

# The Association of Power Producers of Ontario Comments on the Board Staff Discussion Paper

## Process Overview

1 When the Transmission Connection Cost Responsibility (TCCR) Review was initiated in  
2 January 2008, the Ontario Energy Board (OEB) intended to assess the cost responsibility  
3 policies for load and generator connections in Ontario. During the first round of presentations,  
4 most parties agreed that load connection policies raised distinct issues which should be  
5 reviewed separately. The main area of concern in the generation connection policy was related  
6 to connecting renewable energy generation located in relatively remote unconnected areas,  
7 identified by the Ontario Power Authority (OPA) as clusters.

8 In response to this input, Board Staff narrowed the scope of the review to a specific type of  
9 generation connection, referred to as an enabler line. While the final definition of an enabler line  
10 will be determined by the Board, the general working assumption was that an enabler is a radial  
11 transmission line that multiple generation developers could use to connect new generation  
12 facilities to the transmission network from remote unconnected areas of potential renewable  
13 energy.

14 The OEB's main objective in initiating the TCCR Review was to ensure that its connection  
15 policies "facilitate the rational and optimal development of transmission infrastructure in a  
16 manner that reflects the evolving needs of the electricity sector and the Province as a whole."  
17 One of the evolving needs identified by the Board was the government's expectations to  
18 develop a renewable energy supply.

19 Three other jurisdictions (California, Texas and the UK) were examined by Board Staff's  
20 consultant to determine how costs were assigned and how enabler lines and the associated  
21 generation were developed. Four connection policy options were identified by Board Staff and  
22 assessed in a Discussion Paper which the Board posted for comment from interested parties.

## Industry Perspective

23 As an interested party and an active participant in the TCCR Review, APPrO appreciates this  
24 opportunity to provide further input on behalf of its members. APPrO has taken a broad industry  
25 perspective of this issue by considering the potential benefits to the electricity sector, ratepayers  
26 and electricity consumers of developing a rational optimal transmission network to connect the  
27 Province's renewable resources.

28 As has been the case in most other jurisdictions seeking to develop renewable energy, some  
29 degree of government policy stimulus and/or regulatory intervention is required to facilitate the

1 development of environmentally-preferred generation that would not occur otherwise. APPrO is  
2 not alone in encouraging the Board to take similar action in Ontario and address the fact that the  
3 current policies, codes and procedures did not contemplate enabler lines and if no changes are  
4 made the rules may actually obstruct the development of remote renewable energy clusters.

5 On the basis of these perspectives, APPrO respectfully provides the following comments to the  
6 assist the Board in assessing the generation connection policies with the primary objective  
7 being to consider changes that will facilitate expedient and cost-effective development of  
8 enabler lines to meet the government's renewable energy expectations and better serve  
9 Ontario's electricity consumers.

### Need for Certainty

10 Generators are prepared to respond to the Ontario Power Authority (OPA) procurement  
11 initiatives and build new generation facilities in areas of high renewable energy potential to meet  
12 the government's supply mix directives, but they also need regulatory certainty with respect to  
13 transmission cost responsibilities, the timing of the transmission construction, and the ability to  
14 connect economically to sufficient reliable transmission capacity.

15 To address these concerns and meet the government's renewable targets, Ontario needs to

- 16 1. Revise the Transmission System Code to include enabler lines;
- 17 2. Introduce a simple, expeditious and cost-efficient development process to identify the  
18 optimal size and location of the transmission facilities that are required to connect the  
19 OPA's three primary clusters;
- 20 3. Determine who should pay for the enabler lines by deciding whether the lines should be  
21 treated as network assets or connection facilities; and
- 22 4. Provide the means by which RFP proponents can have certainty of capacity, timelines  
23 and cost to them of enabling transmission.

24 When assessing these needs, APPrO recommends that the Board consider the following  
25 priorities:

- 26 1. Transmission development and construction should be timed to suit the expected  
27 generation development to provide planning certainty, reduce regulatory delays and  
28 better manage a range of significant associated risks. To this end it may be necessary to  
29 begin the transmission routing and permitting process in advance of generation  
30 procurement.
- 31 2. Enabler lines should be designed and built to the optimal size required to meet current  
32 and future demand as determined by government/regulators, transmitters, and  
33 generation developers, working cooperatively.

- 1       3. Connection policies should be applied consistently to all generator connections, whether  
2       they are connecting to the network or to an enabler line.
  
- 3       4. Enabler lines should be treated as open access network assets since they are required  
4       to:  
5  
6           a. Meet the Province's renewable energy targets, as determined by the OPA and  
7           approved by the OEB in the IPSP;  
8           b. Enhance system reliability by improving the quantity, mix and security of supply  
9           for the province's electricity consumers; and  
10          c. Support efficient competitive processes for generation development.
  
- 11       5. Construction and development of enabler lines should itself be contestable to ensure the  
12       associated costs are minimized, but regulatory process changes should also be kept to a  
13       minimum to avoid adding cost and delay.

14   APPPrO believes that the most efficient, least costly and most expedient way to address these  
15   priorities would be to develop enabler lines as network facilities that are required to meet the  
16   government's renewable energy and supply mix objectives and which are also designed to meet  
17   the future needs, including the possibility of additional generation and load connections as well  
18   as the potential for further extensions to enhance system reliability (Network Option). In  
19   addition, enabler lines improve system reliability by adding additional generation supply and  
20   broader supply mix options at varying locations across the system. APPPrO's position on this  
21   point is that system reliability is not possible without security of supply, which itself depends on  
22   periodically reinforcing and extending the transmission network to connect new sources of  
23   supply.

24   As network assets, the costs to develop, construct, and operate the enabler lines would be  
25   recovered from transmission ratepayers while generators would pay for their individual  
26   connection facilities as they currently do when connecting to the transmission grid. This would  
27   considerably minimize the number of changes that need to be made to the TSC and the Board's  
28   other processes.

29   The TSC changes could be as simple as a defining an enabler line and requiring that it be  
30   treated as a network asset. No further changes would need to be made to the connection rules  
31   as the enabler connections would be treated the same way as the current network connections.  
32   Using a network approach will also simplify the development and construction approval  
33   processes as discussed below as Approval Process Considerations.

### Connection Options

34   Board Staff proposed four options for review and comment: a Status Quo Option, that would  
35   require no regulatory change; a Pooling Option that would provide transmission connections  
36   equally to generators; a Hybrid Option, where connecting generators would pay a pro-rata  
37   capital contribution; and, a Shared Option, where connecting generators would finance the  
38   entire line, including the excess capacity to accommodate future generation connections.

1 Most parties agreed that the Status Quo Option was not a practical alternative as it did not  
2 address the current barrier to developing renewable power in remote unconnected areas with  
3 high resource potential, i.e. that the optimal size of the connection line is beyond the means of  
4 individual generation developers. Even if a single developer was willing to finance the  
5 connection, or form a consortium with a few other developers, the line would be built to meet the  
6 needs of the connecting generator(s) and would not be sized optimally to develop the full  
7 potential of the renewable resource from a provincial perspective.

8 In fact, generators who initially develop the renewable resource in a remote area could end up  
9 with a sustainable first-in advantage over other generators who wish to develop the remaining  
10 (and likely the less profitable) renewable resources in the same cluster if a second connection  
11 line is necessary but not affordable, or is not physically possible in the same corridor, in order to  
12 develop the remaining renewable resource. Under these conditions, renewable resources could  
13 remain inaccessible for an indefinite period when they could have been developed economically  
14 if coordinated with the development of the first transmission line.

15 Even if a second line could be built, there would be serious inefficiencies as many of the  
16 transmission costs and the environmental impacts would be doubled. This would not be in the  
17 public interest since in most if not all cases, one optimally-sized line could have been built to the  
18 cluster using a coordinated planning approach.

19 For similar reasons the Shared Option does not present a practical solution to the development  
20 problem. Under this option, generators assume all of the risk of constructing the enabler line,  
21 plus pay for the additional capacity required to accommodate future competing generation  
22 connections that may never occur. To the extent that these risks and costs are included in the  
23 bids for the OPA contracts, electricity consumers end up paying for the additional risk premium  
24 in the commodity charge. Rather than providing a first-in advantage, this option would benefit  
25 generators who wait to see whether the line is built on time and to budget or whether lines to the  
26 other clusters are cheaper. In the interim, the connected generators pay the full cost of  
27 financing and operating the line. In addition, since the line will be owned and operated by a  
28 licensed transmitter, the OEB would need to approve the rates, increasing the regulatory costs  
29 that connected generators must pay. For all of these reasons, there may be very few  
30 generation developers willing to sign up for this option.

31 The two remaining options start off the same with licensed transmitters developing and building  
32 the enabler lines and recovering the costs from transmission ratepayers. Under the Hybrid  
33 Option, the ratepayer costs decline as generators connect and pay a pro-rata capital  
34 contribution towards the cost of the enabler facilities. Under the Pooling Option, connecting  
35 generators do not provide a contribution to the enabler line and they are responsible only for  
36 their individual connection costs as they currently are when connecting to the transmission  
37 network. From a generator perspective, the Pooling Option has the added benefit of treating all  
38 generators the same with respect to connection requirements thereby eliminating the need for  
39 separate rules to differentiate between connections to the grid and connections through enabler  
40 lines. This should reduce the need for more complex regulation and help in the transparency  
41 and comparability of renewable power bids across the province.

1 From a ratepayer perspective, the cost that electricity consumers pay for the enabler lines  
2 should in theory be identical whether the costs are recovered through the transmission rate  
3 under the Pooling Option or through a combination of transmission rates and electricity costs  
4 under the Hybrid Option, since generators connecting using this option would include the  
5 additional cost of the enabler connection in their bids for the OPA contracts.

6 In practice, however, ratepayers may pay more under the Hybrid Option for several reasons:  
7 First, all of the costs recovered through the Pooling Option are regulated by the OEB, whereas  
8 OPA acquired supply would need to be set through a competitive process for each cluster due  
9 to variations in the enabler costs. Secondly generators as a group have to be prudent in  
10 providing for the potential of unexpected increases in transmission construction costs that they  
11 do not control. Because such costs are out of the generator's control, generators will have to be  
12 more cautious than transmitters in estimating the risk of capital recovery on their enabler  
13 contributions, and increase their bids accordingly. Thirdly, because the regulatory review  
14 process is likely to be longer and less certain under the hybrid option, generation bids are likely  
15 to rise to reflect the possibility that lines will not be completed on time, or that they will be more  
16 costly than originally estimated and generators, unlike the transmitters, would be unable to  
17 recover cost overruns in rates. This will mean higher generation costs, and less competition to  
18 build generation facilities, both of which increases the ultimate cost to consumers, potentially to  
19 a greater degree than would minor changes in the capital cost of transmission. Under the  
20 Hybrid Option, there may also be less interest in bidding if, in addition to having to cover the  
21 higher cost and risk of maintaining plant in remote areas, the generators also have to assume  
22 the recovery risk on their portion of the enabler lines.

23 Given the nature of the enabler lines and the fact that they would be built in order to achieve  
24 government policy objectives (through the Supply Mix Directive) and that they would provide  
25 enhanced security of supply and access to renewable energy for the benefit of all energy  
26 consumers, APPrO recommends that the Board designate the enabler lines as network  
27 extensions and allow new generation to be connected under the Pooling Option. The Pooling  
28 Option is not ideal in every respect, but it is the second best solution to the current situation and  
29 definitely superior to the Hybrid Option from a public interest perspective.

30 From a provincial planning perspective, however, APPrO recommends that the Board consider  
31 an enhanced Network Option where in addition to meeting the connection needs of the  
32 identified OPA clusters, as required in the Pooling Option, enabler lines would be designed  
33 optimally to accommodate other generation, future load connections, and future system needs,  
34 including the potential to provide system security benefits. While the driving force for the lines  
35 would be the government's renewable energy targets, it would not be in the public interest to  
36 exclude other economic generation and load connections, or to prohibit the potential for future  
37 system and supply reliability investment. On this latter point, as mentioned earlier, APPrO takes  
38 the position that system reliability is not possible without security of supply, i.e. without providing  
39 generators with secure access to bulk transmission services. Accordingly, enabler lines should  
40 be treated as network facilities that benefit all electricity users.

#### 41 Approval Process Considerations

1 To meet the government's supply mix directives in a timely and cost effective manner, the  
2 regulatory process should be clear, efficient, and provide certainty on costs responsibility,  
3 optimal line sizing and construction timing. While it should be possible and it would be practical  
4 for transmission construction to start before the generation contracts are executed, the  
5 proposed process does not allow for this. As a result generators will likely be required to sign  
6 contracts and sit on them for a year or two until the line is operational before starting the  
7 generation development. This would increase costs for everyone as carrying costs and inflation  
8 increase the costs of projects waiting for connection, and imports and more expensive power  
9 are used in the interim.

10 The timeline for development of new transmission facilities as proposed in the Board Staff  
11 Report is extremely long requiring at least seven years to complete, with four years scheduled  
12 between the OPA Request for Expressions of Interest (RFEI) and the Request for Proposals  
13 (RFP). Not allowing the Leave to Construct (LTC) application to start until after the RFP is  
14 complete, and requiring the transmitter to wait until the LTC is approved before starting any of  
15 the preliminary construction work, will add another two to three years until the line is built.  
16 These lengthy timelines create costs for consumers as risks go up for generation developers. At  
17 the same time, they place in jeopardy the achievement of the government's objectives with  
18 respect to renewable energy. A more simplified process may be possible under the Network and  
19 Pooled Options if the enabler lines are developed, owned and operated as network assets and  
20 existing approval processes are initiated early as part of the planning process and managed  
21 concurrently.

22 In the interest of minimizing the time, cost and risk associated with developing and building the  
23 necessary transmission facilities to meet the government's renewable energy expectations,  
24 APPrO recommends that the Board use its existing approval processes and codes as much as  
25 possible. Extensive TSC changes do not appear to be necessary under the Network or Pooling  
26 Options since the only change required would be to define the enabler lines and designate them  
27 as network extensions. This approach would recognize the system benefits that the enabler  
28 lines provide and ensure that generators are treated consistently across the province, while at  
29 the same time considering opportunities to benefit other users and rate payers in general if the  
30 Network Option is selected.

31 APPrO believes that the need to develop renewable energy clusters has already been  
32 established by the government's supply mix directives and the OPA's identification of three  
33 priority clusters. In selecting these clusters and recommending them for development as part of  
34 the IPSP, the OPA would have carefully considered the renewable energy resources and the  
35 implications of building transmission to these locations. In addition, the need to develop the  
36 clusters and the related transmission would be fully considered by the Board as part of its  
37 review of the IPSP. Once the need for the clusters and the related transmission has been  
38 approved in the IPSP, there should be no need to assess need again and the remaining  
39 decisions would be to designate a transmission developer and approve the size, location and  
40 expected cost of the required transmission facilities.

1 APPrO suggests that the assessment of the appropriate transmission developer can be  
2 considered by the OEB as an initial phase of an LTC application and that any competing  
3 proposals to develop the line could be considered at that time. If there is no interest in  
4 developing the enabler transmission line to a particular cluster approved in the IPSP, the Board  
5 would designate an existing licensed transmitter to conduct the preliminary work as a condition  
6 of the transmission license. This issue could be resolved as part of the initial planning to ensure  
7 development begins as early as possible.

8 To contain costs and provide timely and useful information from the development process,  
9 APPrO recommends that the Board restrict the scope of the work to estimating the size, location  
10 and timing of the enabler line. Development budgets should be approved in principle with the  
11 expectation that only prudently incurred costs would be eligible for recovery through  
12 transmission rates approved by the OEB. A planning horizon of at least 20 years should be  
13 considered to avoid locking in potential renewable generation resources by building the line only  
14 to meet short-term commitments. If the Network Option is selected, additional use of the  
15 transmission line should be considered in the sizing and location of the line.

16 Once the development phase is completed the results would be filed with the Board and  
17 considered as evidence in the LTC application, along with any competing applications to  
18 construct the lines. In awarding the LTC approval, the Board would consider who the best  
19 candidate is to build, own and operate the transmission lines. If no proponent came forward,  
20 the Board would designate a transmitter to construct and operate the line as a license condition.  
21 In order to determine the optimal size of the line, the results of the OPA RFP would need to be  
22 filed as part of the LTC application as would the potential to use the line for other network uses.

23 To encourage the development and construction of IPSP approved facilities, the OEB should  
24 clarify that the prudently incurred costs to complete the preliminary development plans for the  
25 enabler line can be recovered, subject to Board approval, in the transmitter's next rates case  
26 following the completion of the development phase even if the transmitter is not selected to build  
27 the line or the line is not constructed. There may be cases where an alternate route is selected  
28 or where development of a cluster is deferred to allow another cluster to be developed first and  
29 the transmitter should not be penalized for these system wide decisions that are made in the  
30 best interests of ratepayers.

31 Although APPrO supports the Network and Pooled Options and does not recommend  
32 implementing the Hybrid Option, some suggestions with respect to the Hybrid Option may be  
33 useful. In order for the Hybrid Option to be preferable over the Network Option, there would  
34 need to be conclusive evidence that it will actually be less expensive overall from the  
35 perspective of transmission ratepayers, electricity consumers and the public interest,  
36 considering both generation and transmission costs, and that there are mechanisms in place to  
37 ensure that the theoretical savings are achieved in practice. If the Hybrid Option is chosen,  
38 APPrO would recommend that the following considerations be given high priority in the rules  
39 applicable to enabler lines:

1 First, the timelines for development, approval and construction should be as short as possible to  
2 match as closely as possible the timeline for development of generation, which is normally in the  
3 order of 3 years.

4 Secondly, the process should leave little or no uncertainty about the costs for a new generator  
5 to connect, and minimal uncertainty with respect to the date for connection. There is little value  
6 to be gained by transferring risks related to transmission development to generators who are not  
7 in a position to manage that risk except by delaying or withdrawing their projects or adding risk  
8 premiums to their RFP bids.

9 Thirdly, lines should be sized to accommodate the volume of users expected to connect over  
10 the lifespan of the line. Transmitters who establish the appropriate size for their lines by means  
11 of an approved planning process in concert with the relevant authorities should not be exposed  
12 to financial risks related to under-subscription.

### Response to Board Staff Questions

13 The Board Staff Report poses six questions to assist stakeholders in providing written  
14 comments. APPrO has provided specific answers to the questions to assist Board Staff in  
15 correlating stakeholder responses. Additional comments on each of these areas are provided in  
16 APPrO's submission.

17 **1. Is it appropriate to change the current policies for the provision of generation**  
18 **connections as it applies to enabler lines?**

19 Yes. Not only is change appropriate; it is imperative if the Ontario wants to meet the tight  
20 timelines to meet the supply mix directive.

21 **2. If so, do you agree with the definition of enabler lines as proposed, and, in**  
22 **particular that (a) enabler facilities are those that serve multiple generation**  
23 **facilities with different owners; and (b) the revised policies apply only to**  
24 **those enabler facilities that are part of an approved IPSP?**

25 In general, the definition meets current needs of the industry, but it may delay or prevent  
26 development in the future. APPrO recommends adding the phrase "unless otherwise  
27 approved by the Board" to both conditions in the enabler definition and to the cluster  
28 definition.

29 There may be occasions where a single developer is willing to develop a large portion of  
30 a cluster right away and the definition would restrict that option outright or the single  
31 developer may not be willing to build the transmission line to the optimal capacity if the  
32 line is not treated as an enabler facility. Similarly, a developer may wish to buy all of the  
33 generation in a cluster in order to operate the plants more cost-effectively. Actions that  
34 facilitate the optimal development of renewable resources or improve efficiency should  
35 not be impeded by a definition that does not provide interpretive flexibility for the



1 regulator. These concerns can be addressed by revising (a) to read “enabler facilities  
2 are those designed to serve multiple generation facilities ...”

3 Although IPSP approval is the ideal review mechanism due to the central planning  
4 nature of enabler lines and renewable energy cluster identification, there may be times  
5 when a second enabler line must be built to an existing cluster or when a new enabler  
6 line is required to develop another cluster sooner than the next IPSP. Under these  
7 conditions, it would be beneficial to have another approval process available to allow  
8 exceptions that the regulator might find to be in the public interest.

9 **3. Do you agree with the proposed process in the Pooling, Hybrid and Shared**  
10 **options that once the IPSP is approved, the Board should undertake a**  
11 **process to designate a transmitter responsible for the development phase**  
12 **of the enabler facilities?**

13 Yes and No. APPrO agrees that the Board should ultimately approve the designation of  
14 a transmitter to conduct the development work but it does not agree that that the  
15 development process needs to wait until the IPSP is complete before commencing.  
16 APPrO recommends that the Board consider initiating the RFEI process and the  
17 development work on the three OPA preferred clusters and any other clusters that the  
18 Board deems worthy of further assessment as soon as possible.

19 Consideration should be given to the establishment of a process for selection of  
20 transmission developers that would be more fully integrated with the OPA’s  
21 procurement programs. While the OEB as overall regulator of the energy sector is in the  
22 best position to make many of the key determinations in such issues, a good deal of  
23 practical capability for analyzing and comparing competing transmission options for  
24 enabler lines is likely to reside at the OPA for the foreseeable future. The OPA is well  
25 positioned to manage RFEIs and competitive solicitations, and through its planning  
26 function to ensure that transmission procurement is well integrated with other aspects of  
27 system development including generation. Recognizing that there would be a number of  
28 complex issues to resolve with respect to the division of responsibilities and powers,  
29 APPrO recommends that consultation be initiated in the near future on how to most  
30 efficiently organize the procurement of this kind of transmission on a competitive or non-  
31 competitive basis.

32 **4. Is the timing for the Request for Expressions of Interest and Request for**  
33 **Proposals relative to the stage of the development work on the enabler**  
34 **facilities appropriate?**

35 Yes and No. The proposed timing is fine for the Hybrid Option but not for the Pooling or  
36 Network Options recommended by APPrO. Under the network options, the Request for  
37 Proposals could be conducted sooner following the completion of the preliminary route  
38 selection.

1       **5. Should the costs of the enabler line be recovered from transmission**  
2       **ratepayers or from generators?**

3       From ratepayers. For all of the reasons stated in its submission, APPrO contends that  
4       the enabler lines have the ability to provide the same benefits to ratepayers that they  
5       realize from other network assets and therefore ratepayers should pay the cost of the  
6       enabler lines and generators should pay the cost of connecting to the enabler lines.

7       **6. Should the costs of the unsubscribed portion of the enabler facility's**  
8       **capacity be recovered from transmission ratepayers (as in the Pooling and**  
9       **Hybrid options)?**

10       Yes, but this would not apply to the Shared option. Building excess capacity to meet  
11       future need is the normal approach when designing a network facility that is expected to  
12       be optimally sized to accommodate future growth in order to benefit all ratepayers  
13       through the additional supply and rate contributions provided by the new users.

14       Accordingly under the Network, Pooling and Hybrid Options, the risk of under-  
15       subscription should be socialized on the basis that the additional capacity is intended to  
16       meet growth, supply and reliability objectives.

17       The risk that the line will be built too large (or too small) to meet the government's  
18       renewable targets can be managed by the OPA working in cooperation with regulators,  
19       transmitters and generators to estimate the renewable resource potential. The optimal  
20       size recommendation would be made to the OEB as part of the IPSP or in the relevant  
21       LTC application.

22       The OEB would assess the potential for excess capacity and balance this risk with the  
23       need for appropriately sized network facilities to be built on a timely basis. Other  
24       jurisdictions, like Texas and California, allow excess capacity to facilitate future  
25       generation development with the costs being recovered from ratepayers.

26       Of course, generators would continue to be responsible for the full capital cost of any  
27       connection infrastructure required between their facilities and the enabler line.

28       Conclusions and Recommendations

29       APPrO recommends that the Board initiate changes to its Transmission System Code to  
30       designate enabler lines as network facilities that are required to meet the immediate and longer-  
31       term renewable energy expectations of the government. In addition, APPrO recommends that  
32       given the public interest nature of these facilities, and the expectation that further societal  
33       benefits may be provided expeditiously and cost effectively, other network benefits should be  
34       considered when determining the size and location of the line by assessing other potential uses  
35       of the line, such as other generation, new load connections and system reliability and security of  
36       supply. APPrO referred to this as the Network Option and described it as an enhanced Pooling  
37       Option.

1 Using a network planning approach would not change the primary need for the enabler line , i.e.  
2 meeting the government's supply mix directives and expanding the transmission network in a  
3 coordinated and integrated manner as required by the IPSP. A network approach will facilitate  
4 equitable generation connections to the renewable energy clusters approved by the OPA and  
5 OEB and provide an opportunity to consider additional transmission benefits that could be  
6 provided to other users. The latter requirement would be a secondary but necessary objective  
7 of the network extension to the renewable clusters. APPrO believes that it would be very  
8 difficult for the government or the OEB to explain to a remote community or a new mine or  
9 lumber mill that their load or generation facilities cannot be connected to transmission line  
10 running through their backyard because it was designated as connection asset for the exclusive  
11 use of renewable energy generation, especially when the excess capacity is being funded by  
12 ratepayers under the Pooling or Hybrid Options.

13 With regard to the need for timely cost effective renewable energy and transmission  
14 development, APPrO recommends that the Board use its existing approval processes as much  
15 as possible and minimize the need for extensive rule changes. APPrO believes this can be best  
16 accomplished by the OEB designating the enabler lines as network facilities and using the  
17 IPSP, LTC and licensing approval processes to identify the optimal transmission requirements  
18 and designate the most competent and cost-effective transmission developers. Introducing a  
19 new regulatory process such as a "leave to develop" will add unnecessary delay and costs.  
20 APPrO also believes that using a network approach under the Network or Pooling Options will  
21 allow the development work to start earlier on, in high potential or priority clusters.