

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



**APPrO**  
ASSOCIATION OF  
POWER PRODUCERS  
OF ONTARIO

November 30, 2015

**By Electronic Mail and Filed Electronically on RESS**

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

Dear Ms. Walli:

**APPrO: 2015 Natural Gas Market Review -- Consultation and Stakeholder Conference (EB-2015-0237)**

Further to the Board's November 25<sup>th</sup>, 2015 letter initiating the above-noted proceeding, we wish to confirm the intention of the Association of Power Producers of Ontario ("APPrO") to participate in the review, and seek an award of costs (within the parameters set out in Appendix A to the November 25<sup>th</sup> Notice).

APPrO regularly intervenes in OEB proceedings on the following bases:

- APPrO represents the largest natural gas customer group in the province. Gas-fired generation presently accounts for approximately 20% of the natural gas consumed in Ontario. APPrO, therefore, routinely intervenes in the rate and facilities proceedings of Union Gas Limited and Enbridge Gas Distribution Inc.
- APPrO plays a more limited intervenor role in electricity proceedings, typically only intervening in Hydro One transmission rate proceedings that involve setting the Export Transmission Service charge. From time to time, APPrO also intervenes in other electricity-related proceedings (e.g., OPA and IESO fee hearings) or policy initiatives (e.g., Renewed Regulatory Framework, TSC and DSC amendment proceedings) where these other matters may impact power generators.

APPrO is eligible to apply for a cost award because it represents the direct interests of customers (ratepayers) in relation to services that are regulated by the OEB (section 3.03(a), OEB *Practice Direction on Cost Awards*, revised April 2014). The OEB has normally found APPrO to be cost award eligible (e.g., EB-2014-0289) because in its interventions, APPrO is not representing its members' commercial interests, other than as ratepayers (as per section 3.04(b) of the OEB's *Practice Direction on Cost Awards*). In addition, other public interest factors warrant awarding costs to APPrO. The members of APPrO represent more than 90% of Ontario's gas-fired generation capacity and are active in a wide range of power generation technologies including gas-fired power, wind energy, cogeneration (CHP), nuclear, hydroelectric, solar, geothermal, energy from waste, fuel cells and other types of generation. APPrO brings the perspectives of the generation sector to Board proceedings and initiatives, and has a direct interest in the

promotion of economic efficiency and cost-effectiveness of the electricity infrastructure of Ontario.

APPPrO represents a very large and growing natural gas customer group in Ontario and therefore can make a unique and important contribution to a discussion on the key factors the issues the OEB has noted as ones it seeks to understand:

- “the short to medium term impact of recent trends and/or changes in the factors driving North American and Ontario natural gas supply, demand and prices (e.g. geographic expansion of natural gas distribution service in Ontario);
- further developments with respect to issues raised in the 2014 Natural Gas Market Review, such as the impact of winter 2013/14 natural gas prices on distributor and large customer approaches to gas supply planning and the implications, if any, for the OEB’s QRAM mechanism going forward;
- the potential impact of cap and trade markets and carbon pricing on North American and Ontario natural gas markets;
- the implications of recent and anticipated market developments for planning natural gas distribution asset investments over the longer term.”

Importantly, APPPrO participated in and was awarded its costs in EB-2014-0289, the previous proceeding of this nature.

APPPrO members have (in all but exceptional circumstances) organized themselves to intervene and participate through APPPrO, ensuring the most efficient use of the Board’s and other Parties’ time and resources. This not only reduces the level of active involvement by individual generators, but also hopefully gives the OEB the benefit of understanding the consensus view of generators on a variety of issues.

APPPrO is a non-profit entity, and OEB cost awards typically cover only a portion of APPPrO’s true costs of participating in OEB proceedings. The balance comes from the dues paid by APPPrO’s members, or other ancillary revenue sources (e.g., event sponsorship).

In terms of staffing this file, it is APPPrO’s current intention to participate using APPPrO staff (which do not form part of any cost claim), a gas market consultant, and possibly limited legal counsel involvement.

Sincerely,

A handwritten signature in black ink, appearing to read "David Butters", with a long horizontal stroke extending to the right.

David Butters  
President & CEO