

**BY EMAIL AND RESS**

February 13, 2024

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

**Hydro One Networks Inc.**  
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**Jeffrey Smith**  
Director, Regulatory Compliance  
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Dear Ms. Marconi,

**EB-2019-0207 – Proposed Amendments to the Distribution System Code to Enable Flexible Hosting Capacity Arrangements**

On January 29, 2024, the Ontario Energy Board (“OEB”) issued a Notice of Proposal (the “Notice”) to make amendments to the Distribution System Code (DSC) that clarify expectations related to the provision of flexible hosting capacity arrangements to Distributed Energy Resource (DER) connection applicants and address other minor housekeeping matters. Overall, Hydro One Networks Inc. (“Hydro One”) supports the proposed amendments, which are in keeping with the OEB’s aim to clarify, improve, and streamline the DER connection process through its continuing DER Connection Review initiative.

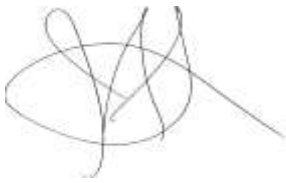
Hydro One believes that clarifying the ability for distributors to provide flexible hosting capacity arrangement options will support the OEB’s efforts to integrate more DERs on the system and encourage distributors and DER connection applicants to explore DER enablement solutions that make optimal use of available system capacity. However, it is equally important that clear parameters associated with the assessment and provision of such arrangements be established. Specifically, it should be clear that flexible hosting capacity arrangements must also be reviewed with the upstream host-distributor and transmitter, where applicable, to determine if they are feasible. Any proposed arrangements should not infringe on any distributor or transmitter’s ability to operate their system in a safe, reliable, and efficient manner or comply with other technical regulatory requirements. To ensure expectations are clear in this regard, Hydro One is recommending the following edits in bold to the OEB’s proposed Section 6.2.4.1A below:

*6.2.4.1A In the event that capacity cannot be allocated to the applicant of a proposed embedded generation facility in accordance with section 6.2.4.1 (b), a distributor may offer a flexible hosting capacity arrangement to the applicant **if technically feasible. This arrangement shall not infringe upon any host-distributor or transmitter’s ability to operate their system in a safe, reliable and efficient manner or comply with any regulatory requirements.** Under a flexible hosting capacity arrangement, the distributor may establish specific system **conditions, or operating conditions requirements** and/or contractual terms that will require the output or operation of the proposed embedded generation facility to be varied. The distributor shall **use best efforts to provide an applicant proposing to connect a generation facility under this arrangement with its all required connection impact assessments,** a cost estimate **of for** the proposed*

connection and an offer to connect **in a reasonable period of time as soon as possible**. Sections 6.2.4.1(e)(i), 6.2.12, 6.2.13, 6.2.16 and 6.2.17 of the connection process do not apply where a flexible hosting capacity arrangement is being considered for a proposed embedded generation facility.

If you have any additional questions regarding Hydro One's comments or would like to discuss these comments in further detail, please contact Jason Savulak by phone at 647-293-7226 or by email at [Regulatory@hydroone.com](mailto:Regulatory@hydroone.com).

Sincerely,

A handwritten signature in black ink, appearing to be "Jeffrey Smith". The signature is written in a cursive style with a large, sweeping initial "J" and "S".

Jeffrey Smith