

Mr. Peter Fraser
Vice-President, Industry Operation and Performance
Ontario Energy Board
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February 26, 2016

RE: Regional Planning Process Advisory Group Mandate

Dear Peter,

The purpose of this letter is to request the Executive Sponsor of the RPPAG to provide clarity with respect to the mandate and scope of this Advisory Group, specifically with consideration of the relevant and conjunctive aspects of the Integrated Resource Regional Planning (IRRP) process as they impact the overall regional planning process and the Regional Infrastructure Planning (RIP) sub-process.

As you are aware, the regional planning process developed by the Process Planning Working Group (PPWG) has two distinct but interconnected components:

- the RIP sub-process; and
- the IRRP sub-process.

Both are regional planning process steps; the former considers “wires” solutions only, while the latter involves “non-wires” solutions and the integration with wires solutions. The RIP process is led by the lead Transmitter in the region under consideration while the IRRP is led by the Independent Electricity System Operator (IESO). Other process steps include the Needs Assessment, for which the transmitter has the lead accountability, and the Scoping Assessment, for which the IESO has lead responsibility.

As part of its recommendations, the PPWG also proposed the establishment of a working group to monitor the overall regional planning process including the steps led by the transmitter and the IESO. The Board endorsed the final PPWG report on May 17, 2013 and subsequently responded to recommendations for a working group by the establishment of the Regional Planning Process Advisory Group (“RPPAG”). The RPPAG is charged with monitoring and recommending improvements to the regional planning process.

At the inaugural meeting of the RPPAG, OEB staff provided further guidance on the purpose and scope of the RPPAG. The objective as stated in the 2015 RPPAG terms of reference is as follows:

“The purpose of the RPPAG is to identify areas of continuous improvement, initiate industry process improvements (both self-identified as well as, as directed by the Board), and make recommendations within the RIP process and its interfaces with other planning process to the Board by:

- Monitoring and understanding the effectiveness of the RIP process;*
- Monitoring and understanding interfaces between RIP and other processes in order to understand the effectiveness of those interfaces;*
- Developing in-process improvements, communicating and rolling-out those changes (with industry lead accountability);*
- Identifying issues and recommending changes that impact the efficacy of RIP; and*
- Making recommendations for changes to the Board instruments in order to support changes. “*

The group has frequently discussed the merits of including some or all of the process aspects of the IRRP within the scope and mandate of the RPPAG. As stated in its March 3, 2015 meeting notes, *“the RIP scope and once that is established, then subsequently (possibly 6 months later) review the need to expand the scope.”*

In the course of its deliberation since that time, it has become clear to the RPPAG members that while the regional planning process, as developed by the PPWG, maintains a distinct separation of the IRRP and RIP sub-processes for developing wires and integrated wires/non-wires solutions, the overall regional planning process has a high degree of integration between the processes. For example, the need screening and scoping assessment steps are common to both the RIP and IRRP. The scoping assessment can recommend the next step to be an IRRP or RIP. Furthermore, the IRRP process can initiate or “hand-off” wires planning activities prior to its completion if there are benefits in doing so, such as meeting urgent needs or when there is no alternative to a wires solution. Actions and results from the IRRP sub-process typically become the input and triggers for the subsequent RIP process. As such, due to this tight integration of the RIP and IRRP sub-processes, it is not simple or effective for the RPPAG to focus its review and recommendations only on the RIP sub-process. In many cases, the improvements could or should be made to the overall integrated process including those for the IRRP sub-process.

Additionally, of concern to the members of the RPPAG, is the changing nature of electricity planning. There is a greater desire by the public, customers, stakeholders and First Nation and Métis (FN&M) groups for more transparency in the planning process and to having a voice in the outcome. For the regional planning process, that translates to an increased emphasis in two process areas:

- engagement/consultation of the affected public, customers, stakeholders and/or FN&M groups; and
- the development of solution options to address identified needs.

Both aspects are inherent in the IRRP sub-process but not in the RIP sub-process and are items that RPPAG members feel should be in scope for current discussions.

In developing the regional planning process, the PPWG envisioned that more complex planning cases would go through the IRRP sub-process along with the necessary engagement activities at the

plan level. A consideration of a range of solutions would be a matter of course for that process. In contrast to that, the RIP would deal wires solutions, and engagement activities requirements would be carried-out as part of the project implementation phase associated with the EA, LTC or other approval processes. As engagement is not part of the current RIP sub-process, it would be difficult for the RPPAG to review and make recommendations on plan level engagement matters without considering the IRRP process where these activities currently reside.

Similarly, conservation and distributed resources are becoming more prevalent now on the customer/distribution side of the electric power system. While they may not yet replace wires in many cases, they will impact the need, scope and timing of any wires requirements. If the RPPAG mandate is limited to RIP or wires solutions, then a large part of the regional planning process related to solution options would not be considered, which will reduce the effectiveness and value of any recommendations from the RPPAG.

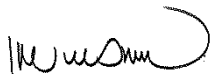
While it is noted that the OEB has more limited jurisdiction over non-wires options, it does license the IESO and LDCs, and has the ability to specify requirements in their licenses; the Board reports annually on LDC Conservation savings; and it also approves Renewable Energy Generation Investment Plans for LDCs. More importantly, however, is the fact that it is the process, not the outcome that would be of interest to the RPPAG. Even if the choice of solution is wires, there is a requirement to demonstrate that other options have been considered and evaluated. The regional planning process overall should incorporate process elements to do that and that is not part of the RIP sub-process.

Finally, there is currently no process for providing feedback on what is working, what is not working and what can be improved with the IRRP process. If the scope of the RPPAG were to cover that process, it could provide helpful feedback in consideration of the entire regional planning process.

Given these considerations, the RPPAG members would like to receive clarity with respect to its mandate for the inclusion of the review, consideration and the making of recommendations on the **entire PPWG regional planning process, including both RIP and IRRP sub-processes.**

We would be pleased to discuss this recommendation with you and any concerns you may have.

Sincerely,



Irv Klajman
Chair (RPPAG)

cc. RPPAG Members