

BY EMAIL AND RESS

November 16, 2023

Helen Guo
Manager, Distribution Policy & Compliance
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Guo,

RE: Hydro One Networks Inc.'s Export Control Pilot for DER Projects with a Nameplate Rating \leq 20 Kw

Hydro One Networks Inc. ("Hydro One") is requesting approval from the Ontario Energy Board to proceed with a pilot project that would explore the potential for increasing the name-plate rated capacity threshold for micro-embedded generation facilities to 20 kW if their export power capability is limited to 10 kW. The pilot will run for approximately one year and include up to ten distributed energy resource (DER) projects will be selected by Hydro One for participation in the project.

Based on Hydro One's analysis and experience, DER facilities that can inject more than 10 kW of energy into its distribution system need to be studied because they can impact system operation and performance. Currently, the vast majority of micro-embedded generation facilities connected to the system are permitted to operate without any restriction on their output capability. Therefore, it remains appropriate to use the facility's name-plate capacity for determining whether a project would qualify for the simplified connection process available to micro-embedded generation facilities. That notwithstanding, Hydro One is interested in exploring whether the name-plate capacity threshold for micro-embedded generation facilities, whose main objective is to displace load at their connection point, could be increased so long as they limit their export power capability to 10 kW.

The purpose for conducting this pilot is to better understand and confirm the effectiveness of using UL-certified inverter export-limit control features to restrict a DER facility's export power capability. Given that inverter manufacturers offer a broad range of export-limit control features, the pilot will provide Hydro One with information, experience and the opportunity to test various inverter capabilities, validate the technology, monitor power quality, assess impacts to the distribution system and establish proper solution requirements for this type of connection arrangement.

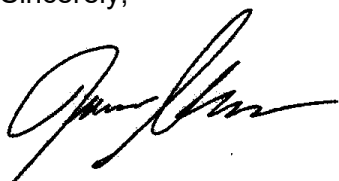
For those DER facilities selected to participate in the pilot, Hydro One is proposing to treat them as micro-embedded generation facilities from a Distribution System Code (DSC) perspective. Hydro One would like

to note that the DSC requires distributors to enter into the Micro-Embedded Generation Facility Connection Agreement (“MECA”) specified in Appendix E of the DSC with micro-embedded generators. The MECA states that the name-plate rated capacity of the facility must be 10 kW or smaller and there is no provision to allow for export control. For the pilot, Hydro One will enter into a modified MECA with the participating facilities, which will specify a higher name-plate capacity (up to 20 kW during the pilot) and establish export-limit requirements for the facility. During the course of the pilot, if any of the participating facilities cause power quality and/or other issues that are deemed unacceptable by Hydro One and cannot be remediated by the facility, Hydro One may require the facility to derate the name-plate capacity of the facility to 10 kW or apply for a Connection Impact Assessment to determine the project’s connection requirements.

Following the pilot, Hydro One plans to share the results and learnings from the project with the broader industry for the purpose of establishing best practices. If the pilot is successful in confirming the feasibility of utilizing export-limit control features, the participating facilities will be offered the option of continuing to use these features, subject to final technical requirements established by Hydro One upon conclusion of the pilot.

Please contact me via email or phone if you have any additional questions or would like to discuss the matter in further detail.

Sincerely,



Jason Savulak