

25 Adelaide St. E  
Suite 1602  
Toronto ON, M5C 3A1



**APPRO**

ASSOCIATION OF  
POWER PRODUCERS  
OF ONTARIO

February 4, 2013

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27<sup>th</sup> Floor  
2300 Yonge St  
Toronto, ON  
M4P 1E4

**Re: Development of a Standby Rates Policy for Load Displacement Generation  
Board File No. EB-2013-0004**

Dear Ms Walli,

Further to the Board letter dated January 24, 2013 and the Board's *Practice Direction on Cost Awards*, we are writing to request cost award eligibility in relation to the above-mentioned consultation initiative, and to nominate an expert representative to serve on the Board's Load Displacement Generation Working Group ("LDGWG").

**Representation and Experts**

APPRO proposes to retain, contingent on the terms of reference of the working groups, an expert to participate in the Working Group and help to develop approaches to the issues identified by the Board.

APPRO is therefore requesting cost eligibility for an expert on additional issues related to the development and use of standby rates for distribution-connected generation in Ontario.

**25 Adelaide St. East, Suite 1602, Toronto, Ontario, M5C 3A1  
or: PO Box 1084, Station F., Toronto, Ontario, M4Y 2T7 Canada  
416-322-6549 fax 416-481-5785 [appro@appro.org](mailto:appro@appro.org) [www.appro.org](http://www.appro.org)**

## Practice Direction and other Funding

APPrO currently does not have access to other funding to enable its participation in this initiative.

In accordance with Section 3 of the Board's *Practice Direction on Cost Awards*, APPrO believes that it is eligible for an award of costs as it represents potentially affected customers as well as a public interest relative to the Board's mandate (s.3.03(b)) and increasingly APPrO members are persons with interests that will be affected by the outcome of the process (2.3.03(c)). APPrO is an association that represents generation and technology providers, who are often customers of distribution and/or applicants in other related proceedings. As a result, APPrO submits that special circumstances exist to find that it is eligible for a cost award in this process despite the fact that certain of its members may fall within s.3.05(b) of the Practice Direction.

APPrO is a non-profit organization representing electricity generators in Ontario. APPrO members produce nearly all the power generated in Ontario from facilities of many types including gas-fired, hydro-electric, nuclear and wind energy. APPrO members are customers of transmission and distribution utilities in Ontario, and many have current transmission or distribution connection applications in development or underway. APPrO members often experience challenges associated with the uncertainties and implementation of current transmission and distribution related rules and policies.

Depending on its level and the method of application, the use of a standby rate or charge can make the difference between a generation project being viable or non-viable. The approach taken to standby rates could have a significant impact on APPrO members' generation companies and generation facilities, both those in operation and those under development.

APPrO and its members therefore have a significant interest in this consultation initiative.

APPrO will take steps to co-ordinate with other generator organizations and limit its participation to issues of material concern to generators.

APPrO submits that it should be eligible for costs on the following grounds:

(a) APPrO Represents a Class of Consumers in this Proceeding: New charges that may result from this proceeding could have material impact on the business conditions faced by generators. Therefore, notwithstanding s. 3.05 of the Practice Direction, special circumstances exist that would warrant an award of costs pursuant to section 3.07 of the Practice Direction.

(b) It is in the Public Interest to Facilitate Generator Participation: APPrO's members are building and planning new projects in response to OPA procurement programs and consequent contracts and Ministerial Directives that incorporate provincial policy objectives. Given that the issues in the present proceeding are largely "generator issues," the Board should facilitate the participation of generators in order to provide the best evidentiary basis for its determination. Many of APPrO's members are too small to

participate individually in a meaningful way in this proceeding. APPrO's participation facilitates the involvement of such members, and ensures that the Board has before it a comprehensive representation in this proceeding from the power generator community.

(c) APPrO's Participation Contributes to Hearing Efficiency: APPrO's representation of its members in such a proceeding would be a much more effective and efficient regulatory approach than having each of its members make their own interventions, with attendant duplication and extra costs. APPrO has participated similarly in numerous electricity hearings (e.g. Transmission Project Development Planning, transmission and distribution cost responsibility proceedings, RRFE, etc.) and in natural gas proceedings (e.g., NGEIR, storage allocation, Enbridge and Union IRM proceedings).

(d) Full and informed APPrO Participation Requires Intervenor Funding: APPrO, like other trade associations such as the Association of Major Power Consumers in Ontario ("AMPCO") does not have independent funding sufficient to support efficient and effective participation in the proceedings and it would not be able to do so absent same.

The above is not an exhaustive list of APPrO's interests in this proceeding. There may be other issues of concern to APPrO that arise or develop during the proceeding. APPrO seeks at all times to retain and reflect the perspective of the generation industry as a whole, and to present a balanced view of policy issues affecting the electricity industry and the public at large in Ontario.

### **Nomination of expert representative**

APPrO proposes to retain Jason Chee-Aloy from the firm of Power Advisory LLP as its expert representative for this process. Mr. Chee-Aloy would be representing APPrO in this proceeding and in particular generators with present or potential load displacement facilities in Ontario. Mr. Chee-Aloy has a range of relevant experience in the area having worked at the IESO, the OPA, and as a consultant in private practice over the last ten or more years. Mr. Chee-Aloy is of course familiar with the work done by his partner, John Dalton, in the related EB-2007-0630 proceeding: "Development of a Standard Methodology for the Quantification of DG Benefits, July 31 2008."

On the basis of the foregoing, APPrO respectfully requests that the Board approve its request to participate in the consultation on standby charges, including its Working Groups, the use of our nominated expert representative, and the related cost eligibility.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a stylized flourish at the end.

Jake Brooks  
Executive Director

cc: Lawrie Gluck  
Dave Butters