

April 10, 2019



**Via Email and RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27th Floor 2300 Yonge Street  
Toronto, ON M4P 1E4

**Independent Electricity System Operator**

1600-120 Adelaide Street West  
Toronto, ON M5H 1T1  
t 416.967.7474  
www.ieso.ca

Dear Ms. Walli:

**Re: Rate Design for Commercial and Industrial Electricity Consumers**  
**Ontario Energy Board File Number: EB-2015-0043**

---

On February 21, 2019, the Ontario Energy Board (“OEB” or “Board”) released a Staff Report to the Board: *Rate Design for Commercial and Industrial Customers to Support an Evolving Electricity Sector* (“Staff Report”). The OEB invited comments on the Staff Report from interested stakeholders in order to develop its policy direction for the sector.

The Independent Electricity System Operator (“IESO”) is designated as the Smart Metering Entity (“SME”) by Ontario Regulation 393/07 under the *Electricity Act, 1998*. The SME operates under licence by the OEB. In its role as the SME, the IESO is responsible for the implementation, integration and operation of the province’s Metering Data Management/Repository (“MDM/R”).

The IESO is responsible for maintaining the security and reliability of electricity supply in Ontario and for directing the operations of the IESO-controlled grid. The IESO also has the mandate to ensure the adequacy and efficiency of electricity supply in the province through planning for electricity supply and demand.

The IESO is hereby providing its comments to the Staff Report from the perspective of its responsibilities as the system operator and the SME, as follows:

**IESO Comments**

There are three areas of consideration that the IESO would like to offer to the OEB, as follows:

**1. Clarification on definition of customer charge, as applicable to this proceeding**

The IESO would like clarification from OEB staff as to whether the proposed distribution rate for the GS 10 to 50 kW customer class is: 1) a demand charge based on peak hour demand (kW)

during the billing period; or 2) a volumetric charge based on peak hour consumption (kWh) during the billing period.

## ***2. Clarifications on authorities from federal (Measurement Canada) and provincial (OEB) regulators***

As previously mentioned to OEB staff, the SME has identified a potential Measurement Canada concern with the proposed rate design for the GS 10 to 50 kW customer class. OEB staff is proposing a new rate (hourly demand or volumetric based on hourly consumption – subject to OEB’s clarification to item 1 above) for the GS 10 to 50 kW customer class, which will be a shift from the current monthly volumetric rate approach. Recognizing the change, the IESO asks OEB staff to confirm whether the establishment of the billing determinants in support of the proposed distribution rate is acceptable to Measurement Canada.

Local distribution companies (“LDCs”) may need the OEB’s confirmation that compliance with Measurement Canada and the Electricity and Gas Inspection Act (“EGIA”)<sup>1</sup> has been fully examined prior to implementing the proposed rate design for the GS 10 to 50 kW customer class with current smart meters.

## ***3. Project implementation considerations for the SME and LDCs***

The Staff Report proposes that the GS<50 kW customer class be split into two customer classes; namely: GS<10 kW and GS 10 to 50 kW. As it has previously discussed with OEB Staff, the IESO has comments for consideration with the proposed rate design changes for the GS<50 kW customers whose meter data is processed and stored in the MDM/R.

If the OEB proceeds with the proposed rate design, the two customer classes will need to be completely separated in the MDM/R. The separation will include two distinct distributor rate classes, new Framing Structure IDs, new billing determinant included in the Billing Request/Response files and any other parameters as required (i.e., new Validation, Estimation and Editing (“VEE”) Services).

LDCs will be responsible for identifying, classifying and synchronizing the different customer classes in the MDM/R. Although the LDCs will not be required to make changes to meter configuration or estimation methods, as it will be the SME’s responsibility for configuration and testing the MDM/R in order to implement the proposed rate change, it is recommended that the LDCs would perform testing of their systems to ensure their ability to:

- synchronize a new VEE Service for GS<10 kW service delivery points (“SDPs”);
- synchronize a new Framing Structure ID;

---

<sup>1</sup> The EGIA is federal legislation that was created to ensure accuracy in the trade of electricity and gas bought and sold on the basis of measurement. Measurement Canada, an agency of Industry Canada, is responsible for administering the EGIA.

- synchronize a new Distributor Rate Class;
- process the new billing determinant included in a billing response; and
- process new information records included in MDM/R billing reports.

LDCs will require a process to identify and categorize SDPs into the appropriate Distributor Rate Class including customers who alternate between two customer classes. As an option, LDCs may also consider configuring their web services to process the additional billing determinant and have it included in web service responses for web presentment.

The SME estimates implementation would take approximately 6 to 8 months and should include but not be limited to the following: involve the Smart Metering Steering Committee (“SSC”)<sup>2</sup> to support technical discussions on behalf of the LDCs community MDM/R configuration, SME testing, LDC testing and training and documentation updates. The SME already has the infrastructure and technical investment to perform the configuration changes, testing and deployment required. LDCs, however, will be responsible for their respective project implementation costs and timelines.

The IESO appreciates the opportunity to provide comments on the Staff Report at this time. If you have any questions, please contact me at 905-855-6340 or by email at [devon.huber@ieso.ca](mailto:devon.huber@ieso.ca).

Yours truly,



Devon Huber  
Senior Manager, Regulatory Affairs

---

<sup>2</sup> The SSC acts as an advisory panel to the IESO in its role as the SME for Ontario. It is a stakeholder committee that represents the interests of MDM/R service recipients. The SSC is made up of representatives from LDCs and the IESO in its role as SME.