

**EB-2012-0301:
Proposed Amendments to
the Distribution System
Code**

*Ontario Power Authority
Comments*

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**ONTARIO
POWER AUTHORITY** 

1 **Background**

2 On July 27, 2012 the Ontario Energy Board issued a Notice of Proposal to Amend a Code. The purpose
3 of the proposed amendments to the Distribution System Code (“DSC”) are to provide additional time for
4 applicants of large embedded generation (>10 MW) facilities that require transmission upgrades to sign
5 a connection cost agreement (“CCA”) with the distributor for the facility and to maintain their capacity
6 allocation. Specifically, the Board has proposed that the timing for large generation facilities that
7 require transmission upgrades be required to sign a CCA within 9 months of capacity allocation, as
8 opposed to the 6 months currently stated in the DSC.

9 **OPA Comments**

10 The OPA supports amendments to extend the timeline for signing the CCA following the completion of
11 the Distribution Connection Impact Assessment (“Dx CIA”), which the OPA understands may be a
12 challenge for parties to meet.

13 The Board’s July 27th Notice of Proposal to Amend a Code indicated that the proposed amendment is the
14 result of a previous proceeding, EB-2010-0229, whereby Hydro One Networks Inc. (“Hydro One”) was
15 granted an exemption from section 6.2.4.1 (e) (i) of the DSC to execute CCAs for 12 large embedded
16 generators. In its decision on EB-2010-0229, the Board found that: *“the timeline proposed by the OPA
17 would be the most appropriate to address this issue”*. In its submission, the OPA had proposed that
18 *“Where both transmission and distribution system upgrades are needed to connect a proposed
19 embedded generation facility, a connection cost agreement shall be signed within fourteen months of
20 the date on which the applicant received a capacity allocation for the facility”*. This timeline included
21 150 days for the completion of both the System Impact Assessment (“SIA”) and Transmission Customer
22 Impact Assessment (“Tx CIA”), followed by a period of nine months to prepare a connection cost
23 estimate, and negotiate and execute a CCA in the case where transmission and distribution upgrades
24 were required.

25 The OPA notes that the Board’s proposed amendment changes the original time allocated to sign a CCA
26 after the applicant receives a capacity allocation for the facility from 6 months to 9 months, rather than
27 the 14 months previously granted in EB-2010-0229. The OPA suggests that the Board maintain the 14
28 months previously granted as this timeline was tested and established in a previous proceeding, and
29 there is no basis upon which to change the timeline to 9 months. The OPA suggests that a move to 9
30 months could create additional complexity as the assumptions around timing for steps in the process
31 would not be well understood. Ultimately, it is the Board’s decision as to the appropriate timeline for
32 signing a CCA, however the OPA believes that the Board should be guided by the views of generators as
33 modifications to these timelines may affect their ability to meet the Commercial Operation Date
34 specified in their FIT contract.

35 The OPA believes that there continues to be a general lack of clarity around the connection process for
36 large embedded generators, as evidenced by varying interpretations of the DSC and O. Reg. 326/09
37 requirements by parties, despite the fact that significant evidence was put on the record and a decision
38 ultimately made by the Board in EB-2010-0229. Given this lack of clarity, the OPA respectfully submits
39 that there would be benefits for all parties involved in the generation connection process in having the

40 Board lead a broader review of the generation connection process. It would be extremely helpful for
41 relevant sections of the code to be interpreted so as to clarify the requirements and timelines for
42 parties.

43 The OPA has identified the following questions as examples of areas that may benefit from a broader
44 review of the connection process with respect to large embedded generation facilities. There are likely
45 other questions that would arise with respect to the general connection process and the connection of
46 other sizes of generation facilities.

47 1. *For large, embedded generation facilities, can the System Impact Assessment (“SIA”) and*
48 *Transmission Customer Impact Assessment (“Tx CIA”) be completed in parallel with the Dx CIA? Or*
49 *can these additional assessments only be completed once the Dx CIA is complete? How does this*
50 *affect the total timeline for connection?*

51 In EB-2010-0229, Hydro One argued that the SIA and Tx CIA can only be commenced following
52 completion of the Dx CIA. In other words, Hydro One argued that all three assessments are
53 sequential, and that the Dx CIA is a pre-requisite for the SIA, and that the Dx CIA and SIA are pre-
54 requisites for the Tx CIA. The OPA is uncertain whether the current timelines in the DSC took this
55 into account when under development.

56 2. *Does the distributor apply to the IESO and upstream Transmitter for an SIA, or Tx CIA respectively*
57 *(as per O. Reg. 326/09 s. 2 (1) (c))? Or is the applicant expected to apply to the IESO and upstream*
58 *Transmitter, as the OPA understands is often the current practice?*

59 3. *Although it is expected that the distributor will coordinate efforts with the IESO and transmitter as*
60 *indicated in O. Reg. 326/09 and the DSC, there are no prescribed timelines for applying to a*
61 *transmitter for a Tx CIA, and receiving a completed Tx CIA or a cost estimate for any transmission*
62 *upgrades from a transmitter. What are the expectations for completion of these steps and how are*
63 *parties able to ensure that timelines are being met appropriately?*

64 4. *Do the ‘comments from a transmitter or distributor’ as indicated in section 6.2.16 refer to cost*
65 *estimates by these parties, as interpreted by Board Staff in EB-2010-0229? Additionally, does the*
66 *‘impact assessment’ as indicated in section 6.2.16 refer to all the Dx CIA, SIA, and Tx CIA (if*
67 *necessary)?*

68 The OPA appreciates the opportunity to provide comments in this matter and looks forward to
69 participating in any further initiatives on this subject.