

Ontario Energy Board

Transmission Connection Cost Responsibility Review *Proposed Amendments to the Transmission System Code*

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Ontario Power Authority Comments

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Background

The Ontario Energy Board (“OEB”) initiated a consultation process on January 4, 2008 to examine the issue of cost responsibility associated with the connection of generation and load facilities to electricity transmission systems. OEB staff released a Discussion Paper on Generation Connections (“Paper”) on July 8, 2008 and invited comments from interested parties by August 11, 2008. A session was held on July 22, 2008 where OEB Staff responded to questions on the Paper from interested parties. The OEB received the written comments of interested parties, including the Ontario Power Authority (“OPA”), in August 2008, and on October 29, 2008 the OEB released its *Notice of Proposal to Amend a Code: Proposed Amendments to the Transmission System Code* for review and comment.

The OPA supports the OEB’s initiative to address obstacles facing development of remotely located renewable resources. As indicated in the Integrated Power System Plan (“IPSP”) evidence, the OPA supports development of a mechanism to treat enabler transmission lines and related facilities as a distinct category under the Transmission System Code (“TSC”).

In its submission of August 11, 2008, the OPA stated that both the Hybrid and Pooling options address the challenges currently faced in the development of remotely located renewable resources. As such, the OPA supports the Board’s initiative to implement the Hybrid option through amendments to the TSC.

The Minister of Energy and Infrastructure, issued a directive to the OPA dated September 17, 2008, which requires the OPA to revisit the IPSP as previously filed with a view to establishing new targets in several areas, including “the amount and diversity of renewable energy sources in the supply mix”. Changes to the TSC that address challenges in the development of remotely located renewable resources will assist in meeting those goals.

Comments on Proposed Amendments

Definitions

The OPA supports the OEB’s proposal to expand the definition of enablers to include not only those enabler facilities that are part of an approved IPSP, but also those that might be identified through a direction issued by the Minister under section 25.32 of the *Electricity Act, 1998*. Indeed, the OPA’s position as articulated in its August 2008 comments on the Paper recommends a broader definition of enabler facilities be adopted:

The OPA notes that flexibility may be created by not exclusively linking the identification of renewable resource clusters and enabler lines to an approved IPSP. In that regard, the OEB may want to consider additional flexibility in the development and application of

the revised policies. For example, in addition to enabler lines identified in an approved IPSP, allowing interested parties to come before the OEB requesting an order designating additional enabler lines. Were flexibility to be added, the OPA recommends that additional designations ought to rely on the principles and criteria underlying enabler lines as outlined in the IPSP... This approach may allow additional enabler designations, subject to OEB oversight and approval, between IPSP filings.

The OPA recommends that a third alternative be added to the definitions of “enabler facility” and “renewable resource cluster” in proposed sections 2.0.28A and 2.0.57A of the TSC such that interested parties may apply to the OEB seeking designation of a particular geographic area as a renewable resource cluster subject to enabler treatment under the TSC. In reviewing such an application, the OEB could be guided by, *inter alia*, the following criteria:

- Clusters of potential renewable resources;
- Remotely located from transmission system;
- Radial transmission line required;
- Multiple proponents involved;
- High quality and quantity of relevant renewable resources in the area;
- Viable projects with a high potential for development; and
- Economically efficient.

Such a third alternative would introduce additional flexibility to the enabler identification process while maintaining fidelity to the intent and principles underlying the proposal to expand the definition beyond “an approved IPSP”.

To implement this recommendation, the following provision should be added to proposed section 2.0.28A:

(c) the Board has determined in a proceeding before it that a connection facility to serve a “renewable resource cluster” shall be designated as an enabler facility.

In addition, proposed section 2.0.57A should be amended (additions *italicized*) to read as follows:

“renewable resource cluster” means a defined geographic area identified as such in an integrated power system plan approved under Part II.2 of the Electricity Act, ~~or~~ in a direction issued by the Minister to the Ontario Power Authority under section 25.32 of the Electricity Act *or in a decision of the Board in a proceeding before it* where resources suitable for renewable generation are present and where the renewable generation facilities are not, or are not expected to be, owned or controlled by the same person;

Development Process

The OPA recommends that the OEB consider requiring transmitters who are selected to undertake development work on enabler facilities (or those who intend to undertake such work) to collaborate with the OPA to determine the scope of work involved and the enabler facility's specifications.

Conclusion

The OPA reiterates its support for the OEB's initiative to facilitate the development of enabler facilities and renewable resources.