

Regional Planning & Cost Allocation – Working Group Issues Table

	Issue	TSC	DSC	Comments	TSC Provisions	DSC Provisions
1	High level – Utility discretion in cost responsibility sections of the codes	<p>“Prescriptive” (e.g., “shall” require capital contribution [CC])</p> <p>- No discretion</p>	<p>“permissive” (e.g., “may” require CC or recover via revenue req’t)</p> <p>- Substantial discretion</p>	Changed to “shall” in TSC due to concerns of inconsistent treatment of customers; i.e., some beneficiaries pay, socialized for other beneficiaries	<p>6.3.1 ... a transmitter shall require a capital contribution from the load customer to cover the cost of a connection facility</p> <p>6.3.2 -... the transmitter shall require the load customer to make a capital contribution to cover the cost of the modification...</p>	<p>3.1.5 For non-residential customers ..., a distributor may ... recover the cost of connection either as part of its revenue requirement, or through a basic connection charge</p> <p>3.2.4 The capital contribution that a distributor may charge a [load] customer</p> <p>3.2.5 The capital contribution that a distributor may charge a generator</p>
2	Inconsistent treatment of LDCs (“ Upstream Investment Issue ” in SECTR case and OEB letter)	LDC treated as customer. Must provide CC to transmitter if beneficiary i.e., requires upgraded connection	Embedded LDC not treated as customer. Host LDC cannot require CC where embedded LDC beneficiary		6.3.2 - Where a transmitter has to modify a transmitter-owned connection facility to meet a load customer's needs, the transmitter shall require the load customer to make a capital contribution to cover the cost of the modification... <i>(NOTE: Load Customer includes LDCs in TSC).</i>	3.2.4 The capital contribution that a distributor may charge a [load] customer other than a generator or distributor to construct an expansion
3	Approach to “apportion” connection investment costs where both “local” and “system” needs (“ Proportional Benefit Approach ” in SECTR and OEB letter)	Gap - Proposals - HONI /IESO SECTR approach vs. OEB Supplementary Proposed Amendment approach	Gap		N/A	N/A

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4	Definition of "Customer"	<ul style="list-style-type: none"> - Specific reference to distributor - Clear on type of entities captured 	<p>What does "person" capture?</p> <ul style="list-style-type: none"> - Open to interpretation 	Clear in TSC what a customer includes. Not clear in DSC.	2.0.18 "customer" means a generator, consumer, distributor or unlicensed transmitter whose facilities are connected to or are intended to be connected to a transmission system;	"customer" means a person that has contracted for or intends to contract for connection of a building or an embedded generation facility. This includes developers of residential or commercial sub-divisions;
5	"Broaden" Beneficiary Pays principle beyond tx "system vs. local benefits" to include other considerations	<ol style="list-style-type: none"> 1) Section addresses <i>like-for-like</i> (no cost to customer) that could be built on (i.e., revised) 2) Essentially same as concept in Proposed Supplementary TSC Amendment (except Dx level) 	<ol style="list-style-type: none"> 1) No section specifically addresses <i>like-for-like</i> replacement 	<ol style="list-style-type: none"> 1) <u>End-of-life cost considerations</u> - if like-for-like, pool now pays so, if upgrade, pool covers <i>like-for-like</i> cost & customer pays <i>incremental</i> costs 2) <u>Impacts on neighbouring LDCs</u> – E.g., "Feeder Transfer" – LDC A (with growth) makes investment in LDC B assets (excess capacity & no growth) to avoid high cost tx connection upgrade. Only LDC A benefits (and pays), LDC B held harmless 3) <u>Sustainment Impacts:</u> 	N/A	N/A
6	LDC slow, "incremental" load growth vs. "lumpy" investments	Often associated with tx "line" connection upgrade (TS connection can be better sized to meet needs)		Suggested – "optimal" regional solution not always "affordable", so "sub-optimal" solution adopted or less reliable service provided		

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7	Capital Contribution refund / rebate to initial customer(s)	15 years	5 years	Was 5 years under TSC but increased to 15 years to address gaming concerns & better ensure beneficiaries pay regardless of timing	6.3.17 .. b) the refund shall be provided if that excess capacity is assigned to another customer within fifteen years after the date on which the connection facility or modification to the connection facility comes into service. Where such a refund is required, the transmitter shall require a financial contribution from the subsequent customer to cover the amount of that refund.	3.2.27 Unforecasted customers that connect to the distribution system during the customer connection horizon as defined in Appendix B will benefit from the earlier expansion and should contribute their share. In such an event, the initial contributors shall be entitled to a rebate from the distributor. A distributor shall collect from the unforecasted customers an amount equal to the rebate the distributor shall pay to the initial contributors. The amount of the rebate shall be determined as follows: (a) for a period of up to the customer connection horizon as defined in Appendix B, the initial contributor shall be entitled to a rebate without interest, based on apportioned benefit for the remaining period; and (b) the apportioned benefit shall be determined by considering such factors as the relative name-plate rated capacity of the parties, the relative load level of the parties and the relative line length in proportion to the line length being shared by both parties Appendix B:... (a) A maximum customer connection horizon of five (5) years

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8	Bypass Compensation	Addressed – based on NBV	Silent (Gap)		<p>6.7.7 the transmitter shall calculate bypass compensation by first multiplying the [NBV] of the bypassed connection facility, including a salvage credit and reasonable removal and environmental remediation costs, if applicable, by the bypassed capacity ... The transmitter shall then divide the resulting figure by the total normal supply capacity of the bypassed connection facility. For purposes of this calculation:</p> <p>a) the bypassed capacity ... shall be equal to the difference between the customer’s existing load on that connection facility at the time of bypass and the customer’s average monthly peak load in the three-month period following the date on which bypass occurred; and</p> <p>b) the normal supply capacity of the bypassed connection facility shall be determined by the transmitter in accordance with the Board-approved procedure referred to in section 6.2.7.</p>	

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9	Replacement	Addressed - like for like	Silent (Gap)		6.7.2 Where a transmitter's connection facility is retired, the transmitter shall not recover a capital contribution from a customer to replace that connection facility.	
10	Relocation	Addressed	Silent (Gap)		6.7.3 Where a customer requests the relocation of a transmitter's connection or network facility, the transmitter shall recover from that customer the cost of relocating that connection or network facility.	
11	Non-Wires options (e.g., gx, CDM, etc.) can alleviate / defer need for wires investments but no mechanism to recover non-wire investments via rates (bias towards choosing wires investment)	Gap	Gap (likely limited to incremental CDM by LDC at this time)	Outside scope of OEB's current legislative authority (likely necessitate OEB approval of IESO IRRPs to determine gx more cost effective than wires solution; e.g., approving cost recovery in rates related to gx as an alternative to wires)	N/A	N/A
12	Community may desire more than 'base' solution but no mechanism in place to fund local choices (e.g., bury tx lines underground, higher standards for urban centers, etc.)	Gap	Gap	Connection to IESO Local Advisory Committees (LACs) Perhaps s.6.7.2 of TSC could be revised to be broader in scope; i.e., not limited to like-for like replacement		

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13	Mix of load & generator customers on connection asset	Addressed but based on “trigger” (not “beneficiary”) pays; i.e., if load customer connects first, subsequent generator(s) a “free rider”	Addressed based on “beneficiary” pays	Under TSC, if subsequent customer a load, no free rider (like gx), refund to initial load would be triggered	6.3.16 For a new or modified ... connection facility that will serve a mix of load customers and generator customers, a transmitter shall attribute the cost ... to the customers that cause the net incremental coincident peak flow on the connection facility that triggered the need for the new or modified connection facility. If and to the extent that the net incremental coincident peak flow is triggered by one or more load customers, the transmitter shall attribute the cost to each of those triggering load customers in the manner set out in section 6.3.15 [respective non-coincident incremental peak load requirements]. If and to the extent that the net incremental coincident peak flow was triggered by one or more generator customers, the transmitter shall attribute the cost to each of those triggering generator customers in the manner set out in section 6.3.14. [rated peak output of their respective generation facilities]	3.2.27 Unforecasted customers that connect to the distribution system during the customer connection horizon as defined in Appendix B will benefit from the earlier expansion and should contribute their share. In such an event, the initial contributors shall be entitled to a rebate from the distributor. A distributor shall collect from the unforecasted customers an amount equal to the rebate the distributor shall pay to the initial contributors. (b) the apportioned benefit shall be determined by considering such factors as the relative name-plate rated capacity of the parties, the relative load level of the parties and the relative line length in proportion to the line length being shared by both parties, as applicable.

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14	Need to determine, if and where, DSC & TSC should differ (different customer bases – large industrials vs. residential subdivisions)					

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