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APPrO
ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

March 16, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Re: Consultation to Develop a Regulatory Framework for Natural Gas Distributors' Cap and Trade Compliance Plans (Board File No. EB-2015-0363)

Dear Ms. Walli:

On March 10th, the Ontario Energy Board (OEB) indicated that it was "initiating a consultation to develop a natural gas regulatory framework to support the implementation of Ontario's Cap and Trade program. The framework will guide the OEB's assessment of natural gas distributors' Cap and Trade Compliance Plans, including the cost consequences of these plans and the mechanism for recovery of costs in rates."

The OEB has invited interested stakeholders to participate in this consultation.

APPrO represents, among other types of generation, the majority of gas-fired generators in Ontario, and wishes to participate.

Under the Draft Regulation¹, both domestic electricity generators and electricity imports are included within the scope of the program (S. 14, S. 3), and the Point of Regulation (PoR) related to the use of natural gas will be set upstream with the natural gas utilities (S. 3). Specifically, gas-fired generators connected to an OEB regulated gas distribution company, as well other generators which participate in the IESO-administered markets stand to be affected by the implementation of the Draft Regulation. Furthermore,

¹ ONTARIO REGULATION proposed to be made under the PROPOSED CLIMATE CHANGE MITIGATION AND LOW-CARBON ECONOMY ACT, 2016 (BILL 172)

generators that are supplied natural gas by a company that is not regulated by the Ontario Energy Board are expected to be covered directly under cap and trade and may have direct compliance obligations.

A. APPrO and Its Interest in the Proceeding

APPrO is a non-profit organization representing more than 100 companies involved in the generation of electricity in Ontario, including generators and suppliers of services, equipment and consulting services. APPrO's members produce electricity from natural gas, hydro, nuclear, wind, biogas and other sources. A description of APPrO, its mandate and objectives, membership and representative constituency, and programs and activities are summarized in Attachment I.

APPrO's interest in this matter is in respect of the OEB's proposed consultation on the establishment of a natural gas regulatory framework to support the implementation of Ontario's Cap and Trade program.

B. APPrO's Experience as a Frequent Intervenor

APPrO has a record of frequent participation in OEB proceedings as an intervenor. This includes proceedings for Union Gas, Enbridge, Hydro One, the IESO and the former Ontario Power Authority, as well as OEB-sponsored consultations.

C. Nature and Scope of APPrO's Intended Participation

APPrO intends to be an active participant in this consultation and will act responsibly to coordinate with other participants to assist the Board in identifying issues regarding the natural gas distributors' Cap and Trade activities and to help develop options to address these issues, within the context of the OEB's regulatory responsibility, as well as to participate in developing approaches to assess natural gas distributors' Compliance Plans and methods for cost recovery.

D. Costs

The Board notes in its letter of March 10th that "cost awards will be available to eligible persons under section 30 of the Ontario Energy Board Act, 1998 for participation in cost eligible activities as set out in Appendix A."

In accordance with this, APPrO requests to be eligible for its reasonably incurred costs as set out in the above cited letter, based on the Board's previous recognition of APPrO as a cost award-eligible participant in gas-related proceedings and consultations.

E. APPrO's Representatives

Association of Power Producers of Ontario
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Attention: David Butters, President
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Facsimile: 416-481-5785
Email: david.butters@appro.org

Respectfully,

A handwritten signature in black ink, appearing to read 'David Butters', enclosed within a large, loopy oval shape.

David Butters
President & CEO