

**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.

**SUBMISSIONS OF  
THE ONTARIO POWER AUTHORITY  
ON THE DRAFT ISSUES LIST**

Attached as Appendix A to Procedural Order No. 1 in this proceeding is a draft Issues List that, according to the Procedural Order, was "prepared for discussion purposes and to help frame the submissions from parties on ... the final issues list". The Procedural Order states that the Ontario Power Authority (OPA), intervenors and Board staff may make a "pre-filing" of submissions on the draft Issues List, to be filed by December 15, 2010. These are the submissions of the OPA filed pursuant to Procedural Order No. 1; under the headings that follow, the OPA will provide its comments with regard to the draft Issues List.

**Statutory Mandate of the Board**

The OPA's revenue requirement submission is filed under section 25.21 of the *Electricity Act*, 1998. Section 25.21 requires the OPA to make an annual submission for review by the Board, but it also makes clear that the OPA shall not do so until after the Minister of Energy approves, or is deemed to approve, the OPA's proposed business plan for the fiscal year under review.

The Minister's approval of the OPA's business plan is required by section 25.22 of the legislation. This section provides that, at least 90 days before the beginning of each fiscal year, the OPA must submit its proposed business plan for the fiscal year to the Minister for approval. The Minister may approve the proposed business plan or refer it back to the OPA for further consideration and, if the Minister does not do either within at least 70 days before the beginning of the particular fiscal year, the Minister is deemed to have approved the business plan.

The OPA's business plan sets out strategic objectives and it sets out the initiatives and activities that the OPA proposes to undertake in order to fulfill the strategic objectives. Once the Minister has approved the business plan, the legislation does not provide for a second process whereby the Board also approves the OPA's strategic objectives, initiatives and activities. On the contrary, section 25.21 of *Electricity Act*, 1998 provides for a "review" by the Board and it states specifically that the review encompasses:

... [the OPA's] proposed expenditure and revenue requirements for the fiscal year and the fees it proposes to charge during the fiscal year ....

Moreover, the legislation draws a clear distinction between "fees" that are reviewed by the Board under section 25.21 and "charges" that are not subject to review by the Board. Section 25.20 of the *Electricity Act, 1998* states that the OPA may establish and impose "fees and charges" to recover the costs of doing anything that it is required or permitted to do by the governing legislation and any other type of expenditure permitted by regulations. It is only the "fees" and not the "charges" that are referred to in the context of the Board's review mandate under section 25.21. Indeed, the legislation states, "[f]or greater certainty", that the OPA may establish "charges" to recover costs and payments under procurement contracts and it states that recovery of these costs and payments shall be deemed to have been approved by the Board.

#### **Board Decisions Regarding its Statutory Mandate**

The scope of the review mandated by section 25.21 was considered twice by the Board in EB-2007-0791 (OPA 2008 revenue requirement submission). The issue was considered in that proceeding, first, as a result of submissions that were made to the Board in respect of a draft Issues List and, second, as a result of submissions that were made to the Board at the conclusion of the oral hearing. In its decision with respect to the Issues List, the Board made the following statements about the scope of the proceeding:

...this is an OPA fees case and the overall purpose of this hearing is to determine if the revenue requirement and fees proposed by the OPA are reasonable. In order to determine if the fees are reasonable, of course, some examination of the costs that make up this fee may be necessary. The Board does not intend, however, to entertain a debate concerning specific programs that the OPA should consider to meet a MWh goal or target.<sup>1</sup>

The Board's final Decision and Order in EB-2007-0791 also addressed this issue. In the Decision, the Board reiterated the conclusions that it had reached regarding the scope of its mandate in its earlier ruling on the Issues List. Indeed, in the words of the Decision: "The Board's expectations regarding the scope of the fees proceeding were made clear throughout the proceeding."<sup>2</sup> The Board confirmed that "charges" are the costs associated with the

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<sup>1</sup> "OEB Decision on Issues", EB-2007-0791, page 3.

<sup>2</sup> EB-2007-0791 Decision and Order, page 8. The Board repeated its conclusions regarding the scope of the proceeding yet again in its Decision and Order on Cost Awards, EB-2007-0791, at pages 2-4.

programs undertaken by the OPA in the areas of its mandate and that the Board has no role in approving charges.<sup>3</sup> The Board also said:

The Board's role in a fees proceeding is to assess whether the proposed organizational budget is reasonable. Despite the Board's caution, and GEC's prologue, its submissions were on how the OPA should go about fulfilling its CDM mandate ...

The same general conclusions above regarding the Board's role in the OPA's CDM programs and activities also apply to VECC's requests regarding proportional spending for low income customers and the development of targets and timeframes. VECC did set out the reasons why it feels that it cannot provide assistance on the revenue requirement. As much as these reasons may be legitimate, the parameters of the OPA's fees review are not set by the Board, they are rooted in legislation.<sup>4</sup>

The interventions that have been filed in this case reveal that parties seek to pursue issues that have been explicitly determined to be beyond the scope of the proceeding in the previous decisions of the Board. Pollution Probe indicates that it "intends to support aggressively promotion of energy conservation and energy efficiency" and "may indentify other interests".

The Green Energy Coalition (GEC) says that its primary interest is "the appropriateness of the OPA's expenditure and revenue requirements given its central role in generation, transmission and CDM development and given the forthcoming approvals process for those matters". In this regard, GEC "notes the potentially expanded draft issues list". The Low-Income Energy Network (LIEN) says that its membership may be "impacted by the outcome of this proceeding" if,

...there is not reasonable revenue set aside to ensure that conservation resources are sufficient and appropriate for low-income customers, or if benchmarking associated with achieving a greater portfolio of renewable energy resources does not inform LIEN membership if Ontario's energy generation is not environmentally sustainable.

### **The Draft Issues List**

The draft Issues List attached as Appendix A to Procedural Order No. 1 contains 40 issues. There were 12 issues in the Issues List approved by the Board for the 2010 revenue

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<sup>3</sup> EB-2007-0791 Decision and Order, page 6.

<sup>4</sup> EB-2007-0791 Decision and Order, page 9.

requirement submission (EB-2009-0347)<sup>5</sup> and 12 issues in the Issues List approved by the Board for the 2009 revenue requirement submission (EB-2008-0312).<sup>6</sup> The OPA's 2011 revenue requirement submission and pre-filed evidence do not in any way give rise to a need for a dramatic expansion of the Issues List beyond that which has been approved by the Board in previous cases.

The OPA's operating budget has remained stable for several years and the proposed operating budget for 2011 actually represents a reduction from the budget approved by the Board for 2010. The pre-filed evidence in support of the OPA's proposed 2011 expenditures, revenue requirement and fees is presented in a fashion that is very similar to the filing for 2010, with additional information about performance metrics and the previous year's performance in order to meet the directions of the Board in EB-2009-0347 (2010 revenue requirement submission).

In EB-2009-0347, the Vulnerable Energy Consumers Coalition (VECC) suggested that the OPA should be required to increase the level of specificity of evidence provided with respect to achievement of milestones set out in the business plan. The Board did not wholly accept VECC's suggestions, but it directed the OPA to include more precise and informative evidence with respect to performance metrics in its revenue requirement submission.<sup>7</sup> While the OPA's ability to achieve milestones and targets may be affected by external circumstances, such as global economic conditions, the OPA has filed evidence to satisfy the Board's directive. This evidence contains greater operational detail about achievement of 2010 milestones, it restates the 2011 business plan milestones with greater operational detail and it addresses efficiency metrics.<sup>8</sup>

The Board's decision with respect to the OPA's 2010 revenue requirement submission also dealt with the manner in which the OPA reports its projected costs. In the following passage from the decision, the Board expressed its approval of the presentation of this evidence:

Energy Probe recommended that the Board direct the OPA to collect and report its costs on a per-project basis and by functional area for inclusion in the OPA's next revenue requirement submission, similar to the way other organizations report their costs. Energy Probe submitted that this information would permit better analysis of the data provided by the OPA. AMPCO and VECC both supported Energy Probe's suggestion.

The OPA replied that insofar as Energy Probe's proposal was intended to facilitate comparisons with other organizations it is not

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<sup>5</sup> Appendix "B", Procedural Order No. 1, EB-2009-0347.

<sup>6</sup> Appendix "A", Issues Decision and Order, EB-2008-0312.

<sup>7</sup> EB-2009-0347 Decision and Order, page 6.

<sup>8</sup> Exhibit C, EB-2010-0279.

appropriate. In the OPA's view there are no comparable organizations undertaking the range of tasks mandated for OPA.

The Board agrees with the OPA in that it is a unique organization which has been tasked with some very specialized responsibilities. The Board is satisfied with the OPA's level of detail and the manner in which it has reported its projected costs throughout its last several fees case submissions. The Board notes that the OPA's mandate is made up of many on-going projects that do not adhere to traditional cost allocation practices and that the manner in which the OPA has presented its costs and budgets by strategic objective is acceptable.<sup>9</sup>

For 2011, the OPA has continued to present its projected costs in the manner approved by the Board in the 2010 revenue requirement proceeding and it has provided additional evidence to meet the Board's directive regarding the previous year's performance. There is nothing in the pre-filed materials to suggest that an Issues List generally in line with the approach that has proved to be appropriate in earlier cases would not be appropriate in this case.

The draft Issues List in this proceeding can also be compared with the Issues Lists that have been approved by the Board for the purposes of its review of the expenditures, revenue requirements and fees of the Independent Electricity System Operator (IESO) under section 19 of the *Electricity Act, 1998*. The wording of section 19 is virtually identical to that of section 25.21, except that the former refers to the IESO and the latter refers to the OPA. In contrast to the 40 issues in the draft Issues List for this case, there were 13 issues approved by the Board in the IESO's 2010 proceeding (EB-2009-0377), 15 issues approved by the Board in the IESO's 2009 proceeding (EB-2008-0340) and 11 issues approved by the Board in the IESO's 2008 proceeding (EB-2007-0816).

### **Specific Issues**

The draft Issues List attached to Procedural Order No. 1 sets out a series of six issues for each of the OPA's five Strategic Objectives. Similar wording is repeated under each Strategic Objective, with changes made to reflect the number of the particular Strategic Objective and to list the 2010 initiatives for each Strategic Objective. In other words, except for these changes, there are six issues under each of the five Strategic Objectives that are almost identical;<sup>10</sup> these will be referred to as the "Six Issues". The OPA's position with respect to each of the Six Issues is the same for all of the five Strategic Objectives. In order to avoid making these submissions overly complicated or repetitive, the OPA will refer to the numbering of the issues under Strategic Objective #1 in the following points about specific issues in the draft Issues List. The

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<sup>9</sup> EB-2009-0347 Decision and Order, page 4.

<sup>10</sup> Note that Issue 1.5 does not include certain words that are used in Issues 2.5, 3.5, 4.5 and 5.5.

OPA's submissions framed by reference to the numbering under Strategic Objective #1 apply to all corresponding issues under Strategic Objectives #2 to #5.

#### Achievement of 2010 Objectives

The first of the Six Issues (Issue 1.1, for example) is whether the OPA has provided reasonable and appropriate information regarding the achievement of its 2010 Strategic Objective initiatives. The last of the Six Issues (Issue 1.6, for example) also addresses results achieved in 2010 and essentially is a reformulation of the first issue with a more narrow scope that relates to the milestones for achievement of the Strategic Objective initiatives. There is no reason to include both of these two issues on the Issues List.

In the 2010 revenue requirement submission (as in previous cases and in this case) the OPA presented a set of milestones for each Strategic Objective. These milestones are reference points for an assessment of the extent to which the OPA has been able to achieve its strategic initiatives under the particular Strategic Objective. The OPA does not understand how it would be possible to separately assess, on the one hand, whether the OPA has provided reasonable information regarding achievement of 2010 initiatives and, on the other hand, whether the OPA's reporting on 2010 milestones has provided reasonable information regarding achievement of 2010 performance. The OPA's reporting on 2010 milestones is, in fact, a key component of the information that it has presented with respect to achievement of 2010 initiatives. The last of the Six Issues (e.g., Issue 1.6) asks a question that is subsumed under the first of the Six Issues (e.g., Issue 1.1).

#### Reasonable, Appropriate and Clearly Defined Initiatives

The third of the Six Issues (e.g., Issue 1.3) is whether the OPA's proposed initiatives for 2011 are "reasonable, appropriate and clearly defined". Of course, the proposed initiatives for 2011 were approved by the Minister of Energy when the OPA's 2011 Business Plan was approved under section 25.22 of the *Electricity Act, 1998* and in most cases stem from directives issued by the Minister. Simply put, there is nothing in the *Electricity Act, 1998* that states, or even suggests, that the Board's mandate includes a second level of review or approval of initiatives that have already been approved by the Minister. Indeed, section 25.21 of the legislation is very clear in stating that the Board's role is to review expenditures, revenue requirements and fees; it does not give the Board any mandate to decide that initiatives approved by the Minister are not reasonable, or not appropriate, or not clearly defined.

The Board's expertise as an economic regulator is well established and has been discussed in a number of decisions of the Courts.<sup>11</sup> It is clear from the reference in section 25.21 to expenditures, revenue requirements and fees that the intention of this section is that the Board

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<sup>11</sup> See, for example, *Advocacy Centre for Tenants-Ontario v. Ontario Energy Board* (2008), 293 D.L.R. (4<sup>th</sup>) 684, at pages 694 to 696.

will bring to bear its expertise as an economic regulator in its review of the OPA's revenue requirement submission. It is equally clear that section 25.21 does not contemplate a policy review of initiatives that have been proposed to, and approved by, the Minister in order to advance the objectives of the government of Ontario.

In the EB-2007-0791 decisions regarding the scope of the review under section 25.21, the Board pointed out that the overall purpose of the review is to determine if the revenue requirement and fees proposed by the OPA are reasonable, meaning that the Board's role is to "assess whether the proposed organizational budget is reasonable".<sup>12</sup> The Board said that it would not "entertain a debate concerning specific programs that the OPA should consider".<sup>13</sup> Just as section 25.21 does not empower the Board to review whether the OPA's specific programs are reasonable and appropriate, it does not authorize a review of whether specific initiatives are "reasonable, appropriate and clearly defined".

#### Efficiency Metrics

Issue 6.3 in the draft Issues List gives rise to a similar difficulty, in that it contemplates an assessment of the performance of OPA programs, even though spending on programs is recovered through the "charges" referred to in the *Electricity Act, 1998*, rather than the "fees" that are subject to review by the Board. Issue 6.3 asks whether the efficiency metrics submitted by the OPA provide reasonable and appropriate bases for assessing the achievement and efficiency of the OPA's performance in a number of areas, including net annual peak demand reduction and net annual energy reduction. This issue has been included in the draft Issues List in addition to Issue 6.1, which is whether the efficiency metrics provide a reasonable and appropriate basis for assessing the general performance and efficiency with which the OPA operates and delivers on its mandate.

Issue 6.1 effectively captures the notion of enabling the Board and intervenors to assess whether the OPA's proposed expenditure and revenue requirements and fees represent a reasonable and appropriate level of performance and efficiency in the OPA's fulfillment of its mandate. Issue 6.3, however, is aimed at the performance of OPA programs and calls for an assessment of whether programs are delivering acceptable performance and efficiency in areas such as net annual peak demand reduction and net annual energy reduction. The performance and efficiency of these programs is a function of spending included in "charges" that are not within the scope of this case. The Board's review of expenditure and revenue requirements and fees under section 25.21 of the *Electricity Act, 1998* does not bring into issue whether program spending recovered through "charges" delivers acceptable levels of performance and efficiency in program results.

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<sup>12</sup> EB-2007-0791 Decision and Order, page 9.

<sup>13</sup> "OEB Decision on Issues", EB-2007-0791, page 3.

If the Board considers that Issue 6.1 is not sufficiently broad to capture a review of the OPA's performance and efficiency that is consistent with the scope of section 25.21, then Issue 6.3 should be re-worded to make clear that its intent is to address efficiency and performance in relation to expenditure and revenue requirements and fees. This could be accomplished by re-wording Issue 6.3 to make clear that the relevant question is whether the OPA's operating budget achieves a reasonable and appropriate level of efficiency relative to performance in the areas listed in a) to e) of Issue 6.3.

#### Allocation of Budget Among Initiatives

The fourth of the Six Issues (e.g., Issue 1.4) is whether the OPA has appropriately allocated its budget among the initiatives being pursued. The Board recognized in EB-2008-0312 that the activities of the OPA "are largely driven by ministerial directives and changing government energy policy that can lead to significant adjustments to its scope and effort of its various objectives from time to time".<sup>14</sup> In EB-2009-0347, the Board said that the OPA is "a unique organization ... with some very specialized responsibilities" and that "the OPA's mandate is made up of many on-going projects that do not adhere to traditional cost allocation practices".<sup>15</sup>

The OPA's operating budget is largely driven by staff costs, which represent almost one-half of total operating costs. To a large extent, internal staff members of the OPA work on multiple projects and are not assigned exclusively to any particular project. Because, as the Board has recognized, the OPA's activities are "largely driven by ministerial directives and changing government policy", internal staff must move fluidly between projects in order for the OPA to fulfill its mandate. For these reasons, the OPA is not organized or structured in a manner that supports budgeting for costs on a project-by-project basis and it would be neither prudent nor productive for it to attempt to forecast its costs according to expectations of staff costs for specific projects for the coming year. Simply put, the OPA does not have in place an organizational capability to allocate all of its costs among initiatives.

Moreover, in its decision with respect to the OPA's last revenue requirement submission, the Board expressly approved "the manner in which the OPA has reported its projected costs throughout its last several fees case submissions". Indeed, the Board went further and said that "the manner in which the OPA has presented its costs and budgets by strategic objective is acceptable".<sup>16</sup> The proposed issue about whether the OPA has appropriately allocated its budget among initiatives is a departure from the ruling made by the Board less than eight months ago.

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<sup>14</sup> EB-2008-0312 Decision and Order, page 4.

<sup>15</sup> EB-2009-0347 Decision and Order, page 4.

<sup>16</sup> EB-2009-0347 Decision and Order, page 4.



### Reasonable, Appropriate, Clearly Defined and Measurable Milestones

The fifth of the Six Issues (e.g., Issue 1.5) is whether the 2011 milestones associated with each Strategic Objective are reasonable, appropriate, clearly defined and measurable. It is important to bear in mind that the 2011 milestones form part of the business plan that has been approved by the Minister under section 25.22 of the governing legislation. Although the 2011 milestones have been approved as part of the business plan that the OPA will be striving to fulfill in 2011, the OPA nevertheless accepts that the Board may wish to consider whether these are "reasonable and appropriate" milestones for the purposes of the review contemplated by section 25.21 of the *Electricity Act, 1998*. However, the OPA submits that this is enough to give ample scope to the fifth issue and that the further words ("clearly defined" and "measurable") proposed in the draft Issues List should be removed.

The inclusion of the words "clearly defined" and "measurable" in the fifth of the Six Issues unnecessarily gives rise to significant potential for disagreement and differences of opinion. By their very nature, some milestones will be much more amenable to measurement than others and some milestones will be more amenable to a clear definition than others. Opinions may differ widely about how a milestone must be stated in order to be "clearly defined" or "measurable". The word "measurable" may mean or imply a quantifiable outcome, or it may mean an affirmative or a negative answer as to whether a particular initiative has been completed.

All of this potential for disagreement and differences of opinion is completely unnecessary, because the words "reasonable" and "appropriate" are more than adequate to capture the point of the fifth issue. To the extent that a particular area of performance is well-suited to a crystal-clear definition or a ready method of measurement, or both, this can be addressed in considering whether the OPA's proposed milestone is "reasonable" and "appropriate". To the extent that a particular area of performance is not so well-suited to a crystal-clear definition, or a method of measurement, or both, this also can be addressed in considering whether the OPA's proposal for the milestone is "reasonable" and "appropriate". The addition of words like "clearly defined" and "measurable" is not necessary and it is bound to confuse the issue because there can be little doubt that parties will have different views about what is meant by wording that apparently sets a common standard of clear definition and measurability for each and every milestone.

### Conclusion

For all of these reasons, the OPA's submissions with respect to the draft Issues List are as follows:

- (a) Issues 1.6, 2.6, 3.6, 4.6 and 5.6 are subsumed, respectively, under Issues 1.1, 2.1, 3.1, 4.1 and 5.1 and should be removed from the Issues List;
- (b) Issues 1.3, 2.3, 3.3, 4.3 and 5.3 are not within the scope of the review set out in section 25.21 of the *Electricity Act, 1998* and should be removed from the Issues List;
- (c) Issues 1.4, 2.4, 3.4, 4.4 and 5.4 assume an allocation of the OPA's budget among initiatives - although the OPA does not have the capability to perform such an allocation and the Board has approved the manner in which the OPA presents its projected costs - and should be removed from the Issues List;
- (d) Issues 1.5, 2.5, 3.5, 4.5 and 5.5 include unnecessary words that are likely to confuse the issues and should be reworded to read:

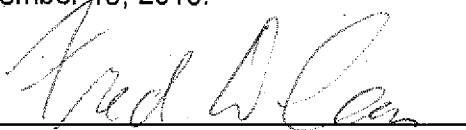
Are the 2011 milestones associated with Strategic Objective [Insert number of Strategic Objective] reasonable and appropriate for the purposes of determining the achievement and efficiency of the OPA's performance?

- (e) Issue 6.3 relates to the performance and efficiency of results achieved from program spending recovered through "charges" that are not within the scope of this case and should be removed from the Issues List, or re-worded to address whether the OPA's operating budget achieves a reasonable and appropriate level of efficiency relative to performance in the areas listed in a) to e) of Issue 6.3

In order to assist the Board, the OPA has attached as Appendix A to these submissions a new version of the draft Issues List that incorporates the changes set out above.

All of which is respectfully submitted.

December 15, 2010.



Counsel for the Ontario Power Authority

**APPENDIX A**

**Draft Issues List**

**EB-2010-0279**

**ONTARIO POWER AUTHORITY**

## **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 2011 milestones associated with Strategic Objective #1 reasonable and appropriate for the purposes of determining 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 \$16.421 million for Strategic Objective #2 reasonable and appropriate?

2.3 Are the 2011 milestones associated with Strategic Objective #2 reasonable and appropriate for the purposes of determining 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 Objective #3 reasonable and appropriate?

- 3.3 Are the 2011 milestones associated with Strategic Objective #3 reasonable and appropriate for the purposes of determining the achievement and efficiency of 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 2011 milestones associated with Strategic Objective #4 reasonable and appropriate for the purposes of determining 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 2011 milestones associated with Strategic Objective #4 reasonable and appropriate for the purposes of determining 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?

**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?