

**Colm Boyle**  
T: 416-367-7273  
cboyle@blg.com

Borden Ladner Gervais LLP  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto ON M5H 4E3  
Canada  
T 416-367-6000  
F 416-367-6749  
blg.com



**File No. 061604**

April 15, 2024

**BY EMAIL AND RESS**  
**registrar@oeb.ca**

Ms. Nancy Marconi  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Generic Hearing on Uniform Transmission Rates – Phase 2 (EB-2022-0325)  
("Proceeding")  
Association of Power Producers of Ontario ("APPrO") and Energy Storage  
Canada ("ESC") Interrogatories**

We represent APPrO and ESC in relation to the above-noted Proceeding. Please find attached our interrogatories. Same have been filed by RESS on the OEB's website.

Please contact the undersigned with any questions.

Yours truly,

**BORDEN LADNER GERVAIS LLP**

A handwritten signature in black ink that reads 'Colm Boyle' in a cursive script.

Colm Boyle

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B; and in particular sections 19, 21, and 78;

**AND IN THE MATTER OF** a Generic Hearing on Uniform Transmission Rates-Related Issues.

**ASSOCIATION OF POWER PRODUCERS OF ONTARIO**

**ENERGY STORAGE CANADA**

**INTERROGATORIES**

**Filed: April 15, 2024**

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1 **INTERROGATORIES**

2 **APPrO/ESC-1:**

3 **Reference / Preamble:** Exhibit A, Tab 4, Schedule 1, Page 5

4 HONI Background Report, Issues 5 and 6, Page 2 of 24

5 *Embedded generation reduces demand on the transmission system. Given that the costs*  
6 *of transmission infrastructure are largely fixed, there was a need for the OEB to consider*  
7 *whether transmission customers who reduce their load supplied from the transmission*  
8 *system by installing embedded generation should continue to be charged for the sunk*  
9 *costs of the transmission system that was built to supply their original load (gross load*  
10 *billing), or they should not bear those sunk costs (net load billing).*

11 HONI Background Report, Issues 5 and 6, Page 3 of 24

12 *The OEB determined that net load billing shall apply when calculating Network*  
13 *Service Charges because in that circumstance (among other reasons) it is fair, more*  
14 *practical and simpler to apply. However, with respect to Line Connection Service and*  
15 *Transformation connection Service charges, the OEB determined that gross load billing*  
16 *shall apply, but only for load customers who connect new embedded generation.*

17 **Question(s):**

- 18 1. Please describe the supply/demand characteristics of the Ontario electric system at the time  
19 the OEB first determined that gross load billing should apply to PTS-L and PTS-T  
20 transmission charges. Please provide copies of any relevant long-term energy plan or  
21 similar document that may have been available at that time.
- 22 2. Please file the IESO's Pathways to Decarbonization report issued December 15, 2022, and,  
23 if you are of the view that any other report better evidences the anticipated impacts of the  
24 energy transition on the electricity system in Ontario please file those other report(s)  
25 together with a reason why you think it is better.
- 26 3. Please summarize the key differences between (a) and (b) as it relates to the supply/demand  
27 characteristics of the Ontario electricity system, and the implications for Ontario's  
28 transmission system.
- 29 4. Do customers with embedded generation / storage continue to pay PTS-L and PTS-T  
30 transmission charges on a gross load basis in circumstances in which their original load is  
31 replaced by other customers?

- 1 5. Do customers with embedded generation/storage pay transmission charges if, prior to  
2 connection, actual loads exceed the loads originally considered by IESO / HONI in system  
3 planning when the asset in question was built?
- 4 6. If a load customer that was not specifically considered in transmission system planning  
5 installs their own generation exceeding 1MW (or 2MW of renewable generation), do they  
6 pay the applicable transmission charges on a gross load basis?
- 7 7. If new transmission capacity is installed due to growing demand, will existing customers  
8 with embedded generation / storage continue to be billed on a gross load basis for PTS-L  
9 and PTS-N for “sunk costs”?
- 10 8. Has HONI considered the potential for reducing gross load charges when overall demand  
11 growth exceeds a certain threshold and reduces the risk of stranded assets arising from  
12 embedded generation/storage?
- 13 9. When conducting transmission system planning for the Line and Transformation  
14 Connection asset pools, are gross load volumes considered reserved for a customer that has  
15 embedded generation/storage and thus unavailable to other customers?
- 16 10. Has the billed demand at any transmission station ever exceeded its peak demand capacity  
17 in any month? If yes, please provide a table identifying the date this occurred and provide  
18 an explanation for why this happened in each instance. If the reason this happened is due,  
19 in whole or in part, to gross load billing (versus some other reason), please indicate this  
20 clearly in the table.
- 21 11. Does Hydro One’s system planning assume there will be no customers with embedded  
22 generation / storage connected to new stations? On what factual basis does Hydro One  
23 make its assumption?
- 24 12. Has HONI considered the potential of customers with embedded generation / storage  
25 reducing the demand on existing transmission assets and thus reducing the need for costly  
26 system expansions? If no, why not?

27

28 **APPrO/ESC-2:**

29 **Reference:** Transmission System Code

30 **Question(s):**

- 31 1. How are revenues from gross load billing accounted for in LDC customer contribution  
32 security deposit true-up calculations related to Hydro One Transmission-constructed  
33 transmission stations?

- 1 2. Considering large use (>5MW) customers that make contributions toward LDC  
2 contributions for transmission stations in accordance with the Transmission System Code,  
3 how are revenues from gross load billing accounted for in contribution security deposit  
4 true-up calculations?
- 5 3. Given that the economic evaluation period for a low risk customer like an LDC is 25 years,  
6 what sunk costs are realized by Hydro One for an LDC customer with embedded generator  
7 / storage connecting 25 years after the station is built?

8 **APPrO/ESC-3:**

9 **Reference / Preamble:** Benefits of Embedded Generation

10 **Question(s):**

- 11 1. Please provide the volumes billed by Gross Load Billing in each of the last five years.
- 12 2. Is Ontario's Line and Transformation Connection capacity sufficient to meet actual  
13 demands plus average monthly gross load billed demands?
- 14 3. What is the average cost per MW of peak system demand?
- 15 4. What is the forecasted capital cost of the network investments that would be required to  
16 meet system demands equal to actual demands plus average monthly gross load billed  
17 demands?
- 18 5. What is the forecasted average annual revenue requirement of a new transmission station  
19 built in 2025 (if it varies based on capacity, then please provide responses for each)?
- 20 6. What is the present value of deferring investment in a new transmission station for (i) 1  
21 year, (ii) 3 years?

22 **APPrO/ESC-4:**

23 **Reference / Preamble:** Gross Load Billing for Energy Storage

24 **Question(s) for HONI:**

- 25 1. If Hydro One were to adopt Option #1 (exempt energy storage from GLB), does Hydro  
26 One have an estimate of the financial impact of that change?
- 27 2. Does HONI know the total capacity of embedded energy storage capacity?
- 28 3. Does HONI have a forecast of potential embedded energy storage capacity?