

# OEB Regional Planning Process Review Consultation

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## Update to FEI Working Group

July 29, 2021

# Purpose

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- Provide an overview of the current Regional Planning Process and the IESO's recommended changes being considered by the OEB and its re-established Regional Planning Process Advisory Group (RPPAG)
- Provide an update on the Regional Planning Process Review consultation, with a focus on the RPPAG, and Next Steps

# Current Regional Planning Process – *Background*

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- 2012 – OEB convened the *Process Planning Working Group (PPWG)* to develop a more structured and transparent industry-owned regional planning process
- 2013 – OEB *endorsed* (not approved) PPWG’s report in and then formalized the process through changes to the TSC, DSC and IESO’s licence setting out regional planning process obligations (e.g., timelines, must share information, must make all documents public, etc.)
- 2014 – OEB created the *Regional Planning Process Advisory Group (RPPAG)*, as a standing committee, to monitor the process following implementation and make enhancements based on “lessons learned”
- End of 2016 – First cycle of the Regional Planning Process was completed for all 21 regions

# Current Regional Planning Process – *Background (cont'd)*

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- 2017 – IESO received direction from the Ministry of Energy to review the regional planning process and provide recommendations
- 2017 – OEB received similar direction from the Ministry to undertake a subsequent review including consideration of recommendations from the IESO
  - “*On receipt of recommendations from the IESO regarding its review of the regional planning process ... the OEB shall identify steps to implement such changes as may be appropriate to improve to utility regional planning processes”  
(emphasis added)*
- IESO established an Advisory Group to assist in its review and OEB staff participated as an observer
  - During the IESO review, the OEB placed its RPPAG *on hold*

# Regional Planning in Ontario's Overall Electricity System Planning Context

## Bulk System Planning

- 500 kV & 230 kV transmission
- Interconnections
- Inter-area network transfer capability
- System reliability (security & adequacy) to meet NERC / NPCC / ORTAC
- Minimize congestion (system efficiency)
- System supply & demand forecasts
- Large generation
- Medium- to long-term focus (10-20 years)

## Integrated Regional Resource Planning (IRRP)

## Regional Infrastructure Planning (RIP)

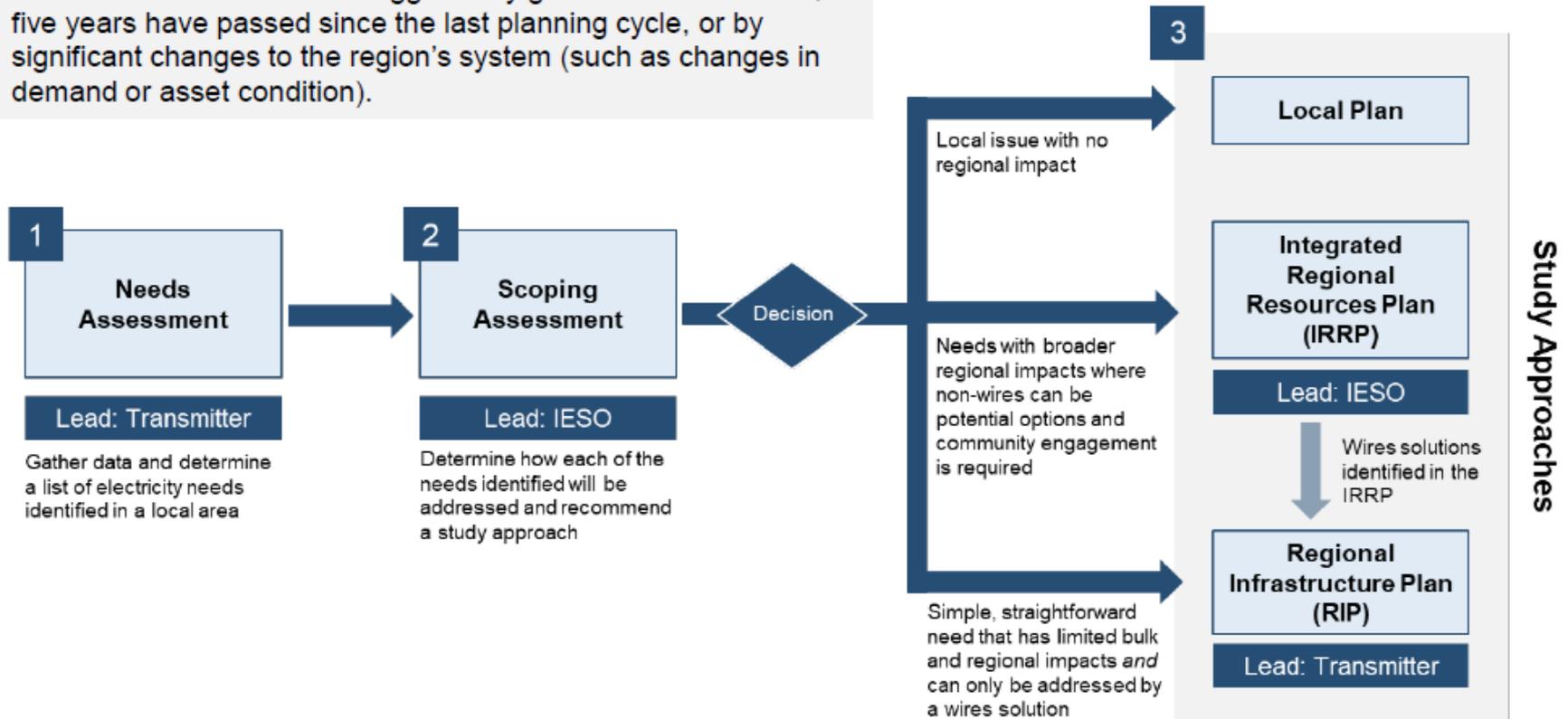
- 230 kV & 115 kV transmission
- 230 kV & 115 kV auto-transformers & switchgear
- ORTAC local area reliability criteria (e.g., load restoration)
- Customer reliability - Delivery point performance standards
- Customer connections (including LDCs)
- Local area generation and DER & CDM resources
- Short- to medium-term focus (5-10 years)

## Distribution System Planning

- Transformer stations connecting to transmission system
- Distribution network planning
- Distribution system reliability (e.g., SAIDI & SAIFI)
- Distribution connected generation and DER & CDM resources
- LDC demand forecasts (net & gross)
- Short- to medium-term focus (5-10 years)

# Current Regional Planning Process – *Stages and Roles - Diagram*

Need Assessments can be triggered by government directives, if five years have passed since the last planning cycle, or by significant changes to the region's system (such as changes in demand or asset condition).



# IESO Regional Planning Review

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- IESO issued its [Straw Man Design](#) document with preliminary recommendations on February 28, 2020
  - Some recommendations were directed at OEB / RPPAG for consideration
- OEB staff suggested to IESO that a letter be issued in the summer of 2020 to stakeholders identifying which of IESO or OEB will take the lead on each recommendation (i.e., not wait for IESO Final Report)
  - OEB and IESO staff worked together to coordinate who will take the lead on further assessing and implementing, if appropriate, each recommendation
  - IESO issued an [implementation plan](#) on July 16, 2020
- IESO then issued its [Final Report](#) on February 4, 2021 – the recommendations remained largely unchanged

# IESO Recommendations for OEB / RPPAG Consideration

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## Improve Process Efficiency and Flexibility

- Streamline and standardize load forecast development
  - A key aspect is standardizing how LDCs determine the difference between net & gross load forecasts (to reflect CDM, DERs)
- Streamline the IRRP & RIP stages of the regional planning process
  - Clarify the scope between the IRRP & RIP products and optimize the timelines between the two stages
- Better consider cost responsibility (i.e., who pays) during the development of a regional plan
  - Greater understanding among LDCs is needed to achieve a consensus on the most cost-effective solutions for all impacted parties
    - Includes cost recovery mechanisms for 'non-wire' alternative (NWA) solutions; i.e., DERs

# IESO Recommendations for OEB / RPPAG Consideration

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- Better integrate & coordinate regional planning with related processes
  - Includes bulk transmission planning, end-of-life (EOL) asset replacement, distribution planning, connection assessments, OEB regulatory proceedings (i.e., applications), markets & procurement mechanisms (e.g., non-wires), energy efficiency program planning
  - The RPPAG has also identified the need for better coordination with natural gas, particularly with the recent OEB Decision on Enbridge's IRP Framework; i.e., non-*pipe* alternative (NPA) & non-*wire* alternative (NWA) coordination

## **Better address end-of-life (EOL) asset replacement in regional planning process**

- Primary goal is to provide a longer lead time (10 years) to study opportunities for non like-for-like replacements of wires in the regional planning process
  - Non like-for-like could be wires (e.g., downsizing) or NWAs (or a combination thereof) but the primary focus is NWAs

# OEB Regional Planning Review Consultation – Next Steps

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- A [kick-off letter](#) was issued on December 10<sup>th</sup> to re-establish the RPPAG with new membership
- OEB recently held its 6<sup>th</sup> RPPAG meeting, and the goal is to finalize recommendations for OEB consideration at the next meeting on August 19<sup>th</sup>
- Once the RPPAG has completed its work related to addressing the IESO's recommendations and any other recommendations that the RPPAG agrees on, next steps include:
  - RPPAG recommendations will come to OEB for review / endorsement
  - Once the changes are finalized, the RPPAG will revise the document that sets out the current Regional Planning Process created by the initial industry advisory group (i.e., PPWG)
  - The OEB may also conclude it is necessary to propose changes to its applicable regulatory instruments (e.g., TSC, DSC, IESO licence, etc.) as part of a formal consultation process to underpin changes to the Regional Planning Process and/or revise OEB staff guidance documents to the industry (e.g., Bulletins)

# Questions / Comments?

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