



NOTICE OF REVISED PROPOSAL TO AMEND A CODE
REVISED PROPOSED AMENDMENTS TO THE TRANSMISSION SYSTEM
CODE

BOARD FILE NO: EB-2008-0003

BY E-MAIL AND WEB POSTING

To: All Licensed Electricity Transmitters
All Participants in Consultation Process EB-2008-0003

The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act") of revised proposed amendments to the Transmission System Code (the "Code").

I. Background

A. The October Proposed Amendments

On October 29, 2008, the Board issued a Notice of Proposal to Amend a Code (the "October Notice") in which it proposed a number of amendments to the Code (the "October Proposed Amendments") that were designed to promote the implementation of the government's policy objectives by facilitating the timely and economically efficient connection of renewable generation facilities in a manner that does not create undue risk for ratepayers. More specifically, the October Proposed Amendments contemplated the implementation of a "hybrid" approach to cost responsibility in relation to "enabler" facilities, being transmission facilities intended to connect multi-proponent clusters of renewable generation resources. Under the proposed hybrid approach:

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- enabler facilities would be developed, built, operated and owned by a licensed transmitter;
- the costs associated with an enabler facility would be pooled temporarily;
- each generator would make a pro-rata capital contribution towards the cost of the enabler facility as and when it became ready to connect, calculated as a share of the cost of the enabler facility equal to the generation facility's capacity; and
- outstanding costs for any "unsubscribed" portions of an enabler facility would be included in the transmitter's rate base and be recovered from transmission ratepayers.

The October Notice set out the government policy context and background on cost responsibility for generation connections, and described in detail the rationale for the October Proposed Amendments.

The Board received 22 comments on the October Proposed Amendments from a variety of stakeholders, including the Ontario Power Authority ("OPA"), the Independent Electricity System Operator ("IESO"), and representatives of distributors, generators, ratepayers and aboriginal communities. These are available for viewing on the Board's website at www.oeb.gov.on.ca on the "Transmission Connection Cost Responsibility Review" webpage on the "OEB Key Initiatives" portion of the "Industry Relations" section of the website.

The Board has considered the comments received and has determined that revisions should be proposed to the October Proposed Amendments. The text of the revised proposed amendments (the "Revised Proposed Amendments") is set out in Attachment A to this Notice. For convenience, Attachment B contains a comparison version that shows all of the proposed revisions relative to the October Proposed Amendments.

B. The Green Energy and Green Economy Act, 2009

On February 23, 2009, the government introduced Bill 150, the *Green Energy and Green Economy Act, 2009* ("Bill 150"). Bill 150 contains provisions that, among other things, address the connection of renewable generation facilities to transmission systems. The Board acknowledges that, if passed, Bill 150 may affect the manner in

which such connections are planned for, developed and implemented. As such, the policies embodied in this Notice and in the Revised Proposed Amendments may need to evolve over time. However, the Board is also of the view that the two circumstances that are dealt with in the Revised Proposed Amendments (enabler facilities identified in an approved Integrated Power System Plan (“IPSP”) and enabler facilities necessary to connect renewable generation facilities that the OPA has been directed to procure) are both of immediate concern and of an enduring nature, and should therefore be addressed irrespective of any implications that may flow from Bill 150 if and when it is proclaimed into force. The Board therefore believes that it is appropriate to move forward with the Revised Proposed Amendments at this time.

II. Overview of Comments Received

The comments received from stakeholders covered a number of issues associated with the Board’s proposed approach as described in the October Notice and the October Proposed Amendments. Some stakeholders were supportive of the hybrid option, while others favoured either the “pooling” option or the “shared” option. A number of participants expressed concern regarding the transmitter designation process that is an element of all of the options discussed in the October Notice, other than the “status quo” option, and requested further information regarding that process. Other comments related to the timing of capital contribution payments, the treatment of load connections to an enabler facility, and the inclusion of an ownership criterion as a defining element of an enabler facility. Further detail regarding the comments received, and the extent to and manner in which they are proposed to be addressed by the Board, is set out in section III below.

III. Proposed Revisions to the October Proposed Amendments

A. Selection of the Appropriate Option

As noted above, the hybrid approach was supported by some but not all stakeholders. The Board remains of the view that the hybrid option is the preferred approach as it holds the greatest promise in terms of economic efficiency, regulatory predictability and administrative efficiency. However, as noted in section III.D below, the Board is proposing some modifications to its approach relative to the approach as contemplated in the October Proposed Amendments.

B. The Transmitter Designation Process

Several stakeholders commented on the transmitter designation process that is contemplated to be required as part of all of the options discussed in the October Notice, other than the “status quo” option. A number of stakeholders requested further information about this process, and noted the need for the rapid development of filing guidelines and of clear criteria against which competing applications would be evaluated. Some interested parties suggested that the Board should make clear that prudently incurred costs of development will be recoverable even if the enabler facility project ultimately does not materialize. Others suggested that the process is not required as transmitters can be designated based on ownership of the transmission system to which the enabler facility will be connected. Some stakeholders expressed concern about the burden that will be engendered by the process, especially if competing transmitters are relying on a limited pool of expert consulting services, and suggested that issues examined in the transmitter designation process should not be re-examined in any associated leave to construct proceeding.

The Board remains of the view that the transmitter designation process will be an important element of the hybrid approach. There are no exclusive franchises for electricity transmission in Ontario. As such, the recognized need for an enabler facility may bring forward more than one potential transmission developer, subject to existing land use rights and rights arising from the ownership of existing transmission infrastructure.

While the Board understands the desire of stakeholders for greater certainty regarding the transmitter designation process, the Board also sees merit in retaining a measure of flexibility to refine details of the process as experience warrants. However, in terms of overall approach the Board might anticipate the following:

- Where a renewable resource cluster has been identified in an approved IPSP or in a Ministerial direction to the OPA, the Board will invite applications by transmitters to undertake development activities relating to the associated enabler facility.

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- If, within the time specified by the Board, a transmitter files an application, the Board will conduct a hearing in relation to that application. If more than one transmitter files an application, the hearing of the applications will be consolidated.
- If no transmitter files an application, the Board will initiate a proceeding on its own motion to amend the licence of a transmitter to direct the transmitter to undertake development activities relating to the enabler facility. In the absence of compelling reasons to the contrary, the Board would in the normal course select the transmitter to whose transmission system the enabler facility would be connected.
- The transmitter that has been designated by the Board to undertake development activities in relation to an enabler facility will be permitted to recover all of the prudently incurred costs associated with those activities even if the enabler facility does not proceed to construction, provided that failure to proceed to construction is for reasons outside of the transmitter's control.
- In the normal course, the Board anticipates that the transmitter that is designated to undertake development activities relating to an enabler facility will also be the transmitter that will eventually construct and own the enabler facility. However, the Board does not wish to preclude at the outset the possibility that this might not be the case.

It is not the Board's intention to revisit the same issues in successive proceedings. Where the Minister issues a direction to the OPA to procure renewable resources, the Board will determine whether a connection facility is required. That determination will constitute the Board's determination of need for purposes of proceeding with development work related to the enabler facility associated with the renewable resource cluster. The Board does not expect to thereafter revisit that determination except in relation to any material deviations. To the extent that the need for and costs associated with an enabler facility project are adequately assessed by the Board in the context of the IPSP, those issues are not anticipated to be revisited thereafter except in relation to any material deviations. Similarly, to the extent that the need for and costs associated with an enabler facility project are adequately assessed by the Board in the course of designating a transmitter to undertake development activities, those issues are also not intended to be revisited thereafter except in relation to any material deviations. In this

regard, the information before the Board at the relevant time would need to be at a level of detail at least equal to that which would be required to satisfy the requirements of the Board's review of a transmitter's capital budget in a rates proceeding or the Board's approval of an application for leave to construct transmission facilities. In any event, however, issues pertaining to matters such as the capacity of the enabler facility and the technology used would remain to be addressed in the leave to construct proceeding.

The Board recognizes that the transmitter designation process as contemplated above may need to evolve over time as transmitters engage in planning for transmission system expansions and reinforcements to accommodate renewable generation facilities. Bill 150 would, if passed, confirm the Board's authority to mandate the filing of such plans for approval by the Board.

C. Issues Where No Revisions to the October Proposed Amendments are Proposed

This section sets out the Board's views on a number of issues associated with the October Proposed Amendments with respect to which the Board is not proposing any revisions.

1. Treatment of Line Losses

One stakeholder commented that the Code should be amended to specifically address the issue of line losses. The Board anticipates that a generator will be settled for its production based on metered injections into the enabler facility. The Board believes that any losses that occur on the enabler facility (from the point at which power is injected into the enabler facility to the point at which power is injected from the enabler facility into the remainder of the transmitter's transmission system) are accounted for by the IESO through uplift in accordance with the market rules. The Board therefore does not believe that it is necessary to amend the Code in relation to this issue.

2. Ownership Criterion

Some stakeholders commented that the Board's proposal to define an enabler facility by reference to renewable resource clusters that are expected to be exploited by multiple proponents (section 2.0.57A) would produce inequality of treatment as between multiple and single proponent scenarios. One interested party noted that this approach will be

difficult to implement, and further that it is not clear whether the ownership criterion is intended to apply only before connection or is intended to be in the nature of a permanent prohibition on consolidation within a cluster.

The Board's approach is designed specifically to address the coordination issue that arises during the development phase where there are multiple proponents that have a need for an enabler facility. As indicated in the October Notice, this issue does not arise in the context of a single proponent scenario. The Board acknowledges the possibility of a single proponent dis-aggregating itself into multiple proponents for the sole purpose of ensuring that the cost responsibility rules for enabler facilities apply. However, the Board believes that there will be little incentive for a proponent to do so given that, ultimately, the owner of each generation facility connecting to the enabler facility will be required to pay its share of the cost of the facility. As also indicated in the October Notice, the hybrid approach maintains a level playing field for all generators. All generators, whether single or multiple proponents within a cluster, would be required to pay their share of the costs of connection, although single proponents would still be required to take lead responsibility for the transmission connection.

3. Scope and End-Point of an Enabler Facility

One stakeholder suggested that an enabler facility (section 2.0.28A) be defined as including all transmission facilities up to the generator's collection substations. The Board remains of the view that generators should be required to provide their own radial lines for purposes of connecting to an enabler facility.

Another stakeholder reiterated the comments made by it in response to the Discussion Paper regarding the end-point of an enabler line, noting that the end-point could influence the cost of the enabler facility as well as the costs borne by specific generation projects. The Board believes that the end-point of an enabler facility should be determined as part of the leave to construct process. Interested parties will have an opportunity, during that process, to express their views on the matter.

4. Designation of Enabler Facility

Some stakeholders suggested that the Board should have discretion to designate a transmission facility as an enabler facility, in addition to the proposal that enabler facilities be identified in an approved IPSP or be associated with a renewable resource

cluster identified in a Ministerial direction to the OPA (section 2.0.28A). The Board remains of the view that renewable resource clusters should be established in a planning context where the best or most promising renewable resources are first in line for development. Currently, this objective is best met by recognizing those clusters which are in an approved IPSP. The Board notes that Bill 150 would, if passed, confirm a central role for the Board in relation to the approval of system expansion or reinforcement plans developed by transmitters to accommodate renewable generation. As the Board refines its approach to the development and approval of such plans and as the relationship between such plans and any approved IPSP becomes clearer, the Board's role in relation to the designation of enabler facilities may evolve.

Another stakeholder commented that the advice of the OPA should not be required in relation to an enabler facility that is associated with a renewable resource cluster identified in a Ministerial direction to the OPA. The Board remains of the view that the OPA is the appropriate entity to advise the Board as to the need for an enabler facility in relation to a particular renewable resource cluster.

5. Determination of Enabler Facility Capacity

A number of stakeholders asked that the process for determining the capacity of an enabler facility be identified. As noted above, the Board expects that the capacity of the enabler facility will be determined at the leave to construct stage. The Board anticipates that this determination will be informed by the transmitter's and the OPA's expectations regarding contracts and the development potential of the renewable resource cluster.

6. Facilities Forming Part of Renewable Resource Cluster

One stakeholder suggested that the definition of enabler facility (section 2.0.28A) be amended to refer specifically to renewable generation facilities. The Board notes that its proposed definition of "enabler facility" makes it clear that such a facility is intended to connect generation facilities that are located within a renewable resource cluster. The proposed definition of "renewable resource cluster" makes reference to an area where resources suitable for renewable generation are present. Although the Board

anticipates that most of the generation facilities sited within a renewable resource cluster will be renewable generation facilities, the Board notes that strictly speaking there is no prohibition on the connection of non-renewable generation facilities to an enabler facility. The Board believes that it is appropriate to allow for such connections to occur.

7. *Aboriginal Consultation and First Nations/Northern Communities*

One stakeholder commented that the Board's proposed approach presumes the approval of the IPSP in relation to enabler lines and, as such, the approach pre-empts the due process of an IPSP proceeding and aboriginal consultation and accommodation requirements. The Board does not agree. The Board is not, through this process, determining whether enabler facilities will be identified in an IPSP, nor what those facilities might be nor when or on what conditions the Board might approve the IPSP once it has been re-filed by the OPA. Any aboriginal consultation and accommodation requirements associated with the IPSP and/or with the siting and construction of any enabler facilities remain unaffected by the Board's proposals, which deal solely with cost responsibility for those facilities.

The same stakeholder and others commented that the hybrid approach will not address certain issues of a predominantly socio-economic nature relating to First Nations communities, including those in northern parts of the province. The Board understands these concerns, but believes that any resolution of these issues is more properly addressed by means other than rules associated with cost responsibility for enabler facilities. The Board notes, in this regard, that if Bill 150 is passed, the Minister of Energy and Infrastructure will have the authority to direct the OPA to implement procedures for consulting aboriginal peoples (among others) in relation to the planning and development of transmission systems and to establish measures to facilitate the participation of aboriginal peoples in the development of renewable generation facilities and transmission systems.

8. *Operation & Maintenance Costs*

One stakeholder requested confirmation that no additional operation and maintenance payments will be required for enabler facilities since the present value of those payments is included in the fully allocated costs of the enabler facility. The Board confirms that this is expected to be the case. Section 6.5.1A of the Code specifies that

the transmitter must include, as part of the fully allocated cost of the enabler facility, the present value of the operation and maintenance costs associated with the facility. As such, those costs will be recovered through the capital contributions paid by connecting generation facilities.

9. Timing of Capital Contribution Payments

A number of stakeholders suggested that the Board address the issue of when capital contribution payments should be made by generators whose facilities are connecting to an enabler facility. Currently, the Code does not specifically address the issue, and the timing of capital contribution payments is determined under each transmitter's Board-approved connection procedures and more specifically in their "Connection and Cost Recovery Agreement" templates. The Board believes that this is an appropriate framework for enabler facilities, and therefore does not believe that any provisions need to be included in the Code to address the issue of the timing of capital contribution payments.

10. Method for Calculating Capital Contributions

One stakeholder questioned whether the existing methodology for calculating capital contributions needs to be modified for the enabler facility context, and another stakeholder suggested that a process should be initiated to determine an appropriate methodology for calculating capital contributions. The Board does not believe that anything further is required at this time beyond the amendments that are already proposed to be made to the Code, including the Revised Proposed Amendments described in section III.D(5)(iii) below.

11. Carrying Costs

One stakeholder suggested that the October Proposed Amendments be revised to clarify that the costs of an enabler facility that are to be borne by the connecting generators include all of the carrying costs on the investment which the transmitter will be required to make to construct, own and operate the enabler facilities. The reference to costs in the relevant sections of the Code (as proposed to be amended by the October Proposed Amendments) covers all costs that would normally be capitalized in relation to an enabler facility project. The Board does not believe that any further revisions to the Code are required in relation to this issue.

D. Issues Where Revisions to the October Proposed Amendments are Proposed

Based on the comments received, the Board has determined that a certain number of revisions should be made to the October Proposed Amendments. This section describes those revisions.

1. Cost Responsibility for Generation Facilities “Outside” the Renewable Resource Cluster

Under the October Proposed Amendments, generation facilities within a renewable resource cluster would each pay a pro-rata share of the cost of the enabler facility, net of the cost of any incremental capacity triggered by the anticipated connection of a generation facility outside of the renewable resource cluster (sections 6.3.8A and 6.3.14A). The Board notes the comments made by stakeholders regarding the lack of clarity or precision of these provisions. The Board also notes that, as a practical matter, it may be difficult to determine, with any degree of precision, the exact geographic boundaries of a renewable resource cluster. The Board therefore believes that it is more appropriate for any generation facility that connects to an enabler facility to pay its pro-rata share of the cost of the enabler facility, regardless of whether the facility is or is not located within the renewable resource cluster. As a result of this approach, the Board does not believe that section 6.3.8A, proposed to be added to the Code by the October Proposed Amendments, is required. The Board is also proposing to revise sections 2.0.57A, 6.3.8, 6.3.14A and 6.5.1A of the Code to give effect to this revised proposed approach.

2. Security Deposits

Under the October Proposed Amendments, the Board proposed that generators whose generation facilities are within a renewable resource cluster could be required to pay a security deposit (section 6.3.10). One stakeholder was supportive of the approach, another suggested that it should be clarified that any generation facility connecting to an enabler facility (whether or not part of the renewable resource cluster) can be required to pay a security deposit, and another commented that the proposal could act as a disincentive to early subscription.

It is inherent in the enabler facility concept that the facility will be constructed based at least in part on expectations regarding connection, and that not all connecting generation facilities will be known at the time of construction. As such, it is expected that generation facilities will connect to the enabler facility over time, some closer to the time of construction than others. The purpose of a security deposit is to provide some measure of risk mitigation for a transmitter to address the possibility that the facility for which a transmission facility is being constructed does not actually connect to the transmission system. This same concern does not apply in the case of an enabler facility, since many generation facilities are expected to connect to the enabler facility over time after construction of the enabler facility has been completed. The Board is therefore proposing to abandon this approach, which renders the proposed amendments to section 6.3.10 as set out in the October Proposed Amendments unnecessary. However, for clarity the Board is proposing to amend the Code to add a new section (6.3.10A) that confirms that security deposits are not payable in relation to the construction of enabler facilities.

3. *Load Connections*

The October Proposed Amendments did not include specific provisions regarding the connection of load facilities to an enabler facility. A number of stakeholders commented that this issue should be specifically addressed.

A load facility that connects to an enabler facility that has been designed to accommodate generation will create flows that are opposite to those of the generation facilities. As such, based on the application of the principles set out in section 6.3.16 of the Code, the load facility would not be required to make a capital contribution towards the cost of the enabler facility as and for so long as the enabler facility has sufficient capacity to accommodate the load facility. The Board believes this to be an appropriate outcome and is proposing to revise the Code (section 6.3.16A) to clarify that no capital contribution is required by a load facility that connects to an enabler facility in such cases. If, in order to accommodate a load facility, an enabler facility needs to be modified after initial construction has been completed, based on section 6.3.2 of the Code the load facility would be required to make a capital contribution to cover the cost of the modification. The Board also believes this to be an appropriate outcome.

4. Other

i. Definition of Enabler Facility

One stakeholder suggested that the definition of enabler facility (section 2.0.28A) be revised to clarify that an enabler facility is a facility “owned and operated by a transmitter”. The Board agrees that it would be useful to clarify that an enabler facility will be owned and operated by a transmitter and is proposing to revise section 2.0.28A of the Code accordingly.

ii. Definition of Renewable Generation

The Code defines “renewable generation” as “generation facilities that generate electricity using one or more of the following sources: wind, sun, biomass, bio-oil, landfill gas or water” (section 2.0.57). The Board notes that the comparable term currently used in the *Electricity Act, 1998* and the *Ontario Energy Board Act, 1998* is “renewable energy source”. The Board also notes that, if passed, Bill 150 would amend the definition of the term “renewable energy source”. The Board believes that it is opportune to revise the definition of “renewable generation” such that it is more closely aligned with the existing statutory concept of “renewable energy source” and is sufficiently flexible to adapt to any changes that might be made over time. The Board is therefore proposing to amend section 2.0.57 of the Code to define renewable generation as generation facilities that generate electricity using a renewable energy source, as defined in the *Electricity Act, 1998*.

iii. Determination of Capital Contribution

The Board is proposing to revise section 6.3.14A of the Code to specify that a generator’s pro-rata share of the cost of an enabler facility is to be determined based on the depreciated cost of the facility at the time of the generator’s connection. An enabler facility will be included in the transmitter’s rate base and, as such, the enabler facility’s depreciation expense will be paid for as part of rates. It would therefore be inappropriate to require a generator to pay for the depreciation of the line when making its capital contribution. In order to avoid double recovery of the depreciation expense, a generator’s capital contribution should be based on the depreciated cost of the enabler facility when the generator connects to the enabler facility.

The Board is also proposing to revise section 6.3.14A of the Code to specify that in determining the generator's pro-rata share of the cost of an enabler facility, the relative length of the line used by the generator will also be considered. The Board believes that adding the relative length of line to the determination of the capital contribution is appropriate because the length of the line reflects the extent of the generator's usage, which is also a key factor in apportioning costs.

iv. Clarifications Regarding Cost Allocation Rules

Certain stakeholders noted that some of the October Proposed Amendments may not be entirely consistent with one another. The Board believes that the proposed revisions to the Code described in section IIID(1) above would eliminate some of the potential inconsistencies. The Board is also proposing to revise the opening words of section 6.5.1A to provide greater clarity as to the intended purpose of that section.

IV. Anticipated Costs and Benefits

The anticipated costs and benefits of the proposal to adopt the hybrid approach to cost responsibility for enabler facilities and of the associated proposed amendments to the Code were set out in the October Notice, and interested parties should refer to the October Notice for further information in that regard.

The Board believes that the Revised Proposed Amendments will provide greater clarity in terms of the implementation of the hybrid approach relative to the October Proposed Amendments. The Board does not believe that the Revised Proposed Amendments will result in incremental costs for transmitters, generators or ratepayers relative to the costs associated with implementation of the October Proposed Amendments.

V. Coming Into Force

As was the case with the October Proposed Amendments, the Board is proposing that the Revised Proposed Amendments to the Code come into force on the date on which they are published on the Board's website after having been made by the Board. This is reflected in the proposed amendment to section 13 of the Code.

VI. Cost Awards

Cost awards will be available under section 30 of the Act to eligible persons in relation to the provision of comments on the Revised Proposed Amendments to the Code set out in Attachment A, **to a maximum of 7 hours**.

VII. Invitation to Comment

All interested parties are invited to make written submissions on the Board's Revised Proposed Amendments to the Code set out in Attachment A by **May 6, 2009**. The Board does not intend to revisit its proposal to adopt the hybrid approach or its approach to the issues identified in section III.C above, and therefore asks interested parties to restrict their comments accordingly.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the "e-filing services" webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

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Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2008-0003** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the attached Revised Proposed Amendments to the Code, and all written submissions received by the Board in response to this Notice, will be available for public viewing on the Board's web site at www.oeb.gov.on.ca and at the office of the Board during normal business hours.

If you have any questions regarding the Revised Proposed Amendments described in this Notice and set out in Attachment A, please contact David Brown at 416-440-8123. The Board's toll free number is 1-888-632-6273.

DATED at Toronto, April 15, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Attachments: Attachment A: Revised Proposed Amendments to the
Transmission System Code
Attachment B: Comparison Version Showing Revised Proposed
Amendments to the Transmission System Code relative to the
October Proposed Amendments (for information purposes only)

Attachment A

Revised Proposed Amendments to the Transmission System Code

Note: The text of the proposed amendments is set out in italics below, for ease of identification only.

1. Section 2.0.13 of the Transmission System Code is amended by adding the following to the end of that section immediately before the semi-colon:

, and includes an enabler facility
2. Section 2 of the Transmission System Code is amended by adding the following immediately after section 2.0.28:

2.0.28A *“enabler facility” means a line connection facility or a transformation connection facility that is or will be constructed, owned and operated by a transmitter and to which two or more generation facilities that are included in a renewable resource cluster are connected or intend to connect to convey energy into a transmitter’s transmission system, where either (a) the connection facility is identified as an “enabler facility” and the associated renewable resource cluster is identified as such in an integrated power system plan that has been approved under Part II.2 of the Electricity Act; or (b) the associated renewable resource cluster is the subject of a direction issued by the Minister to the Ontario Power Authority under section 25.32 of the Electricity Act on or after [•] [insert date of coming into force of this amendment] and the Board, on the advice of the Ontario Power Authority, has determined that a connection facility is required.*
3. Section 2.0.57 of the Transmission System Code is deleted and replaced with the following:

2.0.57 *“renewable generation” means a generation facility that generates electricity using a renewable energy source as defined in the Electricity Act;*
4. Section 2 of the Transmission System Code is amended by adding the following immediately after section 2.0.57:

2.0.57A *“renewable resource cluster” means a geographic area identified as such in an integrated power system plan approved under Part II.2 of the Electricity Act or in a direction issued by the Minister to the Ontario Power Authority under section 25.32 of the Electricity Act where resources suitable for renewable generation are present and*

where the renewable generation facilities are not, or are not expected to be, owned or controlled by the same person;

5. Section 6.2.24 of the Transmission System Code is amended by adding the following immediately after the phrase “for the construction of a connection facility,” in the first sentence:

other than an enabler facility,

6. Section 6.3.3 of the Transmission System Code is amended by deleting the phrase “a generator customer’s needs,” in the first sentence and replacing it with the following:

the needs of one or more generation customers or is required to construct an enabler facility,

7. Section 6.3.4 of the Transmission System Code is deleted and replaced with the following:

Where a transmitter has to modify a transmitter-owned connection facility to meet the needs of one or more generator customers or is required to construct an enabler facility, the transmitter shall require the applicable generator customer or customers to make a capital contribution to cover the cost of the modified connection facility or of the enabler facility, calculated in accordance with the economic evaluation methodology set out in section 6.5.

8. Section 6.3.8 of the Transmission System Code is deleted and replaced with the following:

A transmitter shall not require a customer to make a capital contribution for capacity added by the transmitter to a transmitter-owned connection facility in anticipation of future load growth not attributable to that customer or in anticipation of the future capacity requirements of other generator customers. For this purpose, where the transmitter-owned connection facility is an enabler facility, the capacity requirements of the renewable generation facilities expected to connect to the enabler facility shall not be considered as future capacity requirements.

9. Section 6.3.9 of the Transmission System Code is amended by deleting the words “as described in section 6.3.14, 6.3.15 or 6.3.16” at the end of the second sentence and replacing it with the following:

as described in section 6.3.14, 6.3.14A, 6.3.15 or 6.3.16

10. Section 6.3 the Transmission System Code is amended by adding the following immediately after section 6.3.10:

- 6.3.10A *Despite section 6.3.10, a transmitter may not require a security deposit in relation to the construction of an enabler facility.*
11. Section 6.3 of the Transmission System Code is amended by adding the following immediately after section 6.3.14:
- 6.3.14A *Where a transmitter is required to construct an enabler facility, the transmitter shall attribute the cost of the enabler facility, depreciated to the time of connection, to generator customers connecting to the enabler facility from time to time in proportion to i) the nameplate capacity of their respective generation facilities at the time of connection expressed as a percentage of the total capacity of the enabler facility and ii) where the enabler facility is a line connection facility, the relative length of line used by each generator customer. For this purpose, the total capacity of the enabler facility shall be determined on the basis of its capacity at the time at which the enabler facility comes into service.*
12. Section 6.3 of the Transmission System Code is amended by adding the following immediately after section 6.3.16:
- 6.3.16A *Despite section 6.3.16:*
- (a) *a transmitter shall not attribute the cost of an enabler facility to a load customer that connects to the enabler facility unless section 6.3.2 applies; and*
- (b) *a transmitter shall attribute the cost of an enabler facility to generator customers in accordance with section 6.3.14A.*
13. Section 6.3.17 of the Transmission System Code is amended by adding the following immediately after the phrase “for the construction of a connection facility,” in the first sentence:
- other than an enabler facility,*
14. Section 6.5 of the Transmission System Code is amended by adding the following immediately after section 6.5.1:
- 6.5.1A *Where a transmitter constructs an enabler facility, the cost to be attributed to generator customers under section 6.3.14A shall be the fully allocated cost of the enabler facility. The transmitter shall include the capital cost of equipment installed on transmitter-owned connection facilities by the transmitter for monitoring the performance of the generation facilities and for verification testing*

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of fault protection equipment associated with the generation facilities. If any generator customer elects to have verification testing costs included in the economic evaluation rather than paying such costs on an “as incurred” basis over time, the transmitter shall also include the present value of the estimated cost of doing periodic verification testing of its monitoring and testing equipment and, if necessary, of similar equipment owned by the generator customer. The transmitter shall include the present value of the operation and maintenance costs associated with an enabler facility.

15. Section 13 of the Transmission System Code is amended by adding the following immediately after section 13.0.1:

13.0.2 *Except where expressly provided otherwise, any amendments to this Code shall come into force on the date on which the Board publishes the amendments by placing them on the Board’s website after they have been made by the Board.*

Attachment B

**Comparison Version of Revised Proposed Amendments to the Transmission
System Code Relative to the October Proposed Amendments**

(for information purposes only)

(See attached document)