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APPrO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

March 1, 2012

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
27th floor
2300 Yonge St.
Toronto, Ontario
M4P 1E4

**Re: Ontario Energy Board
Approaches to Mitigation for Electricity Transmitters and Distributors
Board File Number: EB-2010-0378 (“Bill Impact Proceeding”)
Establishment, Implementation and Promotion of a Smart Grid in Ontario (EB-
2011-0004) (“Smart Grid Proceeding”) and other Renewed Regulatory Framework
for Electricity (“RRFE”) proceedings**

Dear Ms Walli,

We are writing to request: (i) late participant status in, and cost eligibility for, the Bill Impact and Smart Grid Proceedings; (ii) cost eligibility for a technical expert to act on behalf of a coordinated group of cost eligible generator stakeholders for the RRFE proceedings on network investment planning and related financial issues as applicable; and (iii) cost eligibility for Jake Brooks of APPrO to act as a case manager/case coordinator for several generator stakeholder groups. This set of generator stakeholder groups is yet to be finalized and will be the subject of further communications with the Board. It may include any or all of APPrO, OWA, APAO, CanSIA, CanWEA, and CDEA (the Association of Power Producers of Ontario, Ontario Waterpower Association, Agri-Energy Producers Association of Ontario, Canadian Solar Industries Association, Canadian Wind Energy Association, and Canadian District Energy Association, respectively).

We respectfully submit that each and all of the above requests are supported by: (i) the purpose, intent and substance of the Board’s Practice Direction on Cost Eligibility (the

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Practice Direction); (ii) APPrO's overarching and non-fuel specific role in the generation sector and ongoing coordination and representation of electricity generation interests on numerous matters before the Board; and (iii) the Board Staff's February 6, 2012 Strawman Model Regulatory Framework (the "**Strawman**"), which makes it clear that generators as a class of large customers are a key affected stakeholder in each and all of the RRFE proceedings, including the Smart Grid and Bill Impact Proceedings, for which APPrO is now seeking cost eligibility and the right to participate.

(i) The Practice Direction and (ii) APPrO's Coordinating Role

APPrO submits that it should be eligible for costs for the Bill Impact and Smart Grid Proceedings, a coordinating case manager, and a technical expert on the following grounds:

- (a) APPrO Represents a Key Class of Customers in the RRFE Proceedings: New policies, rules and procedures that are intended to result from this proceeding will have a direct and material impact on electricity generators, their costs, and the procedures followed by electricity distributors and transmitters in providing timely and efficient services to generators. APPrO's members include all types of renewable and traditional fuel generation companies. APPrO is therefore well schooled in responsibly coordinating and unifying the generator voice on the key strategic issues impacting all generators and it hopes to continue to act as a coordinator to facilitate efficient generator participation in the RRFE proceeding. We have strategically employed technical experts to responsibly enhance the Board's consideration of policy issues in numerous proceedings determined by the Board and hope to do so as well in the context of the RRFE proceeding. Therefore, notwithstanding s. 3.05 of the Practice Direction, APPrO respectfully submits that special circumstances and potential efficiencies exist that would warrant the requested award costs to pursuant to section 3.07 of the Practice Direction.
- (b) It is in the Public Interest to Facilitate Generator Participation: APPrO's members are building and planning new projects in response to OPA procurement programs and consequent contracts, and Ministerial Directives that incorporate provincial policy objectives. There is little doubt that such projects are likely to be impacted by all of the RRFE proceedings including the Smart Grid and Bill Impact Proceedings. Given that the issues in all of the RRFE proceedings are likely to directly impact generators both in their development and operation of assets, the Board should facilitate the coordinated and efficient participation of generators in order to provide the best factual and technical basis for the Board in order to shape a sound and appropriate new electricity framework. Many of APPrO's members are too small to participate individually in a meaningful way in this proceeding. APPrO's participation facilitates the involvement of such members, and ensures that the Board has before it a comprehensive representation in this proceeding from the diverse power generator community, including all financially significant forms of generation on the Ontario grid. APPrO also intends to act as a coordinator for the various generator groups participating in the RRFE proceedings and will therefore facilitate efficiency in the Board's hearing and consideration of these matters through a cost sharing model to be provided to the Board in advance of the proceeding.

- (c) APPrO's Participation Will Contribute to Hearing Efficiency: APPrO's representation of its members in such a proceeding would be a much more effective and efficient regulatory approach than having each of its members and all fuel specific generator groups review and speak on all issues, with attendant duplication and additional costs. It is therefore proposing to act as an overall case coordinator of the generation stakeholders, and will communicate further with the Board in this regard. APPrO has participated similarly in numerous electricity hearings (e.g. Transmission Project Development Planning, transmission and distribution cost responsibility proceedings, etc.) and in natural gas proceedings (e.g., NGEIR, storage allocation, Enbridge and Union IRM proceedings).
- (d) Full and Informed APPrO Participation Requires Intervenor Funding: APPrO, like other trade associations such as the Association of Major Power Consumers in Ontario ("AMPCO") and the Industrial Gas Users Association ("IGUA"), does not have independent funding sufficient to support efficient and effective participation in the RRFE proceedings and it would not be able to do so absent same.

(iii) The Strawman

Recent communications to the Ontario Energy Board by distributor groups highlight the likelihood that issues integrally affecting generators as customers are likely to be considered in all of the RRFE Proceedings including the Bill Mitigation and Smart Grid Proceedings. The Smart Grid Proceeding is also likely to be of particular relevance to intermittent renewable generators. The key role of generator stakeholders as distribution and transmission customers is well illustrated in the diagram that accompanies the Board Staff's Strawman. The Board's consideration of these issues and the impact on generators may therefore be incomplete absent of the voice of generators that may be most impacted by related policy decisions in each and all of the RRFE proceedings.

APPrO is a non-profit organization representing electricity generators in Ontario. Our members produce nearly all the power generated in Ontario from facilities of many types including gas-fired, hydro-electric, nuclear and wind energy. APPrO members are customers of transmission and distribution utilities in Ontario, and many have current transmission or distribution connection applications in development or underway.

The terms under which connection capacity is planned and developed and billed can make the difference between a generation project being viable or non-viable. In addition, any changes to the policies or rules which govern cost allocation and cost responsibility could have a significant impact on generation companies and generation facilities, both those in operation and those under development. APPrO and its members therefore have a significant interest in all of the RRFE proceedings, including the Bill Impact and Smart Grid Proceedings.

APPrO intends to limit its intervention to issues of material impact on generators. It also anticipates that it will be acting as the coordinator of various other generation groups with fuel-specific considerations.

APPrO fully anticipates that issues of concern to generators, including but not limited to related cost responsibility issues will develop during the Bill Impact and Smart Grid Proceedings. APPrO will seek at all times to provide the Board with the perspective of the generation industry as a whole, and to present a balanced view of policy issues affecting the electricity industry and the public at large in Ontario given the intent and implementation of the Green Energy Act and other applicable legislation. A technical expert may be required to quantify the financial and related impacts of the Strawman and resulting alternative proposals put forward by other stakeholders.

On the basis of the foregoing, APPrO hereby requests that the Board provide APPrO with: (i) late participant status in, and cost eligibility for, the Bill Impact and Smart Grid Proceedings; (ii) cost eligibility for a technical expert to act on behalf of a coordinated group of cost eligible generator stakeholders for the RRFE proceedings on network investment planning and related financial issues as applicable; and (iii) cost eligibility for Jake Brooks, Executive Director of APPrO, to act as a case manager/case coordinator for several generator stakeholder groups (to be finalized and the subject of further communications with the Board).

Thank you for your timely consideration of this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jake Brooks', written in a cursive style.

Jake Brooks
Executive Director

Cc Dave Butters