

# Proposed Regulatory Treatment of Enabler Lines in Ontario

Notes for Discussion

Governmental/Regulatory Affairs Advisory Group

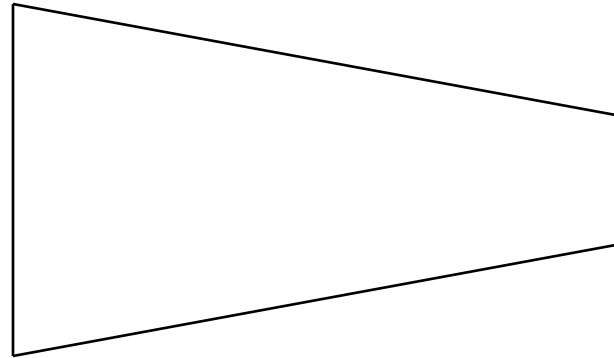
May 21, 2009

# Ontario Energy Board Policy Review

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Transmission Connection Cost Review initiated January 2008

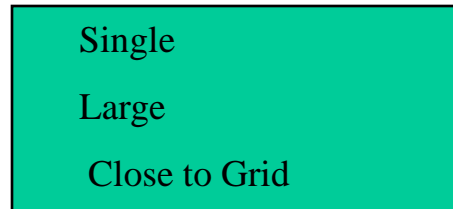
*Load*  
*Generators*  
*- T or D connected*



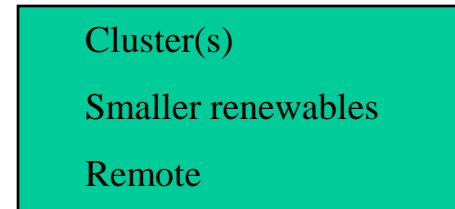
*Defined*  
*Enablers*

## TODAY

- Customers bear connection cost responsibility
- Transmitters prohibited from building generator connection facilities



Old paradigm



Risk/ Timing / Coordination issues

# Policy Issues and Alternatives

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1. Lead Responsibility: Who builds ?
2. Cost Responsibility: Who pays ?

## Models considered:

- **Status quo** – Generator has both responsibilities.
- **Pooling** – Transmitter builds, costs recovered from transmission customers.
- **Hybrid** – Transmitter builds, connecting generators pay pro rata share, transmission customers pay the rest.
- **Shared** – Transmitter builds, connecting generators initially pay the entire cost, and later connections “pay in” to connect

## Enable facility

- >1 generator
- Renewable cluster
- Per approved Integrated Power System Plan, or Directive

## Current Status

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Ontario Energy Board has selected **Hybrid Model**

Transmitter builds, connecting generators pay pro rata share, transmission customers pay the rest as pooled costs

**Transmitter Designation Process** for selection of transmitter who will develop, and likely also build and own the facility

Access: non renewables, generation outside cluster, loads

Amendments not final yet

Intentionally flexible at this time



# Aligning Regulation with the Green Energy Act

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## Other Cost Responsibility issues

- Facilities that emerge between plans
- Facilities that are not strictly defined as enablers
- Facilities driven by distribution connected generators

## Regulatory Process

- Streamlining approvals
- Reduced planning certainty
- Speed
- Expansion Plans and smart grid plans
- Conservation and Demand Management