

# Meeting Summary



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## Distribution Network Investment Planning Working Group

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**Meeting Date:** February 12, 2013 **Time:** 9:30 am – 1:30 pm

**Location:** 2300 Yonge Street, 25th Floor, ADR room

**Board Staff:** Stephen Cain, Rachel Anderson, Brian Hewson, Leila Azaiez

**Meeting Subject:** Staff proposal on consolidated capital planning filing requirements as per the Board's [A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach; Report of the Board](#); October 18, 2012.

The purpose of this sixth (and last scheduled) meeting of the DNIP Working Group was to conclude discussions of key elements of filing requirements in relation to distributor capital investment plans.

- Welcome
- Recap of recent discussions
- Discussion of Planning 'tools and methods'
- Matters arising from earlier discussions

### **Main subjects of discussion:**

#### **Re: filing information on planning 'tools and methods'**

#### **Discussion:**

- a well thought-out and robust asset management process should produce a capital expenditure plan with appropriately prioritized investments
  - where the use of asset management tools can be demonstrated, the need for information to justify individual projects planned using those tools should be reduced
- asset management tools used may be similar but not identical for all distributors
  - 'worst performing feeder' and 'load at risk' (aka 'energy not served') methods can be used to prioritize category B investments
  - projects planned in a regional planning process could also affect overall prioritization

- a number of variables can affect project pacing:
  - category A (i.e. non-discretionary) investments can provide opportunities for (or actually force) the advancement or deferral of investments in other categories;
  - pacing - ‘smoothing’ spending over the long term - is important where ‘ramp-ups’ in required investments are anticipated
- regarding ‘options’ analysis to justify specific projects:
  - availability of options will vary with investment category
    - category D investments might involve assessing options (e.g. lease vs. buy)
    - investments emerging from regional planning (i.e. category C) would likely involve considering options, but this would be done at the regional level
    - category C investments are often identified on the basis of planning criteria and policies, so information on these would reveal where options can be expected to be considered
  - where a distributor requires a ‘business case’ for internal decision-making purposes (e.g. for a large or ‘one off’ project), options are usually considered as part of the analysis
  - intervener interest in options depends on the nature of the project; options for some projects are understood to involve timing only

## **Re: a ‘planning’ Performance Scorecard metric**

### **Discussion:**

- should the metric indicate the quality of planning over the long term or short term?
  - the trend in the value of a metric over the ‘out’ years may be a better guide to long term planning performance
  - looking at trends would reduce the impact on assessment of performance “blips”
  - must differentiate between the purpose of the scorecard (annual) and performance evaluation in CoS reviews (since last CoS)
- a metric involving ‘actual’ against ‘budget’ would be consistently reported across utilities
  - clarity needed regarding what constitutes ‘budget’: original plan submitted in CoS application, or plan as revised after CoS decision, including in the ‘out’ years the plan as revised annually by the distributor

## **Re: “system capability assessment” (WG1 Slide 34)**

### **Discussion:**

- FR guidance required on scope: system capability to meet long term load growth and reliability criteria (‘state of the system’) vs. shorter term ‘requirements’

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