



VIA EMAIL AND WEB POSTING

March 31, 2022

To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
All Other Interested Parties

Re: Reliability and Power Quality Review – OEB File No. EB-2021-0307

On November 30, 2021, the Ontario Energy Board (OEB) issued a [letter](#) commencing an initiative to undertake a reliability and power quality review (RPQR) in the Ontario electricity sector. This letter sets out the OEB's plan for the RPQR, after considering customer and other stakeholder feedback, with a view to developing a comprehensive regulatory framework for reliability and power quality in the electricity sector.

The November 30th letter provided an overview of the RPQR and asked for input from customers, electricity distributors and transmitters, as well as other interested stakeholders on the issues that should be addressed as part of the review. The letter also asked for suggestions on the approach that should be taken to address those issues. The OEB indicated it would conduct a survey seeking input from Ontario residents and businesses. Stakeholders and survey responses indicate support of the RPQR and generally agree with the focus on enhancing utility accountability, customer-specific reliability, monitoring utility performance and supporting effective utility planning. Stakeholders agreed that there is a need to improve the consistency and accuracy of reliability reporting, and that proper performance expectations need to be established to encourage continuous improvement. Large customers stressed the importance of reviewing momentary outages and power quality issues, while utilities raised concerns regarding technical limitations for collecting, reporting and addressing these issues.

Residential customers responded in the survey that they see power outages and power quality issues more as a matter of inconvenience. However, the survey results showed a desire for greater transparency regarding reliability performance, better communications about outage restoration, and compensation when reliability or power quality falls below an acceptable level. Commercial and industrial customers indicated the impacts of power outages and power quality issues are more significant and can lead to reduced productivity, loss of sales/revenues and safety concerns. These

customers also expressed a desire to know more about the reliability and power quality issues in their area, as well as the distributor's plans to address those issues. All of the stakeholder comments along with summaries of each of the surveys have been posted on the [OEB's Engage with Us website](#).

Developing the RPQR Regulatory Framework

The OEB has defined four overall objectives for the RPQR regulatory framework. Those objectives are aligned with the [OEB's Strategic Plan](#) goals to protect the public interest and drive energy sector performance. They are also consistent with the feedback provided by customers and other stakeholders.

- **Enhance utility accountability** through improvements in reliability reporting and collecting/reporting of power quality
- **Encourage continuous improvement** through performance benchmarking
- **Increase transparency** through collecting customer-specific reliability information
- **Support investment decisions** through development of reliability analytics that link reliability to utility planning and rate applications

Based on the feedback received from customers and other stakeholders, the OEB plans to review all of the issues identified in the November 30th letter as part of developing its regulatory framework for electricity system reliability and power quality. The OEB recognizes that it will not be practical to address all of the issues at the same time. However, all of these issues are interconnected and their consideration needs to be coordinated. The OEB therefore believes it will be most effective to carry out the RPQR through a phased approach based on the objectives defined by the OEB, priorities identified by customers, and utilities' system capabilities.

The initial phase will focus on building the foundation for achieving the RPQR objectives and the regulatory framework for reliability. This phase will include enhancing reliability reporting to increase utility accountability and include consideration of outage restorations, momentary outages and power quality issues. It will also include the development of benchmarking and performance expectations for utility reliability. Future phases will focus on implementation of the new measures, including customer-specific reliability, and development of analytics framework to link reliability performance with transmission and distribution investment plans. The first phase is expected to be concluded in November 2022. Future phases will begin as the foundation is developed, with further consultation with stakeholders.

Next Steps

Based on the advice from stakeholders, OEB staff is proceeding with the formation of a RPQR working group (RPQR WG). The RPQR WG will provide input on technical issues and challenges, as well as assist OEB staff in the development and

implementation of benchmarking, customer-specific reliability and reliability analytics. Stakeholders that wish to participate in the RPQR WG should indicate their interest by letter addressed to the Registrar at registrar@oeb.ca, by April 15, 2022. The letter must quote the file number, EB-2021-0307, and clearly state the sender's name, postal address, phone number, and email address.

The OEB expects to select a representative group of stakeholders with relevant interest, experience and expertise. It is important that the size of the RPQR WG is such that it can work effectively. All interested stakeholders will have the opportunity to participate fully in this consultation when any proposed new policies or reporting requirements are issued for comment. All meeting materials will be posted on the Engage with Us website to allow stakeholders to follow the RPQR WG's progress.

Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible participants who are selected for the RPQR WG. Parties interested in requesting cost eligibility should indicate their intent by filing a letter with the OEB by **April 15, 2022**, in accordance with the filing instructions set out in Appendix B.

Any questions about the RPQR should be directed to Helen Guo at Helen.Guo@oeb.ca.

Yours truly,

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment: Appendix A - Cost Award Eligibility

Appendix A – Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its Practice Direction on Cost Awards. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **April 15, 2022**, delivered to the Registrar at registrar@oeb.ca. The submission must identify the following:

- The nature of the person's interest in the review
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's Practice Direction on Cost Awards)
- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known

All requests for cost eligibility will be posted on the Engage with Us website.

Costs awarded will be recovered from all licensed electricity distributors and transmitters.

Licensed electricity distributors and transmitters will have an opportunity to object to any of the requests for cost award eligibility. Objections must be filed with the OEB by **April 22, 2022** and will be posted on the Engage with Us website. The OEB will then issue a final determination on cost eligibility.

Eligible Activities

Cost awards will cover preparation, attendance and reporting time in relation to each working group meeting. The number of hours per participant will be determined prior to the first meeting.

Cost Awards

The OEB will apply the principles set out in section 5 of its Practice Direction on Cost Awards when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The OEB will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information, please refer to the OEB's [Practice Direction on Cost Awards](#).