



APPrO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

APPrO Advocacy and Information Services

January 13, 2004

APPrO offers substantial information services to its members, largely through e-mail and faxes.

You can also call Carole Kielly for status reports, documents, reference to technical material and advice. One of the easiest ways to find out what is going on in the Ontario electricity business is to ask APPrO.

APPrO offers a teleconference service for members that addresses regular matters (i.e. - the IMO Committee). APPrO also brings the flexibility to create new working groups on developing issues (Transmission Rate Design, Distributed Generation to cite recent examples) as required.

Information Services:

General Distribution List (e-mail)

The general distribution list for meeting notices, background documents, updates on activities at the IMO, the Ministry of Environment and Energy, the OEB, other stakeholders, correspondence, and any industry issues of general interest to members.

Fax Notice List

APPrO occasionally distributes by fax material that is available only as hard copy and not in an electronic format.

Advocacy Committees:

Wholesale Market Design (IMO) Committee

Provides all the technical information from the IMO Technical Panel and other developments at the IMO. Chaired by Rob Cary, APPrO's representative on the IMO Technical Panel.

This list can have a high volume of e-mail of a technical nature relating to developments in the Market Rules.

Environment and Green Power

Information and advocacy related specifically to these areas - green power certification, emissions monitoring, reporting, trading. APPrO has been one of the leading advocates of a realistic carefully-planned approach to developing and implementing a Renewable Portfolio Standard (RPS) in Ontario and for workable emission trading rules, both at the provincial and national levels.

NUG Contracts

This is APPrO's most restricted list - to be on the NUG list, you must

- 1 - Be an APPrO member in good standing
- 2 - Have a PPA or provide professional services to a member with a PPA

Distributed Generation

For members who are concerned with development of more favourable terms of access for small generators connected to the distribution system. This is a multi-stakeholder committee which has been supported and worked on by APPrO, rather than an APPrO Committee, per se. For more information see:

<http://ca.geocities.com/dgtaskforce/>

Regulatory Affairs

This committee oversees APPrO interventions in regulatory hearings and regulatory matters. The next major focus of this committee's work is likely to be transmission issues at upcoming OEB hearings.

Communications and Government Relations Committee

Considers APPrO's public profile, response to media reports, meetings with government and opposition, participation in the media.

Resource Adequacy Working Group

Has spent a fair bit of effort in recent months trying to develop approaches to ensuring there are adequate electric resources in the Ontario market.

Conference Program Committee

Volunteers work with the Committee Chair (Safouh Soufi) and the Executive Director to determine the program for the Annual APPrO Conference.

Administrative Committees:

Finance Committee

Human Resources Committee

IPPSO FACTO Editorial Committee

Conference Logistics Committee

Background on APPrO Restructuring

APPrO's Restructuring Objectives

Ensure that Ontario has an effective, competitive electricity market that encourages customer choice and the development of a level playing field for new generators.

Ensure transparency and effective participation by industry stakeholders in the process.

Member Benefits: Information, Access, Leverage, Results

Information

Firms with an interest in the evolving Ontario electricity market need the best information available for business planning. APPrO has established itself as a reliable and comprehensive source of information on critical developments in the Ontario electricity industry.

Access

The government (both the political level and the civil service) has demonstrated a keen interest in listening to APPrO, even if they don't always act as we recommend. APPrO delegations have regular meetings with the most senior members of government. APPrO amplifies the voices of our members and is the best vehicle to express your views on market development to government.

Access has become a two-way street. APPrO has come to be viewed as a resource by the government, the IMO, and the OEB. APPrO is part of the process. The OEB has used APPrO as a vehicle to communicate with industry stakeholders on the development of licences for market participants. When the IMO wants to talk to the industry about training or market readiness, they call APPrO. APPrO is an important link between the Ontario Electricity Finance Corporation and NUG Contract holders

Leverage

Pooling resources through APPrO has allowed members with common interests to participate before the OEB, for example, at a small fraction of the cost required to mount as effective an undertaking as an individual firm. APPrO allows our members to be meaningful participants without being forced to devote an unsustainable resource commitment - staff, lawyers, and consultants - to the effort.

Working with SAC, the Stakeholders' Alliance for Competition and Customer Choice, we continue to direct the government's attention to moving forward with the competitive market, and avoiding the pitfalls of our heavy market power situation.

Results

APPPrO's participation in the Transmission 2000 hearings before the OEB was cost effective. We had substantial success on the Net / Gross issue with respect to transmission cost allocation. The design of the transmission rate structure will have a profound, long lasting impact on the business of many of our members.

APPPrO allowed members to participate effectively before the OEB at a modest cost to individual firms. APPPrO retained expert counsel and technical consultants for this critical process. APPPrO's participation in the Transmission 2000 hearings was been our largest undertaking since the Environmental Assessment Board hearings into Ontario Hydro's Demand Supply Plan.

APPPrO has been notably successful in protecting generator interests in a number of design decisions within the IMO, including such areas as prudential requirements, outage planning, uplift cost allocation, and bilateral contract benefits. In past years we have been able to have impact on decisions as varied and crucial as the sanctity of NUG contracts, and the level of stranded debt.

APPPrO Activities and Committees

Flexible and responsive

The MDC, the MoF NUG Contract Committee, and the OEB Transmission 2000 hearings were important venues that APPPrO participated in on behalf of our members. None were planned far in advance, but APPPrO was able to be effective at all of them.

Flexibility and the ability to respond effectively to the unexpected is the most important service that APPPrO offers to members. APPPrO is known as the Eyes, Ears, and Voice of the industry. We also watch your back.

IMO Committee

Regular teleconferences to consider IMO Technical Panel (TP) issues. IMO TP documents are distributed. This committee has been an effective means for members to keep current on developments with the Market Rules and to have an impact on that process.

APPPrO's predecessor IPPSO nominated Rob Cary for one of generator stakeholder positions on the IMO TP. APPPrO has provided continuing liaison and support of his activities at the technical panel. In some cases the direct financial benefit of causing (or preventing) some of these rules adjustments to generators can justify APPPrO membership without considering any of the other services provided. APPPrO continues to monitor the range of IMO working groups in order to alert our members to issues of concern that might be coming up.

Environment and Green Power Committee

APPPrO has been concerned to expedite the approval of consistent and credible standards for green energy marketing, electricity content labels, and has submitted recommendations on the rules for the expected system of tradable emission reduction credits.

NUG Contract Holders Committee

APPrO has been providing information and assisting participation by our members in the renegotiations of the existing NUG contracts so that they can be integrated into the new market. APPrO has kept issues such as exclusivity, contract sanctity, replacement escalators, and market participation costs on the front burner with the relevant authorities. Several written exchanges with the OEFC as well as meetings, have served to clarify matters for all parties.

APPrO will assist large NUG holders to develop common positions during negotiations to prevent a “divide-and-conquer” approach during negotiations from compromising member benefits from their existing contracts. APPrO will assist in the development of the “Standard Offer” for smaller NUGs.

Collaboration with other stakeholder groups

Stakeholders’ Alliance for Competition and Customer Choice

Association of Major Power Consumers of Ontario

Electricity Distributors Association

Ontario Energy Association

Canadian Energy Efficiency Alliance

Industrial Gas Users Association

Green Energy Coalition

Toronto Environment Alliance

Ontario Clean Air Alliance

Ontario Energy Marketers Association

Low Impact Renewable Energy Coalition

Distributed Generation Industry Task Force

For more information, contact APPrO at 416-322-6549, fax 416-481-5785

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<http://www.newenergy.org>