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May 17, 2024

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

Dear Ms. Marconi,

**RE: EB-2024-0126 Transmission Connections Review
Comments and Request for Cost Eligibility of Energy Probe**

In its letter of April 24, 2024, the OEB invited stakeholders to provide comments regarding issues related to transmission connections for consideration in the Transmission Connections Review of the Transmission System Code (TSC). The following are comments of Energy Probe on issues that should be considered in the review and its request for cost eligibility.

General Comments

The TSC was first put in place in year 2000. There have been many changes in the electricity system in Ontario since that time. The most significant change has been in addition of many non-dispatchable wind and solar generators which has made it more difficult to maintain transmission system reliability. It is possible that connections of large-scale storage facilities may also make it more difficult to maintain reliability. Any changes to connection requirements must ensure that transmission system reliability will be maintained at no additional cost to electricity customers.

The upcoming implementation of the Market Renewal Program by the IESO will implement Real Time Locational Marginal Prices for generators. This will affect commercial operation of generators based on their location and availability. Some generators will be better off than others. It is possible that some may decide to cease operations while new ones will want to be connected to the transmission system. There will be increasing demand on transmitters to respond to requests for new connections or for changes to existing ones.

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Comments on Specific Sections

The following are potential issues for the Transmission Connections Review

Some of the specific dates in the TSC are now in the distant past, such as three references to August 26, 2013, in Section 3C.4 and to May 1, 2002, in Section 4.6.1. They may no longer be relevant and should be reviewed.

Section 4.2 references to “historical performance” and “historical development” are vague. They may have meant something in year 2000 when the TSC was put in place but may now be meaningless and should be reviewed.

Section 6.1.2 (quoted below) anticipates some type of negotiation between the transmitter, the customer, and all affected persons. This could pose a problem and should be reviewed.

“Where the new available fault current level would exceed the maximum allowable fault level set out in Appendix 2 and would have an adverse effect on a person the transmitter may, as an alternative to satisfying the requirements of section 6.1.2(b), make suitable financial arrangements agreeable to the connecting customer and all affected persons to mitigate the economic or financial impact of allowing the new available fault current level to exceed the maximum allowable fault level set out in Appendix 2. Such arrangements shall be consistent with the cost responsibility principles set out in the Code.”

Section 6.2 deals with capacity but does not make clear how scarce available capacity will be allocated for customers requesting to be connected, such as first come first serve or some other method. This entire section needs to be reviewed.

Section 6.3.10 refers to a “reasonable security deposit”. It is not clear how that would be determined and should be reviewed.

Section 6.4 does not make it clear when a Customer Impact Assessment is needed for a new connection but leave it up to the transmitter. This could be a problem and should be reviewed.

Section 6.5 requires the customer *“to pay the fully allocated cost of the minimum design required to meet the customer’s needs”*. There could be problems if the minimum design is very different from the actual design. This section needs to be reviewed.

Appendix 1 deals with connection agreements for generators and for load customers. It should be expanded to include customers with two-way flow of electricity, such as storage customers.

Appendix 4 of the TSC refers to report to the Board dated March 30, 2000, prepared by PHB Hagler Bailly and entitled “Risk Assessment Methodology Options”. Appendix 4 also refers to the Altman Z-score Model or the Kaplan-Urwitz Model for risk assessment of New or Modified Connections that are not Project Financed. Energy Probe suggests that these references should be reviewed to see if they are still the appropriate methods of risk assessment.

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Appendix 5 of the TSC deals with the Methodology and Assumptions for Economic Evaluations. Under Assumptions it requires the transmitter to determine the risk of a new connection according to Appendix 4. Based on this determination the transmitter selects the appropriate Economic Evaluation Period as shown in the table below.

The economic evaluation period shall be determined as follows based on the risk classification of the proposed new or modified connection as determined by the transmitter in accordance with Appendix 4: <u>Risk Classification</u>	<u>Economic Evaluation Period</u>
High Risk	5 years
Medium-High Risk	10 years
Medium-Low Risk	15 years
Low Risk	25 years

Energy Probe suggests that these evaluation periods should be reviewed to see if they are still appropriate.

Request for Cost Eligibility

Energy Probe is a non-profit organization which relies on individual donations to help protect the public interest. It is a frequent participant in OEB consultations and has been intervenor in numerous OEB proceedings. More information about Energy Probe can be found on the OEB website at the following link.

<https://www.rds.oeb.ca/CMWebDrawer/Record/845745/File/document>

Energy Probe hereby requests that it be eligible for recovery of its reasonably incurred costs of participation in the Transmission Connections Review.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe)
Catherine Ethier (OEB Staff)

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