

New Transmission – Cost Causation & Beneficiary Analysis

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Outline

- Roles and Responsibilities within Ontario's Electricity Sector
- Transmission Planning in Ontario
- Cost Allocation and Example

Ontario's Electricity Sector Participants



Regulation



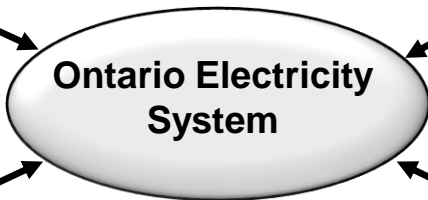
Planning, Market & System Operation



Transmission



Five Nations & others



Distribution



Hydro One Distribution & other local distribution utilities

Generation



& other generators

Customers



Residential

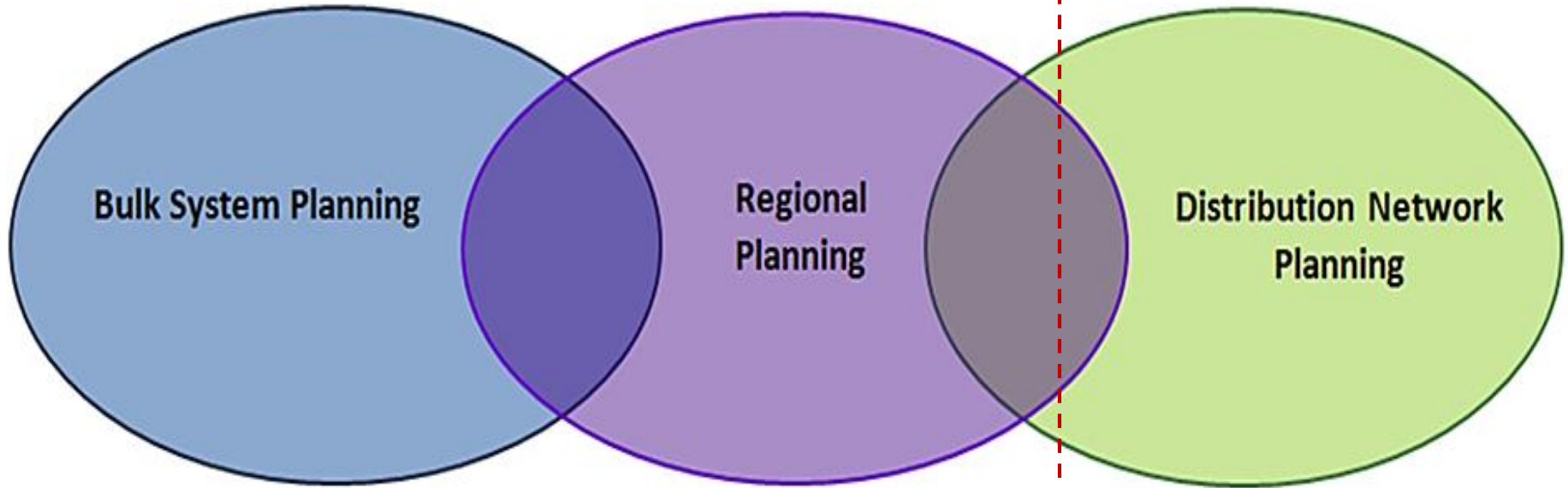


Commercial



Industrial

Planning Framework



Bulk System Planning

Addresses
provincial electricity
system needs and
policy directions

**Regional
Planning**

Through co-ordination
determines the least-cost solutions
that:
(1) meets the needs of all LDCs in
the region and provincial
needs
(2) considers non-wire
alternatives.

**Distribution Network
Planning**

Develops
distribution system
plans

IESO
Accountability

Cost Allocation

- *Asset Categories – Network Assets versus Connection Assets*
- *Three transmission rate pools – Network, Line Connection, Transformation Connection*
- *Costs are allocated depending on the purpose of the new transmission, which could include:*
 - *Connecting new customers*
 - *Replacing facilities reaching end of life*
 - *Addressing provincial needs*

Needs in the Windsor-Essex Region

1) *Local Need* - additional supply capacity in the Kingsville-Leamington area to supply forecast growth in electricity demand

2) *System Need* – additional load restoration capability in the region

