



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2022-0080

SIFTON PROPERTIES LIMITED

APPLICATION FOR AN ELECTRICITY RETAILER LICENCE

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection and Industry Performance

May 12, 2022

INTRODUCTION

On May 4, 2022, Sifton Properties Limited (Sifton Properties) filed a complete application with the Ontario Energy Board (OEB) for a retailer licence, under section 57(d) of the *Ontario Energy Board Act, 1998 (Act)*. Sifton Properties is intending to retail electricity in accordance with Ontario Regulation 679/21 (Community Net Metering Projects) (Regulation), made under the Act.

Sifton Properties seeks to retail electricity within a community of prescribed properties in the City of London, collectively referred to as the “West Five” project, in accordance with the Regulation.¹ The Regulation took effect in September 2021 to enable community net metering pilot or demonstration projects in Ontario.² For the reasons set out below the OEB grants the application for a licence to retail electricity within the West Five project. The Decision and Order sets out several conditions that must be met prior to Sifton Properties commencing retailing to consumers.

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

APPLICATION

In Ontario, net metering³ is a billing arrangement between a participating distribution customer and its electricity distributor that allows the customer to generate electricity for itself using renewable energy generation systems while remaining connected to the electricity grid. When the customer generates more than what it needs at any given time, that excess electricity is sent to the grid for a credit on the customer’s electricity bill.

Similar to net metering, the Regulation requires net-metered renewable generation and storage facilities to be connected “behind the meter” of a participating distribution customer. However, under the Regulation, a “community” of multiple facilities located on prescribed properties and connected behind the meter of the same distribution customer can earn credits that are allocated across all of the customer’s accounts,

¹ Schedule 2 of the Regulation lists the properties within the City of London specified for the purpose of the West Five project.

² The Regulation came into effect on September 28, 2021, together with supporting consequential amendments to O. Reg. 161/99 (Definitions and Exemptions and Ontario Regulation) and O. Reg. 90/99 (License Requirements – Electricity Retailers and Gas Marketers), each also made under the Act.

³ O. Reg. 541/05 (Net Metering), made under the Act.

according to a community net metering agreement between the customer and the distributor.

Sifton Properties is an Ontario corporation with its head office located in the City of London. The Regulation prescribes Sifton Properties (the distribution customer) as the “eligible generator” and London Hydro Inc. as the “participating distributor”⁴ in respect of the West Five prescribed properties.

In order to engage in community net metering in West Five, Sifton Properties must first be licensed by the OEB as an electricity retailer, and both Sifton Properties and London Hydro Inc. must also meet various prescribed requirements applicable to an eligible generator and participating distributor, respectively, as set out in the Regulation. For example, Sifton Properties will be required to enter into a community net metering agreement with London Hydro Inc. that conforms to the Regulation and will also need to comply with requirements relating to, among other things, eligibility, project components, billing, reporting, and connections.

Among its many obligations under the Regulation as the eligible generator, key is Sifton Properties’ responsibility to prepare and provide two consumer protection-related documents to consumers, in the form and manner prescribed by the Regulation. One of these is a “comparison” document, to be given to a prescribed consumer within a reasonable time upon request, showing the amount that the consumer has been billed for a billing period and the amount that the consumer would have been billed for the billing period if the consumer’s load facility had not been part of the community net metering project.⁵ The other is a “notice” document that is to be provided to a prescribed consumer, within a prescribed time, stating certain information such as the limits on the amount that the consumer can be billed, that the consumer has the right to request a comparison document from Sifton Properties, that Sifton Properties is required to comply with the request within a reasonable time, and that the consumer may contact the OEB at the email address or phone number specified in the notice in respect of any questions about the comparison.⁶

An applicant for the issuance or renewal of a licence that allows for the retailing of electricity to residential or small business consumers also must meet the minimum

⁴ Under the Regulation, “eligible generator” means a customer of the participating distributor that meets the requirements of the Regulation, and “participating distributor” means, in relation to a prescribed pilot or demonstration project, the distributor that is listed in Schedule 1 of the Regulation. London Hydro Inc. is a licensed electricity distributor (ED-2002-0557).

⁵ Section 10. (1) of the Regulation.

⁶ Section 10. (2) of the Regulation.

requirements set out in Ontario Regulation 90/99, (Licence Requirements – Electricity Retailers and Gas Marketers), made under the Act.

In support of its application, Sifton Properties filed operational, financial and other technical information. To demonstrate that the various eligibility criteria applicable to an eligible generator under the Regulation have been or will be met, Sifton Properties also filed single-line electricity drawings showing the connection-related details of the project components. As well, Sifton Properties filed information in respect of who it plans to retain for any unit sub-metering activity that will be performed on its behalf within the community. Finally, Sifton Properties also provided the OEB with a draft version of the planned community net metering agreement between Sifton Properties and London Hydro Inc.

FINDINGS

The OEB finds it in the public interest to grant Sifton Properties' application for an electricity retailer licence. The authorization under this licence is limited to retailing to consumers located on properties in the West Five project as prescribed in the Regulation.

When evaluating an application for an electricity retailer licence, the OEB focuses its consideration on the requirements set out in Ontario Regulation 90/99 (Licence Requirements – Electricity Retailers and Gas Marketers); in particular, the applicant's financial position, technical capability to operate in the market, and conduct. With respect to Sifton Properties' operational preparations for retailing, the OEB understands that Sifton Properties intends to rely on London's Hydro Inc.'s expertise. The OEB further notes that Sifton Properties will retain the services of one or more licensed unit sub-meter providers for metering and billing where required under the Regulation. Sifton Properties also submitted that it will be relying on its unit sub-meter provider(s) to prepare and administer the consumer protection-related comparison and notice documents prescribed by the Regulation. The OEB accepts that Sifton Properties has demonstrated the capability to retail within the West Five community in accordance with the Regulation, based on its evidence and the reliance on identified partners.

Sifton Properties provided the OEB with draft versions of the two consumer protection-related documents required under Section 10 of the Regulation. However, it is the view of the OEB that these forms, as filed in draft, are too generic and not sufficiently reflective of the requirements of the Regulation. Therefore, prior to engaging in retailing to consumers within the West Five community, Sifton Properties is required to file with the OEB revised versions of these forms, as prescribed by sections 10.(1) and 10.(2) of

the Regulation. The licence is being issued for a ten year term concurrent with the authorization under the Regulation.

The OEB also notes that project components include generation facilities and distribution lines necessary to deliver electricity from these facilities to consumers residing on properties therein. The OEB acknowledges that Sifton Properties will not require a generation licence or distribution licence under sections 57(a) and (c) of the Act, respectively, for as long as it meets the exemption requirements set out under subsections 4.0.3.1 and 4.0.1 (1) (e), respectively, of Ontario Regulation 161/99.

IT IS ORDERED THAT:

1. The application for an electricity retailer licence is granted on such conditions as are contained in the attached licence.
2. Sifton Properties Limited shall not retail to a consumer under the licence granted in paragraph 1 until it has filed with the OEB template examples of the notice and comparison documents prescribed by section 10 Ontario Regulation 679/21 (Community Net Metering Projects), made under the *Ontario Energy Board Act, 1998*.

DATED at Toronto May 12, 2022

ONTARIO ENERGY BOARD

Brian Hewson
Vice President
Consumer Protection and Industry Performance