



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

DECISION AND ORDER

EB-2023-0348

HYDRO ONE NETWORKS INC.

Application for Electricity Distribution Licence Amendment

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

December 7, 2023

INTRODUCTION

The Ontario Energy Board (OEB) approves Hydro One Networks Inc.'s ("Hydro One") request to obtain certain exemptions to the Distribution System Code (DSC) as described in its November 16, 2023 application. The exemptions would allow Hydro One to proceed with its export control pilot project for distributed energy resources (DER) projects with a nameplate capacity rating less than or equal to 20kW until December 31, 2024.

This approval is being issued by the Delegated Authority, without holding a hearing pursuant to section 6(4) of the OEB Act.

BACKGROUND

In support of the OEB's DER Connections Review policy consultation, Hydro One has developed a pilot project to test the idea of managing exporting capacity using export control technologies to allow larger projects, up to 20kW in nameplate capacity, to be covered by the micro-embedded generation facility definition and process. This pilot will confirm the effectiveness of using UL-certified inverted export-limit control features to restrict a DER facility's export power capacity, 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. Following the pilot, Hydro One plans to share the results and learnings from the project with the DER Connections Review Working Group members and the broader industry for the purpose of establishing best practices.

THE APPLICATION

Hydro One submitted a letter to the OEB on November 16, 2023, applying for certain exemptions to the DSC to allow it to treat pilot participating facilities, with a nameplate capacity up to 20kW, as micro-embedded generation facilities. To execute this pilot, Hydro One explained that it would require exemptions to the certain DSC sections:

1. Definition of a micro-embedded generation facility

Currently, the definition section defines a micro-embedded generation facility as a facility with a nameplate rated capacity of 10kW or less. Since the participating facilities have nameplate capacity higher than 10kW, Hydro One would need an exemption to the micro-embedded generation facility definition.

2. DSC section 6.2.4.1- Capacity allocation process.

Generation facility with the nameplate capacity higher than 10kW must go through the normal capacity allocation process. Since the participating facilities do not go through the normal capacity allocation process at the beginning of the pilot, and potentially, Hydro One may require them to go through this process if there is power quality and/or other issues discovered during the pilot period. Considering these changes in the connection process, Hydro One has stated it would need an exemption to this section.

3. DSC section 6.2.6- Offer to connect timeline.

A distributor must provide an offer to connect to a micro-embedded generation facility within 15 to 60 days of receiving the application depending on the connection location. Although Hydro One plans to treat the participating facilities as micro-embedded facilities, Hydro One has explained that it requires time to go through the DSC exemption request process before moving forward with an offer to connect and may miss this timeline. Hydro One needs an exemption to this section.

4. DSC Appendix E- Connection agreement template.

The current connection agreement template for a micro-embedded generation facility includes the 10kW nameplate capacity information. Hydro One is requesting an exemption to revise the wording in the connection agreement with the participating facilities since their nameplate capacity is higher than 10kW.

Hydro One has indicated that as a condition of participation, a pilot project participant will be required to accept that if its 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 nameplate capacity of the facility to 10 kW; or apply for a connection impact assessment, as a small-embedded generation facility, to determine the project's connection requirements.

Findings

The OEB has reviewed the material provided by Hydro One and finds that the pilot project will provide value for the industry and consumers through identifying potential approaches to simplify connections, increase efficiency in the connection process and support increased customer participation in DERs. The OEB approves Hydro One's exemption request and the exemptions will remain in effect until December 31, 2024. As a condition of this approval, Hydro One is required to provide a report to the OEB on the results of the pilot and to also bring to the attention of the DER Connections Review Working Group any issues that it encounters during the pilot. The conditions regarding participation set out by Hydro One are accepted as reasonable.

ORDER

IT IS ORDERED THAT:

1. Hydro One Networks Inc.'s Electricity Distribution Licence ED-2003-0043, specifically Schedule 3 "List of Code Exemptions", is amended to provide the following exemptions:

"The Licensee is exempt from the following sections of the Distribution System Code for connection of selected embedded generation projects, with a nameplate rated capacity up to 20kW, participating in the export control pilot project designed by Hydro One: definition of micro-embedded generation facility, sections 6.2.4.1 and 6.2.6, and Appendix E. This exemption expires on December 31, 2024."

DATED at Toronto December 7, 2023

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance