



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

BY EMAIL AND WEB POSTING

September 28, 2023

**TO: All Electricity Distributors with existing Standby Rates
Electricity Distributors with Recent Proposal before the OEB:
GrandBridge Energy Inc.
Enova Power Corp.
Halton Hills Hydro Inc.
Lakefront Utilities Inc.
All Intervenors in the most recent COS rate cases for the individual
electricity distributors listed above**

**RE: Consultation on Policy for Standby Rates
Ontario Energy Board File No. EB-2023-0278**

The Ontario Energy Board (OEB) intends to engage stakeholders to inform its approach to existing and future electricity distribution standby rates, including consideration of the approach to standby rates outlined in the OEB's Commercial and Industrial Rate Design [staff paper](#).¹

In 2006, the OEB declared existing standby rates interim, citing uncertain costs, and an upcoming review of distribution rate design.² In 2011, the OEB invited electricity distributors to apply to have their rates converted to final rates subject to notification of affected customers.^{3 4} Currently, 11 electricity distributors have standby rates, seven of which are still on an interim basis. Finalizing the interim rates provides certainty to both distributors and customers.

Stakeholder Meeting

The OEB will host a stakeholder meeting to solicit input from stakeholders regarding current practices with respect to standby rates and to discuss options moving forward. Consideration will be given to the interim nature of some existing rates and approaches for distributors seeking to establish new standby rates. The scope of this consultation is limited to distribution rates for standby service for customer owned load displacement

¹ [EB-2015-0043, Staff Report to the Board, Rate Design for Commercial and Industrial Electricity Customers, February 21, 2019.](#)

² EB-2005-0529, Decision with Reasons, March 21, 2006, page 11.

³ EB-2010-0219, Report of the Board – Review of Electricity Distribution Cost Allocation Policy, March 31, 2011.

⁴ Chapter 2 Filing Requirements, 2023 Edition for 2024 Rate Applications, December 15, 2022, page 48.

generation. The OEB has a number of ongoing initiatives addressing distributed energy resources and related matters. The scope of this consultation will therefore not include distributed energy resources or other facilities deployed for any purpose other than load displacement.

The meeting will be scheduled shortly. This session will include discussion of current approaches to standby rates as well as more general discussion around cost causation of standby service, what approaches incent efficient use of the distribution system, and how these are influenced by characteristics of the backup service being provided. For example, size, availability and dispatchability of a resource being backed up by the distributor.

The OEB would welcome presentations by distributors on their circumstances related to standby rates. If you are interested in making a presentation at this first meeting, please contact Andrew Frank at the email address below.

Also planned is a second stakeholder meeting, which will focus on participant recommendations for existing and potential future standby rates. Participants will be advised of the second meeting date in due course. The OEB may also welcome presentations at this meeting as well.

Participation

Stakeholders who wish to participate in this consultation are asked to email their notice of their intention to registrar@oeb.ca by October 12, 2023. Emails should include 'EB-2023-0278 Standby Rates' in the subject line.

Electricity distributors providing standby services are requested to extend this invitation to their customers receiving standby services.

Cost Award Matters and Filing Instructions

Cost awards will be available to eligible participants under section 30 of the Ontario Energy Board Act, 1998 for participation in the consultation. Costs awarded will be recovered from all licensed rate-regulated electricity distributors. Further information regarding cost awards is included in Appendix A to this letter.

Any questions relating to this letter should be directed to Andrew Frank at andrew.frank@oeb.ca or at 416-440-8105. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Nancy Marconi
Registrar

Appendix A Cost Award Matters

Cost Award Eligibility

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 file with the OEB a written submission to that effect by **October 12, 2023**. The submission must identify the grounds on which the person believes that it is eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should 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](#). If a licensed rate-regulated electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **October 19, 2023**. Any objections will be posted on the OEB's website. The OEB will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

The eligible activities are as follows:

Activities Eligible for Cost Awards	Maximum number of hours
Attendance and participation in the first stakeholder meeting	3 hours
Preparation for first stakeholder meeting	1.5 hours
Attendance and participation in the second stakeholder meeting	3 hours
Preparation for second stakeholder meeting	1.5 hours

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process. In accordance with section 12 of its *Practice Direction on Cost Awards* the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards*.

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-2023-0278** 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)