

The Ontario Energy Board is holding a generic hearing to consider various issues related to Uniform Transmission Rates, including setting the Export Transmission Service rate.

Learn more. Have your say.

The Ontario Energy Board is commencing a hearing on its own motion to consider various issues related to Ontario's Uniform Transmission Rates (UTRs). These issues have been identified in the years since Ontario's UTR framework was established in Hydro One's first rate application proceeding in 2000, and implemented in 2002 following the opening of Ontario's electricity market.

The OEB has identified a set of UTR-related issues to be addressed in the generic hearing. These issues may be revised, and additional issues may be raised, based on input from transmitters, customers and other stakeholders. The issues identified by the OEB are summarized below:

1. Timing of UTR decisions

Overview of issue: Transmitter revenue requirements are recovered through UTRs which are charged to all wholesale market participants, including electricity distributors. The timing of transmitter revenue requirement proceedings does not always allow for the annual UTR decision to be finalized in December for January 1. This can lead to forgone revenue, which must then be calculated and included when UTRs are updated. In addition, new transmitters are being added to UTRs when their assets come into service, and this does not always align with a January 1 UTR update.

2. Number of decimal places for UTRs

Overview of issue: UTRs paid by transmission customers are calculated to two decimal places (unlike distribution rates, which are calculated to four decimal places).

3. Prorating transmission charges for new connections to account for when the connection took place in the month

Overview of issue: Transmission customers are charged a monthly rate (\$ per kW) for line connection billing demand and a monthly rate (\$ per kW) for transformation connection billing demand. Line connection and transformation connection charges for newly connected transmission customers in their first month of connection are not revised upward or downward in proportion to when in the month the new connection was made.

4. Charges caused by planned transmission outages

Overview of issue: In a month when a planned transmission outage occurs, a transmission customer that transfers its load to another of its delivery points is charged more than it would be if the outage did not occur. This is because transmission charges are based on the monthly peak at each delivery point.

5. Calculation of network charge determinant

Overview of issue: A transmission customer's network pool charge determinant is based on the higher of its coincident peak demand and 85% of its non-coincident peak demand. The 85% value was established over 20 years ago and may warrant a review.

6. Basis for billing energy storage facilities

Overview of issue: The UTR is not explicit on whether energy storage facilities should continue to be treated as non-renewable generating units with a threshold for gross load billing of 1 MW for the transformation and connection rate pools paid for by transmission customers. Clarification is currently provided to transmission customers through OEB guidance on a case-by-case basis.

7. Gross load billing thresholds for renewable and non-renewable generation

Overview of issue: There has been some uncertainty around the application of gross load billing exemptions by transmission customers for renewable and non-renewable generation. Clarification is currently provided to transmission customers through OEB guidance.

8. Setting the export transmission service (ETS) rate

Overview of issue: The ETS rate is paid by transmission customers and applies to all electricity exports and wheel-throughs. The ETS rate has historically been set as part of Hydro One's transmission rate application. Hydro One recently filed evidence on the ETS rate in its application for electricity transmission and distribution rates and other charges for the period from January 1, 2023 to December 31, 2027 (2023-2027 Joint Rate Application, OEB file number EB-2021-0110). In response to prior OEB direction, Hydro One's ETS evidence includes a cost allocation study, an updated jurisdictional review, and a commentary on market implications of the ETS prepared by the IESO.

The OEB has decided to address the ETS rate in the generic UTR hearing, instead of in Hydro One's 2023-2027 Joint Rate Application proceeding. Addressing the ETS in the generic UTR hearing will lend focus to the issue and facilitate participation by transmitters and other stakeholders without requiring them to intervene in the much broader 2023-2027 Joint Rate Application proceeding. The ETS evidence that Hydro One has already filed, as well as clarifications the OEB has requested from the IESO and Hydro One, will be considered in the generic UTR proceeding instead of in the 2023-2027 Joint Rate Application proceeding.

The first phase of the generic UTR hearing will focus on the ETS issue and setting the ETS rate. Other UTR-related issues will be considered at a later date, in a subsequent phase or phases of the generic UTR hearing.

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider various issues related to Ontario's Uniform Transmission Rates, beginning with reviewing and setting the Export Transmission Service rate. We will hear arguments from parties involved in the process and will decide on what the ETS rate should be. A procedural schedule for the generic proceeding will be established in due course. In a later phase or phases of the hearing, we will hear arguments from parties involved in the process and will decide on which other UTR issues ought to be addressed and how.

The OEB will adopt into the record of this proceeding, all evidence filed in EB-2021-0110 that is relevant to the issues to be determined for the generic hearing. The OEB will provide an opportunity for the filing of further evidence in subsequent procedural orders.

The OEB will deem intervenors in Hydro One's 2023-2027 Joint Rate Application (EB-2021-0110) who have indicated their interest in participating in this proceeding response to Procedural Order No. 1 in EB-2021-0110 to be intervenors in this generic UTR hearing, and grants to any such intervenors the same cost eligibility status as was granted in EB-2021-0110 (i.e. any such intervenors do not have to apply again for intervenor status and cost eligibility in this generic UTR hearing if they have already identified their interest in participating in EB-2021-0110).

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review this Notice and related documents on the OEB's website now.
- You can sign up to observe the proceeding by receiving OEB documents related to the hearing.
- You can file a letter with your comments which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **November 1, 2021** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2021-0243**. To learn more about this hearing, find instructions on how to file a letter with your comments or become an intervenor, or to access any document related to this case, select the file number **EB-2021-0243** from the list on the OEB website: www.oeb.ca/notice. You can also phone our Public Information Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARING

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why, by **November 1, 2021**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This hearing will be held under sections 19, 21 and 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B.

