



BY E-MAIL and WEB POSTING

December 20, 2022

**TO: All intervenors in EB-2021-0243
All Licensed and Rate-regulated Electricity Transmitters and Distributors
All Licensed Electricity Generators and Electricity Storage Companies
Interested stakeholders**

**RE: Generic Hearing on Uniform Transmission Rates-Related Issues
Invitation to stakeholder conference to discuss options and next steps for
Phase 2
Ontario Energy Board: EB-2022-0325/EB-2021-0243**

The Ontario Energy Board (OEB) commenced a hearing on its own motion in 2021 under sections 19, 21 and 78 of the *Ontario Energy Board Act, 1998* (OEB Act) to consider issues related to Ontario's Uniform Transmission Rates (UTRs).

A [Notice of Hearing](#) was issued on October 15, 2021. It identified eight UTR-related issues to be addressed in the hearing and stated that the issues may be revised, and additional issues may be raised, based on input from transmitters, customers and other stakeholders.¹ The Notice of Hearing stated that the first phase of the hearing (EB-2021-0243) would focus on the Export Transmission Service (ETS) rate, and that other UTR-related issues would be considered in a subsequent phase or phases of the hearing.

On November 24, 2022, the OEB issued a [Decision and Order](#) on Phase 1, in which it established the ETS rate that will take effect January 1, 2023.

The OEB seeks the input of intervenors and interested stakeholders on Phase 2 of the generic proceeding, to which the OEB has assigned File Number **EB-2022-0325**.

Specifically, the OEB seeks the views of stakeholders on how best to consider the remaining issues identified in the Notice of Hearing, including process, timelines, and other procedural and substantive considerations, as well as whether there are any new issues that should be considered that may have arisen since the initial Notice. For this purpose, the OEB will hold a conference of stakeholders on **January 31, 2023**. The

¹ The eight issues identified in the October 15, 2021 Notice of Hearing are reproduced in Appendix A

OEB will be assisted by the input of stakeholders when it plans for Phase 2 of the proceeding.

Stakeholder Conference Details and Cost Awards for Participation in the Stakeholder Conference

The conference will be held on **January 31, 2023** from 2:00 p.m. to 4:45 p.m. by webcast. It will be led by OEB staff. Conference details will be sent to registered participants before the meeting date. The conference will not be transcribed.

Stakeholders who intend to participate in the conference to discuss Phase 2 should indicate their intent by sending an email to the OEB. The emails should be addressed to Registrar@oeb.ca by **January 20, 2023**. Emails should include “EB-2022-0325 – Generic Hearing on UTR: Phase 2 conference” in the subject line. The email should provide the following information:

- Participant name and contact information
- Organization name
- Cost eligibility request, if applicable

Intervenors from Phase 1 do not have to include a cost eligibility request in their email. They will be granted the same cost eligibility status for the stakeholder conference as was granted to them in Phase 1. Note that all requests for cost eligibility should comply with the requirements referred to in Appendix B. Cost awards will be limited to a maximum of 30 minutes for preparation and the actual meeting time and will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible participants for their participation in the OEB’s stakeholder conference on Phase 2 of the Generic Hearing on UTR-related Issues. Costs awarded will be recovered from all licensed electricity transmitters, licensed electricity distributors, and the Independent Electricity System Operator (IESO), based on the OEB’s Cost Assessment Model.

Please be aware that approval for cost eligibility for the stakeholder conference does not imply that cost eligibility will be granted for the actual hearing.

Agenda

The stakeholder conference agenda is set out below.

Time	Lead	Item
2:00 pm to 2:10 pm	OEB staff	Welcome/Introduction
2:10 pm to 2:30 pm	OEB staff	OEB staff perspective on remaining issues (issues priority, process, timing)
2:30 pm to 4:40 pm	Registered Participants	Perspectives on hearing remaining issues
4:40 pm to 4:45 pm	OEB staff	Next steps, wrap-up

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Andrew Pietrewicz at Andrew.Pietrewicz@oeb.ca.

Notice of Hearing

A Notice of Hearing will be issued for Phase 2 of the Generic Hearing on Uniform Transmission Rates-Related Issues at a later date. It will provide interested stakeholders who did not participate in Phase 1 the opportunity to submit comments which may be considered during the proceeding, or to request to intervene in the proceeding. All intervenors from Phase 1 will be deemed to be intervenors in Phase 2 and will be granted the same cost eligibility status as was granted to them in Phase 1.

Intervenors from Phase 1 who do not wish to participate in Phase 2 should indicate so by sending an email to the OEB. The emails should be addressed to Registrar@oeb.ca by **February 7, 2023**. Emails should include “EB-2022-0325 – Generic Hearing on UTR: Phase 2 intervention” in the subject line. The email should identify the name of the Phase 1 intervenor, and the intervenor representative’s name and contact information.

How to File Materials

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-2022-0325**, 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 [File documents online 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.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **December 20, 2022**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

**Appendix A:
The Eight Uniform Transmission Rate-Related Issues
As Described in the Original October 15, 2021 Notice of Hearing for the
Generic Hearing on Uniform Transmission Rates-Related Issues
(EB-2021-0243)**

1. Timing of UTR decisions

Overview of issue: Transmitter revenue requirements are recovered through UTRs which are charged to all wholesale market participants, including electricity distributors. The timing of transmitter revenue requirement proceedings does not always allow for the annual UTR decision to be finalized in December for January 1. This can lead to forgone revenue, which must then be calculated and included when UTRs are updated. In addition, new transmitters are being added to UTRs when their assets come into service, and this does not always align with a January 1 UTR update.

2. Number of decimal places for UTRs

Overview of issue: UTRs paid by transmission customers are calculated to two decimal places (unlike distribution rates, which are calculated to four decimal places).

3. Prorating transmission charges for new connections to account for when the connection took place in the month

Overview of issue: Transmission customers are charged a monthly rate (\$ per kW) for line connection billing demand and a monthly rate (\$ per kW) for transformation connection billing demand. Line connection and transformation connection charges for newly connected transmission customers in their first month of connection are not revised upward or downward in proportion to when in the month the new connection was made.

4. Charges caused by planned transmission outages

Overview of issue: In a month when a planned transmission outage occurs, a transmission customer that transfers its load to another of its delivery points is charged more than it would be if the outage did not occur. This is because transmission charges are based on the monthly peak at each delivery point.

5. Calculation of network charge determinant

Overview of issue: A transmission customer's network pool charge determinant is based on the higher of its coincident peak demand and 85% of its non-coincident peak demand. The 85% value was established over 20 years ago and may warrant a review.

6. Basis for billing energy storage facilities

Overview of issue: The UTR is not explicit on whether energy storage facilities should continue to be treated as non-renewable generating units with a threshold for gross load billing of 1 MW for the transformation and connection rate pools paid for by transmission customers. Clarification is currently provided to transmission customers through OEB guidance on a case-by-case basis.

7. Gross load billing thresholds for renewable and non-renewable generation

Overview of issue: There has been some uncertainty around the application of gross load billing exemptions by transmission customers for renewable and non-renewable generation. Clarification is currently provided to transmission customers through OEB guidance.

8. Setting the export transmission service (ETS) rate

Overview of issue: The ETS rate is paid by transmission customers and applies to all electricity exports and wheel-throughs. The ETS rate has historically been set as part of Hydro One's transmission rate application. Hydro One recently filed evidence on the ETS rate in its application for electricity transmission and distribution rates and other charges for the period from January 1, 2023 to December 31, 2027 (2023-2027 Joint Rate Application, OEB file number EB-2021-0110). In response to prior OEB direction, Hydro One's ETS evidence includes a cost allocation study, an updated jurisdictional review, and a commentary on market implications of the ETS prepared by the IESO.

**Appendix B:
Cost Award Eligibility
Stakeholder Conference on Phase 2 of the Generic Hearing on Uniform
Transmission Rates-Related Issues
EB-2022-0325/EB-2021-0243**

The OEB will determine eligibility for costs in accordance with its [Practice Direction on Cost Awards](#). Any person intending to request an award of costs must identify the following in their letter:

- The nature of the person’s interest in the stakeholder conference
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB’s cost eligibility criteria as set out in section 3 of the OEB’s Practice Direction on Cost Awards)
- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known

All requests for cost eligibility will be posted on the OEB’s [website](#).

Licensed electricity transmitters, licensed electricity distributors, and the IESO will have an opportunity to object to any of the requests for cost award eligibility. Objections must be filed with the OEB by **January 25, 2023** and will be posted on the OEB’s website.

The OEB will then issue a final determination on cost eligibility.

Eligible Activities

Activity Eligible for Cost Awards	Max. Number of Hours
Preparation for, attendance at, and reporting on the stakeholder conference (for eligible participants and/or their consultants)	Actual meeting time + 30 minutes

Cost Awards

The OEB will apply the principles set out in section 5 of its Practice Direction on Cost Awards when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and coordinate their participation in this process.

The OEB will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information, please refer to the OEB's Practice Direction on Cost Awards.