



EB-2010-0279

IN THE MATTER OF sections 25.20 and 25.21 of the *Electricity Act, 1998*;

AND IN THE MATTER OF a Submission by the Ontario Power Authority to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements and the fees which it proposes to charge for the year 2011.

PROCEDURAL ORDER NO. 1

BACKGROUND

On November 2, 2010, the Ontario Power Authority (the "OPA") filed with the Ontario Energy Board (the "Board") its proposed 2011 expenditure and revenue requirement and fees for review pursuant to subsection 25.21(1) of the *Electricity Act, 1998*.

The Board issued a Notice of Application dated November 24, 2010 with respect to this proceeding which was served on all intervenors in the OPA's 2010 Revenue Requirement Submission. The Board also directed the OPA to publish the Notice of Application in one edition of both the *Globe and Mail* and *Le Droit*.

DRAFT ISSUES LIST

The draft issues list that has been provided in Appendix A has been prepared for discussion purposes to help frame the submissions from parties on both the final issues list and the OPA's application. The draft issues list represents an expansion to issues lists that were approved in previous OPA proceedings, and the Board is interested in receiving comments from parties regarding this potentially broadened scope. Parties will be able to provide their submissions at the Issues Day that will be held at the Board's offices on the date noted below.

THE BOARD ORDERS THAT:

1. The OPA, intervenors and Board staff may make a pre-filing of submissions on the draft issues list and shall file any submissions with the Board and deliver them to the intervenors and the Applicant no later than **Wednesday, December 15, 2010**.
2. An Issues Day will be held at the Board's offices located at 2300 Yonge Street, Toronto, Ontario on the 25th floor in the West Hearing Room commencing **Friday, December 17, 2010 at 9:30 a.m. to 4:00 p.m.**

Issued at Toronto, November 24, 2010.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

Draft Issues List

EB-2010-0279

ONTARIO POWER AUTHORITY

**ONTARIO POWER AUTHORITY (“OPA”)
FISCAL 2011 REVENUE REQUIREMENT SUBMISSION FOR REVIEW
DRAFT ISSUES LIST
EB-2010-0279**

- 1.0 Strategic Objective #1 – POWER SYSTEM PLANNING – Plan for and facilitate the development of a cost effective, reliable and sustainable electricity system.**
- 1.1 Has the OPA provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective #1 initiatives:
- a) Responding to the Minister’s Directives on planning;
 - b) Supporting the implementation of the Feed-in Tariff Program;
 - c) Supporting the implementation of electricity projects aligned with the Integrated Plan;
 - d) Continuing to integrate conservation into planning Ontario’s electricity system; and
 - e) Supporting the development of Community Integrated Plans and options for Ontario’s remote communities.
- 1.2 Is the Operating Budget of \$6.070 million for Strategic Objective #1 reasonable and appropriate?
- 1.3 Are the initiatives being pursued to achieve Strategic Objective #1 reasonable, appropriate and clearly defined?
- 1.4 Is the budget for Strategic Objective #1 appropriately allocated among the initiatives being pursued?
- 1.5 Are the 2011 milestones associated with Strategic Objective #1 reasonable, appropriate, clearly defined, and measurable?
- 1.6 Do the results reported on the OPA’s 2010 Strategic Objective #1 milestones provide reasonable and appropriate information regarding the achievement and efficiency of the OPA’s performance?
- 2.0 Strategic Objective #2 – CONSERVATION – Together with our partners, plan, procure and support the development of verified conservation/energy-efficiency resources as identified in the integrated plan and its subsequent iterations. Build capability and enable partners to achieve targets and contribute to a culture of conservation in Ontario.**
- 2.1 Has the OPA provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective #2 initiatives:

- a) Undertaking conservation planning and program design in partnership with LDCs;
 - b) Facilitating the procurement of verified energy efficiency/conservation resources through ratepayer-funded programs;
 - c) Building capability of the conservation services industry, the customer and the supply chain to accelerate conservation;
 - d) Increasing conservation awareness and measuring progress in building a culture of conservation province-wide;
 - e) Transforming the way electricity is used; planning for changes to codes and standards; and
 - f) Supporting innovation in emerging technologies and conservation programs.
- 2.2 Is the Operating Budget of \$16.421million for Strategic Objective #2 reasonable and appropriate?
- 2.3 Are the initiatives being pursued to achieve Strategic Objective #2 reasonable, appropriate and clearly defined?
- 2.4 Is the budget for Strategic Objective #2 appropriately allocated among the initiatives being pursued?
- 2.5 Are the 2011 milestones associated with Strategic Objective #2 reasonable, appropriate, clearly defined, and measurable for the purposes of determining the achievement and efficiency of the OPA's performance?
- 2.6 Do the results reported on the OPA's 2010 Strategic Objective #2 milestones provide reasonable and appropriate information regarding the achievement and efficiency of the OPA's performance?
- 3.0 Strategic Objective #3 – SUPPLY PROCUREMENT AND CONTRACT MANAGEMENT – Plan and design standardized tariff-based, competitive and bilateral procurement processes and enter into procurement contracts for generation resources. These procurement and contracts will meet the requirements identified in the integrated plan, ministerial directives and legislation, and incorporate world-class contracting and settlement practices that support investment in electricity. Identify barriers and limitations; develop and/or define methods and solutions to deliver enhanced generation developments, through innovation, analysis, assessment and benchmarking with a view to efficiency and environmental sustainability.**
- 3.1 Has the OPA provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective #3 initiatives:
- a) Continue to evolve and refine the FIT Program and manage FIT contracts;
 - b) Maintain nuclear generation in the province;

- c) Procurement;
- d) Managing newly executed large-scale gas-fired facilities;
- e) Contract management and financial settlements;
- f) Reducing barriers to involvement in renewable energy projects for community groups, municipalities and First Nation and Métis communities by establishing funding mechanisms;
- g) Monitoring and Analysis of Policy and Current Procurement and Contract Management Processes;
- h) Investigate approaches for dealing with carbon mitigation; and
- i) Facilitate and Contract for New Combined Heat and Power and Distributed Generation.

- 3.2 Is the Operating Budget of \$11.172 million for Strategic Objecting #3 reasonable and appropriate?
- 3.3 Are the initiatives being pursued to achieve Strategic Objective #3 reasonable, appropriate and clearly defined?
- 3.4 Is the budget for Strategic Objective #3 appropriately allocated among the initiatives being pursued?
- 3.5 Are the milestones associated with Strategic Objective #3 reasonable, appropriate, clearly defined, and measurable for the purposes of determining the achievement and efficiency of the OPA's performance?
- 3.6 Do the results reported on the OPA's 2010 Strategic Objective #3 milestones provide reasonable and appropriate information regarding the OPA's performance?

4.0 Strategic Objective #4 – ORGANIZATIONAL CAPACITY – Develop and maintain organizational capacity to achieve the strategic objectives and be recognized as a strategic partner.

- 4.1 Has the OPA provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective #4 initiatives:

Finance

- a) Implement new systems;
- b) Enhancing partnerships with internal customers; and
- c) Enhance risk management processes.

Human Resources

- a) Recruitment and Selection;
- b) Performance Management;
- c) Reward and Recognition;
- d) Training and Development;

- e) Career Planning, Succession Planning and Management;
- f) Organizational Development.

Business Services

- a) Expand and improve consultancy role; and
- b) Installation and support of key information technology.

Legal, Aboriginal and Regulatory Affairs

- a) Continue to provide effective legal counsel to the organization in the areas of contract development, procurement processes and contract management
- b) Provide support and guidance for OPA participation in regulatory proceedings; and
- c) Maintain and enhance positive relationships with First Nations and Métis communities.

- 4.2 Is the Operating Budget of \$24.653 million for Strategic Objective #4 reasonable and appropriate?
- 4.3 Are the initiatives being pursued to achieve Strategic Objective #4 reasonable, appropriate and clearly defined?
- 4.4 Is the budget for Strategic Objective #4 appropriately allocated among the initiatives being pursued?
- 4.5 Are the milestones associated with Strategic Objective #4 reasonable, appropriate, clearly defined, and measurable for the purposes of determining the achievement and efficiency of the OPA's performance?
- 4.6 Do the results reported on the OPA's 2010 Strategic Objective #4 milestones provide reasonable and appropriate information regarding the achievement and efficiency of the OPA's performance?

5.0 Strategic Objective #5 – COMMUNICATIONS – Be a trusted and respected source of information in the electricity sector.

- 5.1 Has the OPA provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective #5 initiatives:
 - a) Identifying key stakeholders and developing a greater understanding of their information needs and associated action plans;
 - b) Delivering enhanced community relations to meet communities' needs to be more informed about electricity matters;
 - c) Gaining broad public and stakeholder understanding of sustainable electricity policy and conducting ongoing research to inform improvements in understanding of OPA's role;

- d) Conducting enhanced consultation with existing and new stakeholders on electricity system planning; and
 - e) Ensuring superior communications support for major organizational initiatives?
- 5.2 Is the Operating Budget of \$5.791 million for Strategic Objective #5 reasonable and appropriate?
- 5.3 Are the initiatives being pursued to achieve Strategic Objective #4 reasonable, appropriate and clearly defined?
- 5.4 Is the budget for Strategic Objective #4 appropriately allocated among the initiatives being pursued?
- 5.5 Are the milestones associated with Strategic Objective #4 reasonable, appropriate, clearly defined, and measurable for the purposes of determining the achievement and efficiency of the OPA's performance?
- 5.6 Do the results reported on the OPA's 2010 Strategic Objective #4 milestones provide reasonable and appropriate information regarding the achievement and efficiency of the OPA's performance?

6.0 Efficiency Metrics

- 6.1 Do the efficiency metrics submitted by the OPA provide a reasonable and appropriate basis for assessing the general performance and efficiency with which the OPA operates and delivers on its mandate?
- 6.2 Do the efficiency metrics submitted by the OPA provide a reasonable and appropriate basis for assessing changes in the scope, volume, and complexity of OPA operations?
- 6.3 Do the efficiency metrics submitted by the OPA provide reasonable and appropriate bases for assessing the achievement and efficiency of the OPA's performance in the areas of:
- a) net annual peak demand reduction;
 - b) net annual energy reduction;
 - c) renewable energy contracted under FIT and microFIT Programs;
 - d) in-service capacity under contract; and
 - e) all other generation contracted by the OPA?

7.0 Proposed Fees

- 7.1 Is the proposed usage fee reasonable and appropriate?

- 7.2 Is the proposal to recover OPA fees from export customers reasonable and appropriate?
- 7.3 Are the proposed registration fees per proposal for electricity supply and capacity procurement reasonable and appropriate?
- 7.4 Are the proposed application fees for the Feed-in-Tariff program reasonable and appropriate?

8.0 Deferral and Variance Accounts

- 8.1 Is the proposed disposition of the various Deferral and Variance Accounts reasonable and appropriate?
- 8.2 Are the proposed Deferral and Variance Accounts appropriate?

9.0 Previous Settlement Agreements and Decisions

- 9.1 Has the OPA responded appropriately to previous Settlement Agreements and Decisions?