

September 20, 2018

VIA Email, Courier and RESS

Independent Electricity System Operator

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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Notice of Revised Proposal to Amend a Code
Revised Proposed Amendments to the Transmission System Code and the
Distribution System Code to Facilitate Regional Planning
OEB File No.: EB-2016-0003**

On September 21, 2017, the Ontario Energy Board (“OEB”) issued a Notice of Proposal to amend the Transmission System Code (“TSC”) and Distribution System Code (“DSC”) to facilitate regional planning. Accompanying the Notice of Proposal as Attachments A and B were the proposed amendments to the TSC and DSC, respectively. The OEB invited comments to the proposed amendments, extending the comment filing date to November 6, 2017.

On February 5, 2018, the OEB held a stakeholder meeting to further the understanding of the September Proposed Amendments and the related stakeholder comments that had been received to better inform any further revisions. The OEB has proposed further revisions to the previously proposed amendments and has invited further comments to these revised amendments, extending the comment filing date to September 20, 2018.

The Independent Electricity System Operator (“IESO”) has been carrying out regional planning activities since 2005 and has worked with transmitters and local distribution companies to develop regional plans, including providing recommendations where appropriate, for the 21 electricity regions across Ontario. The IESO’s goal in the regional planning process is to develop cost-effective, integrated solutions (i.e., with consideration for wires and non-wires alternatives) that meets the electricity needs of a specific area.

IESO Comments

The IESO appreciates the opportunity to comment on the revised proposed amendments to the TSC and DSC. The IESO provided comments to the OEB on the September Proposed Amendments and was generally supportive of the Amendments. The IESO continues to support the revised amendments and offers the following comments.

6.3.18A Apportioning Transmission Connection Investment Costs to Network Pool

The IESO is supportive of the OEB's expansion of the apportion approach to include generator customers so that all transmission customers are treated the same and pay their fair share. This proposed amendment enhances the proportional benefit approach which the IESO supports.

In the IESO's comments to the September Proposed Amendments, the IESO proposed that broader system benefits goes beyond system needs and include economic benefits, such as reduction in system losses. The OEB did acknowledge that reduced system losses are a good example of a benefit that should be considered, as long as they are material. The IESO continues to support the need to include broader system benefits in the IESO's assessments of new or modified connection facilities and believes that the TSC should be explicit about this to ensure a consistent application and understanding.

6.7.2 (TSC) and 3.1.17 (DSC) End of Life (EOL) Replacement and Transmission Connection Assets

The IESO, in its previous comments, suggested wording changes for section 6.7.2 to link this section to the regional and bulk planning process. The IESO believes that there is a need for EOL replacements to be better integrated into the IESO's planning processes to allow for a more comprehensive assessment of regional and bulk system needs. The OEB indicated that they do not believe every EOL assessment will need to be addressed through a regional or a bulk planning process as some EOL needs are addressed through a local planning process involving only one distributor (and the transmitter). The IESO accepts that not all EOL assessments will fall into a regional or bulk planning process.

The IESO appreciates the opportunity to provide these additional comments in this policy consultation.

Yours truly,



Tam Wagner
Senior Manager, Regulatory Affairs
Independent Electricity System Operator