



# Exhibit 8

Rate Design | **Standby Charges**

*Additional Evidence*

The following is provided as updated evidence for NOTL Hydro's proposed standby charges.

## Transmission Gross Load Billing

NOTL Hydro is applying to have the Retail Transmission Rate – Line and Transformation Connection Service Rates for Load Displacement Generators ("LDG"), with a generator unit rating of 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation applied on a gross load billing basis consistent with the method charged for Line and Transformation Connection Services by the IESO. Without gross billing of Retail Transmission Rate - Line and Transformation Connection, NOTL Hydro's other customers will be subsidizing the gross load billing transmission costs for any future LDG customers.

Hydro One applies "gross load billing" for Line and Transformation Connection Services to NOTL Hydro. Currently, this charge is applied based on the generation from a >2 MW hydro generating plant located within the NOTL Hydro service territory. The generation plant operates under a FIT contract. This cost of this charge is allocated across all NOTL Hydro customers through the retail service transmission charges. In this case this is appropriate as all customers use and benefit from this generation that feeds directly onto the NOTL Hydro grid.

With the proposed CHP plant to be installed by the future Large Use customer, Hydro One will again be applying "gross load billing" to NOTL Hydro. In this case though, only the one customer will be benefiting from the generation and that is the Large Use customer. Without this standby charge, other customers will be paying higher retail transmission service charges than if this customer did not generate any power.

The proposed transmission standby charge is a note to our GS > 50 kW and Large Use customers Retail Transmission Rate - Line and Transformation Connection Service Rate charges that reads:

*The Billing Demand for Line and Transformation Connection Services and Low Voltage Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 1998, which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for nonrenewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.*

NOTL Hydro is seeking the same tariff applied by Entegrus Powerlines Inc. (EB-2016-0063).

## **Distribution Standby Charges**

NOTL Hydro's proposed distribution standby charge was developed in collaboration with our proposed Large Use customer. The CHP plant planned by this customer is 2.5 MW. In its original submission, NOTL Hydro proposed that the standby charge apply against load displacement generation greater than 1 MW.

Insufficient consideration was given by NOTL Hydro to what an appropriate minimum size should be. The 1 MW was the minimum Hydro One uses for transmission gross billing. On reviewing the minimum size at other LDCs (Guelph Hydro, Entegrus, Kingston, Toronto) it was noted that there either was no minimum or a minimum of 50 kW.

It is not NOTL Hydro's intent to provide disincentives to our customers to invest in renewable energies. NOTL Hydro therefore does not want to capture small solar plants or back-up generators with this charge. However, it is only fair to the full customer base that the standby charge be applied to customers that are clearly investing in load displacement generation but that require back-up delivery service.

NOTL Hydro is therefore amending its application to revise the minimum level at which the Distribution Standby Charge would apply to 250 kW. The methodology of applying the standby charge remains unchanged.

NOTL Hydro notes that this change has no impact on NOTL Hydro's expected revenue for 2019. The impact on the Large Use customer remains the same and none of NOTL Hydro's net metering customers or customers with back-up generation will be affected as they all have generation less than 250 kW.

# Rate Order

*The proposed rate order is provided below:*

## STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation or Load Displacement Storage and requires Niagara-on-the-Lake Hydro to provide back-up service. Standby Charges are to be applied to behind-the-meter generators that have a nameplate capacity greater than or equal to 250 kW and are not IESO market participants or IESO program participants (FIT, MicroFIT, SOP, etc.), which have their own metering and settlement conventions as per regulation and legislation. For the purposes of this rate classification the term “generator” shall include electricity storage devices used for the primary purpose of Load Displacement. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

1 It should be noted that this schedule does not list any changes, assessments or credits that are  
2 required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board  
3 approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

## 4 **MONTHLY RATES AND CHARGES**

5 Standby Charges are based on applicable monthly General Service > 50kW to 4,999 kW or Large  
6 Use Distribution Volumetric Charges, depending on the rate classification of the generator host  
7 facility.

8 Distribution Charges on the generator host facility's load account will be determined by multiplying  
9 the peak hourly delivered load as measured by the load account meter in kW by applicable  
10 variable charges for the rate class. Standby Charges will be determined by multiplying the peak  
11 coincident combined kW delivered by both the distribution system and the generator, less the  
12 peak hourly delivered load in kW of the host customer facility as measured by the generator host  
13 load account meter.