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**BY EMAIL AND WEB POSTING**

**October 11, 2012**

## **NOTICE OF REVISED PROPOSAL TO AMEND A CODE**

### **REVISED PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE**

**BOARD FILE NO.: EB- 2012-0301**

**To: All Licensed Electricity Distributors  
All Licensed Electricity Generators  
All Licensed Electricity Transmitters  
All Participants in Consultation Process EB-2012-0301  
All Other Interested Parties**

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The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* (the "Act") of revised proposed amendments to the Distribution System Code (the "DSC").

#### **A. Background**

On July 27, 2012, the Board issued a Notice of Proposal to Amend a Code (the "July Notice") in which it proposed a number of amendments to the DSC (the "July Proposed Amendments"). The July Proposed Amendments were meant to provide additional time for applicants of large embedded generation facilities that require transmission upgrades to sign a connection cost agreement with the distributor for the facility and maintain its capacity allocation.

The Board received written comments on the July Proposed Amendments from four stakeholders: the Electricity Distributors Association ("EDA"); Hydro One Networks Inc.

(“Hydro One”); the Ontario Power Authority (“OPA”); and the Power Workers’ Union (“PWU”). The written comments are available for viewing on the Board’s website at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca).

The Board has considered the comments received and has determined that revisions should be made to the July Proposed Amendments. The text of the revised proposed amendments (the “Revised Proposed Amendments”) is set out in Attachment A to this Notice.

## **B. Overview of Comments Received**

The comments received from stakeholders covered a number of issues associated with the Board’s proposed approach as described in the July Notice and the July Proposed Amendments.

The PWU supported the July Proposed Amendments to section 6.2.4.1(e)(i) and section 6.2.4.1(g) of the DSC as proposed.

The OPA supported amendments to extend the timeline for signing the connection cost agreement (the “CCA”) following the completion of the distribution connection impact assessment (the “Dx CIA”). However, the OPA suggested that the Board extend the timeline for signing a CCA to 14 months rather than the 9 months proposed in the July Proposed Amendments. The OPA stated that 14 months was more appropriate as established by the OPA in its submission in EB-2010-0229. The OPA also suggested that the Board lead a broader review of the generation connection process in order to clarify the requirements and timelines for parties.

Both the EDA and Hydro One proposed that more time be allotted for large embedded generation facilities to sign a CCA. Specifically, it was suggested that:

- where a transmission system impact assessment (“Tx SIA”) is required, the applicant shall have 9 months to sign a CCA; and
- where transmission upgrades are required, the applicant shall have 17 months to sign a CCA.

Hydro One also suggested that the DSC be amended to “impose an additional requirement on proponents to ensure that the overall process timeline is not affected by

a proponent delaying the distributor from applying for the Tx SIA/CIA.”

Hydro One stated that its proposals were:

based on its experience gained during the period of its previous exemption (EB-2010-0229). If proponents, transmitters, and distributors are not afforded appropriate time to perform studies, develop cost estimates and finalize agreements, it will be to the detriment of proponents as they will either forfeit their capacity allocation, or execute a CCA without complete knowledge of the potential transmission upgrades required or their cost.

**C. Proposed Revisions to the July Proposed Amendments**

Based on the comments received, the Board is proposing a certain number of revisions to the July Proposed Amendments.

The EDA, Hydro One, and the OPA all proposed more time be allotted for large embedded generation facilities to sign a CCA. Specifically, Hydro One stated that where transmission upgrades are required, it should take approximately two months for a project proponent to submit the application for a Tx SIA/CIA, five months to complete the Tx SIA/CIA, four to eight months for Hydro One to prepare cost estimates, followed by two months to execute a CCA. The information provided by Hydro One indicates that up to 17 months is required from the completion of a Dx CIA to the signing of a CCA, depending on the time required to prepare cost estimates.

The Board agrees with the arguments received from the stakeholders that more time should be allotted for large embedded generation facilities to sign a CCA. The Board is therefore proposing to amend the DSC to reflect Hydro One’s proposal regarding the length of time allowed to sign a CCA.

In its written comment, Hydro One proposed additional amendments to the DSC that would “impose an additional requirement on proponents to ensure that the overall process timeline is not affected by a proponent delaying the distributor from applying for the Tx SIA/CIA.” Hydro One stated that “six months is too long for a proponent to take to submit its Tx SIA/CIA application. The information can easily be ready for submission within two months after a proponent has received its Dx CIA results.”

The Board appreciates that proponents have an important role to play in ensuring that timelines are met. However, the purpose of this consultation is to provide additional time for the signing of CCAs, not to place additional obligations upon applicants. Hydro One’s recommendation is therefore out of scope for this process. If the Board decides to pursue such an initiative in the future, stakeholders will be notified.

As for the OPA’s suggestion that the Board lead a broader review of the generation connection process in order to clarify the requirements and timelines for parties, the Board is not proposing to begin such a consultation at this time. If the Board decides to pursue such an initiative in the future, stakeholders will be notified.

**D. Anticipated Costs and Benefits**

The anticipated costs and benefits of the July Proposed Amendments were set out in the July Notice, and interested parties should refer to the July Notice for further information in that regard.

**E. Coming into Force**

As was the case with the July Proposed Amendments, the Board is proposing that the Revised Proposed Amendments to the DSC come into force on the date on which they are published on the Board’s website after having been made by the Board.

**F. Invitation to Comment**

All interested parties are invited to submit written comments on the revised proposed amendments to the DSC as set out in Attachment A by **October 26, 2012**.

Two (2) 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 <https://www.pes.ontarioenergyboard.ca/eservice/>. 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.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 that do not have internet access should provide a CD 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- 2012-0301** and include your name, address, telephone number and, where available, your e-mail address and fax number.

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the Board's offices or placing the written comment on the Board's website, the Board will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the Board's offices and will be placed on the Board's website.

This Notice, including the Revised 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 viewing on the Board's web site at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca) and at the office of the Board during normal business hours.

If you have any questions regarding the Revised Proposed Amendments to the DSC described in this Notice, please contact Roy Hrab at [roy.hrab@ontarioenergyboard.ca](mailto:roy.hrab@ontarioenergyboard.ca) or at 416-440-7745. The Board's toll free number is 1-888-632-6273.

**DATED** at Toronto, October 11, 2012

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments: Attachment A: Revised Proposed Amendments to the DSC

**Attachment A  
To  
Notice of Revised Proposed Amendments to the Distribution System Code**

**October 11, 2012**

**EB- 2012-0301**

**Revised Proposed Amendments to the DSC**

1. Section 6.2.4.1 of the DSC is amended by deleting the existing paragraph (e)(i) and replacing it with the following:
  - e. an applicant shall have its capacity allocation removed if:
    - i. a connection cost agreement has not been signed in relation to the connection of the embedded generation facility within:
      - (1) 6 months of the date on which the applicant received a capacity allocation for the proposed embedded generation facility;
      - (2) 9 months of the date on which the applicant received a capacity allocation for the proposed large embedded generation facility if a transmission system impact assessment is required; or
      - (3) 17 months of the date on which the applicant received a capacity allocation for the proposed large embedded generation facility if transmission upgrades are required in order to connect the large embedded generation facility;
2. Section 6.2.4.1(g) of the DSC is amended by replacing the phrase "6-month period" with the phrase "applicable time period".
3. Section 6.2.4.1(g) of the DSC is amended by replacing the letter "e" after the word "paragraph" with "(e)(i)".