



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND ORDER

EB-2017-0188

**2017 GREEN ENERGY PLAN ELECTRICITY
RATE PROTECTION BENEFIT AND CHARGE
EFFECTIVE MAY 1, 2017**

BY DELEGATION BEFORE: Theodore Antonopoulos

June 1, 2017

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1 INTRODUCTION AND SUMMARY

When new generating facilities are connected to any power system, upgrades to the wires and other parts of the system are sometimes required to maintain the safety of the infrastructure and reliability of the electricity service to customers.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors apply to the Ontario Energy Board (OEB) for funding to recover the cost of assets to enable and to connect renewable generation to their distribution systems. The OEB is required to take steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of these investments to connect renewable generators.

The OEB determines the eligibility of the connection investment made by each distributor in their distribution rate decisions and issues an order to the Independent Electricity System Operator (IESO) to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to Ontario Regulation 330/09 (the Regulation).

The OEB has issued these decisions since May 1, 2010. The latest such decision was issued on February 3, 2017 under file number EB-2017-0004, effective January 1, 2017, providing thirteen distributors with funding.

This Decision provides an updated order to the IESO regarding the amounts to be collected from all market participants and remitted to eligible distributors. In addition to continuing the applicable funding amounts ordered in the EB-2017-0004 decision, this Decision amends the previously ordered amounts consistent with decisions regarding three distributors: Peterborough Distribution Inc., Veridian Connections Inc. (with amended amounts) and Haldimand County Hydro Inc. In addition, a new distributor is added as of May 1, 2017: Welland Hydro-Electric System Corp.

Haldimand County Hydro Inc. was acquired by Hydro One Networks Inc. with this transaction approved by the OEB on March 12, 2015 under file number EB-2014-0244. Therefore, the IESO will make the payment previously submitted to Haldimand County Hydro Inc. to Hydro One Networks Inc.

2 THE PROCESS

The OEB has made its determination of the compensation amount, effective May 1, 2017 to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology which the OEB uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO effective May 1, 2017 is derived from previous decisions of the OEB in which compensation amounts were determined for qualifying distributors¹. The findings in this Decision involve only the implementation of findings in previous decisions. The OEB has therefore determined that no person will be adversely affected in a material way by the outcome of this proceeding. In accordance with section 6 (4) of the *Ontario Energy Board Act, 1998*, this matter has been determined without a hearing.

¹EB-2011-0172, EB-2016-0002, EB-2015-0003, EB-2011-0123, EB-2012-0167, EB-2012-0160, EB-2013-0174, EB-2013-0147, EB-2013-0134, EB-2013-0130, EB-2015-0108, EB-2014-0116, EB-2016-0080 and EB-2016-0110.

3 2017 COMPENSATION AMOUNT AS OF MAY 1, 2017

The OEB has determined the amount to be distributed by the IESO as of May 1, 2017 is \$242,248 per month. This decision extends amounts reflected in the EB-2017-0004 Decision and Order that persist for the current year, and enumerates new and amended compensation amounts in accordance with prior rate decisions.

Amended amounts are:

For **Peterborough Distribution Inc.**: an amended recovery of \$12,782 for May 1, 2017 (Decision on Draft Rate Order, dated February 25, 2016²),

- The monthly amount of \$1,065 is derived by dividing the 2017 annual recover of \$12,782 by 12 months, for the rate year starting May 1, 2017.

For **Veridian Connections Inc.**: an amended recovery of \$35,691 for May 1, 2017 (Rate Order dated May 1, 2014³);

- The monthly amount of \$2,974 is derived by dividing the 2017 annual recovery of \$35,691 by the 12 months, for the rate year starting May 1, 2017.

For **Welland Hydro-Electric System Corp.**: a new recovery of \$17,882 for 2017 beginning May 1, 2017 (Decision and Rate Order dated May 4, 2017⁴);

- The monthly amount of \$1,490 is derived by dividing the 2017 annual recovery of \$5,172 and the previous unrecovered amount of \$12,710 by 12 months, for the rate year starting May 1, 2017.

For **Haldimand County Hydro Inc.**: the recovery of \$438,043 to now be remitted to **Hydro One Networks Inc.** starting May 1, 2017.

All other funding remains in place as per the OEB's EB-2017-0004 decision. These amounts are summarized in the subsequent section.

² EB-2014-0116

³ EB-2013-0174

⁴ EB-2016-0110

The monthly amount to be collected by the IESO from all market participants effective May 1, 2017 is \$242,248. The monthly charge for each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the OEB acknowledges that the above-noted distributors will pass on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR), currently approved by the OEB at \$0.0036 per kWh. It is the OEB's view that at its current level, this charge will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the OEB will not adjust the WMSR at this time.

4 IMPLEMENTATION

The monthly amount to be collected by the IESO shall be \$242,248 per month effective May 1, 2017 from all market participants.

The following monthly amounts are to be forwarded to the qualifying distribution utilities, by the IESO:

• Toronto Hydro-Electricity System Limited	\$ 126,216
• Waterloo North Hydro Inc.	\$ 792
• Enersource Hydro Mississauga Inc.	\$ 10,193
• Hydro One Networks Inc.	\$ 46,467
• Veridian Connections Inc.	\$ 2,974
• Peterborough Distribution Inc.	\$ 1,065
• PowerStream Inc.	\$ 36,420
• Fort Frances Power Corporation	\$ 181
• Kitchener-Wilmot Hydro Inc.	\$ 685
• Thunder Bay Hydro Distribution Inc.	\$ 1,809
• Horizon Utilities Corporation	\$ 707
• Guelph Hydro Electric Systems Inc.	\$ 5,792
• Hydro One Brampton Inc.	\$ 7,458
• Welland Hydro-Electric System Corp.	\$ 1,490
 Total to be forwarded	 \$ 242,248

Attached to this Decision and Order are communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2017 monthly charges as of May 1, 2017.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Effective May 1, 2017, the IESO shall collect \$242,248 per month from all market participants until such time as the OEB revises this amount.
2. Effective May 1, 2017, the IESO shall distribute the amounts for each qualifying distributor on a monthly basis as set out under section 4 of this Decision and Order.

DATED at Toronto June 1, 2017

ONTARIO ENERGY BOARD

Original Signed By

Theodore Antonopoulos
Director, Rates

APPENDIX A

2017 ELECTRICITY RATE PROTECTION BENEFIT AND CHARGE

**Communication to the IESO on Collection of Compensation Amounts under
Ontario Regulation 330/09 as of May 1, 2017**

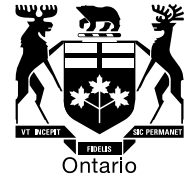
EB-2017-0188

DECISION AND ORDER

JUNE 1, 2017

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BY E-MAIL

June 1, 2017

Adrian Pye
Independent Electricity System Operator
Station A, Box 4474
Toronto ON M5W 4E5

Dear Mr. Pye:

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2017 as of May 1, 2017

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The OEB has issued previous orders, setting the compensation amount twice each year from 2010 to 2016, authorizing the IESO to implement the charge for each of those years. On June 1, 2017 the OEB issued its Decision and Order (EB-2017-0188) establishing the 2017 compensation amounts as of May 1, 2017.

Amount to be charged by the IESO as of May 1, 2017

In its EB-2017-0188 Decision and Order, the OEB determined that effective May 1, 2017 and until such time as the OEB orders otherwise, the amount to be collected by the IESO shall be \$242,248 per month from all Ontario ratepayers.

The OEB expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Toronto Hydro-Electricity System Limited	\$ 126,216
• Waterloo North Hydro Inc.	\$ 792
• Enersource Hydro Mississauga Inc.	\$ 10,193
• Hydro One Networks Inc.	\$ 46,467
• Veridian Connections Inc.	\$ 2,974
• Peterborough Distribution Inc.	\$ 1,065
• PowerStream Inc.	\$ 36,420
• Fort Frances Power Corporation	\$ 181
• Kitchener-Wilmot Hydro Inc.	\$ 685
• Thunder Bay Hydro Distribution Inc.	\$ 1,809
• Horizon Utilities Corporation	\$ 707
• Guelph Hydro Electric Systems Inc.	\$ 5,792
• Hydro One Brampton Inc.	\$ 7,458
• Welland Hydro-Electric System Corp.	\$ 1,490
Total to be forwarded	\$ 242,248

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

cc: Enersource Hydro Mississauga Inc.
Toronto Hydro-Electricity System Limited
Waterloo North Hydro Inc.
PowerStream Inc.
Fort Frances Power Corporation
Kitchener-Wilmot Hydro Inc.
Hydro One Networks Inc.
Veridian Connections Inc.
Peterborough Distribution Inc.
Thunder Bay Hydro Distribution Inc.
Horizon Utilities Corporation
Guelph Hydro Electric Systems Inc.
Hydro One Brampton Inc.
Welland Hydro-Electric System Corp.

Attachment

APPENDIX B

2017 ELECTRICITY RATE PROTECTION BENEFIT AND CHARGE

**Communication to Distributors on Collection of Compensation Amounts under
Ontario Regulation 330/09 as of May 1, 2017**

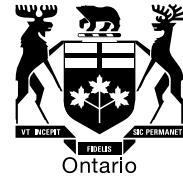
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BY EMAIL

June 1, 2017

To: All Licensed Electricity Distributors

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2017, as of May 1, 2017

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers. On June 1, 2017 the OEB issued its EB-2017-0188 Decision and Order directing the IESO to adjust the charge effective May 1, 2017. The EB-2017-0188 Decision and Order is attached.

Amount to be Charged by the IESO as of May 1, 2017

The EB-2017-0188 Decision and Order established the 2017 compensation amount (as of May 1, 2017) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Enersource Hydro Mississauga Inc. (EB-2016-0002)
- Toronto Hydro-Electric System Inc. (EB-2014-0116)
- Waterloo North Hydro Inc. (EB-2015-0108)
- PowerStream Inc. (EB-2015-0003)
- Fort Frances Power Corporation (EB-2013-0130)
- Kitchener-Wilmot Hydro Inc. (EB-2013-0147)
- Haldimand County Hydro Inc. (EB-2013-0134)
- Veridian Connections Inc. (EB-2013-0174)

- Peterborough Distribution Inc. (EB-2012-0160)
- Thunder Bay Hydro Distribution Inc. (EB-2012-0167)
- Horizon Utilities Corporation Inc. (EB-2011-0172)
- Guelph Hydro Electric Systems Inc. (EB-2011-0123)
- Hydro One Brampton Inc. (EB-2016-0080)
- Welland Hydro-Electric System Corp. (EB-2016-0110)

Commencing May 1, 2017, an amount of \$242,248 per month will be collected from all market participants. The amounts collected shall be distributed to qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the energy withdrawn from the IESO-controlled grid for each month.

Amount to be Charged by Distributors in 2017

In determining the amount to be collected by the IESO, the OEB acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the OEB at \$0.0036 per kWh. It is the OEB's view that at its current level, the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and therefore did not adjust the WMSR. The WMSR will remain at its current level of \$0.0036 per kWh until such time as the OEB amends the WMSR.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment