

**Stakeholder Meeting on September 19, 2005**  
**Key Issues from Breakout Session**

Below is the list of issues from the four groups. Please note that these issues are only transcripts of the material from the flipcharts.

Group 1:

1. Do not degrade existing service (e.g., industrial customers re interruptible arrangements).
2. Special class for generators in terms of characteristics and cost allocation
3. Cross subsidization – Should electricity customers subsidize gas customers (or vice-versa)?
4. Services required by generators may be better managed by DAM.
5. Flexibility on capacity use and allocation (e.g., nominations, etc.)
6. Optimize all existing facilities first.
7. Need predefined matrix of decision path for regulatory certainty for different types of services and facilities.
8. Inter-Intra jurisdictional regulatory coordination (i.e., NEB and OEB as well as IESO/OPA/OEB. Regulator regulating the regulated.
9. Be practical – need replication of load following capability of fossil plants.

Group 2:

1. OEB process and timelines might not be compatible with the three new RFPs issued by the OPA.
2. Should the Review take into account the economic implications of natural gas generation (e.g., higher gas prices, volatility, security of supply and long-term supply contracts).
3. Should existing franchise licenses be maintained or capable of being abridged (e.g., allow displacement - bypass using the OEB 3 point criteria)
  - a. Point of gas purchase should be at option of buyer and let the market determine this
4. Should disparities be permitted between franchise areas? With or without bypass?
5. Should natural gas generators have access to CoS or be restricted to market-based storage?
6. Should storage and transportation be decoupled?
7. Should excess storage/transportation/load balancing be built into the system for electrical demand? If so, who pays?
8. Statement of Objective: To find the most efficient way additional natural gas-fired generating capacity can be added in Ontario with minimum negative impact on the economy and/or environment.
9. Staff process issue – H/M/L scenarios may not be specific enough to be relevant. Need to assess sensitivity to base assumptions. Need for integrated solution. OEB should do this on the gas side just as the OPA is doing this on power.

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Group 3:

1. Broad interrelated issues make it very hard to prioritize.
2. Cost recovery (e.g., incremental, rolled in) need to be examined in terms of price signals that encourages economic efficiency.
3. Underutilized capacity – costs of overbuilding and stranded costs
4. LDC facilities/franchise and the issue of bypass – this requires further changes or importance to value of franchises.
5. Need coordinated IRP between MoE, OEB and OPA with stakeholder involvement.
6. New services – the need and cost must both be defined /analyzed
  - a. Need seamless flexible services (trade offs for need)
  - b. Need for consistency across Ontario (excluding price)
7. Need oral process (and not a written hearing).
8. Need resolution of storage pricing (i.e., move all to market or keep 2-tier pricing) prior to other pricing decisions (e.g., new services).

Group 4:

1. Suggestion that natural gas generators have unique needs then data should be disclosed. Short term dispatch issues and impact on infrastructure cost estimates.
2. Need services to address hourly and daily needs of natural gas-fired generators.
3. Cost recovery and potential new revenues or shortfalls must be assessed together.
4. Gas likely to be always the swing fuel. How much load balancing capability needs to be built?
5. Marginal value versus marginal cost
  - a. Jurisdictional review doesn't reflect Ontario system where its 30% capacity and 100% dispatch.