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NOTICE OF REVISED PROPOSAL TO AMEND A CODE

REVISED PROPOSED AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE TO FACILITATE CONNECTION OF DISTRIBUTED ENERGY RESOURCES

BOARD FILE NO.: EB-2021-0117

To: All Licensed Electricity Distributors
All Licensed Electricity Generators
All Licensed Electricity Storage Companies
All Participants in Consultation Process EB-2019-0207
All Other Interested Parties

The Ontario Energy Board (OEB) is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* (Act) of revised proposed amendments to the Distribution System Code (DSC). These proposed amendments are intended to reduce the overall timeline and provide clarity and consistency in the process for connecting a distributed energy resource (DER) to an electricity distributor's system. Written comments on the revisions described in section B are invited by January 21, 2022. Other than those revisions, the OEB intends to adopt the amendments to the DSC as they were originally proposed.

A. Background

On August 5, 2021, the OEB issued a Notice of Proposal to Amend the Distribution System Code (August Notice) in which it proposed a number of amendments to the DSC that were aimed at improving the connection process for DERs, based on the recommendations of the DER Connections Working Group. The August Notice proposed:

- New definitions in the DSC to reflect a new approach to categorizing facilities as either exporting or non-exporting based on power flow at the connection; and an exemption from connection requirements for load displacement generation would be removed as it was no longer appropriate under this revised paradigm.

- A revised process would standardize and provide improvements for the exchange of information at the preliminary consultation stage.
- New provisions would require the use of template forms for the Preliminary Consultation Information Request by a customer, the Preliminary Consultation Report prepared by the distributor in response to the application, and for the Connection Impact Assessment Application (as those terms are used in the August Notice) to be submitted to distributors. Connection requests involving a host distributor and/or transmitter would follow a streamlined process that allows for concurrent assessment steps, which is expected to reduce the overall time for responding to a DER connection proposal and thus allow customers to more quickly connect their DERs.
- A new section would clarify that cost responsibility rules apply to connection of all DERs. This is not a change to the rules for cost responsibility, only a recognition that DERs have potential to create revenues for distributors that should be considered in the determinations of capital contributions.
- Several detailed process steps would be removed from the DSC and transferred to a newly-established DER Connection Procedures (DERCP) document.

Written comments on the August Notice were received from 18 participants, including a transmitter, distributors, developers, and advocacy groups. Stakeholders expressed broad support for the contemplated revisions to the DSC and the establishment of the separate DERCP.

The OEB has considered the written comments received and has determined that revisions should be made to the amendments proposed in the August Notice. Appendix A is a comparison document that shows all DSC revisions relative to the August Notice, and Appendix B is a document that shows a “clean” version of text proposed for the DSC.

The DERCP does not form part of the DSC and is not subject to the requirements of section 70.2 of the Act. The OEB has made a number of revisions to the DERCP to reflect comments received from stakeholders on the DERCP as well as changes related to the DSC amendments discussed in this Notice. For information, three additional appendices are provided in relation to the DERCP: Appendix C is a comparison document that shows all DERCP revisions relative to what was provided with the August Notice; Appendix D is a document that shows the “clean” version of the DERCP; and Appendix E contains a summary of stakeholder comments and how they are addressed.

B. Revisions to the Proposed Amendments in the August Notice

Definitions

Distributed Energy Resources Connection Procedures (DSC 1.2)

The August Notice contained a proposal to establish a definition for "Distributed Energy Resources Connection Procedures", which is the document that will contain many process-related items associated with DER connections. This definition contained within it a definition of the term "Distributed Energy Resources", for the purpose of the DERCP. Stakeholders provided three main comments: first, in relation to separation of the definitions for DERCP and DER within the DSC; second, in relation to the advantages of following the IESO definition for DER; and, third, related to the scope of the definition for DER.

First, stakeholders requested that DERCP and DER be defined as separate terms within the DSC. To address this request, the proposed DSC definition for DERCP has been amended to refer to the document directly. This revised definition for DERCP no longer contains an embedded definition for DER. The definition for DER, for the purpose of connections, has been included in the DERCP and no longer appears within the proposed amendments for the DSC.

Second, stakeholders questioned whether the IESO definition for DERs could be used, to have a consistent definition for Ontario.[1] The OEB is not persuaded to adopt the IESO DER definition, for two reasons. First, the IESO definition appears to be intended to facilitate discussions and explain the concept of a DER rather than provide a regulatory definition. Second, the revised DER definition to be used in the DERCP leverages specific terms already established in the DSC. Notably, the DER definition incorporates the DSC term "generate" rather than "electricity producing" to ensure that both technologies with power production and ancillary service use cases are included within the definition. Similarly, the OEB has revised the DER definition to refer to the DSC-defined term for demarcation point, rather than referring to a "host facility", which is not a defined term in the DSC.

Third, stakeholders commented on the scope of the OEB definition for DER. A stakeholder believed the OEB definition of DER was too narrow, while another stakeholder expressed support for the OEB-proposed definition for DER as presented in the August Notice. The OEB is of the view that the DER definition is not limiting,

[1] The IESO website describes DERs as follows: "DERs are electricity-producing resources or controllable loads that are connected to a local distribution system or connected to a host facility within the local distribution system … These resources are typically smaller in scale than the traditional generation facilities that serve most of Ontario demand." See https://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources.

notably because use cases for DERs are not presented as an exhaustive list. The OEB believes that taking this approach will allow the Framework for Energy Innovation (FEI) initiative to continue its work on DERs which may lead to a more encompassing definition of DERs in the Ontario context.

In summary, OEB has simplified the DSC definition for DERCP, and included the definition for DER, with revisions, within the DERCP.

Storage Facility (DSC 1.2)

The August Notice contained a proposal to establish a definition for "storage facility," meaning, "a facility that is connected to a Transmission or Distribution System and is capable of withdrawing electrical energy from the Transmission or Distribution System (i.e. charging), and then storing such energy for a period of time, and then re-injecting only such energy back into the Transmission or Distribution System, minus any losses (i.e. discharging)."

A stakeholder suggested that the definition be revised to remove reference to the "Transmission & Distribution System" in order to make the definition agnostic in relation to the connection location.

The OEB agrees with the comment and proposes a revision to the definition of "storage facility", clarifying that the definition is established for the purpose of connections and removing references to the Transmission & Distribution System. This revision ensures the term "storage facility" will be understood to include energy storage facilities that are charged using behind-the-meter generation facilities. The proposed revision is as follows:

> "storage facility" means, for the purpose of connections, a facility that uses electrical energy (i.e. charges), and then stores such energy for a period of time, and then provides electrical energy as an output, minus any losses (i.e. discharges).

Restricted Feeder (DSC 1.2)

The August Notice contained a proposal to establish a definition for "restricted feeder." Together with section 6.2.3, the establishment of this term required distributors to advise possible connection applicants as to the feeders containing a short circuit capacity constraint.

A stakeholder suggested that the term "zero capacity" should be revised to "no additional capacity", since feeders are generally not operated in a way that they have "zero capacity" in the technical sense.

The OEB has revised the proposed definition to refer to “no additional short circuit capacity.” This will improve technical precision and clarity in the definition.

One stakeholder commented that a “Zero Capacity Feeder” could be distinguished from a “Restricted Feeder” to distinguish between feeders that are identified as having “zero capacity” and those which have insufficient capacity for a particular contemplated connection.

The OEB does not consider it appropriate to create additional definitions that would distinguish between identified restricted feeders and those feeders that have constraints in the context of specific applications. Additional definitions risk creating confusion with the defined term for “restricted feeder”. Accordingly, the OEB is not adding any additional information requirements.

The revised definition is as follows:

> “Restricted feeder” means any feeder owned by the distributor that has no additional short circuit capacity for connection of generation facilities even if the constraint is caused by an upstream asset that it does not own.

Treatment of Storage Facilities (DSC 6.2.1A)

A stakeholder requested clarity on the treatment of storage facilities in relation to their charging mode.

In response to concerns of this kind, the OEB has added a new proposed section 6.2.1A to provide clarity related to the treatment of storage facilities for the purposes of section 6.2. This section, for the purpose of connections, confirms the treatment of storage facilities as generation facilities, as well as the treatment of owners or operators of storage facilities as generators. Section 6.2.1A also confirms the treatment of a storage facility as a load when it uses electricity. This is in alignment with the exporting/non-exporting connection paradigm and recognizes the dual nature of storage devices.

Applicability of Chapter 3 to DERs (DSC 6.2.31)

The August Notice included a new section 6.2.31 that confirmed the applicability of Chapter 3 to DERs. Stakeholders suggested that this section be revised to provide clarity that it applies to all DERs, both exporting and non-exporting.

The OEB acknowledges feedback related to the potential lack of clarity due to the reference to non-exporting connections. Since the section is applicable to all DERs, it is not necessary to refer to exporting and non-exporting in this context, since both apply. The section has been simplified in this revised Notice. The inclusion of the new

proposed section 6.2.1A, which clarifies the treatment of storage facilities, should similarly provide clarity on this item.

A stakeholder suggested that DSC section 3.2.5 should be updated, since the stakeholder believed that section 3.2.5 currently precludes the consideration of revenues and avoided costs when determining capital contribution requirements for DERs, for example for storage facilities.

The OEB is not persuaded that a change to section 3.2.5 is required at this time. A storage facility is both a generation facility and a load facility, and projected revenues from the storage facility when it is in charging mode would be expected to form part of the capital contribution calculation.

Generation Connection Information Package (DSC 6.2.3)

The August Notice contained a proposal to standardize the materials provided within a generation connection information package. There was broad support for the standardization of the generation connection information package.

To leverage the clarification in section 6.2.1A, the OEB has revised its proposal so that section 6.2.3 uses the term “generation facility connection” instead of “distributed energy resource connection.”

Stakeholders provided several comments related to the restricted feeders list, which the proposed amendments in the August Notice conceived as a publicly available list, updated every three months, that indicates which feeders have no additional short circuit capacity to accommodate DERs. Stakeholder comments are summarized and addressed below.

Restricted Feeders – Additional Details on Nature and Source of Constraints

Stakeholders supported the publication of the restricted feeders list. Some stakeholders expressed a desire to have the restricted feeder list distinguish between the types of constraints and the location of the constraints (for example whether the restrictions are due to feeder issues or upstream infrastructure).

The OEB will not require additional information to be presented with the list, since this may unduly increase the reporting burden on the distributor. The language as written requires that a list of feeders with no additional short circuit capacity should be published; distributors are free to provide additional information at their discretion, and subsequent steps of the connections process facilitate more detailed discussions between a connection applicant and the distributor should additional information be required to assess the viability of a connection.

Restricted Feeders List – Inclusion Criteria

The August Notice included the concept of a "restricted feeder" based on short circuit constraints. A stakeholder requested that distributors be permitted to use additional criteria for the determination of restricted feeders, for example to account for thermal limits.

The OEB does not accept the suggestion that the criteria for what constitutes a restricted feeder should be expanded or be permitted to be modified at the discretion of a distributor. Consistent with DER Connections Review Working Group recommendations, DER connection applicants should be able to identify which feeders are restricted due to short circuit considerations, since these are typically more costly and complicated to resolve. In the case of other constraints, such as those arising from existing system thermal limits, connection applicants may be more willing to explore upgrades or system expansions to relieve the constraint and enable the connection. Permitting distributors to consider additional criteria in the determination of whether a feeder should be classified as "restricted" may result in additional feeders being designated as not having capacity for DERs, thereby unduly preventing DER applicants from exploring connection opportunities. Allowing for additional distributor discretion in the establishment of criteria for inclusion in the restricted feeders list could create uncertainty related to the criteria used by different distributors, which is inconsistent with an objective of the DER Connections Review to establish standardized approaches to DER connections. Further, the OEB anticipates that the FEI Working Group will explore the benefits of broader capacity tools that may account for additional criteria.

Restricted Feeders List – Means of Presentation

A stakeholder suggested that additional means of presenting restricted feeder information should also be permitted, for example through an online map.

The OEB is not persuaded that the DSC should be modified to say that an online map or other interface should be permitted in place of a restricted feeders list. The DSC does not preclude the development of such a tool. The intent is to establish a requirement with minimal regulatory burden for the identification of system capacity constraints, while allowing flexibility for distributors to provide innovative technologies that share more information with the customer.

Restricted Feeder List – Update Frequency

Certain stakeholders requested that the list be updated every six months (instead of every three months as set out in the proposed amendments in the August Notice).

The OEB is not persuaded that the restricted feeders list should be updated on only a

six-month cycle. The system can change significantly in that period of time, and the information needed to generate the restricted feeders list is readily available by distributors as part of their general operations and distribution planning activities. The OEB acknowledges that there is an initial effort to compile the list and establish the update protocol, but this effort is not expected to create an undue administrative burden and is anticipated to be offset by a reduction in requests fielded by the distributors in relation to feeders on the list. The three-month cycle is consistent with the Working Group recommendations.

Restricted Feeders List – Resolving Upstream Constraints

Certain stakeholders requested an opportunity to discuss with utilities how feeder or upstream restrictions could be resolved.

The OEB is not persuaded that additional DSC modifications are required in relation to discussions that applicants may wish to have to mitigate upstream constraints, since such discussions would be permitted through the preliminary consultation and connection impact assessment processes. The OEB encourages and expects distributors to engage with their customers.

Restricted Feeders List – Oversight

Certain stakeholders also requested that the OEB provide oversight to ensure the validity of the restricted feeder lists.

The OEB is not persuaded that additional DSC modifications are required to facilitate the requested oversight. The OEB will leverage existing compliance mechanisms to monitor adherence to DSC obligations.

Restricted Feeders – Indicating Capacity for All Feeders

Certain stakeholders requested that distributors publish lists of all feeders with their respective available capacity.

The restricted feeder list, based on short circuit considerations, balances the need to provide visibility to potential applicants on feeder capacity without placing undue burden on distributors and ratepayers. For distributors that may have the capability and capacity to provide broader feeder capacity information, the OEB is supportive of distributors having the flexibility to publish this information at their discretion. For these reasons the OEB does not accept the suggestion to require all distributors to publish lists of available capacity for all feeders.

Capacity Allocation

Certain stakeholders requested clarity on the capacity allocation process and emphasized the importance of consistency in the allocation of capacity.

The OEB provides the following clarification, that for capacity allocation exempt generation facilities,[2] it is expected that they will be processed on an "as and when received" basis, in accordance with DSC section 6.2.4.2. For other cases, additional clarity on the allocation of capacity is provided in DERCP section 5.1.3.

Connection of Micro-Embedded Generation Facilities (DSC 6.2.5)

The August Notice contained proposed amendments that would streamline the process for a Micro-Embedded Generation Facility connection request, making reference to a Micro-Embedded Generation Facility Application. A stakeholder noted that Appendix E includes a Micro-Embedded Generation Facility Agreement, but does not include a Micro-Embedded Generation Facilities Application.

The OEB intends the Agreement to serve as an Application. To address stakeholder feedback, the OEB has revised the wording of section 6.2.5 to clarify that the Agreement will serve as the Application for a Micro-Embedded Generation Facility. This is consistent with the process in the DERCP.

Mid-Sized or Large Generation Facility Connection Timelines (DSC 6.2.13)

The August Notice proposed amendments to clarify timelines for the completion of select interconnection activities.

Certain distributor stakeholders requested flexibility in the timelines established for completion of interconnection activities, for example due to staff resource constraints.

The OEB is not persuaded that a revision is required to allow for flexibility in timelines as such flexibility was not part of the existing DSC provisions and the OEB has not observed distributors being significantly challenged in meeting these timelines. However, the need for flexibility may be discussed by the DER Connections Review Working Group.

Stakeholders commented that section 6.2.13 may require revision to explicitly address the total study duration for cases where two distributors must complete connection impact assessments for a single new DER. Stakeholders recommended the section be revised to explicitly provide for 15 days that are intended to capture time allowed in section 6.2.14 for an embedded distributor to prepare materials to inform a host

[2] According to DSC section 6.2.4.2, the following facility types would be exempt from the capacity allocation process: i) a micro-embedded generation facility; ii) a capacity allocation exempt small embedded generation facility, or iii) an embedded generation facility that is not an embedded retail generation facility.

distributor of an impact assessment that the upstream utility may need to complete.

The OEB agrees that cases involving a host distributor should be explicitly addressed in section 6.2.13. Consistent with the recommendations of the DER Connections Review Working Group, the OEB is proposing revised DSC text in section 6.2.13 that includes an additional 15 days to address situations where concurrent Connection Impact Assessments are required to be completed by distributors.

Stakeholders requested an additional 5 days for coordination between host and embedded distributors when concurrent studies are required.

The OEB does not agree with the recommendation for an additional 5 days for coordination, since coordination is expected and encouraged to occur while both entities proceed with their assessments.

A stakeholder suggested a revision to require embedded distributors to provide updates to the transmitter or host distributor in the event of project changes.

The OEB is not persuaded that additional revisions are needed to facilitate or require information sharing between distributors or with the transmitter. Such information sharing is expected and encouraged.

Provision of Detailed Cost Estimate (DSC 6.2.16)

The August Notice included changes to section 6.2.16 related to the steps required for a distributor to provide a connection applicant with a detailed connection cost estimate.

The OEB has reverted to the original language in the DSC for this section and proposes no changes to section 6.2.16 at this time. The OEB understands the DER Connections Review Working Group is reviewing cost estimate matters.

Authorization to Connect (DSC 6.2.20)

The August Notice proposed language that clarified that ESA connection authorizations are provided by the ESA to a distributor. Stakeholders suggested the section be further revised to include a reference to a “temporary Connection Authorization” which may be provided to the utility prior to a “Connection Authorization”.

The OEB understands that the ESA may issue a temporary Connection Authorization and has modified the section to better reflect the ESA process, without using overly prescriptive language related to the specific process.

C. Response to Other Stakeholder Comments

The OEB wishes to address stakeholder comments on certain aspects of the August Notice where no revisions to the DSC are proposed or where matters were addressed through the DERCP.

Definitions

Emergency Backup Generation Facility (DSC 1.2)

The August Notice contained a proposal to modify the existing[3] definition for "emergency backup generation facility", making it explicit that it "means a standby power system that is installed on a customer site for the sole purpose of providing electrical power if the primary or system power has been interrupted or is unavailable."

A stakeholder proposed that the definition should specify that the facility shall not be used for load displacement purposes, while still permitting injection of power to satisfy regulatory requirements related to testing.

The OEB is not persuaded that the additional details are needed. The proposed text in section 6.2.1 would disqualify the use of emergency backup generation facilities for load displacement or any other purpose. If an applicant sought to use emergency backup generation for any other purpose, it would be subject to the connection process set out in the DERCP.

Further, injection of power for testing purposes is not precluded in the OEB definition. Testing of standby power systems, which would include emergency backup generation, is regulated by O. Reg 245/11 under the *Environmental Protection Act*. Testing provisions for emergency backup generation may also be addressed by a distributor's Conditions of Service.

Exporting Connection (DSC 1.2)

The August Notice contained a proposal to establish a definition for "exporting connection," proposing that this term means "a connection through which power flow is from the customer's premises to the distribution system where the injection to the system is intentional (the connection is supporting a generation facility). This connection type may also support power flow from the distribution system to the customer's premises (non-exporting mode), e.g. storage in charging mode, or station or customer load."

A stakeholder recommended the use of the word "injecting" rather than "exporting", to

[3] In the existing DSC, the definition is as follows: "'emergency backup generation facility' means a generation facility that has a transfer switch that isolates it from a distribution system."

avoid possible confusion with the energy trade-related use of the word “export”.

The OEB is not persuaded a revision is required. The OEB understands the DER Connection Review Working Group members agreed on the use of this terminology to be consistent with sector terminology and to provide clarity appropriate to the context of connections within the DSC.

Non-Exporting Connection (DSC 1.2)

The August Notice contained a proposal to establish a definition for “non-exporting connection,” proposing that this term will mean, “a connection through which power flow is only from the distribution system to the customer’s premises (the connection is considered to be supplying a load).”

A stakeholder suggested that non-exporting connections should further be divided based on transition type, in order to distinguish “break before make” transition types.

The OEB does not accept the recommendation to establish a new definition to distinguish a “break before make” transition type as there is no added regulatory efficiency gained from this distinction. This connection configuration distinction is addressed in the Connection Impact Assessment application form and distributors are expected to consider this configuration during its connection assessment.

Exemption for Emergency Backup Generation (DSC 6.2.1)

Section 6.2.1 of the DSC currently provides that section 6.2 does not apply to the connection or operation of an emergency backup generation facility[4] or an embedded generation facility that is used exclusively for load displacement purposes at all times.

The August Notice contained a proposal to limit the exemption to those emergency backup generation facilities equipped with a transfer switch that isolates from the distribution system within 100 milliseconds.

Further, the August Notice contained a proposal to remove the existing exemption for a generation facility that is used exclusively for load displacement purposes at all times.

Stakeholders provided various comments on the proposed amendments in the August Notice, as described below.

Scope of Proposed Exemption (DSC 6.2.1)

A stakeholder suggested that all DERs disconnecting from the distribution system within

[4] The current DSC says, “'emergency backup generation facility' means a generation facility that has a transfer switch that isolates it from a distribution system.”

100 milliseconds should be exempt from the requirements of section 6.2.

The OEB does not accept the suggestion that all DERs disconnecting within 100 milliseconds should be exempt from the requirements of section 6.2. Although the impacts on the power system may differ from those DERs which remain connected to the grid, there are still impacts that need to be considered. Distributors should be afforded the opportunity to assess the impact of that connection to ensure there are no adverse impacts on other customers connected to the same feeder or station.

100 millisecond Parameter in the DSC (DSC 6.2.1)

Several stakeholders suggested that the 100 milliseconds figure should be removed and left to the discretion of distributors.

The OEB does not accept the suggestion that the 100 millisecond requirement should not be included in the DSC. The proposed language sets 100 milliseconds as an upper bound; if technological developments allow for shorter disconnection times and these are seen as advantageous, equipment meeting such requirements would not be restricted by the DSC. Further, the 100 millisecond criterion is consistent with vendor offerings and utility practices in Ontario and comparable jurisdictions. Finally, a duration-based isolation criterion precludes the use of emergency backup generation for load displacement.

A stakeholder recommended that, if retained, the 100 millisecond figure should appear in the definition for emergency backup generation, rather than section 6.2.1.

The OEB does not agree that the 100 millisecond criteria should be moved to the definition of emergency backup generation. The purpose of section 6.2.1 is to outline, from a connections perspective, the cases where an emergency backup generation facility would be exempt from the requirements of the DERCP.

Emergency Backup Generation Facility Applicants (DSC 6.2.1)

A utility suggested that, for connections for emergency backup generation facilities, customers be directed to the distributor's website or conditions of service.

The OEB has addressed this comment in section 3 of the revised DERCP by adding a note that customers seeking to connect an emergency backup generation facility should refer to their respective distributor's website or conditions of service.

Load Displacement Exemption (DSC 6.2.1)

A stakeholder requested that the load displacement exemption from section 6.2 be retained, so that new load displacement facilities could be connected without having to

follow the connection requirements of other DERs. This stakeholder cited as a motivation the possibility of new technological developments in load displacement that could, in the stakeholder's view, be hindered by the proposed DSC amendments; the stakeholder in particular referenced vehicle-to-grid technologies as an example that may benefit from such an exemption. This stakeholder suggested that the exemption could be removed once a separate, streamlined process for load displacement has been established.

The OEB notes that this suggestion is not consistent with recommendations from the DER Connections Review Working Group. Further, the impacts of a DER connecting to the system, even for load displacement purposes where no power is exported to the distribution system, are likely to be similar to the impacts of a DER that connects through an exporting connection. Accordingly, utilities must be afforded the opportunity to review the load displacement connection and assess the impact of that connection and the possibility of any adverse impacts to the grid, following the same process established for other DERs.

Preliminary Consultation Information Request and Report (DSC 6.2.9 & 6.2.9.1)

The August Notice contained proposed amendments that would create a standardized means for requesting and reporting preliminary information pertaining to a potential connection. Stakeholders were broadly supportive of the creation of standardized forms and processes for preliminary consultation information requests and reports.

Preliminary Consultation Information Request and Report (DSC 6.2.9.1)

In the DSC, existing provisions require distributors to provide applicants with a preliminary consultation meeting, where the applicant would be permitted to receive preliminary guidance on up to three connection locations without charge; information on additional locations could be sought, although utilities would be able to recover costs to address such requests.

Stakeholders expressed support for the standardization of the Preliminary Consultation process and forms. Stakeholders requested clarity on whether the number of Preliminary Consultation Reports to be provided by a distributor to a "person" without charge was on a "per customer" or "per site" basis under the August Notice. Developers questioned the appropriateness of the limit and expressed concern related to provisions allowing for distributor cost recovery for requests beyond the three allowed without charge. A stakeholder suggested this item be deferred for a future Tranche in the DER Connection Review consultations.

The OEB will not make a further revision to the DSC in relation to the reference to a "person". The term "person" includes individuals and corporations, and the person

making the enquiry may be a customer or another person (for example a behind-the-meter energy storage developer that would not have its assets directly connected to the distribution system).[5] The limit on Preliminary Consultation Reports provided by a distributor without charge will remain on a "per person" basis and not on a "per site basis."

The OEB considers it appropriate to maintain a limit on the number of Preliminary Consultation Reports to be provided without charge, and does not consider it overly restrictive. The limitation is consistent with existing provisions of the DSC which permit a person to request information related to three connection locations at no charge. The OEB is also not persuaded that additional revisions to the DSC are required related to cost recovery at this time; as with existing provisions for preliminary consultation meetings, distributors set fees that are appropriate for the recovery of costs for services provided to the beneficiary.

Connection Impact Assessment Application Form (DSC 6.2.11)

The August Notice contained a proposal to establish a standardized Connection Impact Assessment application form. Stakeholders were broadly supportive of this proposal.

Certain utility stakeholders requested flexibility in the use of template forms. The OEB does not accept the request for flexibility in use of template forms, as flexibility based on a distributor's system configuration was incorporated in the design of the forms. Connection Impact Assessments contain two sections[6] where distributors may request any additional information required for the processing of a study request based on unique system characteristics.

Capacity Allocation Deposits (DSC 6.2.18)

The August Notice included housekeeping revisions to section 6.2.18, indicating which capacity allocation deposits apply to exporting connections and replacing references to the Ontario Power Authority to now reference the IESO. The underlying requirements for capacity allocation deposits remained unchanged. Stakeholders provided questions related to the appropriateness of capacity allocation deposits.

The August Notice did not propose revisions to the underlying requirements for capacity allocations. Given the potential implications of a revision in regard to such requirements, the OEB is not proposing further revisions to this section at this time. The OEB notes that these deposits are part of the existing DSC and are intended to deter

[5] In relation to the meaning of "person", the *Legislation Act, 2006* indicates that a person "includes a corporation."
[6] Connection Impact Assessment Application Form Section S and Section T, as provided in Appendix D.

"queue squatting" for exporting connections.

Distributed Energy Resources Connection Procedure

Through the August Notice the OEB proposed to transfer details related to connection procedures from the DSC into the DERCP. Stakeholders broadly supported the creation of the DERCP. The draft DERCP has been revised to address flow-through changes resulting from the proposed revisions to the DSC as described above. In addition, the DERCP has been revised to address stakeholder comments received.

The OEB acknowledges industry interest in supporting future revisions of the DERCP and intends to initially use the DER Connections Review Working Group to solicit feedback on revisions to the DERCP. Although the DERCP is not part of the DSC, the revised DERCP is provided in Appendix C and Appendix D for information. A summary of comments received from stakeholders is also provided in Appendix E for information.

D. Anticipated Costs and Benefits

As indicated in the August Notice, the OEB expects the costs of implementing these proposed changes to be minimal. Distributors will have to adopt the proposed template forms and post them to their websites. Distributors will need to make other changes to their websites, including posting full connection packages. The OEB expects distributors will incur some initial costs to compile lists of restricted feeders, and distributors will have to make some internal process adjustments to update and post the list on a regular basis. In response to the August Notice, a distributor association stakeholder expressed concern related to cost recovery for start-up and ongoing costs associated with elements of the DER connections process.

The OEB considers these costs minimal as this information is prepared in the normal course by the distributor's planning staff, and it is anticipated that there may be certain cost savings since the distributor would have to respond to fewer questions on available capacity because it is publishing this information. Accordingly, the OEB expects that any costs distributors may incur will be significantly exceeded by the benefits that will come from the increased efficiency for both customers and distributors from the improved and streamlined processes and ability to undertake assessments on a concurrent basis. These anticipated benefits are explained further below.

Changing the preliminary consultation meeting in section 6.2.9 to a written process is expected to save time and money for both the proponents and distributors since the process is more efficient and involves fewer personnel with less technical expertise. Additionally, the proposed amendments will build on the recommendations of the Working Group to improve the connection process. The OEB believes the proposed amendments will provide clarity and consistency in processes both from project to

project and across distributors. More particularly, the OEB expects that the proposed amendments will achieve the following beneficial outcomes:

- Removing the exemption for load displacement generation facilities will clarify that these types of projects need to be assessed for their impact on the distribution system and thus provide a level of certainty to both proponents and distributors.
- The requirement for a restricted feeder list will help proponents avoid pursuing projects that have no chance of connection, saving both the proponent and the distributor time and money.
- The use of standardized application forms and report templates specified by the OEB will bring consistency across the province to the DER connection process, allowing both proponents and distributors to reduce costs through process and information predictability. It is also expected to reduce the costs for smaller distributors that rarely receive connection applications, and that will be able to rely on a prepared form. Moreover, standardization in the forms will serve as a learning tool that supports audits, promotes problem solving, and facilitates the development of mistake-proofing tools such as checklists or time stamps.
- The emphasis on concurrent reviews by distributors and hosts and/or transmitters should reduce review time significantly.
- The proposed changes should result in savings in time, effort and costs for both proponents and distributors.

E. Coming into Force

The OEB proposes that the proposed amendments to the DSC, as set out in Appendix A, will come into force 6 months from the date that the final Code amendments are published on the OEB's website after having been made by the OEB.

F. Invitation to Comment

The OEB invites comments from any interested stakeholder on the proposed DSC amendments. Anyone interested in providing written comments on the proposed DSC amendments in Appendix A are invited to submit them by **January 21, 2022**. Your written comments must be received by the Registrar by **4:45 p.m.** on that date.

Instructions for Submitting Comments

Stakeholders are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the *Freedom of*

Information and Protection of Privacy Act), unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Please quote file number, **EB-2021-0117** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the OEB's online filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the Regulatory Electronic Submission System (RESS) Document Guidelines found at the Filing Systems page on the OEB's website
- Stakeholders are encouraged to use RESS. Those who have not yet set up an account, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

This Notice, including the proposed DSC amendments in Appendix A, and all related written comments received by the OEB will be available for public viewing on the OEB's web site at www.oeb.ca.

G. Cost Awards

Cost awards will be available in relation to providing comments on the revised proposed DSC amendments in Appendix A, to a **maximum of 5 hours.** All parties that were previously found eligible for costs awards are eligible for the costs for the review and comment on this Notice and the proposed DSC amendments.

If you have any questions regarding the proposed amendments to the Code described in this Notice, please contact Catherine Ethier at Catherine.Ethier@oeb.ca. The OEB's toll free number is 1-888-632-6273.

DATED at Toronto, **December 20, 2021**

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

Attachments:

Appendix A — Revised Proposed Amendments to the Distribution System Code – Comparison Version to August Proposed Amendments and Existing Code
Appendix B — Revised Proposed Amendments to the Distribution System Code – “Clean” Version
Appendix C — Proposed DERCP – Comparison Version to August Notice
Appendix D — Proposed DERCP – “Clean” Version
Appendix E — Summary of Stakeholder Comments on DERCP

Appendix A

to

Revised Notice of Proposed Amendments to the Distribution System Code

December 20, 2021

EB-2021-0117

Revised Proposed Amendments to the Distribution System Code – Comparison Version to August Proposed Amendments and Existing Code

Note: Black underlined text indicates proposed addition to the Distribution System Code and strikethrough text indicates proposed deletions from the Code, as presented in the August Notice. Red underlined text indicates added text in this Notice of Revised Proposed Amendments, compared with the August Notice. Green strikethrough text indicates removed text in this Notice of Revised Proposed Amendments, compared with the August Notice. Numbered titles are included for convenience of reference only.

[see separate document attached]

Appendix B

to

Revised Notice of Proposed Amendments to the Distribution System Code

December 20, 2021

EB-2021-0117

Revised Proposed Amendments to the Distribution System Code – "Clean" Version

Note: The wording in this appendix represents the text of the DSC should all proposed amendments in Appendix A be adopted. Numbered titles are included for convenience of reference only.

[see separate document attached]

Appendix C

to

Revised Notice of Proposed Amendments to the

Distribution System Code

December 20, 2021

EB-2021-0117

Revised Proposed Distributed Energy Resource Connection Procedures – Comparison Version

Note: The DERCP does not form part of the DSC. This Appendix is provided for information. Revisions are shown relative to the DERCP provided in the August Notice.

[see separate documents attached]

Appendix D

to

Revised Notice of Proposed Amendments to the

Distribution System Code

December 20, 2021

EB-2021-0117

Revised Proposed Distributed Energy Resource Connection Procedures – "Clean" Version

Note: The DERCP does not form part of the DSC. This Appendix is provided for information.

[see separate documents attached]

Appendix E

to

Revised Notice of Proposed Amendments to the

Distribution System Code

December 20, 2021

EB-2021-0117

Summary of Stakeholder Comments on Distributed Energy Resource Connection Procedures

Note: The DERCP does not form part of the DSC. This Appendix is provided for information.

[see separate documents attached]