

**Ontario Energy
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**Commission de l'énergie
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BY EMAIL: irv.klajman@powerstream.ca

September 7, 2016

Mr. Irv Klajman
Chair, Regional Planning Process Advisory Group
Director, Engineering Planning at Powerstream
161 Cityview Boulevard
Vaughan ON L4H 0A9

Dear Irv:

Re: Regional Planning Process Advisory Group Mandate

I'm responding to your letter requesting clarity with respect to the mandate and scope of the Regional Planning Process Advisory Group (RPPAG), specifically with consideration of the relevant aspects of the IRRP process as they impact the overall regional planning process, including the regional infrastructure planning (RIP) process.

As requested, we have reviewed the scope of the RPPAG. We agree a change to the scope of the group is needed to include elements of the IRRP; however, not to the extent suggested in your letter. In other words, the scope change related to the IRRP reflects a middle ground between the status quo -- fully out-of-scope (as per the current ToR) -- and fully in-scope (as per your letter).

The RPPAG was established to make recommendations to the OEB on process changes based on lessons learned. Those recommendations should be limited to where the OEB has the ability to take action; i.e., within our legislative authority to make changes. The provisions that were added to the OPA (now IESO) licence which relate to regional planning and involve the IRRP would likely serve as a useful guide for the group within this context, as the OEB can amend the IESO's licence.

On the other hand, your letter discusses expanding the scope to include engagement / consultation that occurs within the IRRP process. That remains outside the scope of the RPPAG. It is my understanding that there have been discussions at the RPPAG meetings where suggestions have been made that the previous working group which established the process (i.e., PPWG) addressed consultation. For clarity, the PPWG did not recommend "how" the IESO should undertake broader stakeholder engagement /

consultation. The PPWG Report only identifies “where” in the regional planning process engagement / consultation should take place. The question of “how” consultation should be undertaken within the context of regional planning was addressed by the recommendations of IESO/OPA report on regional planning which were accepted by the government.

I agree that we need to consider how to increase the scope of the RPPAG to ensure that the IRRP reports form an adequate basis for a subsequent RIP. In particular, we will consider broadening the RPPAG’s mandate to include the review of a sample of IRRP reports in a manner that is similar to your review of IESO Scoping Assessment reports and transmitter Needs Assessment reports. The IESO licence requires the preparation of an IRRP report and defines what an IRRP report must include. Once completed, there is a hand-off of that report to the lead transmitter. The efficacy of the IRRP reports will therefore have a direct impact on the efficacy of the RIP process. For example, it must include recommendations related to wires investments that the transmitter and applicable LDCs will evaluate in more detail as part of the RIP process.

Reviewing a sample of IRRP reports is also important from another perspective. The OEB expects such reports will be provided in support of LDC and transmitter applications. It was the primary reason for establishing a more structured regional planning process. For example, we would like the group’s input as to whether there is enough detail related to the amount of CDM and/or generation in the IRRP reports to ensure informed consultation has taken place on the options (wires vs. non-wires) before the RIP and subsequent OEB application hearing processes take place.

The OEB Panels that are dealing with rate and LTC applications want the hearing process to focus on the wires investments proposed in such applications (e.g., reasonableness of the estimated cost) -- not a hearing process where the debate is focused on which option (CDM, generation or wires) will best meet the regional need. As noted, the intent is for the documents related to regional planning to support such applications to avoid such an outcome. Without the adequate amount of detail related to non-wires options, my concern is intervenors will be requesting that information in the application hearing process.

At the same time, I do not want the above to be misconstrued to mean the IESO should cease providing updates to the RPPAG at the meetings on matters that are out-of-scope for the RPPAG to make recommendations on, such as consultation / engagement. In fact, we would like to see this continue – particularly progress made in terms of the Local Advisory Committees (LACs). I’m confident that IESO would appreciate informal feedback given the knowledge of the RPPAG related to regional planning and the broad set of stakeholders involved as members.

If the Government broadens the mandate of the OEB to extend beyond wires investments, in the future, we will revisit the scope of the RPPAG again.

I envision the following in terms of next steps:

- (1) My staff involved in the RPPAG will prepare a draft revised ToR to broaden and provide more clarity related to the scope of the group. My understanding is there are also other changes that are needed. This will be a good opportunity to make those changes as well;
- (2) That draft revised ToR will then be provided to the RPPAG members for feedback;
- (3) A revised draft ToR that incorporates RPPAG member input will then be provided to me, which I will share with other members of the OEB Executive team, for review and approval.
- (4) I will then provide a final revised ToR to you and the other members of the RPPAG.

Thank you for bringing your concerns and recommendations related to the group's mandate to my attention.

Sincerely,

Original signed by

Peter Fraser
Vice-President, Consumer Protection and Industry Performance
Ontario Energy Board

cc: Members of the RPPAG
Chris Cincar
Sophie Rousseau
Andres Mand