



Meeting Notes

Regional Planning Process Advisory Group
(EB-2020-0176)
RPPAG Meeting #3

Meeting Date: April 21, 2021

Time: 9:30 am – 3:00 pm

Location: Ontario Energy Board
Zoom

Attendees:

RPPAG MEMBER

ORGANIZATION

Riaz Shaikh

Alectra Utilities

Charles Conrad

Association of Power Producers of Ontario

Amber Crawford

Association of Municipalities of Ontario

Iain Angus

Common Voice Northwest

Faisal Habibullah

Elexicon Energy

Travis Lusney

Non-Wires Solution Working Group

Robert Reinmuller

Hydro One

Ajay Garg

Hydro One

Ahmed Maria

Independent Electricity System Operator

Devon Huber

Independent Electricity System Operator

Jac Vanderbaan

London Hydro

Michael Brophy

Pollution Probe

Mark Rubenstein

School Energy Coalition

Matthew Higgins

Toronto Hydro-Electric System Ltd.

Chris Codd

Versorium Energy



Guest Presenters

Brennan Louw Independent Electricity System Operator

Meghan Lund Independent Electricity System Operator

Ontario Energy Board staff

Ryan Holder

Chris Cincar

Gona Jaff

Natasha Gocool

These notes summarize the information provided during the working group meeting and key points of the issues presented in the published materials.

Meeting Agenda

1. Introduction:

- OEB staff welcomed participants and provided instructions on how to participate during the meeting using Zoom.
- OEB staff outlined the purpose of the meeting as follows:
 - to provide an update on Non-Wire Alternative initiatives;
 - to provide a progress update on Expected Service Life (ESL) proposal;
 - to discuss how to better address Cost Responsibility; and
 - to discuss how to Standardize and Streamline Load Forecast development.
- There were no new agenda items added to the discussion.

2. OEB & IESO – Update on Non-Wire Alternative Initiatives

- IESO staff (Brennan Louw) provided an overview of Non-Wire Alternative (NWA) initiatives currently underway at the IESO to the group.
 - This presentation provided information on clarifying the DER integration efforts at the IESO.
- In addition to the IESO update on NWA initiatives, a presentation on the *Framework for Energy Innovation (FEI): Distributed Resources and Utility Incentives* initiative was provided by OEB staff (Gona Jaff).
 - This presentation provided information on the OEB's initiative that is also related to alternatives to traditional wire solutions.
- A copy of both presentations can be found on the OEB's [Regional Planning Process Review webpage](#).
- The members asked a number of questions related to the two presentations for which responses were provided.
- A member suggested a broad overview of the IESO and OEB initiatives be mapped out in one high level document to show how they were coordinated.

- It was noted coordination efforts were already underway between the OEB and IESO staff, and they will continue.

Discussion Outcome: In response to a request at the previous RPPAG meeting, the RPPAG members were provided with an overview of the IESO and OEB initiatives that focus on non-wire alternatives (i.e., DERs) that are currently being carried out by the IESO and OEB. The group found the two presentations helpful; however, a desire continued to be expressed to see how the OEB and IESO were coordinating the various NWA / DER initiatives. OEB and IESO staff coordination efforts are currently underway.

Action Item: No action at this time.

3. Expected Service Life (ESL) Proposal - Progress Update

- A presentation by Meghan Lund (IESO) on the Expected Service Life (ESL) proposal update was provided to the group.
- As a follow up to the last meeting, volunteer members formed an 'ESL Subgroup' to discuss the purpose of obtaining improved asset replacement information, which is to inform both the regional and bulk planning processes.
- The list would now be focused only on providing asset demographic information (i.e., average age of assets). It was described as a substitute for the ESL information that the IESO had originally proposed which included a 20-year outlook with a specific ESL date.
- The process would generate two inputs to these planning processes:
 - A 10-year End of Life (EOL) outlook on what high voltage assets the transmitters and applicable LDCs are expecting to replace; and
 - An ESL information list focused on asset demographics.
- It was noted that the 10-year EOL outlook information would feed into the Needs Assessment phase of the regional planning process and that would be formalized. However, it was clarified by IESO staff the primary focus was how the new Asset Demographic information list would be used for bulk planning purposes (i.e., not regional). It was added that the asset demographic information will still serve to provide some additional insight into the regional planning process. For example, if a station was identified as reaching EOL within 10 years, the demographic information related to assets in the area surrounding the EOL station could be looked at to better inform replacement decisions.
- It was noted that Hydro One would provide the IESO with information on asset demographics at the station level and for conductors/cables. However, it still needs to be formalized such as how often it is updated and in what form. Since it was limited to age now, it was noted by IESO staff that it would be less frequent than previously envisioned.

- OEB staff asked if it was limited to Hydro One as a number of LDCs own transmission assets. It was noted the IESO would focus on Hydro One since the primary focus is bulk planning and Hydro One owns most of the transmission assets.
- A member asked about the reduction from the 20-year outlook that had been previously identified for the ESL long list. Another member of the ESL subgroup noted this was not discussed with the full subgroup.
- In respect to the 10-year outlook for the bulk planning process, it was noted that the IESO would work with Hydro One to identify 5-10 potential opportunity areas and then focus on up to 3 opportunity areas in relation to asset replacement needs.
 - A member questioned having specific limits on the number of opportunities. It was suggested there should be no limit and, instead, the opportunity areas be prioritized.
 - It was noted that it will ultimately not be a limited since it would be done on an annual basis but there is a need to focus in any one year on the best areas due to resource constraints, so over time it is like prioritizing the areas.
- Members suggested that Asset Demographic information list be produced in an excel format and be made publicly available. Another member of the subgroup noted it would be too ambitious for the next meeting, but the intent was to create a template for asset demographics and there were issues around making some information publicly available.
- There was a lengthy discussion related to why some asset demographic information would not be made public.
- OEB staff suggested that a specific section be added to the ESL Subgroup's document setting out the proposal that explained what asset demographic information can and cannot be made public and the reasons be identified regarding why certain information cannot be made public since the OEB formalized the regional planning process to increase transparency.
- ESL Subgroup members indicated the Asset Demographic list will provide a high-level overview of the system since it will include all major high voltage assets in the province, while the End of Life (EOL) list will provide a fully detailed list of specific assets (i.e., asset name, location, age, etc.) that are expected to be replaced within the next 10 years based on factors including asset condition.
- ESL Subgroup members also indicated that they intend to hold another meeting to further discuss feedback from the RPPAG members and will establish a template for the Asset Demographic list and EOL asset list for review at the next meeting. As suggested by OEB staff, the ESL Subgroup members will look into addressing public information issues.
- A member noted there is much that can be improved to increase the use of NWAs and using the new asset demographic information to identify opportunities would be an improvement.

- OEB staff noted that they envisioned the final document that the broader RPPAG agrees upon would become an appendix to the PPWG Report.

Key Discussion Outcome: The group reviewed the ESL subgroup’s recommendation for an Asset Demographic information list and agreed the list will ultimately improve the asset replacement process. However, the broader group felt that the document needed to be revised to address the concerns and suggestions made during the meeting. Those future discussions should involve the entire ESL subgroup – not only a subset of the membership.

Action item: The ESL subgroup, consisting of Robert Reinmuller (Hydro One), Ahmed Maria (IESO), Riaz Shaikh (Alectra Utilities), Amber Crawford (AMO), Matthew Higgins (Toronto Hydro) and new members Chris Codd (Versorium Energy) and Travis Lusney (Non Wires Solutions) will work on updating the asset demographic proposal document and report back on their progress to the broader group at the next meeting.

4. IESO Recommendation: Better Consideration of Cost Responsibility in the Regional Planning Process

- RPPAG members were reminded that the OEB’s guiding principle for cost responsibility is the beneficiary pays principle.
- Most wire investments triggered by regional planning involve transmission assets which are comprised of:
 - ‘Connection’ investments that are funded by customers (including LDCs) that caused the need for it; and
 - ‘Network’ upgrades that are funded by all Ontario ratepayers, except where there are “exceptional circumstances”.
- It was noted that most transmission upgrades in the regional planning process involve Connection assets and there are detailed rules in the [Transmission System Code](#) (TSC) but they all generally result in customers paying based a proportional benefit allocation where multiple customers are involved. For example, if an LDC requires 30% of the additional capacity, they will pay about 30% of the costs.
- It was also noted that, at the last meeting, members broadly supported the IESO recommendation to incorporate a better understanding of cost responsibility as part of regional planning process.
- Members were reminded the [OEB 2006 Bulletin](#) (circulated to the group) was an attempt at clarifying the circumstances that customers need to pay for Network upgrades; that is, where they perform connection functions (which is relatively rare).
- In terms of DER solutions, the OEB has had CDM Guidelines in place since 2015 that address LDC cost recovery rules where the LDC can demonstrate to the OEB that a DER investment will defer a wires

investment. It was noted the current FEI initiative will build on the CDM Guidelines (e.g., address situations where it is not an LDC that owns the DER).

- In the initial meeting, it appeared the group supported codifying the OEB staff 2006 Bulletin in the TSC as few were aware of that bulletin and doing so would make it enforceable by the OEB. However, the group shifted to supporting an update to the 2006 Bulletin, as that would also increase awareness and the bulletin went into more detail than a code provision would.
- It was specifically noted that the 2006 Bulletin should be updated to reflect the evolution of the system since market opening and take into account the various amendments to the TSC that have been made over the past 15 years, particularly the new proportional benefit provision that involves allocating some of the costs associated with a customer Connection investment to all ratepayers (via the Network pool) where Network benefits can be demonstrated.
- IESO staff noted they felt the 2006 Bulletin did not need much work as it was clear that the intent was the minimum set of assets required to connect a customer should be paid for by the customer, including where it is a network asset. However, if the bulletin is updated, it should have a clear statement that the costs associated with all other Network upgrades are to be recovered from all Ontario consumers through the Network pool.
 - OEB staff suggested that could potentially be achieved by referencing the section in the TSC that discusses socializing all the costs, except where there are “exceptional circumstances” as the 2006 Bulletin focused on clarifying those circumstances.
- A member suggested that, if the 2006 Bulletin was revised, it could be brought back to the RPPAG to review it before it was finalized (for understanding, not debate).
 - OEB staff clarified that where the OEB makes changes to a Code, a formal stakeholder consultation process is held where the OEB issues proposed changes for stakeholder comment. However, where it involves an update to an OEB staff bulletin, determining all the necessary changes was typically an internal process.
- Another member suggested that an alternative approach could involve the group conducting a review of the OEB 2006 Bulletin and recommend the changes they felt were needed.
- OEB staff canvassed the group to determine if their preference would be to leave the bulletin as it is, update the bulletin or hold a consultation to codify it.
 - The group consensus was that the bulletin be updated. It was also suggested by a member that the OEB could consider codifying it in the future once it is concluded that the bulletin is appropriate.

- A member raised a concern that the Technical Working Group for each region is limited regulated entities (i.e., LDCs, transmitter) and suggested non-regulated entities, such as non-wire solution developers, should also be involved in the cost allocation discussions as external funding could influence the lowest cost solution.
- OEB staff indicated that there is an opportunity for all stakeholders to provide input before the solution identification stage (during the Scoping Assessment process), and also during IRRP process where the mix of solutions are determined. It was also noted that Local Advisory Committees were established in each region so members of the community could be consulted on local preferences.
- The member responded that there needs to be a more open stakeholder consultation process on potential solutions and the related costs that differs from the IESO's current "presentation with question format" where all the analysis around potential solutions already seemed to be completed.
 - IESO staff indicated that a separate recommendation was in the IESO's report to share more information on the regional needs (e.g., load profile during year, not just peak demand) with non-wire developers so that they could better identify potential solutions as part of the process.
- IESO staff also clarified the purpose of the recommendation was not necessarily to change the current cost responsibility rules. It was about ensuring that, when regional plans are developed, members of the Technical Working Group – especially LDCs – have a general understanding of what they would be responsible for paying because the greatest risk is that a plan is developed and cannot be implemented because an LDC cannot afford to pay their share.
- OEB staff noted that a plain language document that would explain the key cost responsibility rules at the regional planning level may be helpful. In doing so, it would consolidate a discussion of the applicable rules in all the applicable OEB documents (e.g., TSC, Bulletin).
- Members broadly supported OEB staff preparing such a plain language document explaining the cost responsibility rules in noting it could be used by HONI and IESO as a resource tool at the regional meetings to ensure a common understanding among applicable LDCs and that would be beneficial to the regional planning process.

Key Discussion Outcome: The group consensus was that the OEB's 2006 Bulletin should be reviewed and updated to reflect all the changes to the TSC, as it stands today, and provide any needed clarifications. The group also requested that OEB staff consult senior management internally to ascertain what role the RPPAG could perform if the OEB 2006 Bulletin is updated since it is typically an internal process. The group also broadly supported that OEB staff produce a plain language guidance document that

explains the cost responsibility rules, which HONI and IESO can speak to during TWG and other stakeholder meetings.

Action Item: OEB staff will consult senior management on the drafting of a plain language document explaining the OEB's cost responsibility rules to facilitate a proper and consistent understanding among all the members of the regional Technical Working Groups. OEB staff also to internally discuss the potential role of the RPPAG related to an update to the OEB 2006 Bulletin in the event the OEB agrees revisions should be considered at this time and provide an update at the next meeting.

5. IESO Recommendation: Streamline and Standardize Load Forecast Development

- RPPAG members were reminded that the IESO recommendation related to load forecasts was that they be based on a consistent set of assumptions and methodologies that are used by all Technical Working Group members (i.e. LDC's, transmitter & IESO) and these include agreed upon templates for consistency and an annual review be used to assess forecast accuracy.
- The IESO also offered load forecast two options to be considered:
 - Option 1: occurs only once (20-year comprehensive forecast)
 - Option 2: occurs twice (10-year high-level forecast and 20-year comprehensive forecast, as needed)
- It was noted that, at the initial meeting, the group agreed with the IESO recommendation to standardize the load forecast provided by LDCs and create a guideline to address inconsistencies.
- It was also noted that further discussion in this meeting was therefore focused on which approach – Option 1 or Option 2 – is more appropriate and whether an Annual Review should be formalized.
- OEB staff suggested another option also be considered – referred to as a “Hybrid Option” – which would entail Option 1 (comprehensive long term forecast) for regions where an IRRP had been carried out in the previous cycle and Option 2 (shorter term gross & net forecast) for regions that had not required an IRRP, since about half of the 21 regions in Ontario did not require regional planning in their first cycle and Option 1 would require the same effort whether regional planning was required or not.
- In response, Toronto Hydro (Matthew H.) identified that they used Option 1 on an annual basis (10 years and then 20 years, as needed) and offered to lead the drafting of a guidance document that would include a consistent set of inputs (i.e., assumptions) for both options and would provide the draft guidance document to the members prior to the next meeting for review.
- Hydro One (Ajay G.) volunteered to share with the group their simplified load forecast template that Hydro One provided to LDCs to use in the first cycle. It was noted that Hydro One's forecast guidance document has the flexibility to be customized for different LDCs. However, it was noted that it would be

beneficial to have the providers of the load forecast (i.e., LDCs) agree on a template rather than the transmitter tell them how to provide it.

- Another member noted the need for standardization was primarily related to the assumptions underlying the load forecast, such as the demand per square foot in a detached home, in noting one LDC in a region could assume 2 kW while another LDC in the same region may assume 3 kW.
- OEB staff asked the group which members wanted to volunteer to create a “Load Forecast subgroup” to develop a template with a consistent set of assumptions and provide it to the group for feedback at the next meeting.
 - Members from HONI (Ajay G.), Toronto Hydro (Matthew H.), IESO (Ahmed M.), London Hydro (Jac V.), and AMO (Amber C.) volunteered.¹
- The Senior Manager from IESO (Kausar Ashraf) that is responsible for their demand forecast team was listening to meeting and also offered to participate to provide a provincial perspective and to ascertain if alignment could be achieved.
- It was suggested that the new Load Forecast subgroup provide an explanation related to the basis for the assumptions when they provided the guideline/template to the broader group for discussion at the next meeting so that all the members had a common understanding of how the numbers were derived.
- OEB staff suggested that the final forecast guideline document be added as an appendix to the PPWG report, if the group can agree on a standard set of assumptions, in order to formalize it.
- OEB staff asked the group about the three forecast options - Option 1, Option 2 and Hybrid Option.
 - It was agreed that the new Load Forecast subgroup would discuss the three options and come back to the broader group with a recommendation.
- OEB staff asked the group to turn the focus to the related IESO recommendation regarding whether to formalize an Annual Review of the load forecast and noted that could depend on which forecast option the group lands on. For example, it would likely be more applicable to the one-time forecast used throughout the process (i.e., Option 1).
- IESO staff indicated a possible option to ensure all regions are identifying material forecast changes would be to touch base at the beginning of each first quarter, whereby IESO would initiate the process by sending a check-in email requesting a status update from all regions. IESO added that the Annual Review would also entail ensuring projects in the most recent regional plan were being executed (as they were based on a load forecast used to determine the need).

¹ Pollution Probe (Mike B.) offered to review the draft template and provide feedback to the Load Forecast subgroup before it was brought to the broader group for review.

- A member raised a concern about making the Annual Review prescriptive – must be done every year – as the incremental benefit may be very small with extra work imposed on all entities involved in the process.
- OEB staff noted it could be as simple as a brief meeting in the same format as the RPPAG meeting to just get an update to ensure nothing major has changed.
- Another member suggested introducing a trigger mechanism for each region to avoid the burden of doing it in every region and used the sudden and significant greenhouse growth in Southwestern Ontario as an example.
- IESO staff noted there may be some form of compromise but it left them with the question – how do we know if everything is going to plan if there is no type of formal check in each year?
- Another member suggested an approach that would cover off each region and avoid the need to organize and attend an annual meeting – implement an annual survey that would be circulated to all regions asking the same questions each year so those completing it collect and annually update the same information. There was member support for that simplified approach. It was added it should be implemented in a way that minimizes the burden (i.e., only necessary information requested).
- OEB staff added that, under the TSC, an Annual Report must be filed with the OEB in November of each year by Hydro One (and the other transmitters) that provides a status update for each region in the province and the timing of the annual survey could be coordinated with that annual report. Hydro One added that it could be further coordinated with the Planning Status Letter that they provide to all LDCs for rate application purposes.

Key Discussion Outcome: The Load Forecast subgroup will develop a template with a consistent set of assumptions and provide it to the group for discussion at the next meeting. That subgroup will also provide a recommendation on which load forecast option – Option 1, Option 2 or Hybrid Option – is the preferred approach for discussion at the next meeting. In terms of an Annual Review, an annual survey was the preferred approach among the options that the group discussed.

Action items:

- The Load Forecast subgroup consisting of HONI (Ajay G.), Toronto Hydro (Matthew H.), IESO (Khasraf A. and Ahmed M.), London Hydro (Jac V.), and AMO (Amber C.) will meet to develop a draft template with a consistent set of assumptions (including an explanation related to the assumptions) and provide it to the group for discussion at the next meeting.
- The Load Forecast subgroup will also provide a recommendation on the preferred load forecast option for discussion at the next meeting.

6. Next Steps and Action Items

- OEB staff identified RPPAG members would be contacted with possible dates to schedule the next meeting.
- OEB staff also identified the next IESO recommendations on the prioritized list that will be addressed at the next RPPAG meeting
 1. Improve Integration and Coordination with Related Processes
 2. Clarify Process Stages and Products *[Note: This recommendation was in the IESO's Straw Man and the subsequent Implementation Plan Table. However, we noticed it was no longer included in [IESO's Final Report](#). That said, it needs to ultimately be discussed but it is premature to do so at this time as it entails updating the current documentation (including the PPWG report)]*
- The next meeting will also address outstanding matters related to the IESO Recommendations (i.e., RPPAG has not yet reached a conclusion).

Action Items:

1. Expected Service Life (ESL): Proposal Update
 - ESL subgroup members to meet and discuss revisions to the document related to the Asset Demographic list, including constraints related to publicizing certain information, and report back on their progress involving the proposed approach at the next meeting.
2. Better Consideration of Cost Responsibility
 - OEB staff will consult senior management on the drafting of a plain language document explaining the OEB's cost responsibility rules.
 - OEB staff to also discuss the potential role of the RPPAG internally related to an update to the OEB 2006 Bulletin in the event OEB agrees revisions should be considered at this time and provide an update at the next meeting.
3. Streamline and Standardize Load Forecast Development
 - Load Forecast subgroup will meet to discuss and report back to the broader group on the following at the next meeting:
 - Load forecast templates, the underlying assumptions and an explanation that provides the basis for the assumptions.
 - The load forecast options – Option 1, Option 2, Hybrid Option – and the option they recommend.

Next RPPAG Meeting: May 25, 2021