



December 19, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E3

Dear Ms. Li

Re: 2020 Renewable Generation Rate Protection Amount
Board File No.: EB-2019-0279

Veridian Connection Inc.'s ("Veridian") 2014 cost of service rate application (EB-2013-0174) included three projects that may be eligible for provincial rate protection under O.Reg 330/09. These projects were as follows:

Renewable Enabling Improvement Projects						
	2014	2015	2016	2017	2018	
Communication Platform	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Micro-Grid Project	\$ -	\$ 300,000	\$ 165,000	\$ -	\$ -	\$ -
Total	\$ -	\$ 415,000	\$ 280,000	\$ 115,000	\$ 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	

In the Ontario Energy Board's ("the Board") April 10th, 2014 Decision and Order, the Board approved the establishment of a new variance account for the purpose of tracking any variance between the IESO payment amounts Veridian received for these projects and the actual costs it incurred that would be eligible for recovery. The prudence of the planned investments, including the costs recorded in the account and their eligibility for provincial rate protection under O. Reg 330/09 and any disposition and recovery of variance account balances, were a matter that would be addressed and determined in a future proceeding.

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Since the time of that decision, Veridian (now Elexicon Energy Inc.) has only received IESO funding for the Renewable Expansion Project, but has not received IESO funding for either of the Renewable Enabling Improvement Projects. Of the two Renewable Enabling Improvement Projects only one, the Micro-Grid Project, was completed and in-service at a cost of \$429,343 which was less than the original anticipated \$465,000. The Communication Platform has been deferred until 2021.

The Renewable Expansion Project was completed at a cost of \$355,852, which was less than the original anticipated amount of \$500,000.

Based on the above details and adjustments, Elexicon has recalculated the amount owing from the IESO to be \$217,996 (includes 2020 compensation and true-up). A full breakdown of this calculation is provided in the attachment.

Elexicon requests that the Board amend the IESO's Renewable Generation Rate Protection compensation amounts to Elexicon to \$18,166 per month for 2020, which includes the 2014-2019 true-up of \$11,804 per month.

Yours Truly,

Original signed by

Tracey German
Manager, Financial Planning

	Rate Protection Payments Required								
	2014	2015	2016	2017	2018	2019	Subtotal	2020	Total
REI Annual Amount required	0.00	0.00	28,128.00	55,344.00	54,108.00	52,788.00	190,368.00	51,408.00	241,776.00
Expansion Annual Amount required	12,036.00	24,300.00	24,588.00	24,912.00	25,176.00	25,080.00	136,092.00	24,936.00	161,028.00
Expansion Annual Amount received	-11,568.00	-30,488.00	-36,600.00	-35,916.00	-35,232.00	-35,004.00	-184,808.00		-184,808.00
Expansion Annual Amount - diff required vs received	468.00	-6,188.00	-12,012.00	-11,004.00	-10,056.00	-9,924.00	-48,716.00	24,936.00	-23,780.00
Annual IESO Payments - REI and Expansion True-up	468.00	-6,188.00	16,116.00	44,340.00	44,052.00	42,864.00	141,652.00	76,344.00	217,996.00
TOTAL REQUIRED 2020 MONTHLY FUNDING FROM IESO									18,166.33

RENEWABLE ENABLING IMPROVEMENT

2014 Cost of Service Amounts								
	2014	2015	2016	2017	2018	Total		
Micro-Grid Project	0.00	300,000.00	165,000.00	0.00	0.00	465,000.00		

Actual Costs - in service for revenue requirement calculations								
	2014	2015	2016	2017	2018	Total		
Micro-Grid Project	0.00	429,343.56	0.00	0.00	0.00	429,343.56		

Rate Protection Payments Required								
	2014	2015	2016	2017	2018	2019	2020	Total
Monthly Amount	0.00	0.00	2,344.00	4,612.00	4,509.00	4,399.00	4,284.00	20,148.00
Payment period	Jul14-Apr15	May15-Apr16	May16-Apr17	May17-Apr18	May18-Apr19	May19-Apr20	May20-Apr21	May20-Apr21
Total for year	0.00	0.00	18,752.00	46,272.00	54,520.00	53,228.00	51,868.00	224,640.00

EXPANSION INVESTMENTS

2014 Cost of Service Amounts									
	2014	2015	2016	2017	2018	Total			
Index Energy	500,000.00	0.00	0.00	0.00	0.00	500,000.00			
Actual Costs - in service for revenue requirement calculations									
	2014	2015	2016	2017	2018	Total			
Index Energy	338,897.97	7,441.75	0.00	9,512.46	0.00	355,852.18			
Rate Protection Payments Required									
	2014	2015	2016	2017	2018	2019	Subtotal	2020	Total
Monthly Amount	1,003.00	2,025.00	2,049.00	2,076.00	2,098.00	2,090.00	11,341.00	2,078.00	13,419.00
Payment period	Jul14-Apr15	May15-Apr16	May16-Apr17	May17-Apr18	May18-Apr19	May19-Apr20		May20-Apr21	
Total for year	8,024.00	20,212.00	24,492.00	24,804.00	25,088.00	25,112.00	127,732.00	24,984.00	152,716.00
Rate Protection Payments Received									
	2014	2015	2016	2017	2018	2019	Subtotal	2020	Total
Monthly Amount	1,446.00	3,088.00	3,031.00	2,974.00	2,917.00	2,917.00	16,373.00	-2,954.00	13,419.00
Payment period	Jul14-Apr15	May15-Apr16	May16-Apr17	May17-Apr18	May18-Apr19	May19-Apr20		May20-Apr21	
Total for year	11,568.00	30,488.00	36,600.00	35,916.00	35,232.00	35,004.00	184,808.00	-11,964.00	172,844.00
VARIANCE - True-up Rate Protection Payments									
VARIANCE	2014	2015	2016	2017	2018	2019	Subtotal	2020	Total
Overpayment rec'd	-3,544.00	-10,276.00	-12,108.00	-11,112.00	-10,144.00	-9,892.00	-57,076.00	36,948.00	-20,128.00

NOTE: Overpayment received 2014-2019 results in negative payment (owing) to IESO for 2020