or revise the LTC process in the short run

- The need for special treatment of connection costs for OPA-approved generation does not require a re-thinking of asset pools or the principles behind the TSC.
- The LTC process can recognize that the need for the transmission and connection plant can be determined in the IPSP review.
- The key issue is how the transmission connection costs related to policy-driven generation should be identified and allocated.

4. Load connection and SMD-driven generator connections can proceed on different timelines

- Including load connection cost responsibility in the generation connection cost responsibility review will create unnecessary complexity and delay.
- The connection cost responsibility for policy-driven generation needs to be resolved quickly, in order to inform the OEB review of the IPSP.
- APPrO recommends that load connection costs and generator connection costs unrelated to the SMD be considered in a subsequent process.

5. In the transmission field competition sometimes reaches practical limits

- Under current conditions the required transmission is unlikely to be built in a timely and cost effective manner.
- The enabler line question creates a major uncertainty for all generators in a specific area and a competitive barrier for the first generator, putting much of the IPSP at risk
- It is prudent and practical for the OPA and the OEB to use their existing planning and LTC processes to expedite the construction of the policy-driven assets.

6. The construction of new lines should be contestable

- Construction of new lines should be contestable and costs properly incurred by the builder should be recoverable from all electricity users.