



BY E-MAIL AND WEB POSTING

April 24, 2024

To: All Licensed Electricity Transmitters
All Licensed Electricity Distributors
All Licensed Electricity Generators
All Licensed Storage Companies
All Other Interested Parties

**Re: Board File Number: EB-2024-0126
Transmission Connections Review**

The Ontario Energy Board (OEB) is commencing a review of the Transmission System Code's (TSC) connection related sections. The purpose of this review is to enhance the effectiveness of connection processes, procedures, and requirements. This letter outlines issues that stakeholders have identified to date and seeks stakeholders' input on the issues that should be the focus of this review.

The provincial government's *Powering Ontario's Growth* report states that electricity demand is expected to increase over the coming decades, driven by economic growth and increased electrification. The Electrification and Energy Transition Panel's *Ontario's Clean Energy Opportunity* report noted that a key factor in attracting investment and enabling economic growth is timely access to electricity. The panel emphasized the proactive build-out of transmission infrastructure and actively steering new investment to suitable sites that allow for timely and cost-effective connections.

As the connection of new loads and supply resources including energy storage increases, we should ensure that the regulatory rules associated with connections in the TSC facilitate and enable those connections. This work is also prudent given that the TSC's connection provisions have not undergone a comprehensive review in some time.

Input received from stakeholders identified several possible issues that may be addressed in this review:

- Although the OEB reviewed transmission cost responsibility in 2020, sector changes and new demands mean that another review of cost allocation and recovery policies, such as the economic evaluation methodology for new or modified load connections, is prudent.
- Energy storage is not addressed in the TSC, for example there is no standardized connection agreement for energy storage in Appendix One.

- The OEB's review process for transmitter connection procedures is not specified, and there is no minimum review frequency.

The OEB is seeking input from stakeholders on the issues that this Transmission Connections Review should consider. After reviewing stakeholder comments, the OEB will produce an issues list and a plan to engage with stakeholders on addressing the issues. Depending on the nature of the issues raised, the review may involve written comments, stakeholder meetings, or establishing a working group. The review may result in amendments to the TSC and potentially other guidance to the industry, if required.

Background

The TSC sets out the minimum standards that an electricity transmitter must meet in designing, constructing, managing, and operating its transmission system. It also sets out the requirements, standards, terms, and conditions of a transmitter's obligations to connect consumers to the transmission system, including performance standards, technical requirements and expansions and connections.

Electricity demand in Ontario is projected to accelerate with new loads connecting to the grid. New transmission-connected resources are being procured to meet increasing demand. While many energy storage projects are currently in development and expected to come online within this decade, the TSC does not specifically address energy storage, for example there is no standardized connection agreement for energy storage. It is timely to review the TSC to include energy storage.

The TSC provides that a transmitter must publish OEB-approved connection procedures on its website. However, the review process is not specified and there is no minimum review frequency, which can lead to the connection procedures being dated. Policy-related changes, such as amendments to cost responsibility and regional planning provisions in the TSC, necessarily require connection procedures to be updated. As the number of transmitters in Ontario is increasing, a review of the approval process of connection procedures, including the timeline, criteria, and the frequency of review seems to be well timed.

The TSC governs the economic evaluation methodology used by a transmitter to calculate the capital contribution to be collected from a load customer to cover the cost of a connection facility required to meet the load customer's needs. Collecting this contribution up-front reduces the risk of stranded investment; however, it may negatively affect the business case for the connecting customer. The cost responsibility provisions in the TSC were last reviewed between 2018 and 2020 as part of the Regional Planning and Cost Allocation Review¹. However, the projected increase in transmission connections warrants consideration of these provisions to keep up with changes in the electricity sector.

¹ [Regional Planning and Cost Allocation Review](#) EB-2016-003

The above issues have been identified by OEB staff as a starting point for this engagement. This letter provides an opportunity for parties to suggest additional issues for consideration in the review. The scope of the review is not intended to include other initiatives that are currently underway such as transmission reliability, power quality and performance standards which are currently being considered as part of the OEB's Reliability and Power Quality Review² and the regional planning process, which has also undergone a recent review³.

Request for Comment

Stakeholders are requested to provide their input regarding issues related to transmission connections for consideration in this review. Comments should include a detailed description of the issue and the reasoning behind its inclusion in the review. Participants are also invited to provide input on appropriate engagement approaches for specific issues.

Next Steps

After receiving the stakeholders' input, the OEB will issue a letter identifying the issues for the review and the plan to address them.

Invitation to Comment and Cost Awards

Any person or organization that would like to comment or provide suggestions for the Transmission Connections Review is invited to send their submissions via an electronic copy in a searchable Adobe Acrobat (PDF) by **May 17, 2024**, in accordance with the filing instructions set out in Appendix A. Please quote file number **EB-2024-0126** and include your name, address, telephone number and your e-mail address and fax number.

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible participants for their participation. Parties interested in requesting cost eligibility should indicate their intent by filing a letter with the OEB by **May 17, 2024**, in accordance with the filing instructions set out in Appendix A. All requests for cost eligibility should comply with the requirements of the OEB's Practice Direction on Cost Awards. Costs awarded will be recovered from all licensed electricity transmitters.

² [Reliability and Power Quality Review](#) EB-2021-0307

³ [Regional Planning Process Review](#) EB-2020-0176

Questions about the Transmission Connections Review should be directed to Catherine Ethier at Catherine.Ethier@oeb.ca or at 416-544-5155.

For more information about the Transmission Connections Review, please refer to the OEB's Engage with Us [project webpage](#).

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

Yours truly,

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment: Appendix A – Cost Award Matters and Filing Instructions

Appendix A

Cost Award Matters and Filing Instructions

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its Practice Direction on Cost Awards. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **May 17, 2024**, delivered to the Registrar at registrar@oeb.ca. The submission must identify the following:

- The nature of the person's interest in the review
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's Practice Direction on Cost Awards)
- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst, or consultant that the person intends to retain, if known

All requests for cost eligibility will be posted on the OEB's website.

Costs awarded will be recovered from all licensed electricity transmitters.

Licensed electricity transmitters will have an opportunity to object to any of the requests for cost award eligibility. Objections must be filed with the OEB by **May 24, 2024**, and will be posted on the OEB's website. The OEB will then issue a final determination on cost eligibility.

Eligible Activities

For the purpose of commenting on the topics and questions identified in this letter, eligible parties would be eligible for up to five hours.

Details on costs for future steps in the review will be provided at the time of the letter, setting out the scope and approach for the Transmission Connections Review Initiative.

Cost Awards

The OEB will apply the principles set out in section 5 of its Practice Direction on Cost Awards when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and coordinate their participation in this process.

The OEB will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the OEB will act as a

clearing house for all payments of cost awards in this process. For more information, please refer to the OEB's Practice Direction on Cost Awards.

How to File Materials

Stakeholders are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2024-0126** for all materials filed and submit them in searchable/unrestricted PDF format by **May 17, 2024** with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Stakeholders are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to Transmission Connections Review stakeholders should include Catherine Ethier at catherine.ethier@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)