

Direct Dial: (416) 862-4825
File: 5761

By Electronic Mail, Courier & RESS Filing

July 18, 2013

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street,
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Submission of Northwatch
Proposed Amendments to the Licence of the Ontario Power Authority
Board File Number: EB-2013-0192**

We are counsel to Northwatch in this proceeding. Below is Northwatch's submission in response to the Board's proposed amendments to the Ontario Power Authority's ("OPA") licence, and to the OPA's submission dated July 4, 2013.

NORTHWATCH'S POSITION ON REGIONAL PLANNING

Northwatch is a strong supporter of regional planning at the highest level, and as such, welcomes this and related initiatives. Northwatch recently provided comments on the Board's proposed amendments to the Transmission System Code ("TSC") and Distribution System Code ("DSC") in the related EB-2011-0043 proceeding. Northwatch's comments on the proposed amendments to the TSC and DSC should be reviewed in conjunction with Northwatch's submissions herein.

Northwatch's core principle is that electricity planning should be done on a regional basis, with regional balance of demand and supply.

Northwatch submits that region-specific load forecasts should be the basis for any provincial planning with region-based forecasts rolled up to provide a provincial forecast.

Similarly, demand-supply planning should be done on a regional basis, with the outcomes rolled up to provide a provincial picture.



Planning for generation and transmission should be done on an integrated regional basis. Regional plans should incorporate, at a minimum, load forecasts, energy efficiency and conservation, demand response, and a regional balance of demand and supply.

Supply options should be selected/approved on the basis of environmental least-impacts and overall sustainability.

Regional planning should not only include the OPA, transmitters, and distributors, but also those other parties affected by, and who can provide valuable input into the development of, regional plans, including residents, Aboriginal groups, and other land users.

Cost considerations should encourage efficiency and demand response to substitute for supply, including transmission and distribution projects, and should encourage integrated planning between transmission and distribution entities to prevent the undertaking of unnecessary projects.

Northwatch submits that the Board's proposed amendments to the OPA's licence are a good first step and address some of the above, but not all or to the extent necessary.

To assist the Board, Northwatch has provided brief and specific comments within the Board's proposed amendments of the OPA's licence, in Appendix A of this submission. These comments are proposed as a guide for the Board, and are not exhaustive or representative of all of the amendments the Board could make to reflect Northwatch's comments herein.

REGIONAL PLANNING REQUIRES PUBLIC ENGAGEMENT

Northwatch believes it is important that there be a public process to review and vet all regional planning information. This information should come from the OPA (through its scoping assessment and Integrated Regional Resource Plan), from the utilities, and from **consumers, Aboriginal groups, environmental organizations, local governments, and other land users**, with the Board ultimately deciding what to include in rates.

Northwatch also believes that the OPA should engage local communities and distribution companies and obtain information on both municipal and Crown land use planning when carrying out the integrated regional resource planning process, as this will improve forecasts, and ensure more effective regional plans are created.

Northwatch recommends that the Board include, in its amendments of the OPA's licence, requirements for public notice and opportunities for meaningful comment and engagement from the affected parties mentioned above.

Northwatch agrees with the OPA's submission that the OPA engage "municipalities, First Nations and Métis communities, and other stakeholders in the development of Integrated



Regional Resources Plans”.¹ Northwatch also agrees with the OPA’s proposed amendment to require Integrated Regional Resource Plans to be provided to municipalities in each region.²

Northwatch agrees with the Board’s proposal that the lead transmitter should be responsible for leading the regional planning exercise, with input from the OPA through the OPA’s scoping assessment and Integrated Regional Resource Plan. However, the OPA and lead transmitter must effectively engage those other affected parties mentioned above.

Northwatch proposes that the OPA and lead transmitter be required under the OPA’s licence to engage those affected parties mentioned above. This could be achieved through a combination of mailers, open houses, town hall meetings, television and/or radio advertisements, and other traditional forms of notification and public engagement, in addition to posting information on the OPA’s and utilities’ websites. Whatever mechanisms are chosen for notice and public engagement, the mechanisms should foster meaningful opportunities to comment, to participate in the planning process and to evaluate the options and alternatives available. Minimum requirements for public notice would include posting on a central internet registry linked from the various utilities’ websites.

This level of stakeholder engagement and transparency is in-line with, and necessary to fulfill, the Minister of Energy’s requests of the OPA and the IESO, in the Minister’s letter to each dated May 6, 2013. Specifically, the Minister requested that the OPA and IESO ensure that the integrated regional energy planning process “feature transparent mechanisms for seeking input from municipalities, Aboriginal communities, and other stakeholders” when developing regional plans. Beyond the recent engagement by the OPA and the IESO with stakeholders about development of regional plans (with comments due to the Minister by August 1, 2013), the OPA’s licence should reflect the ongoing requirement to seek input from the affected parties mentioned above.

Northwatch is cognisant of the Board’s comments in Procedural Order 1 in this proceeding, namely, that the “degree of stakeholder engagement that the OPA undertakes at various stages in the regional planning process” is not within the scope of this proceeding.³ Northwatch has specifically avoided providing comments on the degree to which the OPA should engage stakeholders at various stages of the regional planning process. Instead, Northwatch simply proposes that the OPA, in conjunction with the lead transmitter, should ensure that sufficient stakeholder engagement, with consumers, Aboriginal groups, environmental organizations, local governments, and other land users, take place throughout the regional planning process. Northwatch’s comments as to how this engagement is carried out are simply suggestions.

¹ OPA Submission dated July 4, 2013 at p. 3.

² *Ibid.*

³ Procedural Order 1 dated June 19, 2013 at p. 3.



INTEGRATED REGIONAL RESOURCE PLAN/REGIONAL INFRASTRUCTURE PLAN FOR INCREASED AND DECREASED LOAD

Northwatch is concerned that the regional planning process will focus too heavily on load *growth* (and corresponding infrastructure investments) when determining how and when regional planning should be carried out, and not focussed enough on load *reduction*. Northwatch submits that measures, such as conservation and demand management (“CDM”), which is an invaluable tool for reducing load, should be an integral part of, and forefront in, Ontario’s regional planning. Consideration of infrastructure investments should be secondary to CDM, with the goal of balancing regional supply and demand always governing the process.

Accordingly, Northwatch recommends that CDM, and other tools that reduce load that the interested parties involved in regional planning may identify, such as fuel-switching, should be specifically required as part of regional plans under the OPA’s licence.

Northwatch also recommends that the Board provide a mechanism through which integration of the various regions’ plans is enabled. At minimum, the Board could ensure that the OPA and each lead transmitter include all regional plans on their websites, and mandate that the OPA each lead transmitter review all other regional plans and consider how each regional plan can be improved and integrated with other plans. The regional plans should also be collected and available to the public through a central registry, and public notice of additional plans to the registry should be made.

SCOPING ASSESSMENT/FORECASTING

Northwatch agrees with the Board’s proposal that the OPA complete a scoping assessment. Northwatch suggests that the scoping assessment be completed for each region, and not just where the lead transmitter requests that the OPA do so.

Northwatch believes that, in most cases, and unless it is clearly not necessary, the OPA should also prepare the Integrated Regional Resource Plan before the regional infrastructure planning process commences. This is particularly necessary in the first stages of the implementation of this new regional planning regime.

Northwatch submits that the OPA’s scoping assessment follow a number of criteria, to assist the OPA to determine if a particular region requires infrastructure and/or integrated planning, and under which conditions infrastructure and integrated planning are needed. Northwatch submits that the Board should include in the OPA’s licence a list of criteria against which the OPA must conduct its scoping assessment. These criteria should be congruent with those criteria that Northwatch proposes be included in the TSC for the lead transmitter when the lead transmitter conducts its needs assessment.⁴ These criteria

⁴ See Northwatch’s submission in EB-2011-0043 dated June 17, 2013 at p. 4.



need to be clearly defined. The scoping assessment should not only identify the needs of a region, but also consider and evaluate alternative means of meeting that need, such as renewable energy, fuel switching, and CDM.

TIMING OF REGIONAL PLANNING

Northwatch submits that the regional planning needs assessments be developed by transmitters and distributors every three years for an eight year period (not every five years as proposed by the Board under the proposed amendments to the TSC and DSC in EB-2011-0043⁵) with load forecasts on the same schedule. The forecasts and needs assessments for years 6-8 would be prepared in less detail than the nearer term forecasts and needs assessments. The indicative information for years 6-8 would be expected to be less accurate, but would allow a near term plan to be changed if needed to reduce costs based on expected future growth. Requesting a forecast and needs assessment every five years, as proposed by the Board in EB-2011-0043, for a period of five years also yields the potential for inaccuracy or for the need to build projects unforeseen in the last assessment period very quickly without any regulatory oversight.

Accordingly, Northwatch submits that the OPA's involvement in the regional planning process mirror the proposed timeline for the transmitter's needs assessment and forecasting, above. The OPA's proposed timing of one year to complete an "Interim Integrated Regional Resource Plan", and two years to complete an Integrated Regional Resource Plan, may be too long a timeline to implement and develop regional planning within a meaningful timeframe. Further, the OPA's proposal that the OPA conduct an Interim Integrated Regional Resource Plan every five years is too long a timeframe. Northwatch does not disagree with the OPA's suggestion that the OPA also plan, through its Integrated Regional Resource Plan, for a twenty-year horizon, but Northwatch suggests that the OPA carry out twenty-year planning in addition to three-year planning.

Northwatch suggests that the OPA, through a scoping assessment and/or Integrated Regional Resource Plan, should ensure that the OPA gives feedback to each region and lead transmitter every three years for an eight year period, to assist the lead transmitter in conducting its own needs assessment within the same timeframe.

⁵ *Ibid.*



A plan must be somewhat fluid and iterative and responsive to changed circumstances. That is one reason why we suggest that the OPA provide its assessment/plan every three years to the lead transmitter in each region. In circumstances involving the North, advancement or postponement of new resource-intensive mines and industrial development or closure of existing facilities will affect transmission and distribution investments in what can be a short amount of time.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Matt F. Gardner'.

Matt Gardner

cc: client

Document #: 630981

APPENDIX A

Proposed Amendments to the OPA's Licence

X. Regional Planning

X.1 For the purposes of this section X:

"Integrated Regional Resource Plan" means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of conservation, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near-, mid-, and long-term;

"integrated regional resource planning process" means a planning process led by the Licensee for the purpose of preparing an Integrated Regional Resource Plan for a region;

Northwatch comment: The above definitions should expressly include not just "conservation" but "conservation and demand management". The definitions should also include load forecasts, energy efficiency and a regional balancing of demand and supply.

"lead transmitter" means a licensed transmitter that is leading a regional planning process in a region;

"region" means an area within which the lead transmitter's transmission system is located, in whole or in part, and that has been designated as such by the lead transmitter, in consultation with the Licensee, under section 3C.2.2(a) of the Transmission System Code, for regional planning purposes;

"Regional Infrastructure Plan" means a document prepared by the lead transmitter that identifies investments in transmission and/or distribution facilities that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

"regional infrastructure planning process" means a planning process led by the lead transmitter in accordance with section 3C of the Transmission System Code for the purpose of preparing a Regional Infrastructure Plan for a region; and



Northwatch Comment: “Regional Infrastructure Plan” and “regional infrastructure planning process” should include investments in conservation and demand management and other mechanisms for reducing load in the region, not just investments in transmission facilities and distribution facilities, which include only infrastructure investments for load growth. The definitions should also include load forecasts, energy efficiency and a regional balancing of demand and supply.

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the Licensee for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan.

Northwatch comment: “regional planning” should include not only the licensed transmitter(s), licensed distributor(s), and the OPA, but also **consumers, Aboriginal groups, environmental organizations, local governments, and other land users.**

X.2 Regional Planning Obligations

X.2.1 The Licensee shall, in consultation with licensed transmitters and licensed distributors in a region, carry out its regional planning obligations.

X.2.2 For the purposes of section X.2.1, the Licensee shall:

(a) Complete a scoping assessment to determine the appropriate regional planning approach, for a region, within 90 days of being notified by the lead transmitter that regional planning is necessary; specifically, whether an integrated regional resource planning process is required first or a regional infrastructure planning process should proceed immediately. The Licensee shall provide the scoping process outcome report to all licensed distributors and licensed transmitters in the region and post it on its website upon completion;

(b) Complete an Integrated Regional Resource Plan, within one year of determining that an integrated regional resource planning process is necessary for a region, and inform the lead transmitter of any investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region. The Licensee shall provide the Integrated Regional Resource Plan to all licensed distributors and licensed transmitters in the region and post it on its website upon completion;



- (c) Notify the lead transmitter of any investment in transmission and/or distribution facilities that are necessary to meet the electricity needs of the region over the next five years, where the Licensee has not completed an Integrated Regional Resource Plan within one year, in accordance with section X.2.2(b);
- (d) Participate in the regional infrastructure planning process, as required by the lead transmitter, where a Regional Infrastructure Plan is determined to be necessary for a region;
- (e) Provide the lead transmitter with any information that the transmitter requests for regional planning purposes, within 30 days of a request or a period of time that the Licensee and the lead transmitter agree upon;
- (f) In consultation with the lead transmitter, review the boundaries of the regions in the Province no less than once every five years to determine whether they need to be modified; and
- (g) Provide an annual report to the lead transmitter, on October 1st of each year, identifying the status of any investments in conservation and/or generation, for each region, in the lead transmitter's transmission system, where an Integrated Regional Resource Plan has been completed.

Northwatch comment: please see "Timing of Regional Planning" in submission above.