

Power Advisory

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January 13, 2025

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

Re: REASCWA Comments on Proposed Amendments to the Transmission System Code to Enable the Connection of Energy Storage (EB-2024-0126)

Please find enclosed the joint submission of the Canadian Renewable Energy Association, Energy Storage Canada, and the Ontario Waterpower Association (collectively, "REASCWA") in this matter.

Sincerely,



Jason Chee-Aloy
Managing Director
Power Advisory

REASCWA Comments on Proposed Amendments to the Transmission System Code to Enable the Connection of Energy Storage (EB-2024-0126)

February 13, 2025

On January 27, 2025, the Ontario Energy Board (OEB) gave notice, under section 70.2 of the Ontario Energy Board Act, 1998 (Act), of proposed amendments to the Transmission System Code (TSC) to facilitate the connection of energy storage to a transmitter's system. Specifically, the proposed TSC amendments would include a storage customer as a third type of customer that can connect to a transmission system. Additionally, a standardized form of connection agreement for a storage customer would be added to Appendix 1 of the TSC as version C.

REASCWA welcomes the proposed amendments to the TSC, fully supporting the inclusion of "Storage Facility" within the TSC. Energy storage is a unique resource that is neither a load nor a generator and the definition and treatment of energy storage must reflect its unique attributes and characteristics.

While supporting the proposed TSC amendments, REASCWA would like to express a deep concern about the pace of the OEB's consultation to date. The OEB launched the Transmission Connections Review (TCR) on April 24, 2024. However, the first working group first working group meeting of the Transmission Connections Review did not take place until August 26, 2024. At the October 28, 2024 working group meeting, OEB staff's presentation indicated that proposed TSC amendments would be issued in early November 2024. Ultimately, this proposal was not issued until January 27, 2025.

REASCWA notes that the most recent letter of direction from the Minister of Energy and Electrification to the OEB states "The OEB's renewed role as an energy regulator has never been more important to move at the speed of the market, to ensure we serve and incentivize investment to our province. Electrification and the transition to cleaner energy sources requires strong, proactive thought leadership from the OEB, in consultation with the sector."¹ To meet the Minister's expectation requires the TCR to advance at a much faster pace than it has so far.

In fact, since the OEB launched the TCR a number of significant policy changes have occurred in Ontario. On October 22, 2024 Ontario's Ministry of Energy and Electrification published [Ontario's Affordable Energy Future: The Pressing Case for More Power](#), setting out the a long-term vision for the energy sector. The government passed [Bill 214, Affordable Energy Act, 2024](#) that sets out the framework for developing provincial Integrated Energy Plans. Additionally, the IESO released a [updated annual forecast](#), which expects electricity demand to grow by approximately 75% by 2050 (the previous forecast was 60% growth by 2050).

Additionally, the new letter of direction sets out an expectation that the OEB:

- "Work with the IESO, licenced transmitters, LDCs, municipalities, and other stakeholders to consider how the 'beneficiary' pays principle can best be modified or applied to ensure:
- o Transmission / distribution build decisions consider probable future users, the interests of early and later beneficiaries, and other ratepayers;
 - o LDCs, transmitters, and their shareholders should be kept whole; and
 - o The potential for wasted costs or under-build are minimized to protect ratepayers."

However, while a review of section 6.3.5 of the TSC on allocation of network upgrade costs to provide greater clarity about the circumstances and methodology for allocating network costs has been occurring at the Working Group, there does not appear to a sense of urgency from the OEB to advance

¹ [Letter of Direction](#) (Dec 19, 2024)

and/or propose changes to the TSC commensurate with the government's expectations. With respect to 6.3.5, REASCWA recommends the TSC be amended to explicitly exempt energy storage resources from any costs for Transmitter's network facilities. Energy storage resources increase the efficiency, effectiveness and operation of the existing and future transmission system. transmission network facilities should not be implemented by principle for energy storage resources. By including this exemption, the TSC will ensure the appropriate incentives and policy direction for transmitters to avoid costly and unreasonable network upgrades.

At the beginning of this consultation the OEB requested that stakeholders provide input regarding issues related to transmission connections for consideration in this review. At the time, REASCWA raised two issues for the OEB to consider:

- The TSC does not acknowledge IESO resource procurements; however, given the number of planned procurements (and the changes mandated by FERC through Order 2023 to reduce backlogs for projects seeking to connect to the transmission system), it would appear beneficial to explore how to optimize connection processes and procurement processes in Ontario as part of the TSC review; and,
- The scope of the TSC review excludes discussion of regional planning and coordinating connection provisions with regional planning; however, connection cost responsibility, cost allocation and potentially network cost allocation are directly tied to the outcomes of regional planning, making inclusion of the issue appropriate as part of this review.

The OEB did not add these issues to the review. However, given the significant changes in terms of government policy, direction to the OEB, as well as the province's resources needs since the launch of the TCR, REASCWA believes it is incumbent on the OEB to reconsider the priority issues for the TCR (e.g., the issues REASCWA proposed in 2024 as well as consideration for exempting storage facilities from paying for network upgrades).

Further, a clear path forward for this initiative is needed. The OEB should provide stakeholders and the TCR Working Groups with a project plan, including timelines and expected deliverables, in order to expeditiously improve the TSC to achieve and align with government policy, the Minister's expectations as well as Ontario's resource needs.

All of which is respectfully submitted.