



# OEB STAKEHOLDER CONFERENCE RENEWED REGULATORY FRAMEWORK

## ONTARIO ENERGY ASSOCIATION MARCH 28, 2012

THESE SLIDES ARE PART OF AN ONTARIO ENERGY ASSOCIATION PRESENTATION  
AND ARE INCOMPLETE WITHOUT ACCOMPANYING ORAL COMMENTARY

**THE ONTARIO ENERGY ASSOCIATION**

**RENEWED CAPITAL SPENDING MODEL**

**INCENTIVE REGULATION**

**RATE MITIGATION**

**REGIONAL PLANNING**

**SMART GRID IMPLEMENTATION**

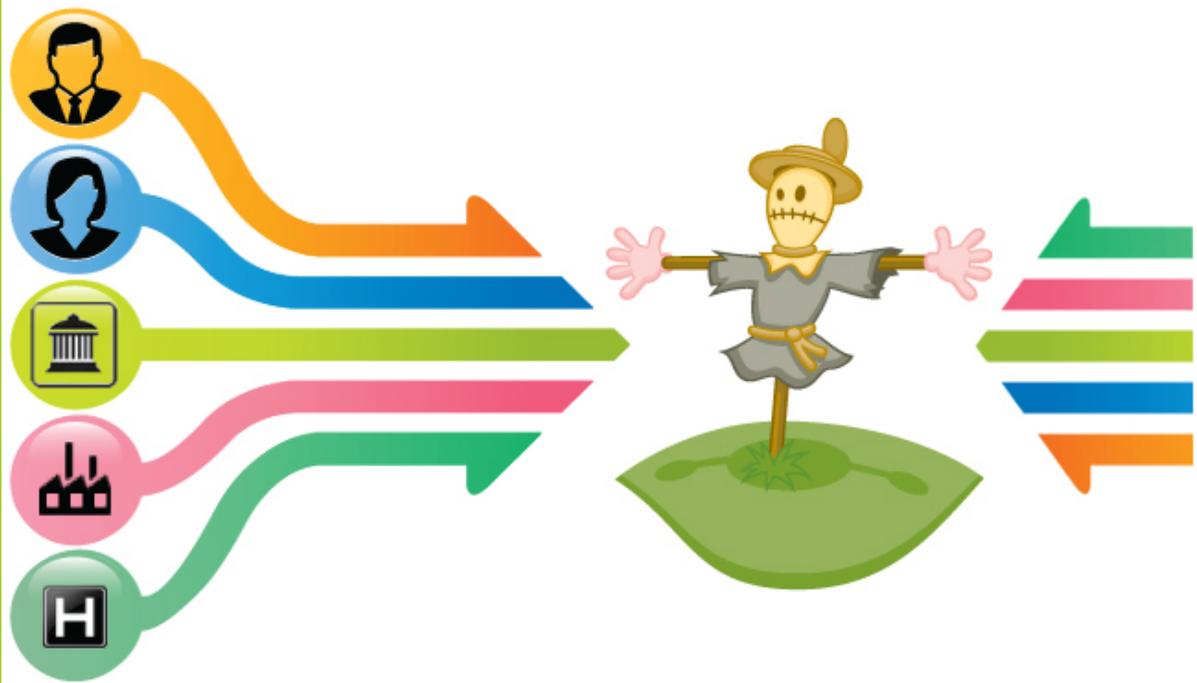
**EXECUTIVE INTERVIEWS**

**OEA COMMITTEE INPUT**

**FORMAL SUBMISSION**



# THE ONTARIO ENERGY ASSOCIATION



CONSUMERS

OEB  
STRAWMAN



ALL REGULATED  
ENTITIES



## RECOMMENDATION #1

- ▶ ELIMINATE UNCERTAINTIES RELATED TO THE RECOVERY OF CAPITAL INVESTMENTS
- ▶ ALLOW ALL REGULATED ENTITIES TO EXECUTE PRE-APPROVED CAPITAL PLANS



**RECOMMENDATION #2**  
THE GAP BETWEEN WHERE  
WE ARE TODAY AND THE  
NEW MODEL NEEDS TO BE  
BRIDGED THROUGH A  
TRANSITIONAL MODEL

## INCENTIVE REGULATION

S U C C E S S

A row of seven light-colored wooden blocks, each with a letter carved into it, spelling out the word 'SUCCESS'. The blocks are arranged horizontally. To the right of the blocks is a green and yellow ruler with black markings, showing numbers from 92 to 100.

### RECOMMENDATION #3

- ▶ CONSULT WITH INDUSTRY IN SETTING PERFORMANCE BENCHMARKS
- ▶ ENSURE DESIRED OUTCOMES ARE COORDINATED WITH APPROPRIATE REPORTING REQUIREMENTS AND NECESSARY LEAD TIMES



**RECOMMENDATION #4**  
IMPLEMENT SIMPLIFIED  
REPORTING (FAST-TRACK)  
FOR HIGH PERFORMING  
REGULATED ENTITIES TO  
INCENT AND REWARD  
DESIRED BEHAVIOURS

## RECOMMENDATION #5

▶ MITIGATION SHOULD BE APPLIED ONLY TO THOSE COSTS THAT REGULATED BUSINESSES DIRECTLY MANAGE

REGULATED ENTITIES SHOULD ALWAYS BE ABLE TO RECOVER MANDATED INVESTMENTS

## RECOMMENDATION #6

- ▶ GOAL SHOULD BE TO ACHIEVE INTEGRATED/OPTIMIZED ENERGY SOLUTIONS FOR COMMUNITIES
- ▶ DEFINE AND BE TRANSPARENT ABOUT WHAT *INTEGRATED/OPTIMIZED* MEANS

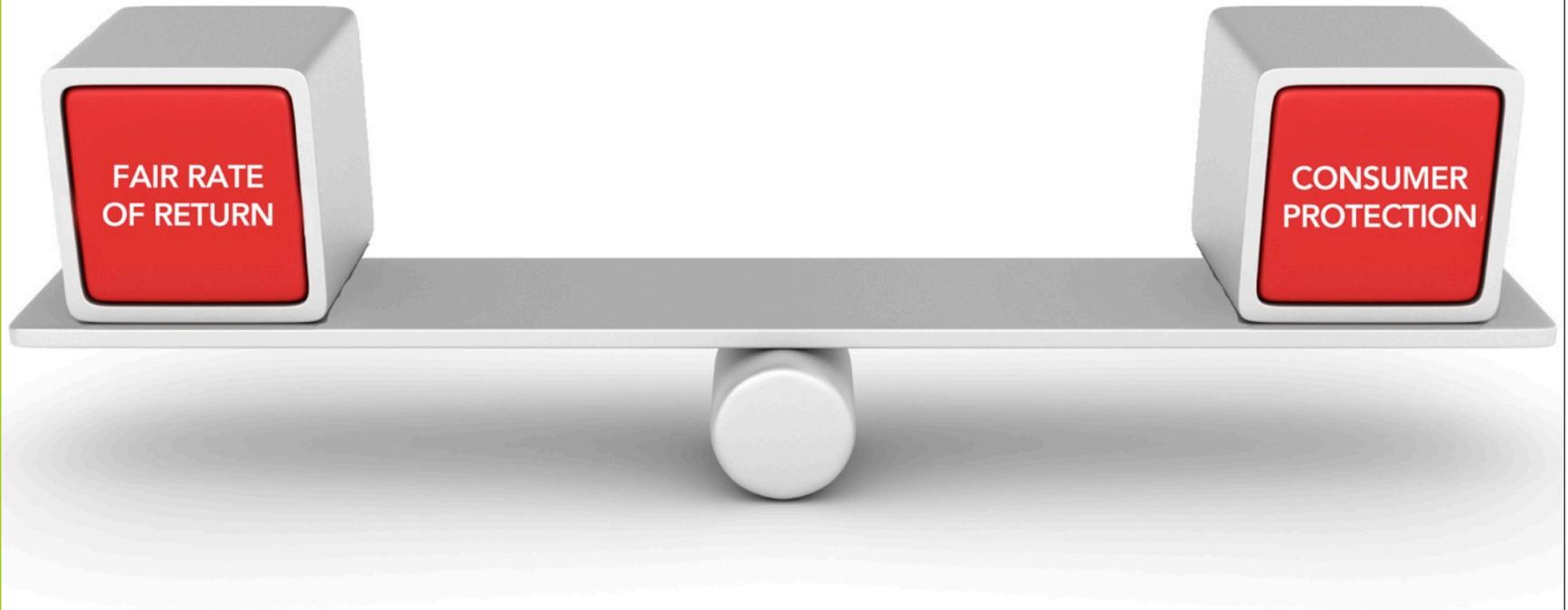
**RECOMMENDATION #7**  
**IMPROVE COORDINATION**  
**OF REGIONAL ENERGY**  
**PLANNING AMONGST ALL**  
**INVOLVED PARTIES**



**RECOMMENDATION #8**  
DATA ACCESS RULES MUST  
BE EXPEDITIOUSLY  
CLARIFIED TO ENABLE  
INNOVATION AND THE  
COMMERCIALIZATION OF  
BEHIND-THE-METER  
SERVICES



**MODEL MUST BE FLEXIBLE  
AND RECOGNIZE THAT  
INEVITABLE POLICY AND  
GAME CHANGERS WILL  
OCCUR**



SUMMARY

# ONTARIO'S **ENERGY** VOICE



Ontario Energy Association

CELEBRATING **10**  
YEARS

**energy**ontario.ca