



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

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# DECISION AND ORDER

## EB-2023-0267

### 2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION COMPENSATION AMOUNT EFFECTIVE JANUARY 1, 2024

BY DELEGATION, BEFORE: **Kevin Mancherjee**  
Director  
Operations Decision Support

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January 30, 2024

## TABLE OF CONTENTS

1	OVERVIEW .....	1
2	CONTEXT AND PROCESS .....	3
3	2024 COMPENSATION AMOUNT AS OF JANUARY 1, 2024 .....	4
4	IMPLEMENTATION .....	6
5	ORDER .....	7

APPENDIX A

APPENDIX B

## 1 OVERVIEW

Subsection 79.1(1) of the *Ontario Energy Board Act, 1998* (the Act) states that the Ontario Energy Board (OEB) may provide Renewable Generation Connection Rate Protection (RGCRP) compensation amounts to eligible distributors. Ontario Regulation 330/09 (the Regulation) prescribes the methodology which the OEB uses to determine the amounts for any given year.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors may apply to the OEB for funding to recover the cost of assets to enable and to connect generators to their distribution systems, including generators using renewable sources of energy such as wind or solar. The OEB then takes steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of investments to connect renewable generators in accordance with applicable legislation.

The OEB determines the eligibility of the connection investment made by each distributor in its distribution rate decisions and issues an order to the Independent Electricity System Operator (IESO) to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to the Regulation. The OEB has issued these decisions since May 1, 2010. The latest such decision was issued on January 20, 2023,<sup>1</sup> effective January 1, 2023, providing eight distributors with funding.

This Decision and Order (Decision) provides an updated order to the IESO regarding the amounts to be collected from all market participants and remitted to eligible distributors. In addition to continuing the applicable funding amounts ordered for three distributors (Fort Frances Power Corporation, Welland Hydro-Electric System Corp., and Hydro One Networks Inc.<sup>2</sup>) in the January 24, 2023 Decision and Order, this Decision amends the previously ordered amounts to reflect decisions regarding four distributors: Alectra Utilities Corporation (Alectra, in respect of its Enersource, PowerStream and Brampton rate zones); Enova Power Corp – Kitchener-Wilmot Hydro

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<sup>1</sup> EB-2022-0270, [Decision and Order](#), January 24, 2023

<sup>2</sup> The continuing payment amounts to Hydro One Networks Inc. were the ones previously remitted to Peterborough Distribution Inc. Hydro One Networks Inc. has since acquired Peterborough Distribution Inc. Hydro One Networks Inc. has no current approved amounts for its legacy or other service areas.

rate zone (Enova Power-Kitchener-Wilmot Hydro)<sup>1</sup>; Toronto Hydro-Electricity System Limited (Toronto Hydro); and Elexicon Energy Inc. – Veridian service area (Elexicon – Veridian).

The OEB reminds the distributors who receive the payments to follow the regulatory accounting set out in the Accounting Procedures Handbook Guidance issued in March 2015.<sup>2</sup> Specifically, the distributors should use Account 1533 - Renewable Generation Connection Funding Adder Deferral Account, Sub-account Provincial Rate Protection Payment Variances to record the variance between the distributor's revenue requirement associated with the portion of the actual capital and/or operating costs that are eligible for rate protection and the provincial rate protection payments as approved by the OEB and received from the IESO.

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<sup>1</sup> Kitchener-Wilmot Hydro Inc. and Waterloo North Hydro Inc. merged in September 2022 to form Enova Power Corps. The previous funding amount was approved for Kitchener-Wilmot Hydro Inc.

<sup>2</sup> [OEB Accounting Procedures Handbook Guidance](#), March 2015.

## 2 CONTEXT AND PROCESS

The OEB has made its determination of the compensation amount, effective January 1, 2024, to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology that the OEB uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO effective January 1, 2024, is derived from previous decisions of the OEB in which compensation amounts were determined for qualifying distributors.<sup>1</sup> The findings in this Decision involve only the implementation of findings in previous rates decisions subject to certain mechanistic adjustments where applicable. This Decision and Order is being issued by delegated authority, without a hearing, under subsection 6(4) of the Act.

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<sup>1</sup> EB-2012-0160, EB-2013-0130, EB-2016-0110, EB-2018-0165, EB-2020-0013, EB-2020-0035, and EB-2023-0241.

### 3 2024 COMPENSATION AMOUNT AS OF JANUARY 1, 2024

The OEB has determined the amount to be distributed to the eligible distributors by the IESO as of January 1, 2024, is \$321,672 per month. This Decision extends amounts reflected in the OEB's previous decisions and orders that persist for the current year, and includes amended compensation amounts in accordance with subsequent decisions.<sup>1</sup>

The amended amounts effective January 1, 2024, are:

**Table 1 – Amended Payment Amounts**

Distributor	Amended 2024 Annual Payment Amounts	Equivalent Monthly Payment Amounts
Alectra – PowerStream <sup>2</sup>	\$239,343	\$19,945
Alectra – Enersource <sup>3</sup>	\$135,973	\$11,331
Alectra – Brampton <sup>4</sup>	\$129,051	\$10,754
Toronto Hydro <sup>5</sup>	\$3,247,440	\$270,620
Enova Power - Kitchener-Wilmot <sup>6</sup>	\$9,251	\$771
Elexicon – Veridian <sup>7</sup>	\$79,471	\$6,623

Funding for Fort Frances Power Corporation and Welland Hydro-Electric System Corp. remains in place at the amounts set out in the OEB's previous RGCRP decision.

<sup>1</sup> EB-2012-0160, EB-2013-0130, EB-2016-0110, EB-2018-0165, EB-2020-0013, EB-2020-0035, and EB-2022-0185.

<sup>2</sup> EB-2022-0185, Decision and Rate Order, December 8, 2022.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

<sup>5</sup> EB-2018-0165, Draft Rate Order, January 21, 2020. The relevant investments were approved in Toronto Hydro's Custom Incentive Rate-setting application EB-2018-0165, Decision and Order, December 19, 2019.

<sup>6</sup> EB-2020-0035, Decision and Rate Order, December 10, 2020.

<sup>7</sup> EB-2020-0013, Decision and Rate Order, December 17, 2020.

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The OEB notes that Hydro One Networks Inc. (Hydro One) filed its RGCRP application<sup>1</sup> on October 3, 2023 seeking approval for RGCRP funding amounts for Hydro One Distribution and the Peterborough rate zone (formerly Peterborough Distribution Inc.) for the period 2024 to 2027 and the OEB has not issued a decision on that application. Depending on the outcome of that application, the OEB may issue an updated decision on 2024 RGCRP compensation amounts to reflect any approved 2024 funding amounts for Hydro One Distribution and the Peterborough rate zone that may be ordered. In the interim, funding for Hydro One – Peterborough rate zone remains in place at the amounts set out in the OEB’s previous RGCRP decision.

The monthly amount to be collected by the IESO from all market participants effective January 1, 2024, is \$321,672. The amount billed to each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the OEB notes that all distributors pass on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR), currently approved by the OEB at \$0.0045 per kilowatt-hour.<sup>2</sup> It is the OEB’s view that at its current level, this change will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the OEB will not adjust the WMSR at this time.

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<sup>1</sup> EB-2023-0291

<sup>2</sup> EB-2023-0268, Decision and Order, December 7, 2023.

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## 4 IMPLEMENTATION

The amount to be collected by the IESO shall be \$321,672 per month effective January 1, 2024, from all market participants.

The following monthly amounts are to be forwarded to the qualifying distributors, by the IESO:

• Toronto Hydro-Electricity System Limited	\$ 270,620
• Alectra Utilities Corporation	
○ Enersource	\$ 11,331
○ PowerStream	\$ 19,945
○ Brampton	\$ 10,754
• Elexicon Energy Inc. - Veridian service area	\$ 6,623
• Hydro One Networks Inc. – Peterborough rate zone	\$ 1,016
• Enova Power Corp.	\$ 771
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
Total to be forwarded	\$ 321,672

Attached to this Decision and Order are the communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2024 monthly payments as of January 1, 2024.



## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Effective January 1, 2024, the IESO shall collect \$321,672 per month from all market participants until such time as the OEB revises this amount.
2. Effective January 1, 2024, the IESO shall distribute the amounts for each qualifying distributor on a monthly basis as set out in section 4 of this Decision and Order.

**DATED** at Toronto January 30, 2024

**ONTARIO ENERGY BOARD**

Kevin Mancherjee  
Director  
Operations Decision Support

**APPENDIX A**

**2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION**

**Communication to the IESO on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2024**

**EB-2023-0267**

**DECISION AND ORDER**

**JANUARY 30, 2024**



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

**BY EMAIL**

January 30, 2024

Beverly Nollert  
Senior Manager, Regulatory Affairs  
Independent Electricity System Operator  
120 Adelaide Street West  
Suite 1600  
Toronto ON M5H 1T1

Dear Ms. Nollert:

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2024 as of January 1, 2024**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The OEB has issued previous orders, setting the compensation amount each year from 2010 to 2023, authorizing the IESO to implement the charge for each of those years. On January 30, 2024, the OEB issued its Decision and Order<sup>1</sup> updating the 2024 compensation amounts as of January 1, 2024. The Decision and Order is attached.

**Amount to be charged by the IESO as of January 1, 2024**

In its January 30, 2024, Decision and Order, the OEB determined that effective January 1, 2024, and until such time as the OEB orders otherwise, the amount to be collected by the IESO shall be \$321,672 per month from all market participants.

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<sup>1</sup> EB-2022-0270, Decision and Order, January 24, 2023.

The OEB expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Toronto Hydro-Electricity System Limited	\$ 270,620
• Alectra Utilities Corporation	
○ Enersource	\$ 11,331
○ PowerStream	\$ 19,945
○ Brampton	\$ 10,754
• Elexicon Energy Inc. - Veridian service area	\$ 6,623
• Hydro One Networks Inc. – Peterborough rate zone	\$ 1,016
• Enova Power Corp.	\$ 771
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
Total to be forwarded	\$ 321,672

Yours truly,

Nancy Marconi  
Registrar

c: Alectra Utilities Corporation  
Toronto Hydro-Electricity System Limited  
Fort Frances Power Corporation  
Elexicon Energy Inc. - Veridian service area  
Enova Power Corp.  
Hydro One Networks Inc.  
Welland Hydro-Electric System Corp.

**APPENDIX B**

**2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION**

**Communication to Distributors on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2024**

**EB-2023-0267**

**DECISION AND ORDER**

**JANUARY 30, 2024**



**BY EMAIL**

January 30, 2024

To: All Licensed Electricity Distributors

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2024, as of January 1, 2024**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers. On January 30, 2024, the OEB issued its Decision and Order directing the IESO to adjust the charge effective January 1, 2024.<sup>1</sup> The Decision and Order is attached.

### **Amount to be Charged by the IESO as of January 1, 2024**

This Decision and Order established the 2024 compensation amounts (as of January 1, 2024) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Alectra Utilities Corporation
  - Enersource (EB-2023-0241)
  - PowerStream (EB-2023-0241)
  - Brampton (EB-2023-0241)
- Toronto Hydro-Electric System Inc. (EB-2018-0165)
- Fort Frances Power Corporation (EB-2013-0130)
- Elexicon Energy Inc. - Veridian service area (EB-2020-0013)
- Enova Power - Kitchener-Wilmot Hydro (EB-2020-0035)
- Hydro One Networks Inc. – formerly Peterborough Distribution Inc. (EB-2012-0160)
- Welland Hydro-Electric System Corp. (EB-2016-0110)

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<sup>1</sup> EB-2023-0267, Decision and Order, January 30, 2024

Commencing January 1, 2024, an amount of \$321,672 per month will be collected from all market participants. The amounts collected shall be distributed to qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the energy withdrawn from the IESO-controlled grid for each month.

**Amount to be Charged by Distributors in 2024**

In determining the amount to be collected by the IESO, the OEB acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the OEB at \$0.0045 per kWh. It is the OEB's view that at its current level, the change of the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580), and therefore the OEB did not adjust the WMSR at this time.

Yours truly,

Nancy Marconi  
Registrar