



## OPA Perspectives on Regional Planning

### RRFE Stakeholder Conference

March 29, 2012

# Presentation Overview

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- OPA Regional Planning
- Planning Horizons
- Defining Regions
- Uses of Regional Plans
- OPA Involvement in Dx and Tx Planning
- Cost Allocation
- Summary of OPA Comments

## OPA Regional Planning (1)

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- The OPA has been carrying out regional planning since its inception in 2005
  - The OPA has worked on over a half dozen regional planning studies including Northern York Region, Windsor-Essex and Kitchener-Waterloo-Cambridge-Guelph
  - Currently, regional plans are carried out under an informal structure – LDCs and transmitters have been working with the OPA voluntarily

## OPA Regional Planning (2)

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- It is beneficial for the OPA to be involved in regional planning because:
  - The OPA does not own assets and therefore is not tied to a particular outcome
  - The OPA provides a balanced viewpoint which allows for the consideration of conservation, local generation, transmission, and distribution solutions
  - The OPA, together with other parties participating in regional planning, is able to support broader engagement discussions with stakeholders, First Nations and Métis
  - It allows for alignment between regional studies and the OPA's broader province-wide planning activities
  - It allows for government policy to be integrated into plans and solutions

## OPA Regional Planning (3)

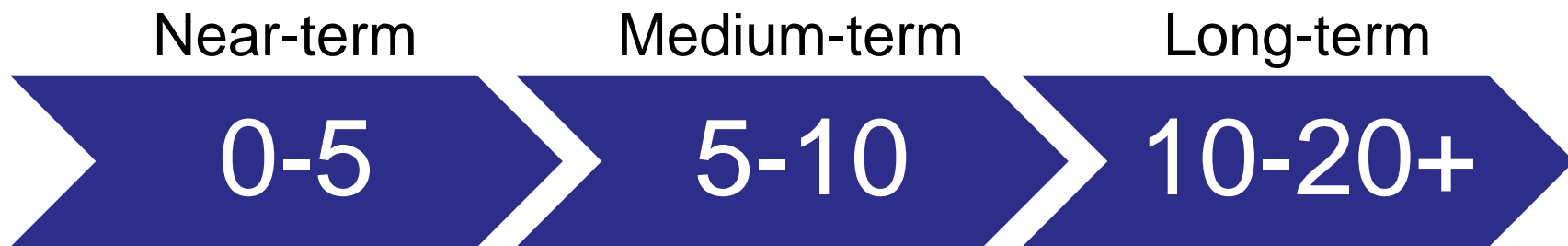
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- Regional planning study teams are made up of the OPA, LDCs, transmitters, the IESO, and others as appropriate
- Terms of Reference for studies are established at the outset
  - Roles and responsibilities of study team members
  - Objectives, scope and key assumptions of study
  - Schedule for completing study
- Recommended solutions are drafted and stakeholdered

## Planning Horizons (1)

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- The OPA currently uses a 20-year planning horizon that includes three timeframes:



- The OPA recommends that a 20-year planning horizon continue to be used in a formalized regional planning process

## Planning Horizons (2)

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- Near-term solutions require immediate decisions and an associated implementation plan
- Medium-term solutions address emerging needs and preliminary work may be required to maintain optionality
  - e.g. Development work may be initiated on longer lead-time solutions, such as new transmission work or strategic conservation programs
  - Triggers for committing future projects are identified
- Long-term recommendations ensure that options remain available to address future needs if or when they arise (e.g. securing new rights-of-way) and provide guidance for determining near and medium-term solutions

## Defining Regions

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- The OPA believes that regions cannot be defined by geographical, political, or LDC boundaries – regions should be based on electrical needs
- The OPA has defined regions in its regional planning studies on a plan-by-plan basis, based on need
- The OPA would prefer not to have regions defined in advance but have regions defined once there is an expectation of electrical need
  - The OPA would otherwise suggest that regions be broadly defined with the ability to tailor plans to a subset
  - However, the OPA is willing to work with the OEB and stakeholders to try to define regions, if required



## Uses of Regional Plans

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- The OPA expects that plans will be filed with the OEB and posted on participating party web sites for information and reference
- Plans would form the basis for future development work, Leave to Construct applications, or rate application filings when approval for identified facilities is being sought
- Plans would provide a reference point upon which changes and corrections could be made as needed

## OPA Involvement in Dx and Tx Planning (1)

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- The OPA recognizes that distributors and transmitters conduct ongoing connection activities where adequate upstream capability is known to exist
  - Associated with growth in demand, connecting generators or addressing reliability issues
- The OPA expects that distributors and transmitters will inform the OPA of these activities and provide the OPA with data
  - The OPA will ensure that no regional solutions or issues exist
  - The OPA expects to provide written comments where appropriate, similar to the current Green Energy Act plan process with distributors

## OPA Involvement in Dx and Tx Planning (2)

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- The OPA becomes involved when plans are more complex
  - When regional solutions or issues exist
  - When a number of potential options are available
- How does the OPA get involved?
  1. The OPA initiates the study
  2. LDCs request that the OPA initiate the study
  3. Transmitters request that the OPA initiate the study
- The OPA's province-wide planning process provides a broader system context, especially if system generation resources can address local needs, but, in general, the regional planning process can operate separately from the province-wide planning process

## Cost Allocation

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- The OPA concurs with the cost allocation issues identified in Board staff's Regional Planning discussion paper
- The OPA is pleased that the Board is willing to take action and remedy current cost allocation issues
- The OPA is willing to support discussions around cost allocation issues

## Summary of OPA Comments (1)

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- The OPA supports a more formalized approach to regional planning involving the OPA, LDCs, transmitters and others with final plans being posted for information and context in future applications
- The OPA recommends that a 20-year minimum planning horizon is used, consistent with the OPA's current process
- The OPA recommends that stakeholders be required to provide data to the OPA for planning purposes

## Summary of OPA Comments (2)

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- The OPA recommends flexibility in defining regions, and that regions be defined based on electrical needs
- The OPA would expect to confirm, as appropriate, that no regional solutions or issues exist in connection activities carried out by LDCs and transmitters
- The OPA believes that regional planning activities can successfully operate as separate from province-wide planning