



# **DECISION AND ORDER**

**EB-2021-0303**

## **2022 RENEWABLE GENERATION CONNECTION RATE PROTECTION COMPENSATION AMOUNT EFFECTIVE JANUARY 1, 2022**

**BY DELEGATION, BEFORE:** Theodore Antonopoulos  
Vice President  
Applications

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**January 20, 2022**

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APPENDIX A

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## 1 OVERVIEW

Subsection 79.1 (1) of the *Ontario Energy Board Act, 1998* (the Act) states that the Ontario Energy Board (OEB) may provide Renewable Generation Connection Rate Protection (RGCRP) compensation amounts to eligible distributors. Ontario Regulation 330/09 (the Regulation) prescribes the methodology which the OEB uses to determine the amounts for any given year.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors may apply to the OEB for funding to recover the cost of assets to enable and to connect generators to their distribution systems, including generators using renewable sources of energy such as wind or solar. The OEB then takes steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of investments to connect renewable generators in accordance with applicable legislation.

The OEB determines the eligibility of the connection investment made by each distributor in its distribution rate decisions and issues an order to the Independent Electricity System Operator (IESO) to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to the Regulation. The OEB has issued these decisions since May 1, 2010. The latest such decision was issued on January 21, 2021,<sup>1</sup> effective January 1, 2021, providing eight distributors with funding.

This Decision and Order (Decision) provides an updated order to the IESO regarding the amounts to be collected from all market participants and remitted to eligible distributors. In addition to continuing the applicable funding amounts ordered for three distributors (Fort Frances Power Corporation, Welland Hydro-Electric System Corp., and Hydro One Networks Inc.<sup>2</sup>) in the January 21, 2021 Decision and Order, this Decision amends the previously ordered amounts to reflect decisions regarding five distributors: Alectra Utilities Corporation (Alectra, in respect of its Enersource, PowerStream and Brampton rate zones); Kitchener-Wilmot Hydro Inc. (Kitchener-Wilmot Hydro); Lakeland Power Distribution Ltd. (Lakeland Power); Toronto Hydro-Electricity System Limited (Toronto Hydro); and Elexicon Energy Inc. – Veridian service area (Elexicon – Veridian).

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<sup>1</sup> EB-2020-0238, [Decision and Order](#), January 21, 2021 (Revised January 28, 2021)

<sup>2</sup> The continuing payment amounts to Hydro One Networks Inc. were the ones previously remitted to Peterborough Distribution Inc. Hydro One Networks Inc. has since acquired Peterborough Distribution Inc. Hydro One Networks Inc. has no current approved amounts for its legacy or other service areas.

The OEB reminds the distributors who receive the payments to follow the regulatory accounting set out in the Accounting Procedures Handbook Guidance issued in March 2015.<sup>3</sup> Specifically, the distributors should use Account 1533 - Renewable Generation Connection Funding Adder Deferral Account, Sub-account Provincial Rate Protection Payment Variances to record the variance between the distributor's revenue requirement associated with the portion of the actual capital and/or operating costs that are eligible for rate protection and the provincial rate protection payments as approved by the OEB and received from the IESO.

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<sup>3</sup> [OEB Accounting Procedures Handbook Guidance](#), March 2015.

## 2 CONTEXT AND PROCESS

The OEB has made its determination of the compensation amount, effective January 1, 2022, to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology that the OEB uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO effective January 1, 2022, is derived from previous decisions of the OEB in which compensation amounts were determined for qualifying distributors.<sup>4</sup> The findings in this Decision involve only the implementation of findings in previous rates decisions subject to certain mechanistic adjustments where applicable. This Decision and Order is being issued by delegated authority, without a hearing, under subsection 6(4) of the Act.

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<sup>4</sup> EB-2012-0160, EB-2013-0130, EB-2016-0110, EB-2018-0165, EB-2019-0051, EB-2020-0013, EB-2020-0035, and EB-2021-0005.

### 3 2022 COMPENSATION AMOUNT AS OF JANUARY 1, 2022

The OEB has determined the amount to be distributed to the eligible distributors by the IESO as of January 1, 2022, is \$277,077 per month. This Decision extends amounts reflected in the OEB's previous decisions and orders that persist for the current year, and includes amended compensation amounts in accordance with subsequent decisions.<sup>5</sup>

The amended amounts effective January 1, 2022, are:

**Table 1 – Amended Payment Amounts**

Distributor	Amended 2022 Payment Amounts	Equivalent Monthly Payment Amounts
Alectra – PowerStream <sup>6</sup>	\$248,681	\$20,723
Alectra – Enersource <sup>7</sup>	\$147,377	\$12,281
Alectra – Brampton <sup>8</sup>	\$136,430	\$11,369
Toronto Hydro <sup>9</sup>	\$2,673,671	\$222,806
Kitchener-Wilmot Hydro <sup>10</sup>	\$9,586	\$799
Elexicon – Veridian <sup>11</sup>	\$74,507	\$6,209
Lakeland Power <sup>12</sup>	\$15,145	\$1,262

Funding for Fort Frances Power Corporation, Welland Hydro-Electric System Corp., and Hydro One Networks Inc. (formerly Peterborough Distribution Inc.) remains in place at the amounts set out in the OEB's previous RGCRP decision. For Hydro One Networks Inc., the payment amounts were previously directed to Peterborough Distribution Inc. Effective June 1, 2021, Peterborough Distribution Inc. was integrated into Hydro One Networks Inc.'s distribution system and its distribution licence was cancelled. Hydro One Networks Inc.'s distribution licence was amended to include the former Peterborough Distribution Inc. service area. Therefore, funding for Peterborough Distribution Inc. is now remitted to Hydro One Networks Inc. These amounts are summarized in the next section.

<sup>5</sup> *Ibid.*

<sup>6</sup> EB-2021-0005, Decision and Rate Order, December 9, 2021.

<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid.*

<sup>9</sup> EB-2018-0165, Draft Rate Order, January 21, 2020. The relevant investments were approved in Toronto Hydro's Custom Incentive Rate-setting application EB-2018-0165, Decision and Order, December 19, 2019.

<sup>10</sup> EB-2020-0035, Decision and Rate Order, December 10, 2020.

<sup>11</sup> EB-2020-0013, Decision and Rate Order, December 17, 2020.

<sup>12</sup> EB-2019-0051, Decision and Rate Order, April 16, 2020.

The monthly amount to be collected by the IESO from all market participants effective January 1, 2022, is \$277,077. The amount billed to each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the OEB notes that all distributors will pass on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR), currently approved by the OEB at \$0.0034 per kilowatt-hour.<sup>13</sup> It is the OEB's view that at its current level, this change will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the OEB will not adjust the WMSR at this time.

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<sup>13</sup> EB-2021-0300, Decision and Order, December 16, 2021.

## 4 IMPLEMENTATION

The monthly amount to be collected by the IESO shall be \$277,077 per month effective January 1, 2022, from all market participants.

The following monthly amounts are to be forwarded to the qualifying distributors, by the IESO:

• Toronto Hydro-Electricity System Limited	\$ 222,806
• Alectra Utilities Corporation	
○ Enersource	\$ 12,281
○ PowerStream	\$ 20,723
○ Brampton	\$ 11,369
• Lakeland Power Distribution Ltd.	\$ 1,262
• Elexicon Energy Inc. - Veridian service area	\$ 6,209
• Hydro One Networks Inc.	\$ 1,016
• Kitchener-Wilmot Hydro	\$ 799
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
 Total to be forwarded	 \$ 277,077

Attached to this Decision and Order are the communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2022 monthly payments as of January 1, 2022.



## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Effective January 1, 2022, the IESO shall collect \$277,077 per month from all market participants until such time as the OEB revises this amount.
2. Effective January 1, 2022, the IESO shall distribute the amounts for each qualifying distributor on a monthly basis as set out in section 4 of this Decision and Order.

**DATED** at Toronto January 20, 2022

### ONTARIO ENERGY BOARD

*Original Signed By*

Theodore Antonopoulos  
Vice-President  
Applications Division

**APPENDIX A**

**2022 RENEWABLE GENERATION CONNECTION RATE PROTECTION**

**Communication to the IESO on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2022**

**EB-2021-0303**

**DECISION AND ORDER**

**JANUARY 20, 2022**



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

BY EMAIL

January 20, 2022

Devon Huber  
Director, Regulatory Affairs & Market Rules  
Independent Electricity System Operator  
Station A, Box 4474  
Toronto ON M5W 4E5

Dear Mr. Huber:

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2022 as of January 1, 2022**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The OEB has issued previous orders, setting the compensation amount each year from 2010 to 2021, authorizing the IESO to implement the charge for each of those years. On January 20, 2022, the OEB issued its Decision and Order<sup>1</sup> updating the 2022 compensation amounts as of January 1, 2022. The Decision and Order is attached.

**Amount to be charged by the IESO as of January 1, 2022**

In its January 20, 2022, Decision and Order, the OEB determined that effective January 1, 2022, and until such time as the OEB orders otherwise, the amount to be collected by the IESO shall be \$277,077 per month from all market participants.

The OEB expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

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<sup>1</sup> EB-2021-0303, Decision and Order, December 16, 2021.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Toronto Hydro-Electricity System Limited	\$ 222,806
• Alectra Utilities Corporation	
○ Enersource	\$ 12,281
○ PowerStream	\$ 20,723
○ Brampton	\$ 11,369
• Lakeland Power Distribution Ltd.	\$ 1,262
• Elexicon Energy Inc. - Veridian service area	\$ 6,209
• Hydro One Networks Inc.	\$ 1,016
• Kitchener-Wilmot Hydro	\$ 799
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
 Total to be forwarded	 \$ 277,077

Yours truly,

*Original Signed By*

Nancy Marconi  
Acting Registrar

c: Alectra Utilities Corporation  
Toronto Hydro-Electricity System Limited  
Fort Frances Power Corporation  
Elexicon Energy Inc. - Veridian service area  
Kitchener-Wilmot Hydro Inc.  
Hydro One Networks Inc.  
Welland Hydro-Electric System Corp.  
Lakeland Power Distribution Ltd.

**APPENDIX B**

**2022 RENEWABLE GENERATION CONNECTION RATE PROTECTION**

**Communication to Distributors on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2022**

**EB-2021-0303**

**DECISION AND ORDER**

**JANUARY 20, 2022**



BY EMAIL

January 20, 2022

To: All Licensed Electricity Distributors

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2022, as of January 1, 2022**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers. On January 20, 2022, the OEB issued its Decision and Order directing the IESO to adjust the charge effective January 1, 2022.<sup>1</sup> The Decision and Order is attached.

### **Amount to be Charged by the IESO as of January 1, 2022**

This Decision and Order established the 2022 compensation amounts (as of January 1, 2022) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Alectra Utilities Corporation
  - Enersource (EB-2021-0005)
  - PowerStream (EB-2021-0005)
  - Brampton (EB-2021-0005)
- Toronto Hydro-Electric System Inc. (EB-2018-0165)
- Fort Frances Power Corporation (EB-2013-0130)
- Elexicon Energy Inc. - Veridian service area (EB-2020-0013)
- Kitchener-Wilmot Hydro (EB-2020-0035)

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<sup>1</sup> EB-2021-0303, Decision and Order, December 16, 2021

- Hydro One Networks Inc. – formerly Peterborough Distribution Inc. (EB-2012-0160)
- Welland Hydro-Electric System Corp. (EB-2016-0110)
- Lakeland Power Distribution Ltd. (EB-2019-0051)

Commencing January 1, 2022, an amount of \$277,077 per month will be collected from all market participants. The amounts collected shall be distributed to qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the energy withdrawn from the IESO-controlled grid for each month.

### **Amount to be Charged by Distributors in 2022**

In determining the amount to be collected by the IESO, the OEB acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the OEB at \$0.0034 per kWh. It is the OEB's view that at its current level, the change of the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580), and therefore the OEB did not adjust the WMSR at this time.

Yours truly,

*Original Signed By*

Nancy Marconi  
Acting Registrar