



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

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# **SUPPLEMENTARY DECISION AND ORDER**

## **EB-2021-0300**

**In the matter of regulatory charges effective January 1, 2022, for the Wholesale Market Services rate and the Rural or Remote Electricity Rate Protection charge**

**BY DELEGATION, BEFORE: Kevin Mancherjee**  
Director  
Operations Decision Support

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**JULY 12, 2022**

## 1 OVERVIEW

On December 16, 2021, the Ontario Energy Board (OEB) issued a Decision and Order setting the Wholesale Market Service rate and the Rural or Remote Electricity Rate Protection (RRRP) charge for January 1, 2022.<sup>1</sup> Today the OEB is issuing this Supplementary Decision and Order to address new RRRP costs that arose beginning May 1, 2022. These new costs relate to the OEB-approved contribution that Hydro One Remote Communities Inc. (HORCI) is required to make towards the cost of connecting remote First Nations communities to the provincial electricity grid. As explained below, despite these new costs, there is no change to the RRRP charge.

This Supplementary Decision and Order relates only to the RRRP charge and does not affect the current Wholesale Market Service rate.

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<sup>1</sup> EB-2021-0300, Decision and Order, December 16, 2021

## 2 UPDATE TO THE AMOUNT OF RRRP FUNDING TO BE PROVIDED TO HORCI IN 2022

The RRRP program is designed to reduce costs for eligible customers located in rural or remote areas, where the cost of distributing electricity is higher. Pursuant to Ontario Regulation 442/01 (the RRRP Regulation), made under the *Ontario Energy Board Act, 1998* (the OEB Act), the RRRP program cost is recovered from all electricity consumers in the province through a charge that is reviewed annually and approved by the OEB. The current RRRP charge is \$0.0005 per kilowatt-hour (or about 35 cents per month for a typical residential consumer).<sup>2</sup>

The RRRP Regulation was amended in 2016 to provide for partial funding through the RRRP for the costs of connecting remote First Nations communities to the provincial grid. Specifically, section 4(2.1) of the RRRP Regulation now stipulates that in calculating the RRRP funding to which HORCI is entitled, the following must be included:

any amounts approved by the Board relating to the following:

1. A new transmission system that originates between Dryden and Ignace and terminates at Pickle Lake.
2. A transmission system from the point of connection at the IESO-controlled grid to points of connection to the distribution system that services each remote community listed in Schedule 2 and each remote community listed in Schedule 3.
3. A distribution system that serves a remote community listed in Schedule 2, if necessary to connect the community to a transmission system.
4. Upgrades to the existing transmission system between Dryden and Red Lake, if necessary to connect a distribution system that serves a remote community listed in Schedule 2 to the transmission system.

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<sup>2</sup> The \$0.0005 applies at both the wholesale level (i.e., what the Independent Electricity System Operator (IESO) collects from electricity distributors), and to the retail RRRP charge that is in turn collected by distributors from their customers.

The developer of the transmission system referred to above is Wataynikaneyap Power LP (WPLP). WPLP filed its first electricity transmission revenue requirement application with the OEB in 2021. In that case, the OEB-approved settlement proposal reflected a complete settlement between WPLP, OEB staff and HORCI which included the recovery of WPLP's revenue requirement through a combination of the Uniform Transmission Rates network pool and fixed monthly charges to HORCI.<sup>3</sup> The subsequent Revenue Requirement and Charge Determinant Order provided for \$21,514,230 of WPLP's 2022 revenue requirement to be recovered through a fixed monthly charge of \$2,689,279 to be paid by HORCI to WPLP, effective May 1, 2022.<sup>4</sup>

The decision establishing the RRRP charge for January 1, 2022, did not include that \$21.5 million in the calculation of the total amount of the RRRP funding for HORCI in 2022.

## Findings

HORCI is entitled to be reimbursed through the RRRP for the \$2,689,279 it is obliged to pay WPLP every month as of May 1, 2022 (\$21.5 million in total in 2022). This is in addition to the \$35.2 million that was included in the OEB's December 16, 2021 RRRP decision.

Despite the inclusion of these additional RRRP costs as of May 1, 2022, no adjustment to the RRRP charge is necessary. The IESO has advised the OEB that as of May 31, 2022, there is a surplus in its RRRP variance account of approximately \$30 million, which more than offsets the \$21.5 million needed to compensate HORCI for its OEB-approved payments to WPLP. As required by the RRRP Regulation, any variance (surplus or deficit) at the end of 2022 will be factored into the setting of the charge for 2023.

Like the December 16, 2021 Decision and Order, this Supplementary Decision and Order is being issued under delegated authority without a hearing pursuant to section 6(4) of the OEB Act.

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<sup>3</sup> EB-2021-0134, Decision and Order, September 30, 2021

<sup>4</sup> EB-2021-0134, WPLP Revenue Requirement and Charge Determinant Order, December 2, 2021

### 3 ORDER

#### IT IS ORDERED THAT:

1. The total amount of RRRP funding to be provided to Hydro One Remote Communities Inc. in 2022 will include \$21,514,230 to compensate Hydro One Remote Communities Inc. for its OEB-approved monthly payments of \$2,689,279 to Wataynikaneyap Power LP beginning May 1, 2022.
2. The IESO's RRRP charge to rate-regulated distributors and the RRRP charge used by rate-regulated distributors to bill their customers shall remain at \$0.0005 per kilowatt-hour as set in the OEB's December 16, 2021 Decision and Order.

**DATED** at Toronto, July 12, 2022

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar