



Ontario Energy Board Commission de l'énergie de l'Ontario



CoS Filing Requirements – Chapter 5 – Consolidated Distribution System Plan Summary of Key Changes

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Chapter 5 – Purpose

- Purpose of Chapter 5 revision
 - Remove duplications that are superseded by newer documents (e.g. Rate Handbook)
 - Condense/reorganize the document by removing repetitive information and restructuring each section to reflect logical planning process
 - To address the OEB implementation plan for the Long Term Energy Plan
 - Update the information based on the first five years of DSP reviews
 - Expand expectations of DSPs as for most LDCs this is the second DSP to be submitted



Chapter 5 – Key Changes

➤ Chapter 5 - additions

- Added considerations from the Long Term Energy Plan
- Added chapter 5 appendices to help facilitate the review of required information, note that filing the appendices would not be mandatory
- Emphasized relationship between capital spending and O&M costs
- Clarified expectation for timing of distribution system plan filings

➤ Chapter 5 - deletions

- Duplications within Chapter 5 and Rate Handbook removed or condensed

➤ Chapter 5 - moves

- Moved relevant Distribution System Plan sections from Ch. 2 to Ch. 5
- Combined sections related to planning with 3rd parties and performance reporting
- Reorganized sections to provide better flow for reader in terms of understanding the evidence required

Chapter 5 – Additions

➤ Long Term Energy Plan (LTEP)

- Added information required for high level overview of DSP (section 5.2.1)
 - “An overview of projects or initiatives that addresses customer’s preferences and expectations. This could include, but not limited to, cost-effective grid modernization, distributed energy resources, and climate change adaptation.”
- Emphasized that the LTEP reinforces the current process and capital expenditures should be evaluated through risk management (section 5.4.1)
 - “A detailed description of the analytical tools and methods used for risk management and its correlation to the capital expenditure plan. It is expected that a distributor is responsible for managing its business risk in a manner to achieve its objectives through a comprehensive risk portfolio. These risks could include, but not limited to, system reliability, cyber security, and climate change adaptation. This information can be documented in Appendix 5.4.1-a.”

Chapter 5 – Additions

- Long Term Energy Plan (LTEP)
 - Emphasis on grid modernization (Section 5.4.1)
 - “A distributor’s strategy in taking advantage of opportunities that arise during system planning to implement cost-effective modernization of the distribution system such that it becomes more efficient, reliable, and provide more customer choice. This addresses the Grid Modernization portion of the LTEP and was mostly moved from the 5.0.3.4 Smart Grid section”
 - Emphasis on distributed energy resources (Section 5.4.1)
 - “The investments necessary to facilitate the integration of distributed generation, distributed energy resources and more complex loads (e.g., customers with self-generation and/or storage capability)”
 - Emphasis on innovation (Section 5.4.3)
 - “A distributor should also keep pace with technological changes and integrate cost-effective innovative projects and traditional planning needs such as load growth, asset condition, reliability.”

Chapter 5 – Additions

- Long Term Energy Plan (LTEP)
 - Emphasis on system resilience to climate and technological change (Section 5.4.3.2)
 - “Demonstrate good utility practice in reliability planning through designing a resilient distribution system that addresses existing reliability performance concerns and also capable of adapting to future challenges (e.g.. Grid modernization and climate change)”
 - Emphasis on cyber-security expectations (Section 5.4.3.2)
 - “Cyber-security is expected to be incorporated into the distributor’s risk management decision making, and investment planning that will ultimately form part of its business plans and DSP”

Chapter 5 – Additions

➤ Chapter 5 appendices

- Added chapter 5 appendices to assist utilities with their business cases as well as to facilitate review of required information (Section 5.2). Note that these appendices are not mandatory.
 - Appendix 5.2.3-a Metrics
 - Proposed metrics that can be used to quantitatively measure performance
 - Appendix 5.2.3-b Cause of Interruption
 - A more in-depth analysis of Major Event outages
 - Appendix 5.3.2-a Asset Inventory
 - A consolidated list of major assets in the distribution system including information size of the population and age demographics
 - Appendix 5.3.2-b Asset Condition
 - The average, standard deviation, and distribution of the health index for major assets in the distribution system
 - Appendix 5.3.2-c Asset Capacity
 - The technical capabilities of the major assets in the distribution system

Chapter 5 – Additions

- Appendix 5.3.3-a Asset Refurb and Replacement
 - A description of each major asset's refurbishment and replacement policies
- Appendix 5.3.3-b Asset Maintenance
 - A description of each major asset's maintenance policies
- Appendix 5.3.3-c Risk Assessment
 - A consolidated risk assessment based on probability and consequence comparing risk before and after for a project
- Appendix 5.4.1-a Asset and Risk Management
 - An overview of the risk management processes the distributor uses
- Appendix 5.4.3-a Alternatives Considered
 - An overview of the alternatives considered for each project including costs and reasons for rejection
- Appendix 5.4.3-b Other Projects
 - A list of projects that were considered but did not make the final project list
- Chapter 2 Appendices – 2AD
 - A prioritized list of projects to demonstrate an optimal capital expenditure plan

Chapter 5 – Additions

- Emphasized relationship between capital spending and O&M costs (Section 5.4.2)
 - “A distributor is expected to consider the reduction in O&M costs when planning capital projects. A description of the impacts of capital expenditures on O&M should be given for each year or a statement that the capital plans did not impact O&M costs. For capital programs a distributor should consider providing an analysis on the trade-offs between capital and O&M”
- Clarified expectation for timing of distribution system plan filings for deferred COS (Section 5.1.2)
 - “A distributor that has requested deferral of its cost of service application and received OEB approval will be notified in the approval letter as to whether a DSP will be required. If a DSP is required, the OEB expects the distributor to file a DSP within six months of the date of the letter.”

Chapter 5 – Deletions

- Duplications within Chapter 5 and Rate Handbook removed or condensed
 - Removed redundant definitions within chapter 5 and rate handbook with references or the glossary
 - Removed paragraphs that are better defined in the rate handbook (integrated planning, long-term planning horizon, and regional planning)
 - Condensed redundant themes within chapter 5 (framework of the DSP, performance measurement, and planning information for capital expenditures)

Chapter 5 – Moves

- Moved relevant Distribution System Plan sections from Ch. 2 to Ch. 5
 - Reliability performance metrics SAIDI and SAIFI (Section 2.2.2.8)
 - Efficiencies realized due to smart meters (Section 2.2.2.2)
 - Description of distribution system (Section 2.1.4)
 - Rate funded activities to defer distribution infrastructure (Section 2.2.2.2)
 - Capital expenditure summary (Section 2.2.2.2)
 - Capital contributions made to transmitter (Section 2.2.2.2)
 - Incremental capital requirements during IRM (Section 2.2.2.6)
 - Addition of previously approved ACM and ICM project assets to rate base (Section 2.2.2.7)

Chapter 5 – Moves

- Combined sections related to planning with 3rd parties and performance reporting
 - Grouped together sections related to regional planning and coordination with IESO for renewable energy generation into the DSP overview
- Reorganized sections to provide better flow for reader in terms of understanding the evidence
 - Moved “System Capability Assessment for Renewable Energy Generation” from capital expenditure plan to overview of assets managed

