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Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Mr. Murray:

Re: EB-2022-0325 – Ontario Power Generation Inc. (“OPG”) comments regarding Ontario Energy Board (OEB) staff’s update to the OEB, filed December 10, 2025

Ontario Power Generation Inc. (“OPG”) appreciates the opportunity to provide comments in response to the letter filed with the Ontario Energy Board (“OEB”) by OEB staff on December 10, 2025 in connection with Issue 5 of EB-2022-0325, being the Generic Hearing on Uniform Transmission Rates (the “Letter”). With respect to the Issue 5 (Basis for Billing Energy Storage Facilities for Transmission), OEB staff proposes amendments to the UTR Schedule with an accompanying draft rate order; proposes a transition period for some transmission-connected Electricity Storage Facilities; and proposes amendments to the gross load billing threshold to identify that the embedded renewable generation threshold applies to Electricity Storage Facilities.

The OEB’s decision¹ on Issue 5 in this proceeding provides an exemption from transmission charges for transmission-connected Electricity Storage facilities when these facilities are scheduled for operating reserve, providing reactive power support, providing regulation service, responding to a real-time IESO energy dispatch, or responding to an IESO reliability directive.

In OPG’s view, its Sir Adam Beck Pump Generation Storage facility (“PGS”) qualifies as an Electricity Storage Facility and should therefore be eligible for the exemption from transmission charges. The PGS operates by using electricity withdrawn from the IESO-controlled grid to operate pumps that move water to a higher elevation, where it is stored temporarily during periods of lower system demand. The PGS then discharges the stored water or a portion of the stored water to produce electricity using turbines, for injection into the IESO-controlled grid during periods of higher system demand. OPG’s comments below are intended to confirm its understanding of how the proposed amendments to the UTR Schedule apply to pumped storage facilities such as the PGS, and any impact the amendments may have on licensing requirements.

Amendments to the UTR Schedule

¹ EB-2022-0325, Decision on Issues 4, 5, and 6, March 27, 2025, p. 29

OEB staff proposed amendments to the UTR Schedule which contemplate the addition to the Terms and Conditions of definitions for “Energy Storage Facility” and “Charging Energy”; and identification of the exemptions from transmission charges for Charging Energy used by Energy Storage Facilities.

OEB staff proposes the UTR Schedule Terms and Conditions be amended to add:

“Electricity Storage Facility” has the meaning given to that term in O. Reg 610/98 under the Electricity Act. Unless otherwise exempt by the OEB, an Electricity Storage Facility is also a facility licensed as such by the OEB.

Under section 1(4) of O. Reg. 610/98, an Electricity Storage Facility is defined as a facility that:

- (a) is only connected to the IESO-controlled grid or the distribution system of a distributor licensed under Part V of the Ontario Energy Board Act, 1998, and
- (b) withdraws electricity from the IESO-controlled grid or the distribution system of a distributor licensed under Part V of the Ontario Energy Board Act, 1998 for the sole purpose of storing the electricity temporarily and then conveying that electricity or a portion of that electricity back into the IESO-controlled grid or a distribution system of a distributor licensed under Part V of the Ontario Energy Board Act, 1998.

With respect to O. Reg. 610/98 describing “storing the electricity temporarily and then conveying that electricity...into the IESO-controlled grid”, OPG requests that the OEB confirm, and expressly clarify in the definition, that this language is not exclusively referring to a particular type of Electricity Storage Facility (e.g., battery energy storage facilities (BESS)) and, instead, refers to all types of energy storage technologies, including pumped storage facilities such as the PGS. Using a technology neutral definition for Electricity Storage Facility in the UTR Schedule would be consistent with the OEB’s intention as expressed in its March 31, 2025 Notice of Amendment to the Transmission System Code, at which time the OEB added a definition of “storage facility” to the Transmission System Code and stated:

The OEB’s intent is that the definition contained in the January Proposed Amendments includes all types of energy storage technologies. It does not specify the form that the electrical energy takes when stored – for e.g., electrochemical energy in the case of battery energy storage systems, potential energy in the case of pumped hydro facilities, etc. The definition is storage technology-neutral and does not limit the type of storage facility that can be connected. The OEB believes that the January Proposed Amendments are effective for all types of energy storage connections.²

Furthermore, where OEB staff’s definition says “Unless otherwise exempt by the OEB, an Electricity Storage Facility is also a facility licensed as such by the OEB”, OPG understands the intention to be that this language expands the meaning of Electricity Storage Facility to include licensed energy storage facilities even if such facilities do not meet the definition from O. Reg. 610/98. OPG requests that the OEB confirm, and expressly clarify in the definition used in the UTR Schedule, that a facility need not be licensed by the OEB as an Electricity Storage Facility for the exemption from transmission charges to apply, so long as the definitions from the UTR Schedule apply.

OEB staff also proposes a definition for the term “Charging Energy”:

“Charging Energy” means the energy that an Electricity Storage Facility withdraws from the IESO-controlled grid, for the purpose of providing energy to the IESO-controlled grid in the circumstances set out in the Provincial Transmission Service Rate Schedule. Charging Energy is

² OEB, Notice of Amendments to the Transmission System Code to Enable the Connection of Energy Storage

not an end-use load, and this energy can be withdrawn by the Electricity Storage Facility for storing energy in another form. As an example, a withdrawal to serve station service is an end-use load.

While OPG does not have concerns with the definition, the term “Charging Energy” implies that it relates only to BESS-type storage facilities. OPG recommends that the OEB consider using a technology neutral term, such as “Storage Energy”.

Regarding the distinction between end-use load and Charging Energy, and the example given of station service being an end-use load, OPG understands this to mean that withdrawals for the purpose of station service would continue to be subject to transmission charges. OPG requests that the OEB clarify its expectations on how this portion of energy would be tracked (including metering) and settled in recognition of this distinction.

Finally, OPG notes that the definition of “Electricity Storage Facility” refers to the withdrawing, storing and conveying back into the grid of “electricity”, while the definition of “Charging Energy” does not refer to electricity but instead refers to the “energy” withdrawn from the grid. OPG suggests that the OEB be deliberate in its use of the words “energy” and “electricity” to reflect their different meanings. Whereas the energy withdrawn from the grid and injected into the grid will need to be in the form of electricity, when stored in a storage facility the broader term “energy” should be used to reflect that when stored the energy could be in the form of chemical potential energy (battery storage), gravitational potential energy of water at elevation (pumped storage), or perhaps other forms for other storage technologies.

Should there be any questions regarding these submissions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Herman Mo', with a long horizontal flourish extending to the right.

Herman Mo