



**Ontario Energy Board**

Commission de l'énergie de l'Ontario

# **Stakeholder Conference on Development of a Renewed Regulatory Framework**

**Board Staff Presentation on Staff's Approach  
to the Consultation and the Issues**

**February 2, 2011**

- To help foster a common understanding of the three initiatives that commence development of a Renewed Regulatory Framework for Electricity:
  - Objectives;
  - Scope; and
  - Consultative process.

# Today's Agenda

<b>TIME</b>	<b>TOPIC</b>
9:30 – 9:45	Introductions & Opening Remarks
9:45 – 10:45	Renewed Regulatory Framework
10:45 – 11:45	Distribution Network Investment Planning
11:45 – 12:45	<b>LUNCH BREAK</b> (Lunch Not Provided)
12:45 – 1:45	Rate Mitigation
1:45 – 2:45	Defining & Measuring Performance
2:45 – 3:00	Closing Remarks



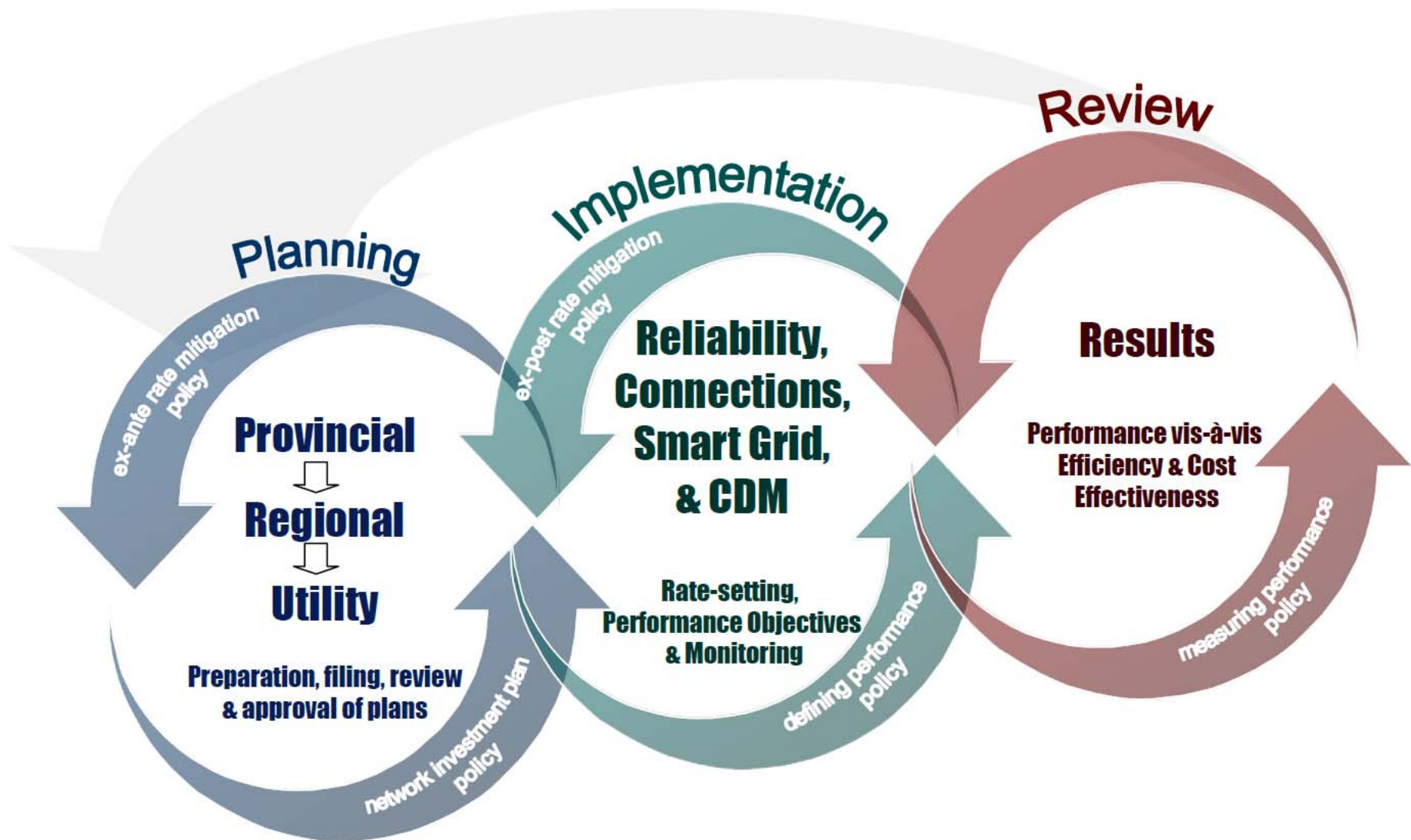
# Developing a Renewed Regulatory Framework for Electricity: Context

- Investment is needed:
  - to support Ontario's Long-Term Energy Plan;
  - to connect renewable energy projects; and
  - for the development of the smart grid.
- Investment is underway:
  - for the renewal of assets to maintain appropriate service levels and system reliability;
  - for the continued deployment of smart meters and implementation of Time-of-Use Pricing; and
  - for the achievement of CDM targets.
- *Leads to a sharper focus on the total cost to consumers.*

# Developing a Renewed Regulatory Framework for Electricity: Objective

- Framework to reflect significant role network investment will have in years to come, and aims to ensure that network investment is prioritized on a basis, and proceeds at a pace, that has regard to the total bill impact on consumers.

# Developing a Renewed Regulatory Framework for Electricity



# Developing a Renewed Regulatory Framework for Electricity

- Initiatives that will be carried out in the coming months as part of the development of a Renewed Regulatory Framework include:
  - Distribution Network Investment Planning (EB-2010-0377);
  - Rate Mitigation (EB-2010-0378);
  - Defining and Measuring Performance of Electricity Distributors and Transmitters (EB-2010-0379);
  - Developing Guidance for the Implementation of Smart Grid in Ontario (EB-2011-0004);
  - Transmission System Planning (*details to follow*); and
  - Regional Planning (*details to follow*).

# Developing a Renewed Regulatory Framework for Electricity: Initial Focus

- The Board will initially issue policies in three areas:
  - Distribution Network Investment Planning;
  - Rate Mitigation; and
  - Defining & Measuring Performance.

*Staff's planned approach to these initiatives is the focus for today's discussions.*





# Developing a Renewed Regulatory Framework for Electricity: Guiding Concepts

To extent possible...

- The pursuit of **economic efficiency** should be encouraged.
- An appropriate level of **reliability** and **quality of service** should be maintained.
- Give consideration to the **timing and pattern of expenditures** and the corresponding recovery of the associated costs so as to **minimize rate and/or bill impacts**.
- Regulated utilities have opportunity to earn a **reasonable return** on shareholder capital and to maintain their **financial viability**.

Also, regulatory frameworks should be **sustainable**. And, in practice, a framework should be predictable and understood by stakeholders, and capable of being implemented through efficient & effective regulatory processes.

# Developing a Renewed Regulatory Framework for Electricity: Approach and Timeline

Month	Activity
February	Stakeholder Conference
April	Staff Discussion Papers & Consultant's Reports issued for comment.
May	Stakeholder Conference on Staff Discussion Papers and Consultant's Reports.
June	Written comments on Staff Discussion Papers and Consultant's Reports due.
July	<i>If necessary</i> , Staff proposals issued for comment.
August	<i>If necessary</i> , Stakeholder Conference on Staff proposals. Written comments on Staff proposals due.
October	Report of the Board on A Renewed Regulatory Framework for Electricity issued.
December & Beyond	Amendments to Board documents as required and implementation of Board policy.

# Developing a Renewed Regulatory Framework for Electricity

- Questions
- Comments
- Discussion

