

September 29, 2003

Transmission Planning Process

Working Group

Draft Terms of Reference

Introduction

The Market Surveillance Panel's (MSP's) report of July 3, 2003, *Constrained Off Payments and other Issues in the Management of Congestion*, recommended that the Independent Electricity Market Operator (IMO), Hydro One, and the Ontario Energy Board (OEB) form a working group under the leadership of the OEB to develop a Memorandum of Understanding that sets out appropriate roles and responsibilities for the IMO, Hydro One, and the OEB in facilitating transmission planning and the approval of projects aimed at enhancing efficiency in the context of a competitive marketplace. The report recommends that a draft Memorandum of Understanding be submitted to the Boards of the three organizations by end December, 2003.

The OEB has decided to undertake a transmission planning process review and proposes the following Terms of Reference for the project as a basis for discussion.

Terms of Reference

The Transmission Planning Process Working Group will:

- Identify the current jurisdictions and accountabilities of the IMO, Hydro One, and the OEB, within Ontario's existing transmission planning regime.
- Derive a recommended process for identification, consideration, and evaluation of efficiency-enhancing transmission projects. This process will identify the roles, responsibilities, authorities and accountabilities of all agencies represented on the working group.
- Identify changes to the transmission planning and approval process that would facilitate consideration of market efficiency in addition to reliability.
- Draft a report and recommendations, including appropriate changes to market rules, codes, licences, regulations, and legislation.
- Define key terms, data requirements and timelines for data procurement.
- Submit this draft to the respective boards of the agencies by December 31, 2003.
- Once the report has been approved by the boards of the agencies submit this draft to a public consultation.