

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998
S.O. 1998, c. 15, Schedule B, as amended;

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

JOINT SUBMISSION OF:

Niagara-on-the-Lake Hydro Inc.
Canadian Niagara Power Inc.
Enwin Utilities Ltd.
Entegrus Powerlines Inc.
Halton Hills Hydro Inc.

Submission

The proposed solutions to the transmission double peak billing problem (issue #4) were provided by the LDC Transmission Group on August 29, 2024 (Exhibit M1). The LDC Transmission Group submits that these are still the preferred solutions.

Double peak billing is a significant problem for a number of LDCs and for transmitters. This is evidenced by:

- The very existence of this issue in this hearing.
- The submission and proposals by Hydro One signifying that Hydro One recognizes this as an issue and would like to see a solution. Informal discussions with transmission operational staff at Hydro One have also identified the double peak billing as an issue due to the extra demands being made by LDCs to avoid these charges.
- Twenty (20) LDCs have identified double peak billing as an issue. The actual number of LDCs for which this is an issue is likely higher as discussions were not held with all LDCs by any extent.
- The cost of double peak transmission billing is borne directly by LDC customers. It is not a cost to the LDCs themselves except, and this is not insignificant, for the costs and operational inefficiencies from steps taken to try to avoid double peak transmission billing. The large number of LDCs devoting time and effort to fix this issue on behalf of their customers is an indication of its significance.
- The materiality of double peak transmission billing was also demonstrated in some of the examples in the evidence though these are by no means a complete sample.
- Double peak transmission billing revenue is material enough that it is included in Hydro One's calculations for UTR rates.

- Double peak transmission billing results in incremental revenue for a transmitter that experiences an outage. This has awful optics and is evidence of poor rate setting.
- Double peak transmission billing encourages LDCs to structure operations in ways that are sub-optimal in order to reduce costs to customers. This could include declining non-emergency transmitter switching requests. This is inefficient.

The LDC Transmission Group has recommended two solutions.

The first solution is to be able to apply to the OEB for the right to totalize delivery points. This will be feasible if the delivery points in question are directly connected to the transmission grid, in which case the IESO does the billing, or if they are connected to the same distributor, in which case the distributor (Hydro One) does the billing.

The arguments made in favour of this solution include:

- Totalizing is a one-step solution that, once put in place, works for all situations on a full go forward basis.
- Both the IESO and Hydro One already totalize meters so this should be technically simple to implement.
- This solution would support LDCs in their efforts to adopt technologies and practices, such as automated switching, that can increase the reliability and resilience of their systems.
- By requiring OEB approval, there is a regulatory control and the use of this solution can be limited to situations where it is appropriate.

Therefore, the LDC Transmission Group recommends that the OEB approve the totalizing solution as part of this hearing and direct the IESO and Hydro One to implement it in a reasonable timeframe subject to OEB approval on specific applications.

It should be noted, however, that this totalizing solution may not work for situations where an LDC has both transmission-connected and distribution-connected delivery points. Hydro One has made other recommendations, such as the use of variance accounts, which may be more appropriate for these situations. Recognizing that these solutions are more complicated, and that the OEB is concerned about not extending this hearing even further due to these complications, the LDC Transmission Group is recommending that a working group be established immediately following this hearing to investigate the alternative solutions for LDCs that are not able to fully implement the totalizing solution. By establishing this working group immediately, the momentum from this hearing will not be lost.