



October 14, 2020

Ontario Energy Board

VIA: EMAIL and RESS

Dear Ms. Long:

**Re: Elexicon Energy Inc. – Veridian Rate Zone
2021 Annual IR Index Distribution Rate Application
Addendum to Appendix I
OEB File No: EB-2020-0013**

Further to the Application and supporting files submitted on August 20, 2020. Elexicon Energy Inc. provides the following supplemental evidence in support of Appendix I – Renewal Generation Rate Protection:

- Addendum to Appendix I- Renewable Generation Connection Rate Protection (PDF)
- Updated Excel Model:
Elexicon_VRZ_2021_2020 Variance – Actual Costs – REG-Project_20201014.xls

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "S Reffle".

Susan Reffle
Manager, Regulatory Affairs
Elexicon Energy Inc.

cc: Ms. Birgit Armstrong
Mr. Alex Share
Power Workers Union
Vulnerable Energy Consumers Coalition

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Addendum to Appendix I

RENEWABLE GENERATION CONNECTION RATE PROTECTION

Overview

On August 20, 2020 Elexicon Energy Inc. (“Elexicon”) filed a 2021 IRM application EB-2020-0013 for the Veridian Rate Zone (“EV”).

The application provided the updated protection plan payments under O. Reg 330/09 for two OEB approved projects from Veridian Connection Inc.’s (“Veridian”) last rebasing application (EB-2013-0174). The filing included the supporting documentation for the two completed projects to support the OEB’s decision in its Decision and Order EB-2019-0279. This order adjusted for a true up to Elexicon for one of the approved projects that had not been claimed in previous years. The application also provided the variance expected at the end of 2020 to be adjusted in future years.

This addendum to the 2021 IRM Filing EB-2020-0013 Appendix I; shows the extension of the protection plan payments out to 2028. While the OEB may only require information up to 2025 (see Table 2) at this time, Elexicon has taken the payments out further, (see Excel Model Tab 2-FA to 2-FC), as Elexicon has opted to take a ten year deferral for its next Cost of Service application after the merger. This will ensure that the expected payments for the rate protection for the renewable generation projects are filed with the OEB.

Elexicon has also included its final project in this Addendum to the 2021 Rate Application EB-2020-0013.

Under the Renewable Enabling Improvement Projects, the Communication Platform project that was approved in Veridian’s last rebasing application (EB-2013-0174) was postponed during the potential merger talks that were happening at that time. It is the intention of Elexicon to complete this project, and the new time frame is expected to be 2022-2025. The capital cost will remain the same at \$115K per year over the four year timeframe.

When the project is completed, Elexicon will finalize all the documentation with its annual IRM as applicable.

Table 1 below shows the three projects that were approved in Veridian’s 2014 rebasing application.

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2 **Table 1:**

Renewable Enabling Improvement Projects					
	2014	2015	2016	2017	2018
Communication Platform	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Micro-Grid Project	\$ -	\$ 300,000	\$ 165,000	\$ -	\$ -
Total	\$ -	\$ 415,000	\$ 280,000	\$ 115,000	\$ 115,000
Monthly Amount Paid by IESO	\$ -	\$ 3,099	\$ 8,230	\$ 11,038	\$ 12,551
Renewable Expansion Project					
Index Energy	\$ 500,000				
Monthly Amount Paid by IESO	\$ 1,446	\$ 3,088	\$ 3,031	\$ 2,974	\$ 2,917

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5 In December 2018 the OEB approved the consolidation between Veridian and Whitby Hydro Electric
 6 Corporation (EB-2018-0236) which permitted a ten-year deferred rebasing for the newly amalgamated
 7 company (Ellexicon) which formed on April 1, 2019. As a result of the approved rebasing deferral, the
 8 updated rate protection amount would not be made available through a Cost of Service proceeding in the
 9 near term.

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11 Communications Platform (Renewable Enabling Improvement) (2022 -2025) Update

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13 Veridian proposed investment in a high bandwidth, low latency, highly reliable communication platform for
 14 communication between Veridian’s System Control Centre and components of the distribution system
 15 and renewable generator end-points. The new platform was to be purchased and installed over a four-
 16 year period from 2015 to 2018 with a total capital investment forecasted at \$911,000. Annual operating
 17 and maintenance costs were forecast at \$135,000. The communication platform was intended to enable
 18 communications for both smart grid and renewable generators, so costs were allocated on a 50/50 basis
 19 for the purpose of determining Provincial Rate Protection. This project is now scheduled for
 20 implementation from 2022-2025 and in service by 2025.

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22 2020 True-up

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24 In 2020 Ellexicon Energy applied for a correction to the monthly rate of rate protection due to an oversight
 25 in filing in previous years. The correction was approved by the OEB and the order issued (EB-2019-
 26 0279). The following table addresses the true up of an overpayment expected in 2020 to be adjusted in
 27 2021. The balance of the years to 2025, reflect the Communication Platform project in service.

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1 It is expected that with the filing of the updated Excel Model (Tabs 2-FA to 2-FC) that the OEB will have
 2 the filed requests for continuation of the Renewable Generation Connection Rate Protection for Elexicon
 3 for the next five to eight years. The five year period from 2021 – 2025 is summarized below in Table 2.
 4

5 **Table 2:**
 6 **Rate Protection Payments Required**

Years	2021	2022	2023	2024	2025
Calculated annual amounts	\$74,262.36	\$78,150.48	\$82,955.43	\$104,876.34	\$108,134.63
True Up for end of 2020	-\$5,490.02				
Annual Amount Requested	\$68,772.34	\$78,150.48	\$82,955.43	\$104,876.34	\$108,134.63
Monthly Amount	\$5,731.03	\$6,512.54	\$6,912.95	\$8,739.69	\$9,011.22

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