



Meeting Summary

Regional Planning Process Advisory Group

Meeting Date: September 13, 2016 **Time:** 10:00 a.m. – 2:00 p.m.

Location: 2300 Yonge Street, 25th Floor, ADR Room

Attendees:

RPPAG Members: Irv Klajman (Powerstream) (Chair), Iain Angus (City of Thunder Bay), Jake Brooks (APPRO), Bob Chow (IESO), Edith Chin (Enbridge), Wayne Dyce (Centre Wellington Hydro/CHEC), Ajay Garg (Hydro One), Kazi Marouf (Guelph Hydro), Ismail Sheikh (London Hydro/EDA), Jamie Skimming (City of London/AMO)

OEB Staff: Chris Cincar, Emay Cowx (Consultant), Azalyn Manzano, Sophie Rousseau

Guests: Barbara Adderley (MMA), Michael Brophy and Cisca McInnis (MoE)

Meeting Agenda:

1. Review of Last Meeting Notes
2. Meeting Items
 - a) Presentation on Provincial Policy Statement (PPS): *Intersection of Land Use Planning and Energy Planning* by Barbara Adderley, Cisca McInnis and Michael Brophy
 - b) Discussion of Response from OEB: *Clarifying Mandate of RPPAG vis-à-vis IRRP*
 - c) Hydro One: *Local Planning (LP) Examples and Recommendations*
 - Discussion on whether to update PPWG Report to include formal criteria to guide decision on whether LP is appropriate or leave as judgment call
 - d) Hydro One: *Update on Survey Tool*
 - e) Presentation to OEB Executive: *RPPAG Progress*
3. Other Business
4. Next Meeting

Action Items	Status
<ul style="list-style-type: none"> • OEB Consultant will add two questions regarding local Community Energy Plan (CEP) to surveys, and send open comments from survey feedback to OEB staff, who will then distribute it to the Group. • Hydro One to provide contact information for OEB Consultant to transfer ownership of survey tool. • OEB Consultant will send survey to Luisa at IESO, and to Hydro One contact to transfer ownership of survey tool for Scoping and Needs Assessment processes. 	<ul style="list-style-type: none"> • OEB Consultant added questions • OEB Consultant was unable to connect with IESO so ownership of new survey tool had not yet been transferred. • Ownership of new survey tool was transferred from OEB Consultant to Hydro One, which has obtained the license for survey tool. • New survey tool for Needs Assessments was sent out previous week by Hydro One and results were expected in two weeks. Will be discussed at next RPPAG meeting. • Hydro One sent out its own survey for the RIP process in March and expects results end of month
<ul style="list-style-type: none"> • Hydro One will go over examples of local planning with OEB staff before coming back to the Group to present them. 	<ul style="list-style-type: none"> • The local planning examples were incorporated in Hydro One's presentation at this meeting.

RPPAG Members approved the final document for posting on the OEB website without changes.

2. Meeting Items

a) Presentation on Provincial Policy Statement (PPS): Intersection of Land Use Planning and Energy Planning (by Barbara Adderley, Cisca McInnis and Michael Brophy)

Barbara Adderley of the Ministry of Municipal Affairs (MMA) provided a presentation on the Land Use Planning Regime in Ontario, beginning with the statement of provincial interest in section 2 of the *Planning Act* and took the Group through each stage which ended with building permits.

The *Planning Act* informs the creation of the Provincial Policy Statement (PPS), which applies province-wide and feeds into various Provincial Plans (e.g. Greenbelt Plan, Growth Plan). The municipalities then prepare their Official Plans, which must be consistent with Provincial Plans. The Official Plans blend provincial and community policy, which then guides the municipalities in terms of their land use planning and in creating Municipal Zoning By-laws. The Zoning By-laws implement the policies of the Official Plan and provide for its day-to-day administration. The Zoning By-laws dictate land uses in different zones, and is the applicable law for site plans, community planning permits, land divisions and building permits.

When developing or changing Zoning By-laws, notice and information have to be provided to the public, and the municipality must consult with other agencies, boards and authorities. The province generally does not get involved in Zoning By-laws and building permits unless called for by the Ontario Municipal Board (OMB), where provincial staff could get called in to provide evidence.

The MMA requires Official Plans to contain language about consultations with electric and gas utilities. However, while this is a policy requirement, no enforcement action has been taken as of yet.

Both the MMA and the Ministry of Energy (MoE) have produced tools to explain changes to the PPS including the incorporation of energy planning to municipalities, including information sheets (referred to as InfoSheets) with high level overviews of how electricity planning is linked to land use planning – one from a *regional planning* perspective and the other from a *conservation* perspective.

Michael Brophy discussed the Municipal Energy Plan (MEP) program. The program has been available since 2013 as a tool to help municipalities that are interested in preparing a municipal / community energy plan. The program has two streams:

- 1) a grant of \$90,000 per community to develop a new energy plan, with two years to complete the plan, and
- 2) a grant of \$25,000 to update an existing energy plan, with 12 months to complete the update.

One of the criteria for obtaining funding is to coordinate with electricity and gas utilities that service the area. OEB staff asked how it was demonstrated this was done. It was noted that it was demonstrated by letters of support from the utilities. Another criterion for a lower tier municipality is support from their upper tier regional municipality.

A Group member asked if municipalities would ever be required to create MEPs. MoE indicated that there will be an alignment with the Climate Change Action Plan, which provides for a Municipal Challenge fund that municipalities can apply for to reduce their greenhouse gas (GHG) emissions. Another member also asked whether the MoE has also worked with rural municipalities in encouraging them to create MEPs, given that rural areas require more infrastructure to provide the energy they require. The MoE observed that there has actually been more up-take in terms of Community Energy Plans (CEP) in rural areas, and that most of the QUEST¹ workshops have been held in rural areas (e.g. Oxford County).

Another member commented that it may be easier for rural areas than dense urban areas to be net zero, as it would be easier to implement alternative sources of energy

¹ Quality Urban Energy Systems of Tomorrow (QUEST).

(e.g. geothermal energy) and that most people are familiar with each other and so the work may progress faster. MoE also observed that not all communities are equal and most CEPs have distinct elements (e.g. Wawa CEP addresses their highest per capita use of water, which is not normally a challenge in other communities).

As a policy framework, the PPS is focused on achieving the following outcomes: *mixed uses, greener buildings, ecology-oriented engineering, compact form, connected streets for transport options, green spaces and walkable public places, cycling, increased densities, reduced energy consumption, improved energy conservation, reduced GHG emissions, better air quality, improved and resilient economy, and improved human health*. A Group member suggested that economic development should also be included in the list of PPS outcomes.

Another Group member raised the question of whether climate change adaptation was addressed in the planning documents, with adaptation being a matter of civil infrastructure, as opposed to climate change mitigation which is more focused on energy planning. The MMA response was that the Ministry of Environment and Climate Change has more detailed guidance on planning for climate change, and that the Ministry of Natural Resources and Forestry has authority on similar issues as well (e.g. flood mapping).

Following the presentation, both Ministries provided the RPPAG with samples of some tools that the Ministries provide to municipalities:

- 2014 Provincial Policy Statement: Under the Planning Act;
- Municipal Planning and Financial Tools for Economic Development;
- Zoning By-Law / Zoning By-Law Amendment (s. 34) Building Blocks for Sustainable Planning – 1 in a Series of 12 (MMA);
- Plan of Subdivision (s. 51) Building Blocks for Sustainable Planning – 6 in a Series of 12 (MMA);
- Energy Conservation, Efficiency and Supply (MoE); and
- Planning for Electricity Infrastructure (MoE).

Action Item:

- **PDF copies of the presentation will be circulated to RPPAG members via e-mail.**

b) Discussion of Response from OEB: Clarifying Mandate of RPPAG vis-à-vis IRRP

The Group discussed how the letter clarified the OEB's view regarding the purpose of the RPPAG, and how the OEB was interested in the IRRP as an input in relation to influencing the RIP outcome.

Another member observed that, while the OEB's mandate is comprehensive when it comes to wires, its only influence on the IRRP process is through IESO's license conditions. For example, the OEB would like to be assured that consultation was meeting a high level of standard, but the OEB does not have the ability to be prescriptive as to how the IESO undertakes that consultation. The member suggested that the Terms of Reference (ToR) be revised to translate the OEB's mandate into the work of the RPPAG.

Some members commented that it appeared that the OEB would like to have the assurance that all the alternative non-wire solutions had been considered before a rate or leave to construct (LTC) application is submitted to the OEB, which in a way would ask if there had been a sufficient IRRP process prior to the RIP process.

One member noted the OEB response essentially represented a middle-ground between the status quo and what the Group requested in terms of broadening the RPPAG's mandate. The member further noted the OEB sponsor's response provided hints as to what was in and out of scope. It would therefore likely be a useful guide for the Group to revise the ToR.

OEB staff noted that, based on a review of the ToR, other changes were needed to the ToR that are not related to the RPPAG's mandate.

Action Items:

- **Both the RPPAG's letter and the OEB's response letter will be posted on the OEB's web page dedicated to the RPPAG for the members of the Group (and other stakeholders) to access.**
- **OEB staff will review the RPPAG's Terms of Reference (ToR), and prepare a draft revised version reflecting the contemplated expansion in the RPPAG's scope based on the OEB Sponsor's response, as well as any other changes OEB staff feel are necessary.**
- **Draft revised ToR will be circulated prior to the next meeting so that RPPAG members have an opportunity to review it thoroughly.**
- **The RPPAG will discuss OEB staff's draft revised ToR during the next meeting in relation to the ToR's coverage of IRRP elements. The RPPAG's intent is to submit a final draft that has been agreed upon to the OEB by the first quarter of 2017.**

c) Hydro One: Local Planning Examples and Recommendations

Hydro One provided a presentation on local planning (LP). It discussed the context for LP, considerations by the technical study team when recommending LP directly from the Needs Assessment stage (i.e., skips Scoping Assessment stage), LP examples,

and steps taken after the technical study team recommends LP. Hydro One concluded with recommendations in terms of how LP should be addressed going forward.

Hydro One noted LP is recommended by the technical study team when needs and mitigation measures are local in nature, no upstream transmission investments are required, no LTC (section 92) application is needed, nor is an individual environmental assessment (EA) required. LP is not recommended when a Scoping Assessment may potentially identify a need to also look at an alternative non-wires solution.

Various LP examples are set out in the table below.

Example	Solution
Erindale Transformer Station (TS) T1/T2 Dual Element Spot Network (DESN) Capacity Relief (GTA West)	New Distribution Station (DS) by the LDC
Circuit C10A Transmission Line Capacity Mitigation (Metro Toronto)	Since the wires required were already there and they had an underbuilt distribution circuit, they just changed the line clearance
Capacity, Factor and Voltage Regulation (Burlington – Nanticoke)	Local issues/needs at DESN and/or distribution level
Gardiner TS Load Balancing (Peterborough to Kingston)	LDC investment on load balancing issue between stations; simply transferred the load
B5D/D5A Load Restoration (Greater Ottawa)	No investments required based on LP assessments
Orangeville TS Capacity Issue (South Georgian Bay/Muskoka)	Replaced non-standard assets with standard assets (EOL equipment) and DESN reconfiguration
Wilson TS and Thornton TS Station Capacity Mitigation (GTA East)	Already a station there, and the load could not be addressed by CDM Added DESN station to site

LP reports are approved by the technical study team members and published on Hydro One's Regional Planning web page. Recommendations from the LP reports are ultimately incorporated in the RIP for the region.

Hydro One recommended that *formal criteria* should be established for deciding whether to use LP from the Needs Assessment, rather than relying on *judgment calls*,

and that this criteria should be included in an additional appendix to the PPWG Report. A member agreed that formal criteria may provide greater comfort to outside stakeholders since there is no stakeholder engagement.

One member asked if there were enough examples to establish formal criteria. Hydro One responded that there were and there have been no issues with LP decisions by technical study teams so far. The decisions have been based on the collective judgment of the technical study team and, if there was not study team agreement, it goes into a more comprehensive Scoping Assessment.

OEB staff noted that while there may have been no issues, it would be limited to the few members of the study team. Also, the staff in each study team is different in the various regions and the judgement call may therefore be different depending on the staff involved.

A member stated that they disagreed with the decision to build a new DESN station being decided through a LP process given the cost. Hydro One reported that the decision to build a new DESN station did go through a Scoping Assessment before it was addressed through LP because of the magnitude of the investment required. The technical study team then considered whether the need could be deferred through other means (e.g. aggressive CDM), and since load growth was expected to rise rapidly, they decided it was better to go through LP and build a new DESN station.

There was some discussion of what constituted LP, particularly in relation to the role of distribution planning, and how to delineate between what should go to LP or not. The RPPAG discussed comparing projects that would cost \$2-3 million as opposed to projects that would cost \$20-30 million, and differentiating larger LDCs that own and operate their own stations versus LDCs that are supplied by feeders from Hydro One.

Hydro One explained that some LP issues are addressed in the distribution planning process. For example, with a voltage regulation issue, an LDC may identify in their distribution plan that they need a new feeder. As a result, they just submit a connection request to Hydro One transmission, without having to go through a LP process.

Another member explained how regional planning overlapped with both provincial planning and distribution planning.

Hydro One conveyed some reluctance in terms of defining LP, citing an ongoing debate over the last 30 years related to defining what a “local area” was at the bulk system level.

There was some uncertainty amongst the RPPAG members regarding whether the PPWG Report used the term “local planning”.

Action Items:

- **Hydro One will take the lead and work with OEB staff to draft a document that explains local planning and includes the formal criteria to be used by the technical study team in deciding whether or not to go to Local Planning from the Needs Assessment stage (or whether Scoping Assessment is required). The document will become an additional Appendix to the PPWG Report once it is finalized. The RPPAG will review the draft document before it is finalized.**
- **Hydro One and OEB staff will also review the PPWG Report to determine if any consequential changes are needed to reflect the new Local Planning appendix. Any changes will also be circulated to the broader group for review.**

d) Hydro One: Update on Survey Tool

The OEB Consultant sent the Needs Assessment survey tool to Hydro One which had been created with input from the RPPAG.

The week prior to this RPPAG meeting, Hydro One sent out the Needs Assessment survey tool and will get the results next month. They will report the results at the next meeting.

Hydro One noted that it had sent out its own separate survey related to RIP, in March, to RIP Group 1 participants and had received results.

The RIP survey asked the respondents to answer following questions on a scale of one (disagree) to five (agree):

- The scope of the Regional Infrastructure Planning (RIP) process was clearly defined and communicated to you at the kickoff meeting;
- Your LDC was able to participate in RIP as per the PPWG report and Code amendments;
- Your LDC's inputs were properly discussed and considered;
- Your LDC's needs were properly addressed; and
- Your LDC was satisfied with the final RIP report.

Out of 24 LDCs contacted, 17 responded. Of the 17 respondents, 14 LDCs provided positive responses to the survey questions, while two felt that their participation was marginal. One LDC consistently had a negative response across all the questions; Hydro One indicated that this LDC's participation was minimal in the RIP. Survey comments also included the following:

- One LDC indicated some duplication of activity between IRRP and RIP;

- One LDC raised the issue that RIP does not get into details with Bulk System Planning; and
- One LDC indicated that reconciliation of historical loading information took longer than expected.

Hydro One is currently reviewing the RIP process to address concerns/comments from LDCs on issues such as the reconciliation of historical loading information.

Hydro One will be contacting each LDC that provided comments on the RIP survey after the completion of the process involving the Needs Assessment survey tool. Hydro One will also be providing the results of the survey in their Annual Report to the OEB which is provided at the end of October each year.

One member asked why seven LDCs did not respond. Hydro One indicated that many LDCs had staff changes in the past year, and that in some cases the person who was involved in the process was not with the LDC anymore. However, LDCs are aware that Hydro One is contacting LDCs about the survey.

The OEB Consultant also mentioned that there had been some difficulty in transferring ownership of the survey to the IESO. IESO staff suggested an alternative contact.

Another member stated that if the RPPAG was to make any suggestions to improve the RIP process, it would be best if the recommendations were made before the start of the next cycle. Phase 1 of the RIP process for 21 regions has just finished the first cycle, and IESO is currently in between cycles for the IRRP. The IESO expects the next IRRP cycle will begin around **January 2018** for a few selected IRRPs that have near term needs that cannot wait such as North York Region. The remaining IRRPs in the next cycle will wait until the start of the next required five year cycle and the next RIPs will follow the next IRRPs once they are completed.

Action Item:

- **Hydro One will report back at the next meeting regarding the feedback on the Needs Assessment survey tool that the OEB Consultant developed.**

e) Presentation to OEB Executive: RPPAG Progress

The RPPAG is still awaiting the following:

- 1) A revised ToR sometime in 2017;
- 2) The draft of the new appendix to the PPWG Report setting out the formal criteria related to local planning
- 3) Results of Hydro One's surveys including the one using the new Survey Tool for NAs (and hopefully some from IESO for SAs)

Given the above notable deliverables in the pipeline, the Group decided to postpone the discussion of issues for a potential presentation to the OEB Executive.

However, the general format of the presentation would include the highlights of the Group's discussions over the past two years, what documents have been produced, and the Group's recommendations. The recommendations would have to be consistent with the RPPAG's revised ToR.

OEB staff identified that they had asked the OEB sponsor about the prospect of selected RPPAG members providing a presentation to the OEB Executive. OEB staff noted to the RPPAG that the OEB sponsor's response was that the Group should identify what the RPPAG would be providing in a presentation that the OEB Executive is not already receiving in OEB staff's updates related to the RPPAG's progress. The OEB sponsor noted that the RPPAG should also give thought to what they may be looking for from the OEB Executive.

3. Other Business

No other business was raised.

4. Next Meeting

The next RPPAG meeting has been set for Friday, December 2, 2016.