



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL Devon.Huber@IESO.ca

August 17, 2020

Mr. Devon Huber
Senior Manager, Regulatory Affairs
Independent Electricity System Operator (IESO)
1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Huber:

Re: IESO Licence Obligations – Regional Planning Process Timelines (EB-2020-0204)

In your letter dated May 27, 2020, you indicated that the IESO is forecasting delays in relation to the completion of some Scoping Assessments due to reasons involving the COVID-19 pandemic. As a result, the IESO expects it will not be able to meet certain timelines set out in section 21.2 of the IESO's licence ("the Licence") which sets out the IESO's "Regional Planning Obligations".

In the May 27th letter, you explained the specific reasons that are creating the forecast delays as follows:

"[s]taff working from home with limited access to tools as well as receipt of data requests from external parties ... a limited ability to seek and receive needed information from stakeholders and communities to create effective demand forecasts needed to inform regional planning reports. The IESO has also consulted with a broad spectrum of stakeholders and communities who have expressed some uncertainty about near and long-term business plans as well as their ability to engage under these circumstances."

You have advised that, due to the identified challenges, the IESO is expecting delays of 90 -180 days to complete Scoping Assessments for four regions.¹ As you noted in your letter, section 21.2.2 (a) of the Licence requires the IESO to complete each Scoping Assessment within 90 days of being notified by the lead transmitter that regional planning is necessary once a Needs Assessment is completed.

¹ South Georgian Bay/Muskoka, Northwest Ontario, Sudbury/Algoma, London Area.

You further noted that, based on current assumptions, the IESO believes at this time it can complete each related Integrated Regional Resource Plan (IRRP) within the required 18 months set out as a condition of the Licence. However, due to continued uncertainty associated with a return to normal business operations related to the COVID-19 pandemic, additional time may be required to complete these IRRPs.

Your letter was entitled “Extension Notification for Integrated Regional Resource Planning Timelines”. However, the focus of the letter is the Scoping Assessment which is not specifically part of the IRRP process. While the Licence conditions provide flexibility in relation to completing the IRRP process (i.e., up to 24 months upon notifying the OEB that it cannot be completed within 18 months), section 21.2.2(a) of the Licence does not provide for similar flexibility in relation to the Scoping Assessment. Therefore, the delay of which the IESO is notifying the OEB in fact requires an exemption from the timelines set out in section 21.2.2(a) of the Licence. For the purpose of the four Scoping Assessments identified, the OEB will treat your May 27, 2020 letter as an application for an exemption from the 90 day deadline under the Licence.

The OEB finds the reasons identified by the IESO as the basis for an extension to be reasonable. The OEB therefore finds that an extension to the 90 day deadline set out in section 21.2.2(a) of the Licence to be in the public interest with regard to the four identified Scoping Assessments. The IESO is required to complete the four identified Scoping Assessments within no more than 270 days of having been notified by the transmitter that regional planning is required.

The OEB notes that, since the Scoping Assessment precedes the IRRP process as a separate stage in the broader regional planning process, your projected delays in the Scoping Assessments create potential delays of up to 180 days to complete the overall regional planning process, as the IRRP and the RIP would be initiated up to 180 days later than they would have been absent the forecast Scoping Assessment delays. While the extension requested is granted, the OEB expects the IESO to use its best efforts to minimize the delays in completing the four Scoping Assessments and therefore any potential impacts on the processes that follow on from the Scoping Assessment.

Completing the Scoping Assessments as expeditiously as possible and minimizing the delays is important. One of the OEB’s primary reasons for formalizing the regional planning process was so that regional plans can be provided by utilities – distributors and transmitters – as part of their rate and leave to construct applications to assure the OEB that all options have been considered and utilities are applying for the most cost effective investments to meet their needs.

The OEB also wishes to clarify the process in the event the IESO believes it will need more time in the future to complete a Scoping Assessment beyond the deadline set out in the Licence. In order to be considered for an extension, any future requests for an exemption should be region-specific. The OEB would also expect to receive a detailed explanation of the reasons for the delay to properly assess any such requests.

IT IS ORDERED THAT:

1. A Scoping Assessment for each of the four regions -- South Georgian Bay/Muskoka, Northwest Ontario, Sudbury/Algoma, London Area -- be completed within no more than 270 days of the related Needs Assessment being completed by the lead transmitter for each applicable region.

DATED at Toronto August 17, 2020

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President
Consumer Protection & Industry Performance