

January 15, 2016

VIA Email, Courier and RESS

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

Dear Ms. Walli:

Re: Regional Planning and Cost Allocation Review
Board File No.: EB-2016-0003

On January 7, 2016, the Ontario Energy Board (“OEB”) issued a letter describing the Regional Planning and Cost Allocation Review, including the purpose, objectives and scope of the review. The Independent Electricity System Operator (“IESO”) welcomes this policy consultation opportunity and intends to be an active participant.

The IESO is interested in this policy consultation because of the former Ontario Power Authority’s (now IESO) involvement in the recent Hydro One leave to construct application for the Supply to Essex County Transmission Reinforcement (“SECTR”) project. In the SECTR project evidence, the IESO proposed a proportional benefit approach to apportion project costs between load and transmission customers in accordance with the beneficiary pays principle underlying the OEB’s proposed amendment to the TSC cost responsibility rules. As well, the IESO is interested more generally in this policy consultation because of its impact on provincial transmission planning and regional planning.

The OEB’s letter indicates that this consultation is intended to focus solely on load customers and that the rules pertaining to generators will be scoped in a future consultation. The IESO proposes that the OEB broaden the scope of “Other Issues” to include consultation on the cost responsibility issues related to generators, rather than convening a separate consultation for this matter in the future. The IESO submits that the topics are intertwined, and that it will be difficult to separate the cost responsibility discussions for generators connected at the distribution or transmission system levels from load customer related discussions in this consultation. With increasing levels of distributed generation being added to the transmission and distribution systems, the IESO submits that it is appropriate to talk about how the cost responsibility rules for load customers and generators work together. Combining the two consultations will allow for a thorough discussion of these matters and achievement of code amendments that are appropriate for the evolving system.

The IESO will not be seeking any cost awards for its participation in this policy consultation and asks that all correspondence is addressed to Miriam Heinz, Regulatory Coordinator, at 416-969-6045 or by email at miriam.heinz@ieso.ca.

Yours truly,

A handwritten signature in dark ink, appearing to read "Nancy Marconi". The signature is fluid and cursive, with the first name "Nancy" written in a larger, more prominent script than the last name "Marconi".

Nancy Marconi
Senior Manager, Regulatory Affairs

cc: Mr. Bob Chow, Director, Transmission Integration IESO (email)
Mr. Joe Toneguzzo, Director, Transmission Integration, IESO (email)