



NOTICE OF PROPOSAL TO AMEND A CODE
PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE

BOARD FILE NO: EB-2009-0077

**To: All Licensed Electricity Distributors
All Licensed Generators
All Participants in Consultation Process EB-2007-0031
All Participants in Consultation Process EB-2008-0003
All Other Interested Parties**

The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act") of proposed amendments to the Distribution System Code (the "DSC") (the "Proposed Amendments"). The Proposed Amendments would revise the Board's current approach to assigning cost responsibility as between a distributor and a generator in relation to the connection of renewable generation facilities to distribution systems, and are intended to facilitate implementation of the Government's policy objectives regarding renewable generation.

1. Background

A. Current Cost Responsibility Policy for Distributed Generation

Cost responsibility associated with investments in distribution infrastructure is governed principally by the DSC. The DSC contemplates two types of costs relating to generation connections: costs associated with the connection assets and costs associated with any "expansion" to the distribution system that may be triggered by a connecting generator. Under the current framework, a generator that connects to a distribution system is responsible for paying all of the costs of connecting its generation facility to the distribution network, including any costs associated with distribution and transmission system upgrades beyond the connection point that are required to accommodate the generation facility. These costs are payable up front, and these assets are not added to the rate base of the distributor.

The DSC also makes provision for a rebate of a portion of the distribution system expansion costs where a subsequent generator connects to the distribution system and obtains the benefit of reinforcements paid for by an earlier generator.

B. *Green Energy and Green Economy Act, 2009*

The *Green Energy and Green Economy Act, 2009*, which received Royal Assent on May 14, 2009, will, when proclaimed, make a number of amendments to the Act. Of those amendments, the following are relevant to the issue of cost responsibility associated with the connection of renewable generation facilities to a distribution system.

- i. The Board will have, as a new objective, to “promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities” (paragraph 5 of subsection 1(1) of the Act).

A “renewable energy source” will be defined, by reference to the definition of that term in subsection 2(1) of the *Electricity Act, 1998*, as “an energy source that is renewed by natural resources and includes wind, water, biomass, biogas, biofuel, solar energy, geothermal energy, tidal forces and such other energy sources as may be prescribed by the regulations, but only if the energy source satisfies such criteria as may be prescribed by the regulations for that energy source” (section 3 of the Act). A “renewable energy generation facility” will be defined as follows, also by reference to the definition of the same term in subsection 2(1) of the *Electricity Act, 1998*: “a generation facility that generates electricity from a renewable energy source and that meets such criteria as may be prescribed by regulation and includes associated or ancillary equipment, systems and technologies as may be prescribed by regulation, but does not include an associated waste disposal site, unless the site is prescribed by regulation for the purposes of this definition” (section 3 of the Act).

- ii. New deemed conditions of licence will be introduced that require distributors and transmitters to: (a) file for Board approval, in the manner and at the times mandated by the Board, plans for the expansion or reinforcement of their respective systems to accommodate the connection of renewable energy generation facilities; and (b) expand or reinforce their respective systems to accommodate the connection of renewable energy generation facilities in accordance with their respective Board-approved plans or as otherwise mandated by the Board or prescribed by regulation. In furtherance of these new deemed licence conditions, the Board is undertaking a separate consultation process to address infrastructure investment planning (see section 2.B).

In addition to the above, the *Green Energy and Green Economy Act, 2009* will introduce a mechanism whereby Board-approved costs incurred by a distributor to make an “eligible investment” for the purpose of connecting or enabling the connection of a “qualifying generation facility” to its distribution system may be recovered through contributions payable by all consumers throughout the Province (section 79.1 of the

Act). Details of the investments to which this mechanism apply must await the issuance of the necessary regulation. The Board is of the view that cost recovery is an issue separate and apart from that of cost responsibility in the sense that the rules applicable to the former issue need not and should not dictate or drive the outcome on the latter issue. For that reason, the Board believes that it is appropriate to move forward with this initiative notwithstanding that the cost recovery framework under section 79.1 of the Act is not yet complete.

The Board also notes that the *Green Energy and Green Economy Act, 2009* will introduce a new regulation-making power that empowers the Lieutenant Governor in Council to make regulations prescribing circumstances under which a transmitter or distributor shall bear the costs of construction, expansion or reinforcement associated with the connection of a renewable energy generation facility to the transmitter's transmission system or the distributor's distribution system (subsection 88(1)(g.6.0.1) of the Act). To the extent that any such regulation is made, the Board may need to revisit the policies proposed in this Notice.

C. Distribution Connection Cost Responsibility Review

On January 29, 2008, in the context of the "Distributed Generation – Rates and Connection" consultation (EB-2007-0630), the Board indicated that it would initiate a "Distribution Connection Cost Responsibility Review" (the "DCCRR") to examine the issue of cost responsibility associated with the connection of generation facilities to electricity distribution systems once the "Transmission Connection Cost Responsibility Review" (EB-2008-0003) was substantially completed.¹ When the Board made this announcement, it also indicated that the DCCRR would include consideration of the merits of regulated "use of system" charges as a method of recovering costs that may be the responsibility of the distributed generator. Also identified for consideration was cost responsibility for transmission upgrades that are triggered by distributed generation connections and the associated implications for the Transformation Connection Pool and, in some circumstances, the Line Connection Pool.

The amendments to the Act set out in the *Green Energy and Green Economy Act, 2009* make it clear that the connection of renewable energy generation facilities is a policy matter of priority for the Government. In order to facilitate the implementation of that policy as expeditiously as possible, the Board believes that it is desirable to move forward with its review of the assignment of cost responsibility associated with the connection of renewable generation facilities to distribution systems. The Board may, at a future date, consider some of the other issues (such as "use of system" charges) that were initially intended to be included as part of the DCCRR.

¹ On April 15, 2009, the Board issued revised proposed amendments to the Transmission System Code regarding cost responsibility associated with the connection of generation facilities to a transmission system.

2. Proposed Amendments to the DSC

The Board is proposing to amend the DSC to revise its approach to assigning cost responsibility as between a distributor and a generator in relation to renewable generator connections to distribution systems.

The Proposed Amendments are summarized below. The text of the Proposed Amendments to the DSC is set out in Attachment A to this Notice. Attachment B sets out, for information purposes, a table that describes different scenarios and how cost responsibility would be assigned to the distributor or the renewable generator under the Proposed Amendments.

A. Connection Cost Responsibility Options

The Board believes that revisions to its current approach to cost responsibility are desirable in order to facilitate the implementation of the Government's policy regarding the connection of renewable energy generation facilities. In evaluating the different options, the Board has considered three criteria. The first criterion is the anticipated beneficiary of the investment; in other words, the identification of distribution system investments that principally benefit the connecting renewable generator, versus those that have significant potential to benefit multiple generators and/or other end-users of a particular distribution system. The second criterion is efficiency; in other words, the provision of signals that will promote efficient connections and thereby reduce the need for additional distribution facilities in order to connect renewable generation. The third criterion is harmonization; in other words, to align cost responsibility with the obligation of distributors to plan to expand their distribution systems as directed by the Board in order to accommodate renewable generation (see section 2.B below).

For the purposes of assigning cost responsibility, the Board believes that distribution system investments related to the connection of renewable generation facilities can be classified within three general categories: connection assets; expansions; and "renewable enabling improvements". The Board believes that this classification accords with the nature of the principal beneficiaries of each type of investment, and thus with the appropriate cost responsibility treatment.

1. Connection Assets

“Connection assets” are defined in the DSC as “that portion of the distribution system used to connect a customer to the existing main distribution system, and consist of assets between the point of connection on a distributor’s main distribution system and the ownership demarcation point with the customer”. Connection assets are provided to enable the connection of a specific generation facility. Although not specifically defined as such, it is understood that these assets are not shared, and are not expected to be shared.

Currently, the costs of connection assets are borne by generators. The Board is of the view that this should continue, as the connecting generator is expected to be the sole beneficiary of the investment. Generator cost responsibility for connection assets will also encourage the efficient siting of generation facilities. The Board is, however, proposing to revise the definition of “connection assets” (section 1.2) to confirm that these assets are not expected to be shared by other customers.

2. Expansions

The DSC defines an “expansion” as “an addition to a distribution system in response to a request for additional customer connections that otherwise could not be made; for example, by increasing the length of the distribution system”. An expansion is work done by a distributor as part of the DSC connection process to provide for the connection of a specific generation facility to a technically appropriate point on a feeder and/or substation. “Expansions” generally consist of the following:

- rebuilding a single-phase line to three-phase to the location of the generation facility
- rebuilding an existing line with a larger size conductor to the location of the generation facility
- rebuilding or overbuilding an existing line to provide an additional circuit to the location of the generation facility
- converting a lower voltage line to operate at higher voltage

The Board is of the view that most expansions will primarily benefit the connecting renewable generator at the time of connection, but over time may also benefit other load and generation customers.

Currently, the DSC makes provision for a rebate of a portion of the distribution system expansion costs where a subsequent generator connects to the distribution system and obtains the benefit of reinforcements paid for by an earlier generator. However, a subsequent generator may not materialize within a reasonable time frame, if at all. As a result, the Board believes that these costs should be shared between the connecting renewable generator and the distributor. The Board is proposing that these costs be shared based on an expansion cost cap. The Board is proposing to use a per MW approach to the application of the cap, to reflect that power supplied by a distributed

generator reduces withdrawals from the transmission system by a corresponding amount.

Under this proposal, a renewable generator would continue to pay the cost of the connection assets, but the distributor would be responsible for the costs of any system expansions up to the cap (in \$/MW connected). Incremental expansion costs beyond the cap would be borne by the generator. Imposing a cap would lower the costs that might otherwise be borne by renewable generators under the current approach, while preserving some locational signals for efficient siting. The cap would also limit the total exposure of the distributor's ratepayers to expansion costs.

The Board notes that the Renewable Energy Task Team, an organization that represents several of the major renewable power generators in the Province, has supported such an approach.² The Board believes this to be an appropriate approach in relation to the connection of renewable generation, and is proposing to amend the DSC accordingly (sections 1.2 (definition of "renewable energy expansion cost cap") and 3.2.5A).

The Board considered using the economic value that a distributed generation facility brings to the distribution system as the basis for determining the appropriate level of the cap. However, based on an earlier examination of the issue of the quantification of the benefits associated with distributed generation ("Distributed Generation: Rates and Connection", consultation process EB-2007-0630), the Board believes that this approach is not suited to the establishment of a uniform expansion cost cap given that the benefits are contingent on generation technology, facility location, and other factors.

Therefore, the Board is instead proposing to determine the "renewable energy expansion cost cap" based on representative expansion costs. Based on a review of the magnitude of expansion costs for feeder extensions associated with distributed generation connections, the Board is proposing to set the cap at \$90,000/MW (e.g., a generator with a 10 MW project would be required to pay for all expansion costs over \$900,000).

The Board derived the \$90,000/MW cap from a review of electricity distributor rate applications and from discussions with certain distributors. The costs of feeder extensions vary widely across distributors, ranging from \$175,000/km to \$300,000/km. The Board also reviewed the expansion requirements for almost 500 distributed generation projects, of which approximately 300 required feeder extensions. These projects were of an average size of 10 MW and required, on average, 5.3 km of feeder extensions. This suggests that the expansion costs associated with the connection of a distributed generation project that requires a feeder extension of average length is in the range of \$90,000/MW to \$150,000/MW.

² See, for example, Renewable Energy Task Team (2005), Comment on the Ministry of Energy's Discussion Paper "Electricity Transmission and Distribution in Ontario – A Look Ahead".

The Board is proposing the low end of this range for the cap at this time. The Board is particularly interested in comments from stakeholders on the proposed “renewable energy expansion cost cap”, both in respect of the proposed methodology for establishing the cap (based on representative expansion costs) and in respect of the level at which the cap should be set. The Board will be assisted in particular by further data regarding the expansion costs typically associated with the connection of generation facilities.

Some generation connections may trigger the need for upstream upgrades to the system of a host distributor or of a transmitter, in addition to triggering the need for the expansion of the distribution system to which the generation facility will be connected. Although the DSC is silent on the issue of cost responsibility for these upstream upgrades, the practice is for distributors to pass these costs on to the connecting generator. The Board does not propose to revise this approach at this time, but confirms that these upstream costs are not to be included in the calculation of the expansion cap. The Board believes that inclusion of these costs for purposes of calculating the expansion cap will create gaming opportunities for generators in terms of whether to connect their facilities to a distribution system or a transmission system.

3. Renewable Enabling Improvements

In addition to connection assets and expansions, the DSC currently makes provision for a further type of investment; namely, “enhancements”. An “enhancement” is defined as “a modification to an existing distribution system that is made for purposes of improving system operating characteristics such as reliability or power quality or for relieving system capacity constraints resulting, for example, from general load growth”. Costs of enhancements are not included in determining the capital contribution payable by a connecting customer unless they are completed as part of an expansion (see item (d) under the heading “Capital Costs” in Appendix B of the DSC).

The concept of “enhancement”, as currently defined and used in section 3.3.1 of the DSC, lends itself more to system investments that are planned and effected to address matters related to loads than to investments that are planned and effected to address the accommodation of renewable generation.

The Board is therefore proposing to include in the DSC a parallel concept – “renewable enabling improvements” – to address system investments that are made to enhance the ability of a distribution system to accommodate increased levels of renewable generation (section 1.2, definition of “renewable enabling improvement” and of “expansion”). “Renewable enabling improvements” consist of the following:

- modifications or additions to manage and control 2-way electrical flows, as opposed to radial flow
- modifications to, or the addition of, electrical protection equipment
- modifications to, or the addition of, voltage regulating equipment
- the provision of protection against islanding (transfer trip or equivalent)

The Board believes that these investments will likely be of broader benefit to the distributor and its existing and future customers (both generators and loads). Therefore, the Board also believes that the distributor should bear the cost of these investments, and therefore should not charge a renewable generator a capital contribution in relation to such investments. The Board is proposing to amend the DSC accordingly (sections 3.3.2 and 3.3.3). The Board is also proposing to clarify that an “enhancement” does not include a “renewable enabling improvement”, in order to avoid any overlap between the two concepts (section 1.2, definition of “enhancement”).

The Board believes that there is merit to consistency in the assignment of cost responsibility for “renewable enabling improvements” and “enhancements”. Specifically, the Board is of the view that, when considered from the perspective of the persons that are expected to benefit, it is appropriate that a distributor bear the costs of all “enhancements”. The Board is therefore also using this opportunity to revise section 3.3 and Appendix B of the DSC such that the cost of all “enhancements” are to be borne by distributors, even if done at the time of an expansion.

B. Distribution System Planning Process

As noted earlier, the *Green Energy and Green Economy Act, 2009* will introduce new deemed conditions of licence that require distributors to: (a) file for Board approval, in the manner and at the times mandated by the Board, plans for the expansion or reinforcement of their respective systems to accommodate the connection of renewable energy generation facilities; and (b) expand or reinforce their respective systems to accommodate the connection of renewable energy generation facilities in accordance with their respective Board-approved plans or as otherwise mandated by the Board.

As noted above, the Board is undertaking a separate consultation process to address infrastructure investment planning.

The Board anticipates that distributor investment plans will identify investments (both “renewable enabling improvements” and “expansions”) that distributors will make in anticipation of the connection of renewable energy generation projects. The Board believes that these investments will be planned prior to, or regardless of, a specific generator requesting connection, and will likely be of broader benefit to the distributor and its existing and future customers (both generators and loads). Therefore, the Board also believes that the distributor should be responsible for the cost of investments that are identified in a Board-approved investment plan, and therefore should not charge a renewable generator a capital contribution in relation to such investments. The Board is proposing to also extend the same cost responsibility treatment to expansions and renewable enabling improvements that are otherwise approved or mandated by the Board. The Board’s is proposing to amend the DSC accordingly (section 3.2.5A).

As set out in section 2.A.3 above, renewable enabling improvements are proposed to be the cost responsibility of the distributor regardless of whether or not they are identified in a Board-approved plan or are otherwise approved or mandated by the

Board. However, whereas cost responsibility for expansions that are not approved or mandated by the Board is proposed to be shared between the distributor and the renewable generator (see section 2.A.2 above), the same would not be true of expansions that are identified in a Board-approved plan or are otherwise approved or mandated by the Board. In other words, the “renewable energy expansion cost cap” would not apply to such expansions, and the distributor would have sole cost responsibility for them. The Board believes this to be an appropriate approach because the Board expects that expansions identified in an approved plan or that are otherwise approved or mandated by the Board would generally not be intended to address the particular needs of a specific connecting generator. Rather, they would be intended to accommodate renewable generation resources that are expected to emerge in a given part of the distributor’s service area in the future.

The Board expects that generators will site and time their projects to take advantage of capacity that is available or is planned to be available, such that their connections will minimize the need for additional investments.

C. Other Proposed Amendments

To support some of the Proposed Amendments above, the Board is also proposing to include in the DSC (section 1.2) definitions for the terms “renewable energy generation facility” and “renewable energy source”, by reference to the manner in which those terms are defined in the Act.

D. Anticipated Costs and Benefits

The Proposed Amendments will facilitate the achievement of the Government’s policy goals regarding the connection of renewable generation. They would better align cost responsibility with the benefits that are expected to accrue from different types of investments, and protect the interests of consumers by preserving incentives for generators to connect in areas where the costs of connection are lower.

Some or all of the investments that are proposed to be funded by a distributor may be eligible to be recovered from consumers across the Province. To the extent that this is the case, it will assist in mitigating the rate impact of the Proposed Amendments on a given distributor’s ratepayers. The Board’s oversight of a distributor’s capital plans for renewable enabling improvements and expansions, whether through the investment planning process, the rate-setting process or some other process, will ensure that these investments are made only where prudent, thereby also mitigating potential rate impacts.

3. Coming Into Force

The Board proposes that the Proposed Amendments to the DSC set out in Attachment A come into force on the date that the Proposed Amendments are published on the Board’s website after having been made by the Board.

With respect to expansions that are associated with an application to connect, the Board clarifies that the assignment of cost responsibility as set out in the Proposed Amendments would, if adopted, apply only to the extent that the expansion relates to an application to connect made after the date on which the Proposed Amendments come into force.

4. Cost Awards

Cost awards will be available under section 30 of the Act to eligible persons in relation to the provision of comments on the Proposed Amendments set out in Attachment A. Costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues. Attachment C contains important information regarding cost awards for this notice and comment process, including in relation to eligibility requests and objections.

In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

Invitation to Comment

All interested parties are invited to comment in writing on the Proposed Amendments to the DSC set out in Attachment A by **June 30, 2009**.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2009-0077** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the Proposed Amendments to the DSC set out in Attachment A, and all written comments received by the Board in response to this Notice, will be available for public inspection on the Board's website at www.oeb.gov.on.ca and at the office of the Board during normal business hours.

Any questions relating to this consultation should be directed to Roy Hrab at 416-440-7745 or by e-mail to: roy.hrab@oeb.gov.on.ca. The Board's toll free number is 1-888-632-6273.

DATED at Toronto, June 5, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachs: Attachment A: Proposed Amendments to the Distribution System Code

Attachment B: Current and Proposed Connection Cost Responsibility for Renewable Distributed Generation

Attachment C: Cost Awards

Attachment A

Proposed Amendments to the Distribution System Code

Note: The text of the proposed amendments is set out in italics below, for ease of identification only.

1. Section 1.2 of the Distribution System Code is amended as follows:

- (a) by deleting the definition of “connection assets” and replacing it with the following:

“connection assets” means a portion of the distribution system that (a) is used to connect a customer to the main distribution system and (b) is not, at the time of construction, reasonably expected to connect any other customer to the main distribution system, and consists of the assets between the point of connection on a distributor’s main distribution system and the ownership demarcation point with that customer;

- (b) by deleting the definition of “enhancement” and replacing it with the following:

“enhancement” means a modification to the main distribution system that is made to improve system operating characteristics such as reliability or power quality or to relieve system capacity constraints resulting, for example, from general load growth, but does not include a renewable enabling improvement;

- (c) by deleting the definition of “expansion” and replacing it with the following:

“expansion” means an addition to the main distribution system in response to a request for additional customer connections that otherwise could not be made, for example, by increasing the length of the main distribution system, but in respect of a renewable energy generation facility excludes a renewable enabling improvement;

and

- (d) by adding the following immediately after the definition of “Regulations”:

“renewable enabling improvement” means a modification or addition to the main distribution system identified in section 3.3.2 that is made to enable the main distribution system to accommodate generation from renewable energy generation facilities;

“renewable energy expansion cost cap” means, in relation to a renewable energy generation facility, the dollar amount determined by multiplying the total name-plate rated capacity of the renewable energy generation facility referred to in section 6.2.9(a) (in MW) by \$90,000;

“renewable energy generation facility” has the meaning given to it in the Act;

“renewable energy source” has the meaning given to it in the Act;

2. Section 3.2 of the Distribution System Code is amended by adding the following immediately after section 3.2.5:

3.2.5A Notwithstanding section 3.2.5, a distributor shall not charge a generator to construct an expansion to connect a renewable energy generation facility:

- (a) if the expansion is in a Board-approved plan filed with the Board by the distributor pursuant to the deemed condition of the distributor’s licence referred to in paragraph 2 of subsection 70(2.1) of the Act, or is otherwise approved or mandated by the Board; or*
- (b) in any other case, for any costs of the expansion that are at or below the renewable energy generation facility’s renewable energy expansion cost cap.*

For greater clarity, the distributor shall bear all costs of constructing an expansion referred to in (a) and, in the case of (b), shall bear all costs of constructing the expansion that are at or below the renewable energy generation facility’s renewable energy expansion cost cap.

3. Section 3.3 of the Distribution System Code is amended by adding the following immediately after section 3.3.1:

3.3.2 Renewable enabling improvements to the main distribution system to accommodate the connection of renewable energy generation facilities are the following:

- (a) modifications or additions to allow for and accommodate 2-way electrical flows, as opposed to radial flow;*
- (b) modifications to, or the addition of, electrical protection equipment;*
- (c) modifications to, or the addition of, voltage regulating equipment;*
and
- (d) the provision of protection against islanding (transfer trip or equivalent).*

3.3.3 *The distributor shall bear the cost of constructing an enhancement or making a renewable enabling improvement, and therefore shall not charge:*

- (a) a customer a capital contribution to construct an enhancement; or*
- (b) a customer that is connecting a renewable energy generation facility a capital contribution to make a renewable enabling improvement.*

4. Section B.1 of Appendix B of the Distribution System Code is amended by deleting paragraph (d) under the heading "Capital Costs".

Attachment B

Current and Proposed Connection Cost Responsibility for Renewable Distributed Generation

Investment type	Current Cost Responsibility	Proposed Cost Responsibility
<p>Connection Assets:</p> <ul style="list-style-type: none"> Dedicated facilities to connect a customer to the existing main distribution system. Not expected to be shared by other users. 	Generator	Generator
<p>Expansions, including:</p> <ul style="list-style-type: none"> rebuilding single-phase to three-phase to the generation facility location rebuilding an existing line with larger size conductor to the generation facility location rebuilding or overbuilding an existing line to provide an additional circuit to the generation facility location converting a lower voltage line to operate at higher voltage 	Generator	<p>When investment triggered by a specific generator connection:</p> <p style="text-align: center;">For costs up to cap: Distributor</p> <p style="text-align: center;">For costs above cap: Generator</p> <p>When investment contained in a Board-approved plan or otherwise approved or mandated by the Board:</p> <p style="text-align: center;">Distributor</p>
<p>Renewable enabling improvements:</p> <ul style="list-style-type: none"> Accommodating 2-way electrical flows Electrical protection facilities Voltage regulating equipment Protection against islanding (transfer trip or equivalent) 	Generator	Distributor

Attachment C

Cost Awards

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect by **June 19, 2009**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

Licensed electricity distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **June 26, 2009**. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

Cost awards will be available in relation to the provision of comments on the Proposed Amendments to the DSC set out in Attachment A **to a maximum of 20 hours**.

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's website at www.oeb.gov.on.ca on the "Rules, Guidelines and Forms" webpage.