

# A Renewed Regulatory Framework for Electricity

## ATTACHMENT TO DRAFT AGENDA FOR STAKEHOLDER CONFERENCE ON MARCH 28, 29 & 30, 2012

This consultative process will lead to the issuance of a Board report setting out policies in relation to the development of a renewed regulatory framework for electricity which will:

- Establish performance outcomes that reflect consumers' expectations and encourage enhanced utility productivity;
- Provide for efficiently planned investments in grid sustainment, expansion and modernization that consider pace and prioritization;
- Align rate setting cycle and investment planning horizon and provides for efficient recovery of costs;
- Increase efficiency in the regulatory process through greater focus on outcomes; and
- Consider the total bill impact to consumers.

### Proposed Approach at the Stakeholder Conference

To facilitate discussions over the three-day period the stakeholder conference will be organized into four segments based on the following themes:

- Vision and Context;
- Planning;
- Performance & Incentives; and
- Rate-Setting & Mitigation.

These themes have been selected based on what presenters have indicated that they wish to present on. Within each theme, and to facilitate discussions, presenters will be organized into groups based on potentially common interests or by particular issue.

The proposed structure for the conference is as follows:

- group members make their individual presentations (up to 15 min. each);
- there will be a brief Q&A period (25 - 30 min.) where participants may ask any member of the group clarifying questions; and
- at the end of each themed segment, there will be a general discussion (up to 60 min.) on what has been presented.

During the discussion sessions, the Board would be assisted if participants considered the following questions related to the different themes.

#### Vision and Context

- What is your vision for a sustainable and long-term regulatory regime?
- What changes would be needed to evolve planning, mitigation, and performance policies towards your vision?
- What outcomes for customer service and company cost performance should be established?

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### Planning

- How do we optimize planning across the sector to ensure that investment decisions achieve the level of reliability and supply security that consumers demand and are paying for?
- How might coordinated regional planning between utilities promote efficient, cost-effective development of infrastructure and enhanced regulatory predictability, while maintaining reliability and system integrity?
- How can integrated planning be used to drive prioritization and optimization of capital investments?
- How can the Board satisfy itself that multi-year investment plans are appropriate?
- How should smart grid investments be treated?
- What empirical and qualitative tools and methods might be used to inform (a) utility planning processes, (b) utility applications to the Board, and/or (c) the Board's review processes?

### Performance & Incentives

- In light of desired outcomes, what standards, metrics, and/or incentives for customer service and company cost performance should be established?
  - For example, what standard, if any, should be established by the Board on how applicants demonstrate that investments are prioritized and paced with a focus on the total bill impact on consumers?
- What incentives, if any, are appropriate to reward distributors for cost-effective and efficient performance, including appropriate rewards for exceeding standards for customer service and company cost performance?

### Rate-setting & Mitigation

- How might the Board align rate-setting with multi-year investment plans?
- How might further benchmarking be used to: help determine appropriate cost levels; achieve further efficiencies; and/or contribute to managing cost increases?
- To support the cost-effective and efficient implementation of Board-approved network investment plans by transmitters and distributors and to help mitigate the effects of any unavoidable and significant bill impacts, what alternative mechanisms might be appropriate?