

Attachment A
to
Notice of Amendments to Codes and Notice of Proposal to Amend a Code
August 26, 2013
EB-2011-0043

Final Amendments to the Transmission System Code

I. Regional Planning Process

1. Section 3 of the Transmission System Code is amended by adding new section 3C immediately after section 3B as follows:

3C. Regional Planning

3C.1 Definitions and Lead Responsibility Where More than One Transmitter in a Region

3C.1.1 For the purposes of this section 3C:

“Integrated Regional Resource Plan” means a document prepared by the OPA that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

“integrated regional resource planning process” means a planning process led by the OPA for the purpose of determining the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (more than 10 and up to 20 years);

“needs assessment” means a process led by a transmitter to determine if

regional planning is required for a region;

“region”, in respect of a transmitter, means an area within which the transmitter’s transmission system is located, in whole or in part, and that has been designated as such by the transmitter, in consultation with the OPA, under section 3C.2.2(a) for regional planning purposes;

“Regional Infrastructure Plan” means a document prepared by the transmitter leading a regional infrastructure planning process that identifies investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional infrastructure planning process” means a planning process led by a transmitter in accordance with this section 3C for the purpose of determining the investments in transmission facilities, distribution facilities or both that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the OPA for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan; and

“scoping assessment” means a process led by the OPA to determine the form of regional planning process (regional infrastructure planning process or integrated regional resource planning process) that is required for a region.

3C.1.2 For the purposes of this section 3C, where the transmission system of more than one licensed transmitter is connected to customers in a region, the applicable transmitters shall determine which among them will be responsible for leading the regional infrastructure planning processes for the region at any given time. The applicable transmitters shall make that determination within 30 days of August 26, 2013, and may agree to change that determination from time to time thereafter. The transmitter that has been so designated at any given time shall be responsible for

complying with the obligations set out in this section 3C. The other transmitter(s) shall participate in any regional infrastructure planning process or integrated regional resource planning process for the region as reasonably required by the lead transmitter or the OPA, as applicable, but shall not otherwise be required to comply with the obligations set out in this section 3C.

3C.2 Obligation to Lead Regional Infrastructure Planning Process

3C.2.1 A transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region, lead a regional infrastructure planning process for each region and participate in any integrated regional resource planning process for the region.

3C.2.2 For the purposes of section 3C.2.1, a transmitter shall:

- (a) review the boundaries of the regions, in consultation with the OPA, no less than once every five years to determine whether they need to be modified;
- (b) from time to time as required, and on a timely basis, request information from all licensed distributors and licensed transmitters in a region and from the OPA that the transmitter considers is reasonably required for the purpose of undertaking a needs assessment in relation to the region;
- (c) for each region, conduct a needs assessment at least every five years, and more frequently if required by reason of forecasted load or demand growth within a distributor's licensed service area, request(s) for connection received by the transmitter or other events that the transmitter believes may trigger the need for investment in transmission facilities, distribution facilities or both in a region. The needs assessment for a region shall be completed within 60 days of receipt of the information referred to in section 3C.2.2(b);
- (d) within 10 days of completion of a needs assessment for a region, provide a report to the OPA, the IESO, and all licensed distributors and

licensed transmitters within the region that reflects the results of the needs assessment, including the identity of the licensed distributors that will and will not need to be involved in further regional planning activities for the region, and post that report on its website;

- (e) where a needs assessment for a region indicates that a scoping assessment is required, participate in the scoping assessment as may be reasonably required by the OPA;
- (f) where a scoping assessment identifies that a regional infrastructure planning process is required for a region, complete or update a Regional Infrastructure Plan for the region within six months of the date of receipt of the scoping assessment from the OPA, and post the Regional Infrastructure Plan on its website upon its completion;
- (g) where a scoping assessment identifies that an integrated regional resource planning process is required for a region, (i) participate in the integrated regional resource planning process as may be reasonably required by the OPA, and (ii) subject to section 3C.2.3, provide the OPA with such information as the OPA may from time to time reasonably require for the purposes of the integrated regional resource planning process within 30 days of receipt of a request by the OPA for the information; and
- (h) within 45 days of receipt of a request to do so, provide a letter to a licensed distributor or a licensed transmitter confirming the status of regional planning for a region, including any Regional Infrastructure Plan that is being developed for the region that includes the distributor's licensed service area or within which the requesting transmitter's transmission system is located, suitable for the purpose of supporting an application proposed to be filed with the Board by the distributor or requesting transmitter.

3C.2.3 Where a transmitter believes that it cannot meet the 30-day timeline referred to in part (ii) of section 3C.2.2(g), the transmitter and the OPA may agree to a longer timeline. In such a case, the transmitter shall so notify the Board in writing. The notice shall indicate the region in question,

the reasons for being unable to meet the 30-day timeline and the extended timeline that has been agreed to between the transmitter and the OPA.

3C.3 Monitoring and Reporting

3C.3.1 Subject to section 3C.3.2, a transmitter shall, in consultation with the OPA and with all applicable licensed distributors and licensed transmitters in a region for which a Regional Infrastructure Plan has been completed, undertake a review every 12 months following the completion of the Regional Infrastructure Plan for the purpose of determining:

- (a) whether the investments in transmission facilities, distribution facilities or both, as applicable, identified in the Regional Infrastructure Plan are being implemented in accordance with the schedule set out in the Plan; and
- (b) whether the Regional Infrastructure Plan needs to be updated in advance of the next scheduled needs assessment for the region.

3C.3.2 Where a Regional Infrastructure Plan for a region includes only investments in distribution facilities, a transmitter may make arrangements for a licensed distributor in the region to conduct the review referred to in section 3C.3.1(a) rather than conducting the review itself. In such a case, the transmitter shall request a report from the distributor setting out the status of the investments set out in the Regional Infrastructure Plan at least 60 days in advance of the filing of the annual status report referred to in section 3C.3.3.

3C.3.3 A transmitter shall submit an annual report to the Board, on November 1st of each year, that identifies the status of regional planning for all regions, and shall post the report on its website. The report shall include the status of investments in conservation and demand management, generation or both for each region for which an Integrated Regional Resource Plan has been completed, provided that this information has been provided to the transmitter by the OPA no later than October 1st of the year.

3C.4 Transition

3C.4.1 A transmitter shall, within 10 days of August 26, 2013, request from each licensed distributor whose distribution system is connected to its transmission system a letter identifying whether the distributor foresees a potential need for additional transmission connection capacity to support the needs of the distributor's distribution system and of the distribution system of any of that distributor's embedded licensed distributors over the next five years.

3C.4.2 A transmitter shall, within 90 days of August 26, 2013, complete a review of all regions to prioritize them based on the anticipated timing of the need for investment in transmission facilities, distribution facilities or both. Every 12 months following August 26, 2013, the transmitter shall review the prioritization of regions and revise it as required to reflect emerging needs in the regions. The transmitter shall maintain a priority list, post it on its website and update it as required to reflect any changes in prioritization.

3C.4.3 A transmitter shall, within 10 days of completing a review referred to in section 3C.4.2:

- (a) notify the licensed distributors and licensed transmitters within a region regarding whether they need to be involved in regional planning for the region; and
- (b) provide a report to the OPA identifying whether regional planning is required for each region and, where it is required, the identity of the licensed distributors and licensed transmitters in the region that need to be involved in regional planning for the region.

3C.4.4 A transmitter shall undertake a needs assessments for each region in accordance with the priority list referred to in section 3C.4.2. Within four years of August 26, 2013, the transmitter shall complete a needs assessment for all regions, and complete a Regional Infrastructure Plan for each region where one is required.

II. Facilitating Regional Planning and Regional Infrastructure Plan Execution

1. *Otherwise Planned and Refund Issue*

1. Section 3 of the Transmission System Code is amended by adding new section 3B immediately after section 3A as follows:

3B. Reliability and Integrity of Transmission System

3B.1 A transmitter shall, in accordance with the Act, its licence and this Code, maintain the reliability and integrity of its transmission system and reinforce or expand its transmission system as required to meet load growth.

2. Section 6.1.4(i) of the Transmission System Code is amended by deleting the phrase “plans required by section 6.3.6 that cover” and replacing it with the phrase “Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers”, such that the section reads as follows:

6.1.4 A transmitter’s connection procedures referred to in section 6.1.3 shall include the following:

...

- (i) an obligation on the transmitter to provide a customer with the most recent version of the Regional Infrastructure Plan or the Integrated Regional Resource Plan referred to in section 3C, if any, that covers the applicable portion of the transmitter’s transmission system.

3. Section 6.2.3 of the Transmission System Code is amended by replacing the phrase “section 6.2.24, 6.3.9 or 6.3.17” with the phrase “section 6.3.9 or 6.3.17A”, such that the section reads as follows:

6.2.3 Where an economic evaluation, including an economic evaluation referred

to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, that customer's contracted capacity shall, during the economic evaluation period to which the economic evaluation relates, be equal to the load identified in that load forecast or in any subsequent forecast used for purposes of giving effect to the true-up provisions of section 6.5.

4. The Transmission System Code is amended by deleting sections 6.2.24, 6.2.25 and 6.3.6.
5. Section 6.3.17 of the Transmission System Code is deleted and replaced with the following:

6.3.17 Where a customer has made a capital contribution for the construction or modification of a transmitter-owned connection facility other than an enabler facility, and where that capital contribution includes the cost of capacity on the connection facility in excess of the customer's needs, the transmitter shall provide a refund, calculated in accordance with section 6.3.17A, to the customer as follows:

- a) where the customer made the capital contribution before August 26, 2013, the refund shall be provided if that excess capacity is assigned to another customer within five years of the date on which the connection facility or modification to the connection facility comes into service; or
- b) where the customer makes the capital contribution on or after August 26, 2013, the refund shall be provided if that excess capacity is assigned to another customer within fifteen years after the date on which the connection facility or modification to the connection facility comes into service.

Where such a refund is required, the transmitter shall require a financial contribution from the subsequent customer to cover the amount of that refund.

6. The Transmission System Code is amended by adding new section 6.3.17A immediately after section 6.3.17 as follows:

6.3.17A For the purposes of section 6.3.17, the transmitter shall determine the amount of the refund to the initial customer and of the financial contribution from the subsequent customer by calculating a revised capital contribution amount using the prescribed economic evaluation methodology set out in section 6.5 and the same inputs as used in the original economic evaluation except for load, which will be based on the actual load of the initial customer up to the time of connection of the subsequent customer and a revised load forecast for the remainder of the economic evaluation period. The revised load forecast will include an updated load forecast of the initial customer plus the load forecast of the subsequent customer. The transmitter will then use the methodology set out in section 6.3.14, 6.3.15 or 6.3.16 to allocate the revised capital contribution amount to the initial and subsequent customers. The refund to the initial customer shall be determined by subtracting the initial customer's allocated share of the revised capital contribution amount from the original capital contribution amount paid by the initial customer.

7. Section 6.7.8 of the Transmission System Code is amended by replacing the phrase "section 6.2.24, 6.3.9 or 6.3.17" with the phrase "section 6.3.9 or 6.3.17A", such that the section reads as follows:

6.7.8 Where an economic evaluation, including an economic evaluation referred to in section 6.3.9 or 6.3.17A, was conducted by a transmitter for a load customer in relation to a connection facility on the basis of a load forecast, a transmitter shall not, during the economic evaluation period to which the economic evaluation relates, require bypass compensation from a customer under section 6.7.6 in relation to any load that represents that customer's contracted capacity.

8. Section 6.9.1 of the Transmission System Code is amended by replacing the phrase "sections 6.2.24, 6.3.9 and 6.3.17" with the phrase "sections 6.3.9 and 6.3.17A", such that the section reads as follows:

6.9.1 A transmitter shall maintain complete and accurate records of all economic evaluations required to be carried out under this Code, including the economic evaluations referred to in sections 6.3.9 and 6.3.17A. Each record must show the details of the economic evaluation, including the determination of the risk classification and the resulting economic evaluation period, the load

forecast, the project capital costs, the ongoing operation and maintenance costs, and the project after tax incremental cost of capital, and must include the justification for all of the study parameters.

2. *The Transmission Asset Definition Issue*

1. Section 2.0.13 of the Transmission System Code is amended by adding the phrase “but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b)” to the end of that section, such that the section reads as follows:

2.0.13 "connection facilities" means line connection facilities and transformation connection facilities that connect a transmitter's transmission system with the facilities of another person, and includes an enabler facility but excludes any line referred to in section 3.0.14(a) and any station referred to in section 3.0.14(b);

2. Section 2.0.45 of the Transmission System Code is amended by adding the phrase “and has the extended meaning given to it in section 3.0.14” to the end of that section, such that the section reads as follows:

2.0.45 "network facilities" means those facilities, other than connection facilities, that form part of a transmission system that are shared by all users, comprised of network stations and the transmission lines connecting them, and has the extended meaning given to it in section 3.0.14;

3. Section 2 of the Transmission System Code is amended by adding new section 2.0.45A immediately after section 2.0.45 as follows:

2.0.45A “network station” means:

- (a) any station with one or more of the following:

- i. a 500 kV element, including a 500/230 kV or a 500/115 kV autotransformer;
- ii. a 230 kV or 115 kV element that switches lines that normally operate in parallel with lines that connect transmission stations containing 500 kV elements;
- iii. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects with the transmission system of a neighbouring Ontario transmitter or with a transmission system outside Ontario, including a 345/230 kV autotransformer; or
- iv. a 345 kV, 230 kV or 115 kV element that switches a 345 kV, 230 kV or 115 kV line that connects interconnection circuits to any network station referred to in any of (i) to (iii) above; and

(b) any station that the Board has determined should be treated as a network facility in or through a Decision, Order or Decision and Order issued before August 26, 2013, and has the extended meaning given to it in section 3.0.14;

4. Section 3 of the Transmission System Code is amended by adding new sections 3.0.14 and 3.0.15 immediately after section 3.0.13 as follows:

3.0.14 Subject to section 3.0.15:

(a) a “network facility” includes any line that forms part of the physical path between:

- i. two network stations; or
- ii. a network station and the transmission system of a neighbouring Ontario transmitter or a transmission system outside Ontario,

such that electricity can be transmitted along the entire path under some

operating conditions, which may or may not reflect normal operating conditions; and

(b) a “network station” includes any station with one or more of the following:

- i. an element that is greater than 500 kV;
- ii. an autotransformer that steps down voltage from a higher transmission level to a lower transmission level;
- iii. a transmission switchyard to which all of the following are connected:
 - (A) one or more generation facilities with a minimum aggregate installed rated capacity of 250 MW;
 - (B) one or more load facilities with a minimum aggregate load of 150 MW; and
 - (C) a minimum of four transmission circuits.

3.0.15 Section 3.0.14 only applies where the line referred to in section 3.0.14(a) or the station referred to in section 3.0.14(b):

- (a) commences to be constructed on or after August 26, 2013; or
- (b) is expanded or reinforced for the purposes of increasing its capacity, and the expansion or reinforcement (or the expanded or reinforced line or station) commences to be constructed on or after August 26, 2013, regardless of when the line or station was originally placed into service.