



Registrar
Ontario Energy Board
(via email)

To whom it may concern:

Red Jar Energy Partners would like to thank the OEB for the opportunity to provide feedback on the transmission connection processes currently in place, as they relate to both transmission and load connection procedures and processes. We have undertaken a number of these recently, both on our own behalf and on behalf of our partners and believe we can provide some meaningful insights and constructive suggestions.

Opportunity to Clarify Roles

Background: The current SIA process is primarily administered by the IESO, but significant input is required of Hydro One. As designed, from the IESO's perspective, they are simply assessing the feasibility of connecting load at a specified connection point.

This means the load proponent is required to identify the optimal connection point – but the load proponent has zero information as to the characteristics of nearby circuits (from the perspective of loading, protections, etc). The IESO generally suggests that the proponent contact Hydro One - but Hydro One does not have all of the information either. This often results in the early selection of a connection point, that has not been seriously analyzed (and which may, in fact, not be optimal).

Further, the SIA process does not allow for the contemplation of *different* connection points. This means that it is very possible that a connection point is identified that is 'feasible', but which is not economically viable (for example if sectionalization is required for connection).

Finally, because the process currently requires a lot of back and forth between parties to collect information, it is not streamlined, is not customer centric and is slow.

Suggestion: The SIA process should be amended such that the first step requires the collaboration of the IESO and Hydro One to identify the *mostly likely optimal* circuits to connect. Further the process should be amended, such that more than one connection point could be considered under the same SIA. The point is that the customer should be presented with the BEST connection point for their needs – not simply a technically viable one.

Related to this concern, new load connections that fall outside the scope of the Integrated Regional Resource Plan (IRRP) may trigger substantial grid upgrades. These upgrades often deliver broad, socialized benefits to the electricity system and are likely aligned with long-term expansion plans to support electrification. However, if a project does not align with the IRRP's recommended timelines, the proponent may be required to bear the full cost of these upgrades—despite their system-wide value.



To ensure fairness and strategic investment, a mechanism should be established to assess and potentially socialize these costs across beneficiaries.

Finally, the SIA process needs to focus on the customer needs (vs the IESO process), with the IESO serving as the clear central point, gathering whatever information and support is required to best serve the customer. That means ensuring any required information is captured on a very timely basis and ensuring that major potential risks are identified and retired as early as possible. The IESO as the planning authority for the transmission system in the province should be accountable for determining and selecting the preferred and most cost-effective connection point to meet customer requirements.

Opportunity to Streamline Connection Process to Meet Customer Timelines

Background: The current [IESO/Hydro One connection process](#) requires the system impact assessment and customer impact assessment (SIA/CIA) part of the process to take 11-13 months to complete. This length of time is often not aligned with customer connection timeline needs and requirements.

Suggestion: The SIA/CIA process timeline requirements should be adjusted to take customer needs and requirements into account and should take no more than 2-4 months to complete for simple transmission connections and maximum 3-6 months for more complex connections (perhaps based on MW at peak).

Often customers looking to make significant investments in the province require quick response on the connection requirements needed for a reliable electricity supply. They cannot be waiting almost a full year for studies and assessments to be completed to make this final determination. The connection process needs to be more responsive to customer needs and timeline requirements. We note that the timelines required for SIA's are likely driving higher volumes of SIA's, *because* of the timeframes required. Proponents are required to launch SIA's earlier than they have made high level business decisions to proceed, because of the significant expected timelines.



Availability of Information

Background: In our experience, the SIA process carries significant information imbalances. The IESO has some of the information about circuits (loading etc) and Hydro One has other information (protections etc). The proponent has none of the information.

Because of this extreme information asymmetry, there are multiple implications

- There is a fair bit of back and forth between Hydro One and the IESO
- There can be (very) late discoveries that significantly impact the economic viability of a connection
 - For example, in one case, a late PIA uncovered the requirement for sectionalization that threatened the economic viability of the project. When we consulted with protection engineers (experienced in the Ontario system), they indicated that this issue should have been obvious on those circuits at the outset.
- The customer has no information that could be used to ask reasonable and meaningful questions.
- Related to this is relatively sparse information about other proponents seeking to connect (and their priority, except as implied by CAA ID – which is not always accurate)

Suggestion: Information relevant to line loading, protections and additional load requests should be available to qualified participants (exact definition, to be defined). Without the availability of this information, the proponent is left dealing with a process that is really a ‘black box’, with very little visibility into risks and opportunities. The availability of this information would improve the process in several dimensions:

- Proponents could do some of their own work to identify the best corridors/circuits on which to connect, subject to confirmation from the IESO and Hydro One
- Technical connection risks would be more apparent up front, allowing the proponent to better assess related business risks.

We also suggest that consideration be given to providing more information about proposed connection points in the public portion of the SIA’s. Currently, only transmission region is specified, but this is far too broad to make any judgement. We suggest that at least transmission corridor be specified, allowing proponents to gauge the ‘connection congestion’.

We also propose that consideration be given to allowing proponents to provide a deposit (similar to that required in LT2 applications) indicating their commitment to proceed, given a successful SIA. The IESO would treat these applications in priority to applications that had not made similar deposits. In our view, this approach could differentiate highly motivated proponents from others.



Conflict of Interest

Background: For transmission connections for transmission lines, the current SIA process carries inherent conflict of interest. This is because, as the dominant transmitter in the province, Hydro One is required to support transmission connections for circuits that may be in competition with transmission circuits that Hydro One intends to apply to build. In our experience, the same engineers working on potentially competitive circuits are working on Hydro One's alternative. This leads, again, to extreme information asymmetry. The proponent is required submit all their information in an SIA (including load projections, operating philosophies, conductor choice, etc, etc) and the competitive proponent is provided with none of that information from Hydro One.

The problem is exacerbated, because our current regulatory construct has no way to 'choose between' different transmission options until the leave to construct (LTC) process – which is far too late.

The way our system currently works, in practice, is that the planning process culminates in IRRP's – which outline system needs. Hydro One has historically treated these as requirements that they alone are permitted to fulfil (and of course, as a transmitter, they are granted no such right). Throughout the connection process, the IESO has interpreted these requirements as indeed being directed to Hydro One, eliminating the opportunity for better, faster, more competitive alternatives to be considered – denying those potential benefits to ratepayers.

Suggestion: We suggest that the OEB make clear that the presence of a particular transmission requirement in the IRRP process in no way specifies WHO will construct a particular circuit. The IRRP process already specifies high level requirements and costs. Proponents with alternate proposals should be permitted to bring them to the OEB for consideration as an alternative – and if deemed credible by the OEB, should be permitted to develop the project (with associated designations as Committed Assets). The normal LTC process would still take place, of course.