OPA Perspectives on Regional Planning

RRFE Stakeholder Conference

March 29, 2012
Presentation Overview

• OPA Regional Planning
• Planning Horizons
• Defining Regions
• Uses of Regional Plans
• OPA Involvement in Dx and Tx Planning
• Cost Allocation
• Summary of OPA Comments
OPA Regional Planning (1)

• The OPA has been carrying out regional planning since its inception in 2005
  – The OPA has worked on over a half dozen regional planning studies including Northern York Region, Windsor-Essex and Kitchener-Waterloo-Cambridge-Guelph
  – Currently, regional plans are carried out under an informal structure – LDCs and transmitters have been working with the OPA voluntarily
OPA Regional Planning (2)

- It is beneficial for the OPA to be involved in regional planning because:
  - The OPA does not own assets and therefore is not tied to a particular outcome
  - The OPA provides a balanced viewpoint which allows for the consideration of conservation, local generation, transmission, and distribution solutions
  - The OPA, together with other parties participating in regional planning, is able to support broader engagement discussions with stakeholders, First Nations and Métis
  - It allows for alignment between regional studies and the OPA’s broader province-wide planning activities
  - It allows for government policy to be integrated into plans and solutions
OPA Regional Planning (3)

- Regional planning study teams are made up of the OPA, LDCs, transmitters, the IESO, and others as appropriate
- Terms of Reference for studies are established at the outset
  - Roles and responsibilities of study team members
  - Objectives, scope and key assumptions of study
  - Schedule for completing study
- Recommended solutions are drafted and stakeholdered
Planning Horizons (1)

- The OPA currently uses a 20-year planning horizon that includes three timeframes:
  
  Near-term
  
  Medium-term
  
  Long-term
  
  0-5
  
  5-10
  
  10-20+

- The OPA recommends that a 20-year planning horizon continue to be used in a formalized regional planning process
Planning Horizons (2)

• Near-term solutions require immediate decisions and an associated implementation plan

• Medium-term solutions address emerging needs and preliminary work may be required to maintain optionality
  – e.g. Development work may be initiated on longer lead-time solutions, such as new transmission work or strategic conservation programs
  – Triggers for committing future projects are identified

• Long-term recommendations ensure that options remain available to address future needs if or when they arise (e.g. securing new rights-of-way) and provide guidance for determining near and medium-term solutions
Defining Regions

- The OPA believes that regions cannot be defined by geographical, political, or LDC boundaries – regions should be based on electrical needs.
- The OPA has defined regions in its regional planning studies on a plan-by-plan basis, based on need.
- The OPA would prefer not to have regions defined in advance but have regions defined once there is an expectation of electrical need.
  - The OPA would otherwise suggest that regions be broadly defined with the ability to tailor plans to a subset.
  - However, the OPA is willing to work with the OEB and stakeholders to try to define regions, if required.
Uses of Regional Plans

• The OPA expects that plans will be filed with the OEB and posted on participating party web sites for information and reference.

• Plans would form the basis for future development work, Leave to Construct applications, or rate application filings when approval for identified facilities is being sought.

• Plans would provide a reference point upon which changes and corrections could be made as needed.
OPA Involvement in Dx and Tx Planning (1)

• The OPA recognizes that distributors and transmitters conduct ongoing connection activities where adequate upstream capability is known to exist
  – Associated with growth in demand, connecting generators or addressing reliability issues

• The OPA expects that distributors and transmitters will inform the OPA of these activities and provide the OPA with data
  – The OPA will ensure that no regional solutions or issues exist
  – The OPA expects to provide written comments where appropriate, similar to the current Green Energy Act plan process with distributors
OPA Involvement in Dx and Tx Planning (2)

• The OPA becomes involved when plans are more complex
  – When regional solutions or issues exist
  – When a number of potential options are available

• How does the OPA get involved?
  1. The OPA initiates the study
  2. LDCs request that the OPA initiate the study
  3. Transmitters request that the OPA initiate the study

• The OPA’s province-wide planning process provides a broader system context, especially if system generation resources can address local needs, but, in general, the regional planning process can operate separately from the province-wide planning process
Cost Allocation

• The OPA concurs with the cost allocation issues identified in Board staff’s Regional Planning discussion paper

• The OPA is pleased that the Board is willing to take action and remedy current cost allocation issues

• The OPA is willing to support discussions around cost allocation issues
Summary of OPA Comments (1)

• The OPA supports a more formalized approach to regional planning involving the OPA, LDCs, transmitters and others with final plans being posted for information and context in future applications.

• The OPA recommends that a 20-year minimum planning horizon is used, consistent with the OPA’s current process.

• The OPA recommends that stakeholders be required to provide data to the OPA for planning purposes.
Summary of OPA Comments (2)

• The OPA recommends flexibility in defining regions, and that regions be defined based on electrical needs.

• The OPA would expect to confirm, as appropriate, that no regional solutions or issues exist in connection activities carried out by LDCs and transmitters.

• The OPA believes that regional planning activities can successfully operate as separate from province-wide planning.