



Licence

EO-2010-0220

Ontario Power Authority

Valid Until

December 30, 2015

Original signed by

Kirsten Walli
Board Secretary
Ontario Energy Board
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Date of Amendment: October 28, 2013

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1 Definitions

In this Licence:

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Board**” means the Ontario Energy Board;

“**Board of Directors**” means the Licensee’s board of directors referred to in section 25.4 of the *Electricity Act*;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**Licence**” means this licence;

“**Licensee**” means the Ontario Power Authority established under Part II.1 of the *Electricity Act*;

“**Market Rules**” means the rules made under section 32 of the *Electricity Act*;

“**Minister**” means the Minister of Energy;

“**Regulations**” means regulations made under the *Act* or the *Electricity Act*.

2 Interpretation

- 2.1 In this Licence words and phrases not defined in paragraph 1.1 shall have the meaning ascribed to them in the *Act* or the *Electricity Act*. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of this Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Board, in the exercise of the powers conferred by Part V of the *Act*, licenses the Licensee to exercise its powers and perform its duties under the *Electricity Act*, subject to the conditions set out in this Licence.

4 Licence Fees and Assessments

- 4.1 The Licensee shall pay all fees charged by the Board or amounts assessed by the Board.

5 Legislation and Market Rules

- 5.1 The Licensee shall comply with all applicable provisions of the *Act*, the *Electricity Act* and the Regulations.
- 5.2 The Licensee shall comply with all applicable provisions of the Market Rules.

6 Term of Licence

- 6.1 This Licence shall take effect on December 31, 2010, and terminate on December 30, 2015.

7 Provision of Information to the Board

- 7.1 The Licensee shall provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 7.2 Without limiting the generality of paragraph 7.1, the Licensee shall:
- a) provide such information as the Board may require from time to time to enable the Board to monitor the Licensee's compliance with the conditions of this Licence and any other legislative or regulatory requirements set out in this Licence;
 - b) notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with this Licence, its financial integrity, or its ability to carry out its responsibilities under the *Act* or the *Electricity Act*, as soon as practicable after the occurrence of any such change, but in any event within fifteen days of the date upon which such change becomes known to the Licensee;
 - c) provide the Board with a copy of the Licensee's annual report at the time it is submitted to the Minister;
 - d) provide the Board with (i) any By-law amending the Licensee's Governance and Structure By-law, as referred to in section 25.16 of the *Electricity Act*, within 15 days of the date on which it is made by the Board of Directors, and any (ii) notice given by the Minister under section 25.16 (5) or 25.16 (7) of the *Electricity Act*;
 - e) provide the Board with a copy of the Licensee's annual business plan, as referred to in section 25.22 of the *Electricity Act*, within 15 days of the date on which it is approved by the Minister;
 - f) provide the Board with a description of any material changes to processes established by the Licensee under section 25.12 of the *Electricity Act*; and
 - g) provide the Board with any directions to the Licensee from the Minister, whether contained in a Ministerial directive or other document.

8 Fees and Charges

- 8.1 The Licensee may impose fees and charges to recover the cost of its activities in accordance with an order of the Board, or as permitted by law.

9 Books of Account and Financial Reporting

- 9.1 The Licensee shall maintain proper books of account and adhere to generally accepted accounting practices, and shall maintain such financial records or accounts as the Board may require from time to time. The Licensee shall notify the Board of any material change to its accounting procedures.
- 9.2 Unless otherwise provided by law, the Licensee shall establish and maintain, in accordance with the direction or orders of the Board where applicable, such variance accounts as may be necessary to record all amounts payable or receivable by it under the *Act* or the *Electricity Act*.
- 9.3 Unless otherwise provided by law, the Licensee shall, no less than 60 days before the beginning of each fiscal year of the Licensee, submit the Licensee's proposed expenditure and revenue requirements for the fiscal year and the fees it proposes to charge during that year to the Board for review and approval.

10 Regional Planning

- 10.1 For the purposes of this section 10:

"Integrated Regional Resource Plan" means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities, or other electricity system initiatives in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (10 to 20 years);

"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;

"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

“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.

10.2 Regional Planning Obligations

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

10.2.2 For the purposes of section 10.2.1, 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 assessment 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 18 months of determining that an integrated regional resource planning process is necessary for a region, and inform the lead transmitter and participating distributors of any potential investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region over the next twenty years. The Licensee shall provide the Integrated Regional Resource Plan to all licensed distributors, licensed transmitters and municipalities in the region and post it on its website upon completion. Where an Integrated Regional Resource Plan has not been completed within 18 months, the Licensee shall take no longer than two years to complete the Integrated Regional Resource Plan and shall notify the Board in writing explaining the reason(s) an Integrated Regional Resource Plan could not be completed within 18 months, identify the applicable region and the additional time required, up to a maximum of six additional months;
- (c) Where the Licensee has not completed an Integrated Regional Resource Plan and has determined an urgent investment in transmission and/or distribution facilities needs to be advanced from the integrated regional resource planning process to meet a near-term need, the Licensee shall immediately complete an Urgent Letter that notifies the lead transmitter and participating distributors 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.
- (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 demand management, generation and/or other electricity system initiatives, for each region, in the lead transmitter's transmission system, where an Integrated Regional Resource Plan has been completed.

11 Communication

- 11.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 11.2 All official communication relating to this Licence must be in writing.
- 11.3 All communication is to be regarded as having been given by the sender and received by the addressee:
 - a) when delivered in person to the addressee by hand, by registered mail or by courier;
 - b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
 - c) when received by facsimile or electronic transmission by the addressee, according to the sender's transmission report.

12 Copies of the Licence

- 12.1 The Licensee shall:
 - a) post this Licence on its website and make a copy of this Licence available for inspection by members of the public at its office during normal business hours; and
 - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.