

**EB-2022-0024  
ELEXICON ENERGY INC.**

**Application for changes to electricity distribution rates in the Veridian Rate Zone and the  
Whitby Rate Zone, effective January 1, 2023**

**VECC Interrogatories September 29, 2022**

VECC-1

Ref: Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin P8

The amount of the capital contribution would be approximately \$2,260 per home or building before Elexicon supplies power.

Please explain how this amount was derived.

VECC- 2

Ref: Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin P11

Table 1 provides the WSG net benefits.

- a) Please provide references for the Cost of Power, ICM Additional Revenue, Additional OM&A expenses, Operating Efficiencies from WSG and the Projected VoLL Benefit from Reliability.
- b) Please discuss and quantify the impact on reliability benefits if the scope of the WSG work component was reduced by 50%.
- c) Please provide all sensitivity analyses undertaken by Elexicon with respect to the annual customer benefit.

VECC-3

Ref: Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin P24

The Sustainable Brooklin community is forecasting 700+ DER and EV ready homes per year starting in Q4, 2023.

Please provide the forecast of DER and EV ready homes by year.

VECC-4

Ref: Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin P29

On July 11, 2022, Elexicon presented the ICM Projects to Whitby Town Council.

Please provide a copy of all written reports/memorandums to Whitby Town Council.

VECC-5

Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin P55

Table 12 provides the Sustainable Brooklin ICM Bill Impacts. Table 13 provides the illustrative WSG ICM Bill Impacts.

Please provide the ICM bill impacts for Sustainable Brooklin and WSG for the Residential Class at the 10<sup>th</sup> percentile.

VECC-6

Ref: Appendix B-1 - Whitby Smart Grid Business Case P11

Estimates provided for the VVO and FLISR field hardware herein should be considered Class 4 estimates as defined by AACE and other standard estimate formats. The conditions for a Class 4 estimate presume that 1-15% of Project Definition has been completed. Typical Accuracy ranges of a Class 4 estimate are -30% on the low side and +50% on the high side. All other costs can be considered Class 5 estimates as defined by ACCE.

Please provide the date that Elexicon expects to have a Class 3 estimate and Class 1 estimate and the party that will prepare the estimate.

VECC-7

Ref: Appendix B-1 - Whitby Smart Grid Business Case P12

Table 2 summarizes the forecast capital expenditures as follows:

Table 2: Forecast Capital Expenditures (\$M)

	Capital Expenditures (\$'000)
ADMS (Software, Communications Infrastructure, Active Demand Management Program Design)	\$8,082
VVO and FLISR Field Hardware	\$39,130
<b>Total Capital Expenditure</b>	<b>\$47,212</b>
NRCAN Funding	\$4,041
<b>Total Capital Expenditure (Excluding NRCAN Funding)</b>	<b>\$43,171</b>

- a) Please provide a further breakdown of the cost components of ADMS, VVO and FLISR Field Hardware.
- b) Please provide a breakdown of the NRCAN Funding allocated to part a).
- c) Please provide the historical spending to date on each of these cost components.
- d) Please provide the spending included in the DSP by year on each of these cost components.
- e) Please provide the service territory coverage as a percentage before and after the ICM for ADMS, VVO and FLISR Field Hardware.
- f) Please provide the contingency included in the capital costs and how it was derived.
- g) Please provide the schedule contingency and how it was derived.
- h) Please provide a breakdown of the additional O&M expenses due to the Whitby Smart Grid implementation.
- i) Please provide the number of incremental FTEs to operate management of the smart grid systems.
- j) Please provide the date of the Forecast Capital Expenditures in Table 2.

VECC-8

Ref: Appendix B-1 - Whitby Smart Grid Business Case P23

Table 12 shows the estimated DER penetration required for deferral based on the number of DER connections required and total expected customers from the new Brooklin development for the given time periods.

- a) Please provide the calculations that underpin the percentages in the table.
- b) Please recast the table in terms of number of DER connections.

VECC-9

Ref: Appendix B-1 - Whitby Smart Grid Business Case P26

Table 13 provides the estimated assets required for Whitby Smart Grid Field Technology Upgrades.

- a) Please add a column to the table that shows the projected cost of these assets.
- b) Please discuss the impact of on the planned work and proposed budget in the DSP as a result of the type and number of field hardware assets in Table 13 that will be installed as part of the Whitby Smart Grid project.

VECC-10

Ref: Appendix B-1 - Whitby Smart Grid Business Case P23

Table 14 provides a breakdown of Project Veritas components to be carried out as part of the Whitby Smart Grid Project.

Please provide a breakdown of the forecast costs allocated to each hardware and software component.

VECC-11

Ref: Appendix B-1 - Whitby Smart Grid Business Case P36

Table 18 lists the assets that will be involved in the VVO upgrade.

Please provide the forecast total number of assets by asset/device and total costs for the VVO upgrade.

VECC-12

Ref: Appendix B-1 - Whitby Smart Grid Business Case P40

Please provide the following reliability metrics for the past 10 years:

- a) Number of Sustained Outages
- b) Customer Hours of Interruption
- c) SAIDI and SAIFI
- d) SAIDI and SAIFI excluding Loss of Supply and Major Event Days

VECC-13

Ref: Appendix B-1 - Whitby Smart Grid Business Case P41

Table 21 lists the devices and elements are assumed to be involved in the FLISR/DA systems upgrade.

Please provide the forecast quantity by asset/device and the total amount (\$) by asset/device.

VECC-14

Ref: Appendix B-1 - Whitby Smart Grid Business Case P53

The evidence states “Elexicon conducted a customer engagement survey from October to December 2020. A key outcome that supports the proposed project was that “Customer’s support “investing in grid management technologies that will help it manage the impact of more Electric Vehicles, Renewable Generation, and Energy Storage” and felt Elexicon should focus on “Preparing the grid for new types of uses, like EV’s & renewable generation.”

- a) Has Elexicon share specific information on this ICM proposal with customers including the costs and potential bill impacts? If yes, please explain and provide the outcome.
- b) Has Elexicon undertaken any customer consultation with low income customers regarding the ICM proposal including the costs and potential bill impacts? If yes, please explain and provide the outcome.

VECC-15

Ref: Appendix B-1 - Whitby Smart Grid Business Case P57

Table 27 provides the Whitby Smart Grid Percentage of Current Forecast Capital Expenditure by OEB Category.

Please recast the table to reflect dollar amounts.

VECC-16

Ref: 2023 Incentive Rate-Making Application P44

The Sustainable Brooklin Project involves Elexicon providing capacity to a group of residential developers represented by the Brooklin Landowners Group Inc. (the “Developers”), who will in turn construct new homes in Brooklin, ON with DER enabling features such as rough-ins for solar panels, battery storage and EVs.

Ref: Appendix B-6 Letters of Support for ICM Application

The July 19, 2022 letter from the Region of Durham states:

“On behalf of the Brooklin North Landowners Group (“BNLG”), the Region of Durham is providing this letter of support for the joint Incremental Capital Module (“ICM”) application submitted to the Ontario Energy Board (OEB) by Elexicon Energy and BNLG.

Ref: Appendix B-6 Letters of Support for ICM Application

July 18, 2022 email from the Town of Whitby states “On behalf of the North Brooklin Landowner’s Group Inc. (“BLGI”), The Town of Whitby is pleased to provide this letter of support for the joint Incremental Capital Module (“ICM”) applications to the Ontario Energy Board (OEB) by Elexicon Energy and BLGI. It is estimated the capital contribution by BLGI and Elexicon Energy may be the largest in Ontario history for any residential development and we are delighted to give our full support to the ICM application.”

- a) Please explain the relationship between Brooklin North Landowners Group and Elexicon and the nature of the capacity to be provided.
- b) Please explain the relationship between Brooklin North Landowners Group and the Region of Durham.
- c) Please explain the relationship between Brooklin North Landowners Group and the Town of Whitby.
- d) Please provide any documents that govern the relationship between Brooklin North Landowners Group and: Elexicon, the Region of Durham and the Town of Whitby.
- e) Is the ICM application to the OEB submitted on behalf of Elexicon and Brooklin North Landowners Group as a joint submission as referred to in Appendix B-6 correspondence referred to above? Please discuss.

VECC-17

Please explain how Elexicon and its customers are protected from significant cost overages, scheduling issues, delays and lower than expected benefits for some segments of the system.