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**APPRO Submission in EB-2009-0077
Proposed Amendments to the Distribution System Code
March 30, 2010**

Background

The following comments are submitted by the Association of Power Producers of Ontario (APPRO) in response to the most recent set of changes proposed under the above-mentioned proceeding. As a non-profit organization representing electricity generators in Ontario, APPRO appreciates this opportunity to comment on proposed amendments to the Distribution System Code (DSC).

APPRO commends the Board for taking the initiative to reconsider the question of rebates when generators make use of distribution facilities paid for by other generators. It was an issue that warranted further resolution in our view.

APPRO comments

On the whole APPRO believes that the Ontario Energy Board's proposals for DSC revisions affecting the administration of rebates are sound and reasonable.

The proposed changes largely remove the potential incentive for renewable generators to delay their connections in order to "free ride" on connection assets paid for by earlier generators. However, there is still the risk that renewable generators will delay an investment until the utility submits its distribution plan for OEB approval, particularly if they are not required to pay contributions or rebates when connections are made after a distribution plan is approved.

One solution to reduce the disincentive to connect prior to distribution plan approval would be to include a clarification to the effect that unforecasted customers that benefit from an initial expansion must still pay their fair share of the contribution as proposed by the Board even after the Board-approved plans are in place. This recommendation can be readily implemented by the Board clarifying that OEB-approved distribution plans

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would cover only costs of planned capital investments and would not cover any expansion facilities that were built or were under construction before the plan was proposed. Such investments presumably would continue to be subject to rebate treatment as proposed by the Board for a connection period of 5 years.

APPrO is not recommending a change to the rules as proposed by the Board, it is merely trying to ensure that the application of the rules is clear with respect to a) generator connection assets built before the distribution plan was filed, b) generator assets that were under construction at the time of the distribution plan being filed, and c) generator assets that were still in the planning process at the same time the distributor plan was being developed. Connections that are being planned by generators at the time the utility plan is being developed could potentially become part of the distributor's plan. However rebates as proposed by the Board should continue to be provided to initial generators when renewable generators connecting after the plan is approved benefit from physical capacity created by prior expansions predating the plan.


APPrO would also like to recommend that as part of the EB-2009-0349 consultation, the Board consider rebates to generators and electricity consumers where contributions have been provided by renewable generators and some or all of the costs have also been approved for recovery from provincial consumers under the Rate Protection provisions of Ontario Regulation 330/09.

As is normal for broad-based organizations like ours, APPrO provides these comments as an indication of the general view of the organization, while acknowledging that individual members of APPrO may well hold differing positions on specific points.

Conclusion

APPrO recommends that the Board proceed with the amendments based on the recommendations and comments made herein.

All of which is respectfully submitted by



Jake Brooks, Executive Director, APPrO