



Ontario
Energy
Board | Commission
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de l'Ontario

DECISION AND ORDER

EB-2020-0237

OTTAWA RIVER POWER CORPORATION

Application for Electricity Distribution Licence Amendment

BY DELEGATION, BEFORE: Brian Hewson

Vice President,

Consumer Protection & Industry Performance

November 26, 2020

INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) is amending Ottawa River Power Corporation's (Ottawa River Power) electricity distribution licence in order to exempt it from compliance with section 3.2 of the Retail Settlement Code (RSC) and section 2.2.2 of the Standard Supply Service Code (SSSC) until March 31, 2021.

Ottawa River Power currently holds an exemption from section 3.2 of the RSC and section 2.2.2 of the SSSC, which is set to expire on November 30, 2020. On September 28, 2020, Ottawa River Power filed an application with the OEB for an extension of this exemption to March 31, 2021. This application follows two prior related amendments to Ottawa River Power's licence (discussed below), that were approved by the OEB.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing, pursuant to section 6(4) of the OEB Act.

BACKGROUND

Ottawa River Power operates under electricity distribution licence No. ED-2003-0033.

Ottawa River Power purchases approximately 30 percent of its power requirements from the Waltham Generating Station, owned by Brookfield Renewable Trading and Marketing LP¹ (Brookfield), and located about 24 kilometers outside of Ottawa River Power's service area, in the Province of Quebec.

In order to purchase power from the Waltham Generating Station, Ottawa River Power requires relief from having to comply with the following regulatory requirements:

- Section 3.2 of the RSC, which provides that a distributor shall purchase energy from an embedded retail generator within its service area; and
- Section 2.2.2 of the SSSC which provides that a distributor shall obtain the electricity required to fulfill its standard supply service obligation thru the IESO-administered markets, from an embedded retail generator located within the distributor's licensed service area or, in the case of an embedded distributor, from the embedded distributor's host distributor.

¹ Waltham Generating Station was previously owned by Brookfield Energy Marketing Inc.

The OEB first granted Ottawa River Power an exemption from compliance with the identified provisions on July 22, 2009, in proceeding EB-2008-0289. As stated in the OEB's Decision and Order in that proceeding, the exemption was granted for the entire duration of the initial energy supply contract between Ottawa River Power and Brookfield, which was set to expire on November 15, 2015. However, prior to the expiry of their initial energy supply contract, Ottawa River Power and Brookfield agreed to extend the term for a five-year period to November 30, 2020. As the contract extension would also be conditional on obtaining OEB approval for an extension of the utility's exemption from section 3.2 of the RSC and section 2.2.2 of the SSSC, Ottawa River Power filed an application, on February 11, 2015, for an extension of the exemption to November 30, 2020.

The OEB issued its decision in that proceeding on June 15, 2015 (EB-2015-0034), in which it approved the request and extended the period of the exemption to November 30, 2020. The OEB found that, over the initial five-year period of its energy supply contract with Brookfield, Ottawa River Power's customers benefited from decreased transmission rates, as well as rate rider credits due to the avoided wholesale, transmission network and transmission connection charges. The OEB was also satisfied that these benefits would continue during the extended period of the energy supply contract. The OEB stated that, if Ottawa River Power were to continue the arrangement with Brookfield for the of supply power past November 30, 2020, then it would need to file a further application with the OEB prior to that date, demonstrating the continuation of benefits to Ottawa River Power's customers.

THE APPLICATION

Ottawa River Power seeks an extension to its current licence exemption from section 3.2 of the RSC and section 2.2.2 of the SSSC, in order to permit it to continue purchasing power from Waltham Generating Station until March 31, 2021. Ottawa River states that while it has not yet been able to finalize the terms of a new contract with Brookfield, the parties have agreed to extend the current agreement to March 31, 2021 or until such time that a new agreement can be finalized, whichever comes first, conditional on the OEB's approval of an extension to Ottawa River Power's exemption from the identified provisions of the RSC and SSSC. With its application, Ottawa River Power filed a customer benefit analysis covering the period from January 1, 2015 to December 31, 2019. The analysis indicates that over that 5-year period, the savings of \$1,035K were passed directly to Ottawa River Power's customers.

FINDINGS

The OEB finds that, since January 1, 2015, Ottawa River Power's customers have continued to benefit from the energy supply contract between Ottawa River Power and Brookfield. Considering that these parties have agreed to extend the contract to March 31, 2021, with no other substantive changes, and only for the purpose of providing additional time to the parties to negotiate and finalize the terms of a new contract, the OEB finds it reasonable to approve the application.

The OEB grants the requested amendment to Ottawa River Power's licence in order to exempt the utility from compliance with the identified sections of the RSC and SSSC until March 31, 2021. The OEB expects that if Ottawa River Power intends to seek an extension to the exemption past March 31, 2021, it shall file a further application with the OEB, including a copy of the contract and a detailed analysis of any continuing benefits to its customers.

IT IS ORDERED THAT:

1. Ottawa River Power Corporation's Electricity Distribution Licence ED-2003-0033, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 3.2 of the Retail Settlement Code. This exemption expires on March 31, 2021.
2. Ottawa River Power Corporation's Electricity Distribution Licence ED-2003-0033, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 2.2.2 of the Standard Supply Service Code. This exemption expires on March 31, 2021.

DATED at Toronto, November 26, 2020

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance