

Integrated Resource Planning Update for Supply / Demand Working Group

Jan. 29th, 2015



Agenda



- Background
- IRP and the Utility
- Status Update
- IRP Study

Background: IRP – In Two Guises

	System Wide	Local IRP
Scope	Franchise wide	Local defined area
Goal	Savings on commodity + T&D infrastructure	Savings on infrastructure
Focus	Usage	Capacity
Impact on infrastructure	Indirect – passive deferral	Direct – active deferral
Impact on commodity	Direct	Indirect
Examples	Many: Mostly electric – some gas	Very Few: electric - ConEd
Metric	Peak Day and Annual Consumption	Peak Hour or “Instantaneous” Peak – Worst Case



Background: Why renewed interest now?

- Pressure on utility rates – especially in the electricity sector
- GTA proceeding: DSM raised as a potential way to save on infrastructure costs
- GTA Decision:
 - “further examination of integrated resource planning for gas utilities is warranted”
- Minister’s Directive to OEB: the Board to take steps to implement
 - “Government’s policy of putting conservation first in ... Gas Distributor infrastructure planning processes at the regional and local levels, where cost effective and consistent with maintaining appropriate levels of reliability.”

IRP & the Utility: Who needs to be engaged?

- **Distribution Planning and Work Management**
- **Engineering and Integrity**
- **Market Development and Customer Care**
- **DSM Group**
- **Gas Supply and Business Development**
- **Regulatory Affairs**
- **Others, e.g., Public and Government Affairs**

IRP and the Utility: What are the utilities required to do?

EB-2014-0134 DSM FRAMEWORK for Natural Gas Distributors, December 22, 2014.

- Conduct a Study to “determine the appropriate role that DSM may be able to serve in future system planning efforts”
- By March 31 file with Multi-year plan
 - “a preliminary scope of the study” ... and
 - “a preliminary transition plan”
- Complete study in time for Mid-Term Review (June 1, 2018)
- As part of all future leave to construct applications “provide evidence of how DSM has been considered as an alternative at the preliminary stage of project development.”

Status Update: What have we done to date?

- Formed working group (Distribution Planning and Market Development)
- Held Discovery Session for staff of Distribution Planning and Market Development
- Conducted preliminary research into
 - IRP processes in other jurisdictions
 - Cost effectiveness analysis for IRP
 - Options for external review of the Study
- Developed
 - draft Study Outline and Methodology, Timeline,
 - Case Study Process, and
 - Preliminary Transition Plan
- Met with Union Gas team

Status Update: What do we need to do NOW?

Prepare for March 31st filing:

- Finalize Study Outline
- Determine governance structure for the Study
- Determine approach to External Review
- Finalize Preliminary Transition Plan
- Determine position on:
 - Treatment of “all leave to construct applications” (while the Study is in progress)

IRP Study: Strategy

This is a foundational study for gas utilities in North America.

The UTILITY will play a leadership role:

- Define the issues
- Direct the study
- Educate the Board and stakeholders on the issues
- Engage “disinterested” external review
- (Disinterested reviewers - individuals who:
 - have no interest in the direct outcomes of the Study, and
 - who have specialized knowledge and/or experience relating to the subject of the Study.)

IRP Study: Focus and Approach



STUDY FOCUS

- Targeted DSM as an alternative

STUDY APPROACH

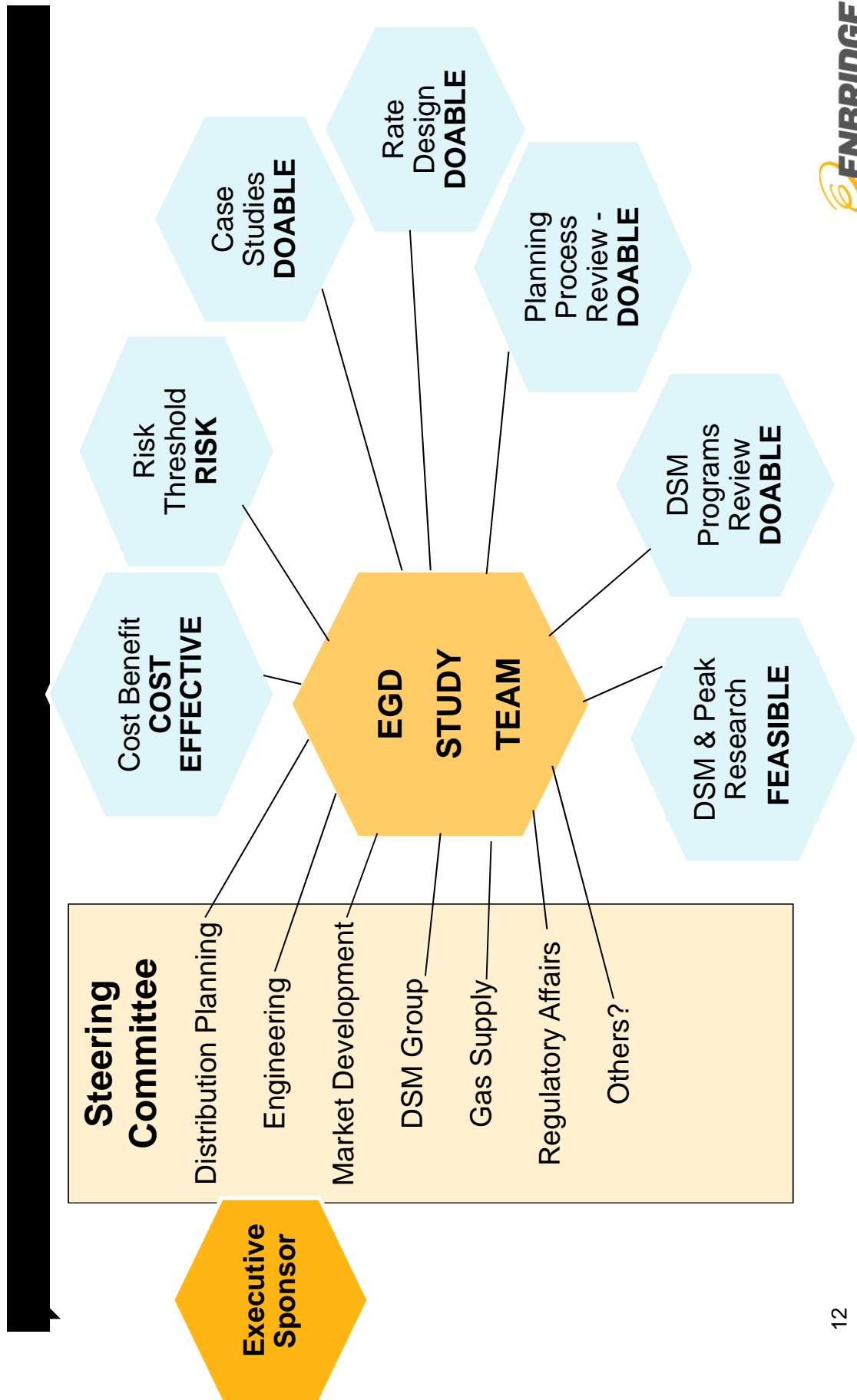
- Case Studies in EGD franchise. Focus research on 2-3 case studies of future leave to construct applications
- Combine Preliminary Transition Plan with the Study

IRP Study: Focus and Method

Targeted DSM – Key Questions	Tailor Research to the Questions
<p>Is it Technically Feasible?</p> <p>Is It Doable?</p> <p>Does it meet risk requirements?</p> <p>Is it cost-effective?</p>	<p>Internal Review</p> <ul style="list-style-type: none"> • Infrastructure planning processes • DSM programs <p>Primary Research</p> <ul style="list-style-type: none"> - Load research - Market penetration - Market potential - Market acceptance - DSM measures & technologies <p>Secondary Research</p> <ul style="list-style-type: none"> - Literature review - Technology scan - Jurisdictional scan



IRP Study: Structure



IRP Study: Outcomes

- Report on Targeted DSM as an alternative
 - Case Study Reports: Analysis of targeted DSM option for 2-3 leave to construct examples
 - Tested Analytical Method to be applied in future leave to construct applications (if applicable)
- Report on related aspects
 - broad-based DSM and infrastructure planning
 - DSM and subdivision planning
- A Transition Plan – changes needed to:
 - long range infrastructure planning processes
 - DSM programs

IRP Study: External Review

Purpose

1. Provide avenue for Ontario stakeholders to comment (and Board representatives)
2. Engage other external reviewers to support the quality of the Study

Two Streams	Perspective	Participation
1. Ontario based	<ul style="list-style-type: none"> • Ratepayer interests • Special interest groups 	<ul style="list-style-type: none"> • Utility stakeholders and intervenors • Board staff
2. North America (and Europe?)	<ul style="list-style-type: none"> • Other utilities • Experience in IRP • Experience in targeted DSM • Knowledge of DSM measures and peak knowledge of regional and local planning 	Individuals from organizations such as: <ul style="list-style-type: none"> - ACEEE - Canadian Gas Association - Other gas utilities - RAP - Canadian Urban Institute

IRP Study: Timeline

	2015		2016		2017		2018	
	March	April	April - Dec	Jan - Dec	Jan - March	March - Dec	Jan - July	
Study Timeline								
Board Timetable								
Utilities' Multi-year Plans due		1						
Board Decision			Oct?					
Mid-Term Review							July	
Study Timeline								
Preliminary work								
> Information gathering								
> Develop Detailed Workplan								
> Develop RFPs as needed								
Conduct research as per plan								
Synthesize Results								
Write Synthesis Report (including Transition Plan)								
Prepare for Mid-term Review								

