

Date to be inserted

Name
Title
ConnectionApplicant
Address1
Address2
PostalCode

OP-1600

Dear Mr. xxx

Re: Cost Recovery Agreement for Expedited System Impact Assessments

Section 6, chapter 4 of the Market Rules and the corresponding Market Manual, Part 2.10, Connection Assessment and Approval (the “Manual”) establish a formal process for submitting and approving requests for connection assessments. The Market Rules also allow the IESO to establish expedited procedures for approving requests for connection assessments that are not expected to have a significant impact on reliability.¹

In this regard, the Manual states that an Expedited System Impact Assessment will be appropriate for the following connection proposals:

- where the electrical characteristics of *generation facilities* are improved by less than 5%, do not exceed accepted design standards or tolerances, and are in conformance with Appendix 4.2 of the *market rules*;
- like-for-like replacement of existing *transmission system facilities* where there is no connectivity change on the system, and a new contingency is not created;
- where the electrical characteristics of a *transmission system facility* are changed by less than 10%;
- *connection stations* and lines where the line tap is short, the total capacity is not expected to exceed 10 MW, the load does not include significant reactive power requirements such as those associated with large motors, furnaces or other similar *facilities*, and there is no significant change in system impedance;
- addition of feeder breakers at system voltages less than 50 kV;
- reactive compensation devices *connected* at system voltages less than 50 kV; or
- protection changes, using approved standards and equipment, which are not expected to require studies to determine if there is an adverse impact on the *reliability* of the *integrated power system*.

In most cases upgrading and/or modifying various equipment and facilities connected to the *IESO-controlled grid* should not necessitate the time and expense of formal studies (“System Impact Assessments”). In this regard, and pursuant to the IESO’s authority to establish expedited procedures, we recommend the following procedure which is formalized by way of this Cost Recovery agreement between ConnectionApplicant and the IESO:

¹ Section 6.1.14, Ch. 4, Market Rules; Section 9.1 and 9.2, Market Manual 2: Market Administration, Part 2.10: Connection Assessment and Approval

- Within five business days the IESO will notify ConnectionApplicant of any request for connection assessment submitted by ConnectionApplicant that the IESO does not expect to have a significant impact on the reliability of the integrated power system and for which a normal System Impact Assessment will not be required. In that case the IESO will treat this as an expedited Connection Request, will conduct an Expedited System Impact Assessment and the terms of this Cost Recovery agreement will govern.
- The IESO will not require a deposit for Expedited System Impact Assessments.
- The IESO will deliver the associated report within the timeline agreed upon with ConnectionApplicant
- ConnectionApplicant will reimburse the IESO for all reasonable costs incurred by the IESO in processing and assessing each Expedited Connection Request.
- The IESO will invoice ConnectionApplicant quarterly for the costs incurred with performing each Expedited Connection Request during the previous quarter, or quarters, if any.
- The IESO may at any time decide that an Expedited Connection Request should undergo a System Impact Assessment in which case the request for a connection assessment will follow the steps for the System Impact Assessment outlined in the Manual.
- This Cost Recovery agreement will cover all subsequent Expedited Connection Requests initiated by ConnectionApplicant.
- Either the IESO or ConnectionApplicant may terminate this Cost Recovery agreement on 60 days written notice provided, however, that ConnectionApplicant will be liable to reimburse the IESO for any costs incurred to the effective date of termination for all Expedited Connection Requests then under consideration.

We expect this procedure will expedite the approval of routine Expedited Connection Requests and will reduce the costs otherwise associated with more formal System Impact Assessment studies.

If you agree with this procedure and terms, please sign below and return an original signed copy.

Yours truly,

Director Planning and Assessments

Dated and signed this ___ day of _____, 201__

ConnectionApplicant

cc: IESO Records