



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2023-0120

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

**AMENDING THE LICENCE OF THE INDEPENDENT
ELECTRICITY SYSTEM OPERATOR TO IMPROVE THE
REGIONAL PLANNING PROCESS IN ONTARIO**

EI-2013-0066

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection & Industry Performance

July 18, 2023

INTRODUCTION

The OEB has commenced a proceeding, on its own motion, to amend the Independent Electricity System Operator's (IESO) licence (EI-2013-0066), to implement a change to the regional planning process. The amendment requires the IESO to conduct an expedited Integrated Regional Resource Planning (IRRP) process when a material change occurs during a Regional Infrastructure Planning (RIP) process. This change is being made in response to a recommendation from the Regional Planning Process Advisory Group (RPPAG). The OEB is of the view that this amendment will improve the regional planning process.

In response to a second RPPAG recommendation, the OEB has determined that it is not necessary to amend the IESO's licence to require that the IESO share regional planning information with stakeholders as the IESO has already taken steps to do so.¹

This Decision and Order is being issued by the delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998 (Act)*.

Background

In December 2020, the OEB initiated a consultation to review the regional planning process for Ontario's electricity sector and re-established the RPPAG to assist in the review. On December 20, 2021, the RPPAG provided its [Report to the OEB](#) with recommendations for the OEB's consideration. The OEB subsequently issued a [letter](#) on April 28, 2022 (April 2022 letter) with its response to those recommendations and indicated that it intended to move forward with those that require action to be taken by the OEB, including any necessary amendments to its regulatory instruments.

Two of the RPPAG's recommendations suggested amendments to the IESO's licence:

1. To reflect a scenario that was not contemplated when the regional planning process was initially established, which involves a return to the IRRP process where a material change occurs during the RIP process.
2. To include a requirement that the IESO formalize the sharing of all planning information with interested stakeholders in the regional planning process except where it would pose a risk to system security and/or it is confidential.

¹ IESO Regional Planning Information and Data Release Guideline, April 5, 2023.

Amended Regional Planning Process – Return to IRRP Process

For context, the current regional planning process begins with a Needs Assessment which determines if a regional planning process is required and, if so, what regional needs must be addressed. If required, a Scoping Assessment process follows to identify which regional planning approach should be undertaken – IRRP first; or proceed immediately to a RIP. The IRRP process considers the appropriate mix of solutions (wires and non-wires), while the RIP process focuses solely on wires solutions. In virtually all cases where regional planning has been required to date, the IRRP process was conducted, and it was followed by an RIP process for a more detailed assessment of the ‘wires’ solution(s) identified in the IRRP.

The RPPAG identified that, in the past, a material change (such as a new large load customer requesting connection) has occurred during the RIP process, and this necessitated a return to the IRRP process to assess whether a wires investment was still the most cost-effective solution. The RPPAG noted that this scenario was not contemplated when the regional planning process was initially established and is therefore not reflected in the OEB’s regulatory instruments.

The RPPAG therefore recommended that the possibility of a return to the IRRP process be formalized for transparency purposes through an update to the regional planning process as follows.

- The RPPAG noted that a material change in one sub-region, within a broader region, should not hold up the RIP process for other sub-region(s). Work on the RIP would therefore continue to address any sub-region(s) not affected by the material change to ensure the six-month timeline prescribed in the Transmission System Code (TSC) for the lead transmitter is met.
- The IESO would assess the impacted sub-region to determine whether a non-wires solution is a viable option. It is expected more than six months may be required to complete an expedited IRRP and, as discussed above, the full RIP process must be completed in six months. The RIP report would therefore be updated once the IESO completes the work on the expedited IRRP and prepares an Addendum for the RIP report.²

² RPPAG Report to the OEB, p.13.

There was consensus among RPPAG members, including the IESO, that this approach to address a material change should be formalized, and that a licence amendment was the most appropriate approach.

Findings

The OEB agrees with the recommendation to amend the IESO's licence to require the IESO to undertake an expedited IRRP process where a material change occurs while a RIP process is being carried out. Inclusion of this new condition will ensure that non-wires solutions are considered and/or the wires investment is right-sized to meet the need when a material change scenario occurs.

While the RPPAG referred to an "expedited" IRRP process that is described above, the OEB notes that the RPPAG did not identify a specific timeframe, other than to indicate it may take more than the six months the transmitter has to complete the regional RIP. The OEB notes that the IESO would have just completed a comprehensive IRRP process prior to the RIP process (where the material change occurred) and the IESO would therefore be reassessing a solution within months of having recommended it in the initial IRRP. The OEB is of the view that the IESO should be provided with flexibility to complete the expedited IRRP, if needed, without imposing additional administrative burden by requiring the IESO to go through a formal process to request more time.

The IESO's current licence requires the completion of the IRRP within 18 months. Where an IRRP is not completed within that time, the IESO shall take no longer than two years to complete it and must notify the OEB in writing explaining the reason(s) an IRRP could not be completed within 18 months, identify the applicable region and the additional time required, up to a maximum of six additional months. The OEB will therefore adopt a similar approach for an expedited IRRP to the 18-month provision in the IESO's current licence; that is, if the IESO needs more than 12 months to complete the expedited IRRP, the IESO will notify the OEB explaining the reasons for requiring more time, up to a maximum of three additional months.

Sharing Planning Information

The RPPAG also recommended, and the IESO agreed, that it should share the information it uses for planning purposes with stakeholders that are involved in the regional planning process for the following reasons:

- Public trust and stakeholder participation in the regional planning process relies on the availability of information / data before planning decisions are made.

- Stakeholder access to such information would result in more meaningful input during the IESO's stakeholder engagement process related to an IRRP *before* a rate or [leave to construct] application is filed with the OEB.
- Stakeholders and OEB staff would also be able to use the information/data to support analysis related to rate and leave to construct applications *after* they are filed with the OEB.³

As identified in the RPPAG Report, there was a consensus that the IESO should make planning information/data available to stakeholders. However, non-utility members of the RPPAG recommended that a condition requiring the IESO to share all planning information, except where it would pose a risk to system security and/or it is confidential, be added to its licence to formalize the sharing of information. There was no consensus on the need for such a licence amendment, although the RPPAG recommended that the OEB consider it.⁴

On April 5, 2023, the IESO issued its new "[IESO Regional Planning Information and Data Release Guideline](#)" (the Planning Information Guideline) that explains the information that the IESO plans to share with stakeholders. For each type of information, the document provides a brief description and identifies the point in the regional planning process at which it will be made available to stakeholders. The Planning Information Guideline notes it sets the "baseline" and "it will be reviewed and updated from time to time ... to reflect stakeholder and community feedback".

Findings

The OEB is satisfied that the IESO's issuance of its Planning Information Guideline addresses the issue relating to information sharing raised by the RPPAG and therefore it is not necessary at this time to add a new licence condition to make planning information/data available because the IESO has committed to doing so. That said, the OEB will look to the RPPAG to monitor implementation of the Planning Information Guideline to ensure stakeholders are being provided with the planning information they need early enough in the regional planning process for stakeholders to have meaningful input into the decision on the recommended solution(s) to meet the regional need(s).

³ RPPAG Report to the OEB, p.31.

⁴ RPPAG Report to the OEB, pp.32-34.

ORDER

IT IS ORDERED THAT:

1. The Licence of the Independent Electricity System Operator is hereby amended by adding the following new subsection after subsection 21.2.2(g):

(h) Where there is a consensus among the Licensee, the lead transmitter and the applicable licensed electricity distributors in a region that a material change has occurred during the Regional Infrastructure Planning process, the Licensee shall complete an expedited Integrated Regional Resource Plan for the region or sub-region, as applicable, within 12 months of reaching that consensus and provide a report to all licensed transmitters and licensed distributors in the region, in a form that can be used by the lead transmitter as an Addendum to the applicable Regional Infrastructure Plan. The Licensee shall also post the report on its website upon completion. Where an expedited Integrated Regional Resource Plan has not been completed within 12 months, the Licensee shall notify the Board in writing explaining the reason(s) it could not be completed within 12 months, and identify the applicable region and the additional time required, up to a maximum of three additional months;

The amended licence is attached to this Decision and Order.

DATED at Toronto July 18, 2023

ONTARIO ENERGY BOARD

Brian Hewson
Vice President
Consumer Protection & Industry Performance