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BY EMAIL and WEB POSTING

December 10, 2020

**To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
Independent Electricity System Operator
All Other Interested Stakeholders**

**Re: Regional Planning Process Review Consultation
Ontario Energy Board File No: EB-2020-0176**

The proclamation of Bill 87 on October 1, 2020, along with [letters](#)² outlining the Ontario government's priorities, launched a clear mandate to drive modernization at the Ontario Energy Board (OEB). The changes align with the priorities articulated in the OEB Modernization Review Panel final report, ensuring a focus on enhancing public trust, promoting transparency and accountability, and delivering value for money. The OEB heard through stakeholder feedback, a desire for greater transparency in its processes and the opportunity for meaningful stakeholder involvement.

The OEB is pleased to share with you that it is initiating a review of the regional planning process that applies to Ontario's electricity sector and invites stakeholders to volunteer to participate on a newly constituted Regional Planning Process Advisory Group (RPPAG). The primary purpose of this review is to improve the efficiency and effectiveness of the current regional planning process. This initiative was also identified in the OEB's 2020-2021 Business Plan as an industry efficiency priority.

The OEB instituted a more structured planning process across the province in 2013 to better ensure that electricity transmitters and distributors are making optimal investments. At the time, the OEB established requirements for electricity distributors, transmitters and the Independent Electricity System Operator (IESO) to facilitate the regional planning process. The OEB also established the RPPAG as an ongoing advisory body to review and propose changes to the process based on lessons learned. The RPPAG was made up of representatives from distributors, transmitters, generators, large consumers and municipal organizations to provide a broad range of views on planning issues.

The OEB placed the work of the RPPAG on hold when the IESO began a review of the regional planning process in 2017, in order to avoid having two separate groups reviewing and recommending changes to the process at the same time. Since it has been more than two years since the work of the RPPAG was placed on hold, the OEB has decided to re-establish – rather than reconvene – the RPPAG.

The initial focus of the RPPAG will be certain IESO recommendations resulting from its review of the regional planning process as set out in its Straw Man Design document (the IESO Straw Man).¹ Following the release of its Straw Man, the OEB and the IESO worked together to determine which organization will take the lead on further assessing (and potentially implementing) each recommendation. Those discussions culminated in the [table](#) issued by the IESO on July 16, 2020. With the identification of recommendations that the OEB should take the lead on, the OEB has decided that this is the appropriate time to re-establish the RPPAG. For convenience, the IESO's recommendations that the RPPAG will focus its efforts on are set out in Attachment A.

While the primary focus in the near term will be the IESO's recommendations, the OEB does not plan to limit the scope of the RPPAG's work to those recommendations, as there may be other areas where process efficiencies can be realized. OEB staff expects the RPPAG will meet monthly, with each meeting expected to last a full day starting in February 2021.

The RPPAG was originally established to be a permanent *ongoing* OEB advisory group that was intended to propose changes to the regional planning process based on lessons learned. Those interested in being a member should therefore take into account that it is not a short-term, time-limited commitment. Those interested in participating as a member of the RPPAG should take that time commitment into account as well as the ability to set aside time to prepare for each meeting.

Invitation to Participate as a Member of the RPPAG

For this initiative, due to the technical nature of the advice sought, in selecting members the OEB will prioritize practical and technical experience relevant to the assessment of regional planning activities and the related process. The OEB will also consider regional diversity in determining the RPPAG's composition. For consideration as a member, the following qualifications should be met:

- Must represent a stakeholder interest (e.g., distributor, transmitter, municipality, generator, Distributed Energy Resource)
- Demonstrated participation in regional planning activities
- Demonstrated relevance of the individual's role within their organization to regional planning activities
- Other qualifications including responsibility and/or participation in community engagement activities, technical certifications or qualifications as relevant to electricity system planning
- Other experience that may assist the Advisory Group in meeting its objectives

¹ [IESO Straw Man Design](#).

Those interested in participating, as a member of the RPPAG, are requested to indicate their interest by filing a letter with the OEB by January 7, 2021 in accordance instructions set out in Attachment B. Please ensure the letter describes how the prospective member meets the qualifications set out above.

The letter should also include a statement as to whether the participant is requesting cost eligibility. All requests for cost eligibility should comply with the requirements referred to under “Cost Awards” below.

Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998*, to eligible participants for their participation. Costs awarded will be recovered from all rate-regulated licensed electricity distributors (65% of the costs awarded) and all rate-regulated licensed transmitters (35% of the costs awarded). Within the distributor class, costs awarded will be apportioned based on respective customer numbers. Within the transmitter class, apportionment will be based on respective revenues (using the most recent three-year average from their audited financial statements or similar documentation).

Information about how to request eligibility for cost awards is included in Attachment C to this letter. Cost awards will be available to eligible participants in relation to the RPPAG activity described in this letter and any activities that may be necessary following the completion of the RPPAG’s work (e.g. feedback on proposed changes to OEB regulatory instruments).

Future Consultations

Once the RPPAG has completed its work related to addressing the IESO’s recommendations and any other matters that RPPAG may identify, it will report back to the OEB any proposals for changes to the regional planning process. The OEB will consider the RPPAG’s advice and may conclude it is necessary to propose changes to one or more of its regulatory instruments, including the Transmission System Code (TSC), the Distribution System Code (DSC), the IESO’s licence, and utility application filing requirements. The OEB will communicate any future steps at the appropriate time.

Any questions related to this letter should be directed to Chris Cincar at Chris.Cincar@oeb.ca. The OEB’s toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment A

IESO Recommendations to be Considered by the OEB

Improve Process Efficiency and Flexibility

- Streamline and standardize load forecast development
 - Includes a review of options discussed in the IESO's Straw Man
- Streamline the IRRP and RIP stages of the regional planning process
 - Clarify scope between the IRRP and RIP products and optimize the timelines between the two stages
- Better integrate and co-ordinate regional planning with related processes
 - Shared by the IESO and the OEB
 - Includes bulk transmission planning, end-of-life (EOL) replacement, distribution planning, connection assessments, OEB regulatory proceedings (i.e., applications), markets & procurement mechanisms (e.g., non-wires), energy efficiency program planning
- Better consider cost responsibility (i.e., who pays) during the development of a regional plan
- Clarify process stages and products
 - Formally document changes to the process by updating the initial Process Planning Working Group Report (as the RPPAG Report)

Better address EOL Asset Replacement in Regional Planning Process

- Incorporate a process where transmission asset owners develop a long list of the expected service life of major transmission facilities (for long-term planning)
- Include a short list of EOL transmission assets as an input to regional planning to address near term needs

Improve Process Coordination

- Better integrate and co-ordinate regional planning with related processes
 - Shared by the IESO and the OEB
 - Includes bulk transmission planning, EOL replacement, distribution planning, connection assessments, OEB regulatory proceedings (i.e., applications), markets & procurement mechanisms (e.g., non-wires), energy efficiency program planning

Attachment B – Stakeholder Response Letter

All materials filed with the OEB must quote the file number, **EB-2020-0176**, and be submitted in a searchable/unrestricted PDF format with a digital signature through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](http://www.oeb.ca/industry) found at www.oeb.ca/industry. We encourage the use of RESS; however, parties who have not yet [set up an account](#), may email their documents to registrar@oeb.ca.

All stakeholders interested in participating as a member of the RPPAG are asked to include "*Potential Member of the RPPAG*" in the subject line of the email and the letter.

Direct the filing of the letter expressing an interest in participating as a member of the RPPAG and, where applicable, a request for cost eligibility to the attention of the Registrar at registrar@oeb.ca, by 4:45 p.m. on January 7, 2021.

Email: registrar@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

Attachment C - Cost Awards

Any person intending to request an award of costs, as part of the letter discussed in Attachment B, must identify the following:

- The nature of the person's interest in this consultation
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's [Practice Direction on Cost Awards](#))
- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known

All requests for cost eligibility will be posted on the OEB's website.

Eligible Activities

Cost awards will be available to eligible participants for participation in meetings of the RPPAG, to a maximum of actual meeting time plus 50% of meeting time for preparation and reporting. Details on subsequent consultation activities eligible for cost awards will be provided at a later date, if applicable.

Cost Awards

The OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards* when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The OEB will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the OEB will act as a house for all payments of cost awards in this process. For more information, please refer to the OEB's *Practice Direction on Cost Awards*.