



Ontario Energy Board

Commission de l'énergie de l'Ontario

Sustainable Power: Regulatory Issues

Presentation to the 2009 CAMPUT Conference

Saint John, New Brunswick

May 12, 2009

- Green jobs through renewable energy supply
 - More renewable power plants built using equipment manufactured in Ontario
 - Transmission and distribution expansion and “smart grid” investments to connect them
 - Export to a large North American market
 - 50,000 jobs claimed over 3 years

Implications of GEGEA for regulation

- OEB electricity regulation was established for a market context where investment driven by markets.
- Network regulation constrains network investment to what is needed and is paid for by the direct beneficiaries of that investment.
- Under GEGEA, investment is driven by green generators.
- Network regulation has to adjust to the new policy to ensure networks are expanded and consumers pay for it.



What does it mean for the Board?

- Enhanced importance to existing roles
 - Public review of the “need” for a transmission line (through planning reviews, Leave to Construct, or rates).
 - Reforming connection rules to be consistent with government priorities.
 - Simpler connection and settlement for small generators
 - Connection cost rules for “enabler” transmission
 - New rules for distribution capacity allocation
 - New cost allocation for distributed generation (and sharing of costs across all Ontario consumers)
- New responsibilities, too
 - Develop the planning review process for distribution and transmission
 - Providing appropriate incentives for transmitters and distributors to be proactive in expanding their systems.



What does it mean for the Board?

- *New objectives*
 - To promote the development of renewable energy resources and their connection to networks
 - To facilitate implementation of the “smart grid”
- *New duties*
 - Oversee distributor performance on conservation (vs. govt. targets)
 - Ensure transmitters and distributors are planning and building their systems to accommodate renewable generation
 - Billing customers for the Ministry’s conservation and renewable energy programs



Consultation process of regulatory framework for approval of electricity network infrastructure investment

- Chair's letter of April 3
 - Major new infrastructure investment in T&D required
 - Greater regulatory certainty required wrt cost recovery
 - Consultation process will look at new tools to encourage investment such as:
 - Construction work in progress
 - Rate riders
 - Application for rate increases outside the normal review cycle.



- In Ontario, increasing investment in sustainable energy requires a large buildout in transmission and distribution.
- Regulatory environment is adjusting to:
 - Make connection of renewables more efficient;
 - to incent network owners to spend more quickly yet soberly.