

# **ONTARIO ENERGY BOARD**

## **Integrated Resource Planning**

**February 19, 2021**

# **AGENDA**

- **INTRODUCTION**
- **INCOMPLETE LIST OF GUIDING PRINCIPLES**
- **MATTERS RELATED TO A DETERMINATION OF NEED**
- **MATTERS RELATED TO ALTERNATIVES**
  - **SUPPLY-SIDE, MARKET-BASED SOLUTIONS**
- **MATTERS RELATED TO THE EVALUATION AND DETERMINATION OF ALTERNATIVES**
- **MATTERS RELATED TO IMPLEMENTATION**

# INTRODUCTION

- **PURPOSE: PROVIDE FRPO PERSPECTIVE ON IRP  
AND**
- **INFORM OEB ASSESSMENT OF DEPTH & SCOPE OF  
EVIDENCE TO ESTABLISH IRP FRAMEWORK**
- **BACKGROUND EXPERIENCE**

## DEFICIENCIES IN EGI IRP FRAMEWORK PROPOSALS

- Incomplete List of Guiding Principles
- Outstanding Questions on Need Determination
- Incomplete Presentation of Alternatives

## INCOMPLETE LIST OF GUIDING PRINCIPLES

- Authors of IRP Framework for EGI need general understanding of how supply side alternatives work
- Board's powers related to a determination of disputes related to alternatives
- Requirements for Procedural Fairness in disputes between EGI and stakeholders over preferred option

## MATTERS RELATED TO DETERMINATION OF NEED

- Appropriateness of discontinuing existing supply side IRPA contributing to justification of infrastructure
- If an IRPA is available then it ought to continue until evidence to the Board that the IRPA is not effective

## MATTERS RELATED TO ALTERNATIVES

- Menu - Identifies and Classifies Potential Alternatives
- Supply-Side, Market-based Solutions
  - Parkway Delivery Obligation (PDO) is a Best Practice Supply-side Alternative for EGI
  - TCPL Long-term Transportation Service
- Pending Need for Solution

## Menu - Identifies and Classifies Potential Alternatives

- Comprehensive Menu Provides Applicable Alternatives
- Categorization for Supply-side & Demand-side
- Identification of Bridging Solutions
- OEB Oversight Determines Additions or Deletions

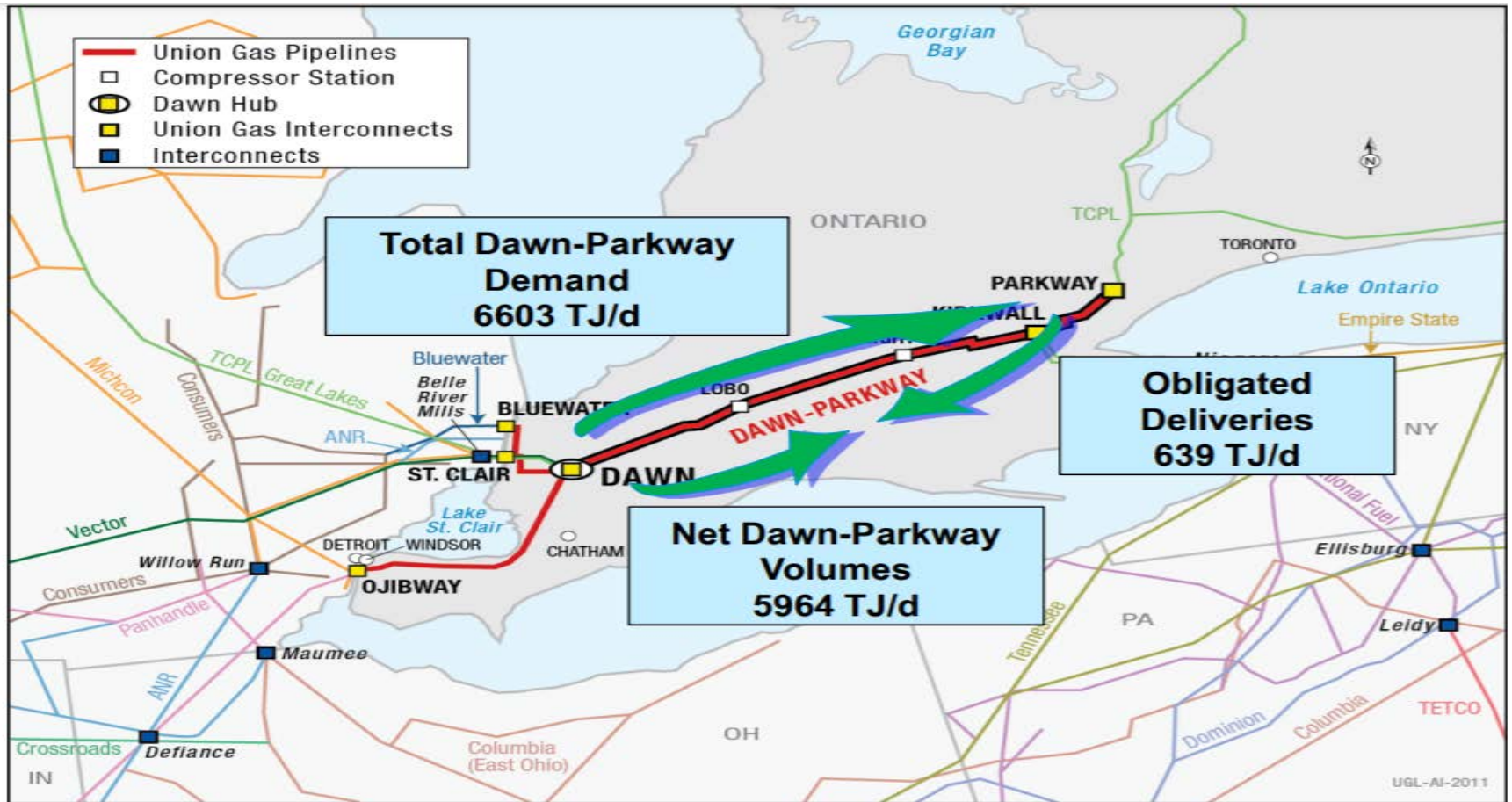


# Supply Side Market- Based Solutions

- Awareness of Supply-Side Solutions – Essential
- EGI Evidenced Supply-side Alternatives
  - Peaking Supply
  - Delivered Supply
  - Exchange and Third-Party Assignments

BUT DISMISSED as INAPPROPRIATE for Long Term
- **Displacement** different from Exchange

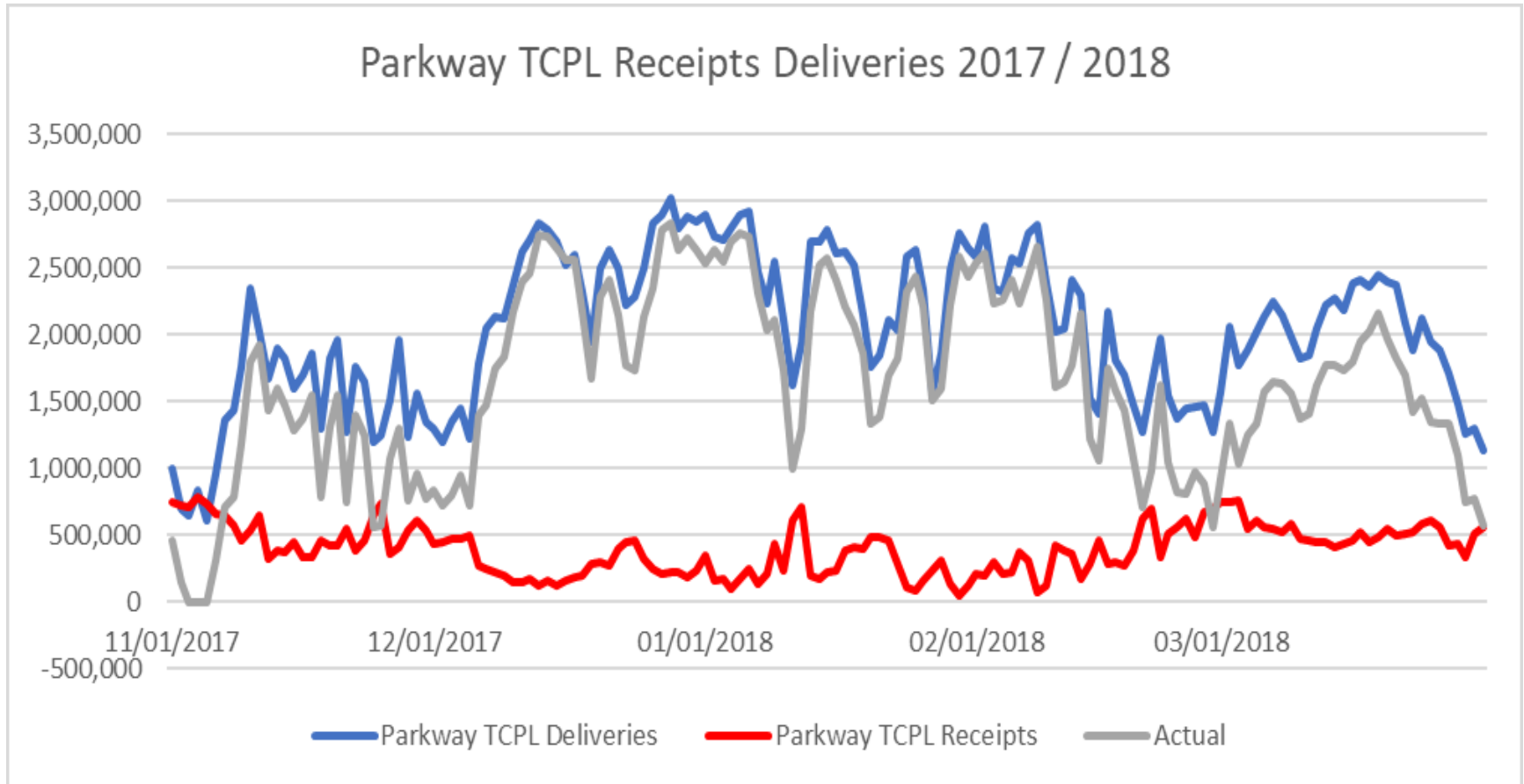
# PARKWAY DELIVERY OBLIGATION



## DISPLACEMENT CONCEPT

- Foundational to movement of gas in pipelines
- Particularly important inter-company pipeline inter-connections such as Parkway
- Harnessing Benefit of Existing Capability
- Provides for Integrated Gas Network Planning

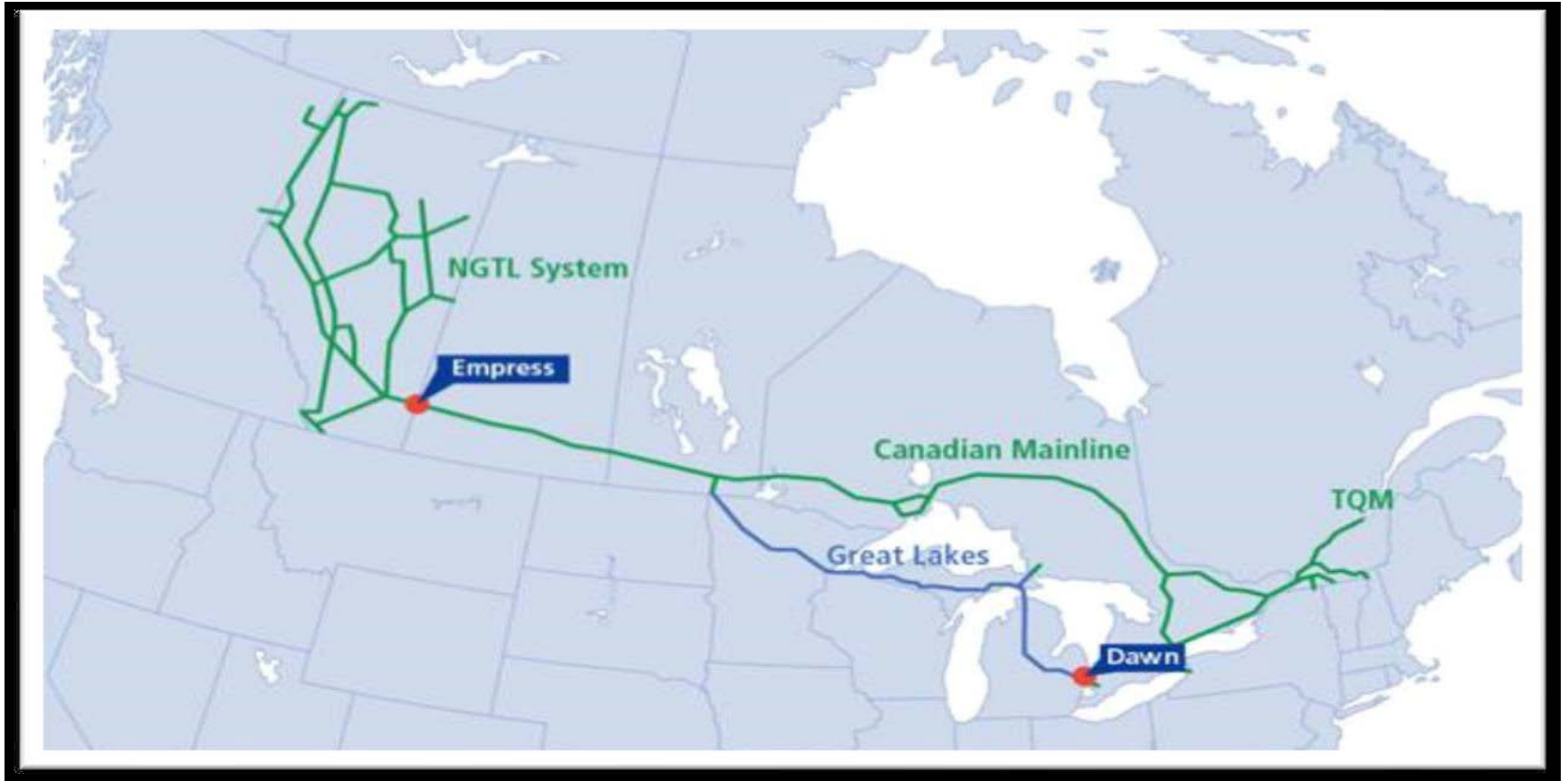
# DISPLACEMENT



## TCPL – DAWN LTFP SERVICE

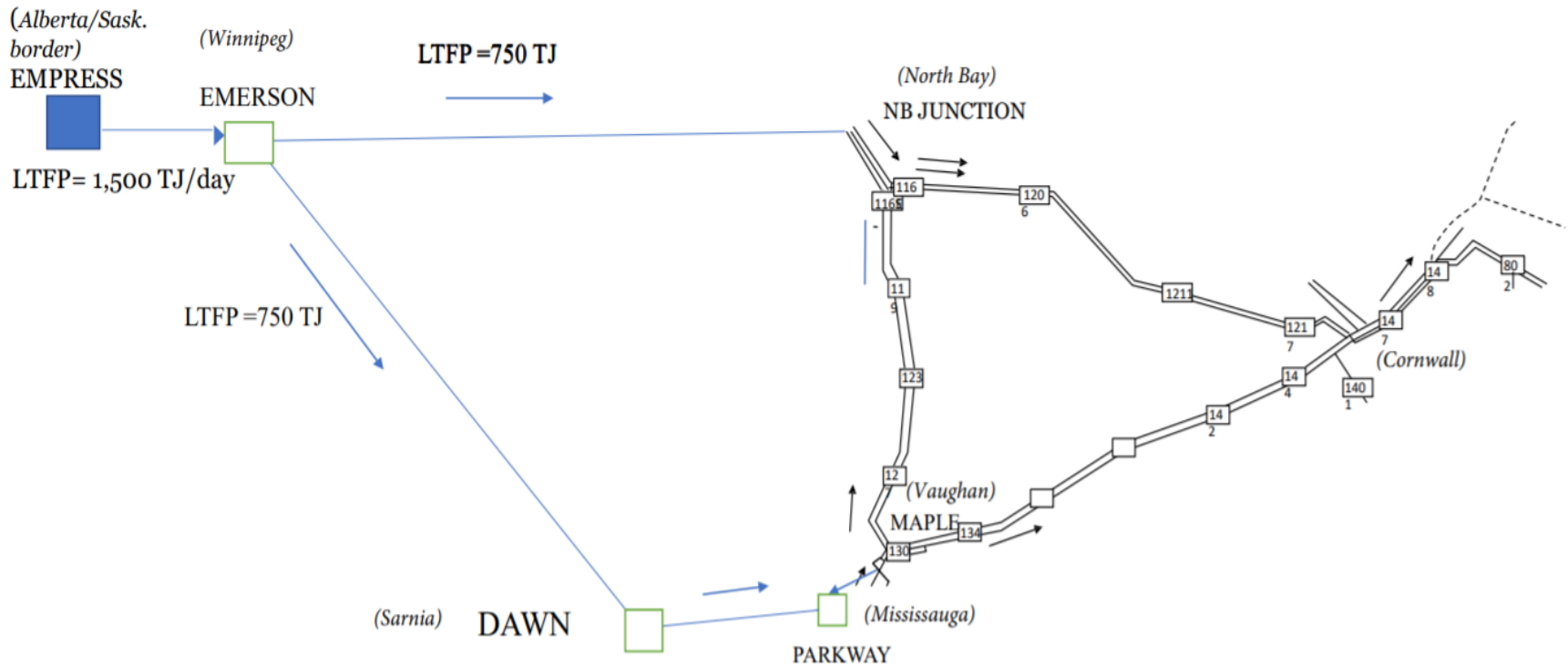
- Implemented in 2017
- Shippers signed Long Term Fixed Price (LTFP) contracts to transport gas from Alberta to Dawn
- Service provided enhanced flow into Ontario

# TCPL MAINLINE PATHS TO ONTARIO



# DAWN LTFP SCHEMATIC

SCHEMATIC SHOWING FLOW PATHS FOR DAWN LTFP



## **TCPL LTFP ARRANGEMENTS TO MEET PARKWAY/TORONTO DEMAND**

- **EGI solicits RFP for LTFP shippers commitment to deliver gas to TCPL each winter day for a multi-year period**
- **EGI contracts for the same level of reliability as other third party delivery agreements**
- **TCPL to schedule that gas to take the northern path to North Bay**



## **BENEFITS OF SECURING EXISTING OPPORTUNITY**

- **Implementation of this initiative could create an timely bridging solution in support of other IRPA's with costs that are 10% of the annualized cost of a build**
- **Environmental and Societal Benefits in avoidance of installation of opposed pipeline with uncertain long term utilization**
- **Benefits could extend beyond the primary term**
- **Key Bridging Solution for Uncertain Times**

## MATTERS RELATED TO EVALUATION AND DETERMINATION OF ALTERNATIVES

- **OEB Power to Determine Disputes Related to IRPA's**
- **Leaving EGI to Screen Appropriate Alternatives Leads to Frustration**
- **IRP Framework ought to Articulate the OEB's Power to Set the Schedule to Determine Disputes and Direct Implementation of the Most Effective Alternative**

## **MATTERS RELATED TO EVALUATION AND DETERMINATION OF ALTERNATIVES**

- **IRP Framework ought to stress Procedural Fairness**
- **Allows Alternative Disputes to be Raised, Considered and Determined in a Timely Manner**
- **Phasing of Proceeding Affords Opportunity to Decide on Matters of Need and Alternatives in Advance of Implementation**

## MATTERS RELATED TO IMPLEMENTATION

- Activities Pursuing Innovative IRPA's may Require Oversight
- Opportunity to provide Nominal Incentive for Facilitating Solution but Not Return on Flow Through
- Monitoring and Reporting through Rate Case filings as Opposed to Stakeholder Sessions to Apply Rigour

## CONCLUSION

- **IRP is Responsible and Responsive to Current Times**
- **Sound Regulatory Framework Creates Opportunity for Innovative Approaches to Energy Evolution**
- **Objective and Rational Leadership and Decision-making Provides Framework to Guide Evolution**
- **We Welcome Your Questions!**