



Sent via email

February 24, 2016

The Standing Committee on General Government

Re: Bill 135, Energy Statute Law Amendment Act, 2016

I would like to sincerely thank you for giving the Ontario Society of Professional Engineers (OSPE) the opportunity to provide recommendations from an engineering perspective on Bill 135, the Energy Statute Law Amendment Act.

As Rhonda Hilbig Wright, P.Eng., and I expressed to the Committee at our meeting on February 22, OSPE is troubled that, if enacted as is, Bill 135 will enable the Minister of Energy to make final decisions on energy planning, rather than the engineering and technical experts at the Independent Electricity System Operator (IESO). The IESO has the technical experience, educational training and computing resources required to develop effective and practical integrated power system plans.

OSPE has gathered input from its Energy Task Force regarding this issue. We believe that removing the requirement for an Integrated Power System Plan (IPSP) in Bill 135 is not prudent. OSPE believes that the IESO should remain the developer of the power system integrated long-term energy plan, which incorporates the regional, conservation, and demand/management plans. The Minister should then be asked for approval to submit the IPSP to the Ontario Energy Board (OEB) for public review and final approval. That final approved IPSP would then form the basis for OEB hearings related to power system matters until a new IPSP plan is approved in future years.

As per our recommendations, since the IESO should be issuing the IPSP, it may be onerous to also issue a technical report. Nonetheless, OSPE believes this technical report may be valuable to the sector, so we have modified the text to reflect that the proposal should continue with this report. We have also included a new section, since the original proposed bill deleted the requirement for OEB review. OSPE's preference is to maintain OEB review of the IESO's plan.

OSPE was also asked for suggestions on how to improve the OEB Hearing and Consultation Process. Based on the experience of our expert Professional Engineer members on our Energy Task Force, we respectfully submit the following recommendations:

- The Ministry of Energy should develop high level public policy goals or objectives and publish them as Directives to the Planning Process for the development of the IPSP. These Directives could include scope around such criteria involving environmental protection goals, technology development, or other policy goals related to the creation of a green economy and associated jobs.
- In order to minimize the cost and time for the hearing process due to the many redundant and out-of-scope questions that are asked during the process, the OEB



should produce a guideline which provides context on the process and criteria on how to create questions so they are both within the hearing scope and are phrased so they can be easily answered with a minimum level of misunderstanding.

- The questions should then be screened to ensure the guidelines are followed and that the inquiry is clear, before the questions go to the applicant. This will eliminate many of the duplicated questions.
- All remaining questions could be brought to a pre-hearing conference where a facilitator will have the intervenors agree to a final set of comprehensive in-scope questions that will then be forwarded to the applicant.

In closing, OSPE would like to reiterate our position regarding general procurement practices. OSPE, amongst other professional and industry associations, has been advocating for a Qualifications Based Selection (QBS) process for procurement. In the long run, having experienced and licenced professionals such as Professional Engineers (P.Eng.) producing qualified work will reduce significant risks and deliver long term value to Ontario taxpayers. QBS is a standard practice that has been adopted by many jurisdictions around the world.

If the Committee has further questions or would like more information, please feel free to contact our office. We look forward to continuing to work with you.

Sincerely,

A handwritten signature in black ink that reads 'Sandro Perruzza'.

Sandro Perruzza
Chief Executive Officer
Ontario Society of Professional Engineers

P.S. We hope to see you all at our Queen's Park Reception on March 8, 2016 at 5:00 pm in the Legislative Dining Room.

2016013

Part II.2 Planning, Procurement and Pricing

7. Sections 25.29, 25.30, 25.31 and 25.32 of the Act are repealed and the following substituted:

Long-term energy plans

25.29 (1) At least once during each period prescribed by the regulations, the IESO shall, submit to the Board for review, a long-term energy plan setting out and balancing the Government of Ontario's goals and objectives respecting energy for the period specified by the plan.

Same

(2) For the purposes of subsection (1), a long-term energy plan may include goals and objectives respecting,

- (a) the cost-effectiveness of energy supply and capacity, transmission and distribution;
- (b) the reliability of energy supply and capacity, transmission and distribution, including resiliency to the effects of climate change;
- (c) the prioritization of measures related to the conservation of energy or the management of energy demand;
- (d) the use of cleaner energy sources and innovative and emerging technologies;
- (e) air emissions from the energy sector, taking into account any projections respecting the emission of greenhouse gases developed with the assistance of the IESO;
- (f) consultation with aboriginal peoples and their participation in the energy sector, and the engagement of interested persons, groups and communities in the energy sector; and
- (g) any other related matter the Minister determines should be addressed.

Technical reports by IESO

(3) The Minister may require the IESO to submit a technical report on the adequacy and reliability of electricity resources with respect to anticipated electricity supply, capacity, storage, reliability and demand and on any other related matters the Minister may specify, and the Minister shall,

(a) post the report on a publicly-accessible Government of Ontario website or publish it in another manner, before undertaking any consultations under subsection (4).

Consultation required

(4) The IESO shall, before issuing a long-term energy plan under subsection (1), consult with any consumers, distributors, generators, transmitters, aboriginal peoples or other persons or groups that the Minister considers appropriate given the matters being addressed by the long-term energy plan, and the Minister shall consider the results of such consultation in developing the long-term energy plan.

Notice

(5) The IESO shall publish notice of consultations under subsection (4), together with any relevant background materials or other information the Minister considers appropriate, in the environmental registry established under section 5 of the Environmental Bill of Rights, 1993.

Participation

(6) The IESO shall take steps to promote the participation of the persons or groups with whom the IESO intends to consult under subsection (4), including,

(a) scheduling one or more consultation meetings, where the IESO considers it appropriate to do so, that the persons or groups are entitled to attend in person; and

(b) providing for the participation of persons or groups in consultations through electronic or other means not requiring personal attendance.

Review of integrated power system plan

(4) The Board shall review each integrated power system plan submitted by the IESO to ensure it complies with any directions issued by the Minister and is economically prudent and cost effective. 2004, c. 23, Sched. A, s. 34; 2014, c. 7, Sched. 7, s. 5 (3).

Board's powers

(5) After review, the Board may approve a plan or refer it back with comments to the IESO for further consideration and resubmission to the Board. 2004, c. 23, Sched. A, s. 34; 2014, c. 7, Sched. 7, s. 5 (4).

Deadline for review

(6) The Board shall carry out the review of an integrated power system plan under subsection (4) within such time as the Minister directs. 2004, c. 23, Sched. A, s. 34.

Publication

(7) On OEB approval of a long-term energy plan under subsection (1), the Minister shall post it on a publicly-accessible Government of Ontario website or publish it in another manner, and shall also post or publish any other information, such as key data and cost projections, used in the development of the long-term energy plan that the Minister determines should be made publicly available.

Under Revocations

Revocations under the Electricity Act, 1998

17. The following regulations made under the Electricity Act, 1998 are revoked:

2. Ontario Regulation 426/04 (IESO Procurement Process).