

The Ontario Energy Board is holding a generic hearing to consider various issues related to Uniform Transmission Rates.

The Ontario Energy Board (OEB) is commencing Phase 2 of a hearing on its own motion to consider various issues related to Ontario's Uniform Transmission Rates (UTRs). These issues have been identified in the years since Ontario's UTR framework was established in Hydro One's first rate application proceeding in 2000, and implemented in 2002 following the opening of Ontario's electricity market.

Phase 1 of the generic hearing commenced in 2021 under OEB file number EB-2021-0243 and focused on setting the Export Transmission Service Rate. Phase 1 concluded in 2023. The OEB is now commencing Phase 2 of the generic hearing to focus on the following UTR-related issues. The issues may be revised, and additional issues may be raised, based on input from transmitters, customers, and other stakeholders:

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 UTRs are usually established annually with an effective date of January 1, and are based on the revenue requirements of Ontario's rate-regulated electricity transmitters. 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. Basis for Billing Renewable, Non-renewable and Energy Storage Facilities for Transmission

Overview of issue: The UTR establishes a gross load billing threshold of greater than 1 MW for non-renewable generating units and greater than 2 MW for renewable generating units for the transformation and connection rate pools paid for by transmission customers. The scope of this issue is to review whether the 1 MW and 2 MW thresholds are still the appropriate thresholds. The scope also includes considering the appropriate billing threshold for energy storage facilities. The scope of this issue does not include billing for distribution or whether energy storage facilities should be considered renewable or non-renewable (or something else) for purposes of gross load billing. The scope of this issue has been revised by the OEB from how it was first described in the October 15, 2021 Notice of Hearing for Phase 1 of the generic hearing on UTR-related issues.

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

Overview of issue: Beyond the question of appropriate gross load billing thresholds, set out in issue 5, there has been some uncertainty around the application of those thresholds to transmission customers – for example, with respect to incremental capacity resulting from a generator refurbishment. Clarification is currently provided to customers through OEB guidance.

The October 15, 2021 Notice of Hearing for Phase 1 outlined eight UTR-related issues. One of those, "setting the export transmission service (ETS) rate", was the subject of Phase 1 and is concluded. In addition, the OEB will defer consideration of one issue – "calculation of network charge determinant" – to another time. Phase 2 of the generic hearing will focus on the six issues outlined above.

YOU SHOULD KNOW

There are three types of OEB hearings: oral, electronic and written. The OEB will determine the format of the hearing at a later date. If you have a preference with respect to the format of the hearing, you can write to us to explain why.

During this hearing, we will hear questions and arguments from participants about this case. We will also hear questions and arguments from participants that have registered as Intervenors. After the hearing, we will decide whether to approve the application.

The OEB will deem intervenors in Phase 1 of the generic hearing on UTR-related issues (EB-2021-0243) to be intervenors in Phase 2 of the generic hearing and will grant to any such intervenors the same cost eligibility status as in EB-2021-0243 (i.e., any such intervenors do not have to apply again for intervenor status and cost eligibility in Phase 2 of this hearing). Intervenors from Phase 1 who do not wish to be intervenors in Phase 2, or who do not wish to be granted the same cost eligibility status as in EB-2021-0243, should notify the OEB in writing.

If you did not participate in Phase 1 but would like to participate in Phase 2, you may do so by following the instructions in the section below called "HAVE YOUR SAY".

The OEB will identify parties and eligibility for cost awards and establish a procedural schedule for the hearing in due course. The OEB will also provide an opportunity for the filing of evidence in a subsequent procedural order or orders. At a later date, we will seek comments from parties involved in the process and will decide on whether, and how, other UTR-related issues may be addressed.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

HAVE YOUR SAY

You have the right to information about this application and to participate in the process. Visit www.oeb.ca/notice and use file number **EB-2022-0325** to:

- Review the application
- File a letter with your comments
- Apply to become an intervenor

IMPORTANT DATES

You must engage with the OEB on or before **November 14, 2023** to:

- Provide input on the hearing type (oral, electronic or written)
- Apply to be an intervenor

If you do not, the hearing will move forward without you, and you will not receive any further notice of the proceeding.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. If you are a business or if you apply to become an intervenor, all the information you file will be on the OEB website.

LEARN MORE

Ontario Energy Board

T/TTY: 1 877-632-2727

Monday - Friday: 8:30 AM - 5:00 PM

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