



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

DECISION AND ORDER

EB-2019-0167

Amending Electricity Distributor Licences to Remove the Conditions in Respect of CDM Targets

BY DELEGATION, BEFORE: Brian Hewson
Vice President,
Consumer Protection & Industry Performance

August 22, 2019

DECISION AND ORDER

Introduction and Summary

The Ontario Energy Board (OEB) is amending the licences of certain electricity distributors by removing certain conditions in respect of conservation and demand management (CDM) targets to be met by them.

This Decision and Order is being made further to a directive dated March 20, 2019, and issued to the OEB by the Minister of Energy, Northern Development and Mines under sections 27.1 and 27.2 of the *Ontario Energy Board Act, 1998*. The directive was approved by the Lieutenant Governor in Council as Order-in-Council 378/2019 (2019 Directive).

The Decision and Order is being issued under delegated authority, without holding a hearing.

Background

Since January 1, 2011, licensed electricity distributors with the exception of any distributor whose rates are not regulated by the OEB, and with the exception of any distributor who is a non-embedded distributor and is not connected to the Independent Electricity System Operator-controlled grid (collectively, the Prescribed Distributors) have had conditions in their licences related to the achievement of CDM targets. The OEB was required to add these conditions to the Prescribed Distributors' licences under two Ministerial Directives approved by the Lieutenant Governor in Council. The first directive was approved by Order-in-Council 437/2010 dated March 31, 2010 for the period January 1, 2011 to December 31, 2014 (2010 Directive), and the second directive was approved by Order-in-Council No. 467/2014 for the period from January 1, 2015 to December 31, 2020 (2014 Directive).

The 2019 Directive was issued as part of the government's decision to discontinue the Conservation First Framework of which the 2014 Directive was a key part. The 2019 Directive revokes paragraphs 1, 2 and 3 of the March 2014 Directive and confirms that, for greater certainty, the OEB may amend the licences of the Prescribed Distributors, with or without holding a hearing, to amend or remove any conditions in respect of CDM that were established pursuant to a previous directive to the OEB. Specifically, paragraphs 1 and 7 of the 2019 Directive provide as follows:

1. Paragraphs 1, 2, and 3 of the directive to the Board approved by the Lieutenant Governor in Council under Order-in-Council No. 467/2014 dated March 26, 2014 are revoked.
- ...
7. For greater certainty, the Board may amend, with or without holding a hearing at such time and manner that the Board considers appropriate, the licence of each licensed electricity distributor to amend or remove the conditions in respect of electricity conservation and demand management that were established pursuant to a previous directive to the Board as approved by the Lieutenant Governor in Council.

Findings

The OEB finds that it is appropriate to amend the electricity distribution licences of the Prescribed Distributors by removing the following CDM-related conditions:

- All of section 21.1, entitled “2011 – 2014 Conservation and Demand Management Framework”, and
- All of section 21.2, entitled “2015 - 2020 Conservation and Demand Management Framework”.

The OEB finds that the revocation of the CDM provisions in the March 2014 Directive by the 2019 Directive and the discontinuance of the Conservation First Framework make the provisions under section 21.2 unnecessary, and it is therefore administratively efficient to remove this section of the licences. In addition, the OEB finds that it is efficient to remove section 21.1, as the conditions thereunder relate to the 2011-2014 period of the framework and are, thus, no longer in effect.

The OEB further finds that it is administratively efficient to remove certain definitions in the licences related to the CDM framework as those definitions are no longer required.

IT IS ORDERED THAT:

1. The electricity distribution licence of all licensed electricity distributors – with the exception of any licensed distributor whose rates are not regulated by the OEB, and

with the exception of any licensed distributor who is a non-embedded distributor and is not connected to the Independent Electricity System Operator-controlled grid – is amended by deleting all sections 21.1 and 21.2 under Paragraph 21, entitled “Conservation and Demand Management”.

2. The following definitions shall also be removed from Section 1 of the licences: Conservation and Demand Management and CDM; Conservation and Demand Management Code for Electricity Distributors; Net Annual Peak Demand Energy Savings Target; Net Cumulative Energy Savings Target; and Provincial Brand.

DATED at Toronto August 22, 2019

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance