

**Ontario Energy Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL AND WEB POSTING**

May 15, 2012

**To: All Licensed Electricity Distributors  
All Licensed Electricity Generators  
All Other Interested Parties**

**Re: Board File Number: EB-2012-0246  
Policy Review of Micro-Embedded Generation Connection Issues**

### **Announcement and Purpose of Board Consultation**

The purpose of this consultation process is to improve the connection process for micro-embedded generation. This is to be achieved by a review of implementation experience, particularly since the Ontario Power Authority ("OPA") launched its microFIT program, in 2009. The initiative may result in changes to the Board's regulatory instruments and/or establish separate processes to address issues identified in the review.

Six items, as set out below, have been identified for this review. The Board is inviting input from stakeholders in relation to the matters listed below and any additional issues that may need to be addressed as part of this consultation process.

### **Background**

Prior to the introduction of the OPA's microFIT program in 2009, there was a small amount of generation connected within the distribution system and distributors primarily focused on the delivery of electricity to end use consumers (i.e., distribution system was not designed to connect a substantial amount of distributed generation).

Since the OPA's microFIT program was introduced, a significant amount of micro-embedded generation has been connected to the distribution system and connections have been required at a faster pace than initially expected. As a consequence, the current charges, technical requirements and rules in the [Distribution System Code \("DSC"\)](#) related to the connection of micro-embedded generation are based on very limited experience. Now that experience has been gained and empirical information has been collected, there is an opportunity to determine if those charges, technical requirements and rules remain appropriate.

On April 5, 2012, a [new Directive](#) was also issued to the OPA that requires the OPA to award contracts to 50 MW of additional microFIT generation “as soon as possible”. This micro-embedded generation will need to be connected by distributors. In addition, the OPA recently issued [new microFIT 2.0 draft rules](#) for comment and those rules are expected to soon be finalized. As such, now appears to be the appropriate time for this review to be undertaken by the Board.

The following six items have been identified as matters for this review. These are:

- 1) Offer to Connect process;
- 2) Use of the standard form Connection Agreement in the DSC ([Appendix E](#));
- 3) Appropriateness of timelines in the DSC (sections 6.2.6 and 6.2.7) for micro-embedded generators – Offer to Connect and Connections;
- 4) Experience with the Monthly Service Charge (established in [EB-2009-0326](#));
- 5) Variability of Connection Charges; and
- 6) Cost responsibility in relation to upstream infrastructure upgrades to a transmitter or host distributor.

## Process

The Board will indicate the next steps in this consultation process, once the Board has received feedback from interested parties in relation to the matters listed above and/or any other potential issues that may need to be addressed as part of this consultation.

The Board requests that any comments be provided along with the letter discussed below under “Invitation to Participate”.

## Invitation to Participate

The Board encourages participation in this consultation process by all interested parties. Those interested in participating should indicate their intent by letter addressed to the Board Secretary by **May 29, 2012**.

The letter should include a statement as to whether the participant wishes to request cost eligibility. All requests for cost eligibility should be accompanied by the information specified below under the heading “Cost Awards”.

## Filing with the Board

All filings to the Board in relation to this consultation must be addressed to the Board Secretary, quote file number **EB-2012-0246** and include your name, postal address and telephone number and, if available, e-mail address and fax number. Two paper copies of each filing must be provided. The Board asks that participants make every effort to provide an electronic copy of their filings in searchable/unrestricted Adobe Acrobat (PDF) format and to submit their filings through the Board's web portal at [www.errr.OntarioEnergyBoard.ca](http://www.errr.OntarioEnergyBoard.ca). If you do not have a user ID, please visit the “e-filing

services” webpage on the Board’s website at [www.OntarioEnergyBoard.ca](http://www.OntarioEnergyBoard.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@OntarioEnergyBoard.ca](mailto:BoardSec@OntarioEnergyBoard.ca). Those who do not have internet access should submit the electronic copy of their filing on CD.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date.

### **Cost Awards**

Cost awards will be available to eligible parties under section 30 of the *Ontario Energy Board Act, 1998* for their participation in this consultation. Costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues.

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person requesting cost eligibility must include a written submission to that effect in their letter indicating their intention to participate. The written submission must identify 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 (including 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.

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 5, 2012**. 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 parties. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

Groups representing the same interests or class of persons are expected to make every effort to communicate and co-ordinate their participation in this process. Costs may be pooled when groups with common viewpoints collaborate and pool their resources.

### **Eligible Activities**

Cost awards will not be provided in relation to this stage in the process. However, the Board anticipates that cost awards will be available for later stages forming part of this consultation process. Details will be made available by the Board at the relevant time.

Any questions regarding this consultation process should be directed to Chris Cincar at [Chris.Cincar@OntarioEnergyBoard.ca](mailto:Chris.Cincar@OntarioEnergyBoard.ca) or at 416-440-7696. The Board's toll-free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary