

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-1:

Reference: Page 44

Preamble: “The WSG Project involves the deployment of a combination of well understood and proven smart grid technologies across Elexicon’s distribution system in the WRZ and VRZ.”

- a) What is a “smart grid” as used in the quoted sentence?
- b) Please file a list of the “well understood and proven smart grid technologies” that the referenced statement is referring to. Please explain the function of each technology and indicate if Elexicon has any experience with its use.

Response:

- a) The reference cited speaks to “smart grid technologies”. In the case of the Whitby Smart Grid, these specifically refer to VVO, FLISR and ADMS.
- b) For a detailed description of the noted smart grid technologies, specifically VVO, FLISR and ADMS, please see Appendix B-1 - Whitby Smart Grid Business Case Page 7 to 11 of 67.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-2:

Reference: Page 44

Preamble: “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.”

- a) What is the meaning of “capacity” as used in the quoted sentence.
- b) Are the members of the Brooklin Landowners Group Inc. (the Developers) the same entities that are listed Attachment 1 of the letter of intervention dated September 2 filed by their counsel? If the answer is yes, please file Attachment 1 of that letter. If the answer is no, please file the list of members of the Brooklin Landowners Group Inc. (the Developers) who will be receiving “capacity” from Elexicon.
- c) What is the number of “new homes” that the quoted sentence refers to?
- d) What is the cost of “capacity” per “new home”?
- e) Is there a signed agreement or contract regarding the provision of “capacity” between Elexicon Energy Inc. and the Brooklin Landowners Group Inc. If the answer is yes, please file a copy of the agreement. If the answer is no, please explain why not.

Response: \_\_\_\_\_

- a) Capacity in the above noted preamble references the Elexicon providing electricity service to new construction to be completed by the Developers. As noted on page 44, Elexicon’s distribution cannot currently provide the North Brooklin area with the capacity required to construct the new buildings planned.
- b) Yes. The attachment referenced is already on the record in this proceeding.
- c) As noted on page 25 of 56 in Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin, over the course of 20 years, the Developers estimate construction of 10,000 to 11,200 homes.

- d) Elexicon's cost estimate for the Sustainable Brooklin Project is \$26.657MM. Assuming the number of homes constructed is 11,200, the cost of the Sustainable Brooklin project per home is approximately \$2,300. Elexicon's innovative Sustainable Brooklin project has garnered commitment from the Developers to invest approximately \$2,260 to construct DER and EV ready homes.
  
- e) No there isn't a signed agreement or contract regarding the provision of "capacity" between Elexicon Energy Inc. and the Brooklin Landowners Group Inc. Elexicon requires OEB approval of both the ICM request and DSC exemption, together with understanding any conditions the OEB may impose, prior to making any contractual commitments or otherwise with the Brooklin Developers.



CCMBC – 2  
Attachment 1



September 2, 2022

**Sent Via RESS and Email  
Registrar@oeb.ca**

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

**Re: Application of Elexicon Energy Inc. (“Elexicon”) for Approval of 2023 Distribution Rates (“Application”); Request of Brooklin Landowners Group Inc. for Intervenor Status Board Proceeding No.: EB-2022-0024**

1. **Brooklin’s Interest**

We act for the Brooklin Landowners Group Inc. (“**Brooklin**”) and write to request that Brooklin be granted intervenor status in the above-referenced proceeding. Brooklin comprises a group of 12 landowners/developers who intend to construct multiple new residential subdivisions within the new community of North Brooklin, Ontario. North Brooklin is a new growth area that extends north and west from the existing village of Brooklin. It has been designated to accommodate Provincial and Regional mandated growth to the 2031 planning horizon. The lands of the Brooklin developers/landowners comprise approximately 78 percent of the lands within North Brooklin. Attachment 1 is a table that lists the Brooklin landowners/developers and specifies the locations of their proposed subdivisions. Attachment 2 is a map that shows the location of the lands of the Brooklin landowners/developers within the community of North Brooklin.

The Sustainable Brooklin Project, described in Elexicon’s Application, pertains to the community of North Brooklin. North Brooklin is located in Elexicon’s Whitby Rate Zone. The North Brooklin subdivisions will be directly or indirectly electrically connected to the new Brooklin Line proposed to be constructed by Elexicon.

The Brooklin landowners/developers have committed to installing electric vehicle charging equipment and distributed energy resource enabling features in all new homes that they construct in North Brooklin, including rough-ins and conduits for solar panels and battery storage equipment, for a total investment of private capital of \$25.2 million over a 20-year period. Brooklin’s investment commitment is contingent on the Ontario Energy Board approving Elexicon’s requests for approval of Incremental Capital Module (“**ICM**”) funding for the Brooklin Line and an exemption from section 3.2 of the *Distribution System Code* (“**DSC**”).

**2. Brooklin's Participation in the Proceeding**

It is Brooklin's intention to participate fully in the proceeding in support of Elexicon's requests for approval of ICM funding for the Brooklin Line and an exemption from section 3.2 of the DSC.

**3. Hearing Process**

It is Brooklin's view that the proceeding should proceed by way of a written hearing.

**4. Costs**

Brooklin does not intend to seek a cost award in this proceeding.

**5. Contacts**

Communications and electronic copies of all documents filed in connection with this proceeding should be directed to and/or served upon:

Ms. Helen T. Newland

Dentons Canada LLP  
77 King Street, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario M5K 0A1

Tel: (416) 863-4471

Fax: (416) 863-4592

Email: [helen.newland@dentons.com](mailto:helen.newland@dentons.com)

-AND-

Mr. Matthew Cory  
Project Manager  
Brooklin Landowners Group Inc.  
c/o Malone Given Parsons  
140 Renfrew Drive, Suite 201  
Markham, Ontario L3R 6B3

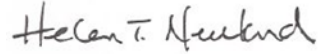
Tel: (905) 513-0170 ext. 116

Email: [mcory@mgp.ca](mailto:mcory@mgp.ca)

We would also request that a hard copy of the Application and other supporting materials be provided to the undersigned, Helen Newland.

Yours truly,

**Dentons Canada LLP**



Helen T. Newland  
Partner

HTN/ak

Attachment 1: List of Participating Landowners/Developers in the Brooklin Landowners Group Inc.

Attachment 2: Map of North Brooklin

Cc.: John Vellone, BLG

**ATTACHMENT 1 – PAGE 1 OF 3**

<b>Participating Brooklin North Landowners Group (BNLG) - Landholdings</b>			
<b>PIN</b>	<b>Funding Owner</b>	<b>Contact Information</b>	<b>Legal Description</b>
<b>Brookvalley</b>			
265770222	BROOKVALLEY DEVELOPMENTS INC.;	<i>Contact:</i> Frank Filippo	PART LOT 21 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 ON 40R27983 TOWN OF WHITBY
265770219	BROOKVALLEY DEVELOPMENTS NORTH INC.;	<i>Email:</i> filippo@brookvalley.ca	PART LOT 22 CONCESSION 7 TOWNSHIP OF WHITBY, PART 2 ON 40R27979 TOWN OF WHITBY
265770218	BROOKVALLEY DEVELOPMENTS NORTH INC	<i>Phone#:</i> 905.738.8001	PART LOT 22 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 ON 40R27979 TOWN OF WHITBY
265770221	EAST VALLEY FARMS LTD	<i>Address:</i>	PT LT 21 CON 7 TOWNSHIP OF WHITBY; PT LT 22 CON 7 TOWNSHIP OF WHITBY PART 2 PLAN 40R27981 TOWN OF WHITBY
265770052	EAST VALLEY FARMS LTD.;	137 Bowes Road, Concord, ON, L4K 1H3	PCL WHITBY-CON. 7-23-2, SEC REG. MUN. OF DURHAM.; PT LT 23, CON 7 TOWNSHIP OF WHITBY, PT 1, 40R5903 ; WHITBY
265770220	EAST VALLEY FARMS LTD.;		PT LT 21 CON 7 TOWNSHIP OF WHITBY PART 1 PLAN 40R27981 TOWN OF WHITBY
265710065	EAST VALLEY FARMS LTD.;		PT LT 28 CON 6 TOWNSHIP OF WHITBY AS IN D312443 TOWN OF WHITBY
265710239	EAST VALLEY FARMS LTD.;		PT LT 28 CON 6 TOWNSHIP OF WHITBY, DESIGNATED AS PART 1, PLAN 40R27988 TOWN OF WHITBY
265780079	EAST VALLEY FARMS LTD.;		PT LT 27 CON 7 TOWNSHIP OF WHITBY AS IN D230947; WHITBY
164330156	BROOKLIN NORTHEAST DEVELOPMENTS CR INC.;		PT LT 20, CON 7, TOWNSHIP OF WHITBY, PT 1, PL 40R18058, SAVE & EXCEPT PT 2, PL 40R25115; WHITBY, REGIONAL MUNICIPALITY OF DURHAM, T/W EASEMENT OVER PT LT 20, CON 7, PTS 1 & 2, PL 40R25115 AS IN DR689315.
164330154	BROOKLIN NORTHEAST DEVELOPMENTS CR INC.;		PT LT 20 CON 7, PT 6 40R23888, WHITBY, REGIONAL MUNICIPALITY OF DURHAM; T/W ROW OVER PTS 3 & 5 40R23888 UNTIL PTS 3 & 5 40R23888 ARE DEDICATED AS A PUBLIC HIGHWAY AS IN DR497237
164330153	BROOKLIN NORTHEAST DEVELOPMENTS CR INC.;		PT LT 20 CON 7, PT 2 40R23888, WHITBY, REGIONAL MUNICIPALITY OF DURHAM; T/W ROW OVER PTS 3 & 5 40R23888 UNTIL PTS 3 & 5 40R23888 ARE DEDICATED AS A PUBLIC HIGHWAY AS IN DR497237
164330057	BROOKLIN NORTHEAST DEVELOPMENTS CR INC.;		PCL CON. 6-19-1, SEC WHITBY; PT LTS 19 & 20, CON 7, TOWNSHIP OF WHITBY, PT 5, 40R16409 EXCEPT PTS 1 & 2, 40R16573 & *PT 1, 40R17193 & PT 1, 40R18058*; WHITBY *AMENDED 99/06/29 BY G. MCCARROLL
265710188	BROOKLIN DEVELOPMENT GENERAL PARTNER LTD		PART LOTS 27 AND 28 CONCESSION 6, PART 1 ON 40R26367 TOWN OF WHITBY
265710069	BROOKLIN DEVELOPMENT GENERAL PARTNER LTD		PT LT 28 CON 6 TOWNSHIP OF WHITBY AS IN D458009; TOWN OF WHITBY
<b>Fieldgate</b>			
265780046	WHITBY CON SEVEN DEVELOPMENTS LIMITE D	<i>Contact:</i> Russel White	PCL CON. 7-29-2 SEC WHITBY; PT LT 29 CON 7 TOWN OF WHITBY PT 1, 40R16177 ; WHITBY
265710046	WHITBY CON SEVEN DEVELOPMENTS LIMITE D	<i>Email:</i> russelw@fieldgatedevelopments.com	PCL WHITBY CON 6-29-1 SEC TOWN OF WHITBY, REGIONAL MUNICIPALITY OF DURHAM; PT LTS 29, 30 CON 6 TOWNSHIP OF WHITBY, PT 1, 40R4645 ; WHITBY
265710244	625 COLUMBUS DEVELOPMENTS LIMITED;	<i>Phone#:</i> (416) 227-9005	PT LT 27 CON 6 TOWNSHIP OF WHITBY; PT LT 28 CON 6 TOWNSHIP OF WHITBY AS IN D50441; TOWN OF WHITBY
265770240	7150 THICKSON DEVELOPMENTS LIMITED	<i>Address:</i>	PT LT 21 CON 7 TOWNSHIP OF WHITBY; PT RDAL BTN LOTS 20 & 21 CON 7 TOWNSHIP OF WHITBY AS IN D280216 SAVE AND EXCEPT PT 3 PL 40R25115, WHITBY, REGIONAL MUNICIPALITY OF DURHAM, T/W EASEMENT OVER PT LT 21 CON 7 TOWNSHIP OF WHITBY; PT RDAL BTN LOTS 20 & 21 CON 7 TOWNSHIP OF WHITBY, PT 3 40R25115 UNTIL LANDS ARE DEDICATED AS A PUBLIC HIGHWAY AS IN DR711346
256780188	740 COLUMBUS DEVELOPMENTS LIMITED	5400 Yonge Street, Suite 501	PART LOT 29 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1, PLAN 40R30755 TOWN OF WHITBY
256780187	710 COLUMBUS HOLDINGS LIMITED	Toronto, ON, M2N 5R5	PART LOT 29 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R30754 TOWN OF WHITBY
265710292	WHITBY COUNTRY LANE DEVELOPMENTS LIMITED		PART LOT 30 CONCESSION 6 TOWNSHIP OF WHITBY PART 1 PLAN 40R30806 TOWN OF WHITBY
265710044	6800 COUNTRY LANE DEVELOPMENTS LIMITE D		PCL WHITBY CON 6-31-4 SEC TOWN OF WHITBY; PT LT 31 CON 6 TOWN OF WHITBY, PT 2, 40R1728 EXCEPT PT 1, 40R9462 ; WHITBY
265780186	7081 COCHRANE DEVELOPMENTS LIMITE D		PART LOT 28 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R30753 TOWN OF WHITBY
265780192	ROVESCIAATA ESTATE CORP		PART LOT 28 CONCESSION 7 GEOGRAPHIC TOWNSHIP OF WHITBY, PART 1 PLAN 40R30900 TOWN OF WHITBY
265780193	ROVESCIAATA ESTATE CORP		PART LOT 28 CONCESSION 7 GEOGRAPHIC TOWNSHIP OF WHITBY, PART 1 PLAN 40R30901 TOWN OF WHITBY
265780189	7261 COCHRANE DEVELOPMENTS LIMITE D		PART LOT 28 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1, PLAN 40R30797 TOWN OF WHITBY
265780190	7321 COCHRANE DEVELOPMENTS LIMITE D		PART LOT 28 CONCESSION 7 TOWNSHIP OF WHITBY PART 1 PLAN 40R30807 TOWN OF WHITBY
<b>Mattamy</b>			
265770215	MATTAMY (BROOKLIN) LIMITED	<i>Contact:</i> Andrew Sjogren	PT LTS 25 & 26 CON 7, WHITBY, PARTS 1, 2 & 3, PLAN 40R27537 SUBJECT TO AN EASEMENT OVER PART 2, PLAN 40R27537 IN FAVOUR OF TRANS-CANADAPIPE LINES LIMITED AS IN C064838 TOWN OF WHITBY
164330163	4293720 CANADA INC	<i>Email:</i> andrew.sjogren@mattamycorp.com	PART LOT 20 CONCESSION 7 TOWNSHIP OF WHITBY AND PART ROAD ALLOWANCE BETWEEN LOTS 20 & 21 CONCESSION 7 WHITBY AS CLOSED BY BYLAW C082530 DESIGNATED AS PART 1 ON 40R28586 TOWN OF WHITBY
164330161	4293738 CANADA INC	<i>Phone#:</i> T (905) 907-8371 (direct), C (416) 997-0202, F (905) 907-8300.	PART LOT 19 CONCESSION 7 TOWNSHIP OF WHITBY, PARTS 1 AND 2 ON 40R27535 SUBJECT TO AN EASEMENT OVER PART 2 ON 40R27535 IN FAVOUR OF PART LOT 19 CONCESSION 7 TOWNSHIP OF WHITBY, PARTS 1 AND 2 ON 40R7410 AS IN D208050 TOWN OF WHITBY
164330056	MATTAMY (THICKSON) LIMITED	<i>Address:</i>	PT LT 19 CON 7 TOWNSHIP OF WHITBY PT 1-2, 40R7410; T/W D208050; WHITBY
		7880 Keele Street, Suite 500, Vaughan, Ontario L4K 4G7	

**ATTACHMENT 1 – PAGE 2 OF 3**

<b>Sorbara/Tribute</b>			
265770197	ABACUS EQUITY INFUSION LIMITED	<i>Contact:</i> Mark Pavkovic	PT LTS 21 & 22 CON 7, TOWNSHIP OF WHITBY, PTS 1, 2 & 3 PL 40R7229, SAVE & EXCEPT PTS 1, 2, 3 & 4 EXPROPRIATION PLAN DR465501, WHITBY, REGIONAL MUNICIPALITY OF DURHAM, S/T AN EASEMENT DESCRIBED IN CO64836 AS AMENDED BY PIPELINE PLAN # 8 IN FAVOUR OF TRANS-CANADA PIPE LINES LIMITED OVER PT LT 22 DESIGNATED AS PT2 40R7229, FOR FURTHER ENTRIES AFFECTING THIS EASEMENT SEE INSTRUMENTS CO66705, CO84711, CO85708, CO111180, CO138546, CO159334, CO224465, CO237113, D124013 & D136444.
265770087	ABACUS EQUITY INFUSION LIMITED	<i>Email:</i> mpavkovic@sorbara.com	PCL WHITBY-CON. 7-21-2, SEC WHITBY; PT LT 21 CON 7 TOWNSHIP OF WHITBY PT 4, 40R7229; WHITBY
265770214	ABACUS EQUITY INFUSION LIMITED;	<i>Phone #:</i> (905) 850-6154 x277	PART OF LOT 21 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1, PLAN 40R27247 TOWN OF WHITBY
265770217	ABACUS EQUITY INFUSION LIMITED	<i>Address:</i>	PT LT 21 CON 7 TOWNSHIP OF WHITBY, PART 2, PLAN 40R27921 TOWN OF WHITBY
265770216	ABACUS EQUITY INFUSION LIMITED	3700 Steeles Avenue West, Suite 800 Vaughan, ON, L4L 8M9	PT LT 21 CON 7 TOWNSHIP OF WHITBY, PART 1, PLAN 40R27921 TOWN OF WHITBY
<b>LakeviewHomes</b>			
265770231	2068681 ONTARIO INC	<i>Contact:</i> Frank Machio	PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN CO202850; WHITBY
265770232	2068681 ONTARIO INC.	<i>Email:</i> frank@lakeviewhomesinc.com	PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN D466965; WHITBY
265770233	2068681 ONTARIO INC	<i>Phone #:</i> (416) 785-8172	PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN CO166252; TOWN OF WHITBY
265770238	2068681 ONTARIO INC		PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN D450095; TOWN OF WHITBY
265770234	2068681 ONTARIO INC	<i>Address:</i>	PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN D188418; WHITBY
265770235	2068681 ONTARIO INC.;	200 Bridgeland Avenue	PT LT 26 CON 7 TOWNSHIP OF WHITBY, PART 2, PLAN 40R27977 TOWN OF WHITBY
265770237	2068681 ONTARIO INC.;	Toronto, ON, M6A 1Z4	PT LT 26 CON 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R28645 TOWN OF WHITBY
265770236	2068681 ONTARIO INC.;		PT LT 26 CON 7 TOWNSHIP OF WHITBY AS IN CO167741; WHITBY
265770239	2068681 ONTARIO INC.;		PART LOT 26 CONCESSION 7 TOWNSHIP OF WHITBY PART 1 PLAN 40R30530 TOWN OF WHITBY
265770242	2068681 ONTARIO INC		PT S1/2 LT 25 CON 7 TOWNSHIP OF WHITBY AS IN D196079; T/W CO84531 TOWN OF WHITBY
<b>North Whitby &amp; Brooklin Holdings Inc.</b>			
265770209	NORTH WHITBY HOLDINGS INC	<i>Contact:</i> Lou Greenbaum <i>Email:</i> lgreenbaum@voguegroup.com <i>Phone #:</i> (905) 886-8500	PART LOT 21, CONCESSION 7, PARTS 1, 2 & 3, PLAN 40R26159 TOWN OF WHITBY
265770057	NORTH BROOKLIN HOLDINGS INC.;	<i>Contact:</i> Mark Greenbaum	PT LT 21 CON 7 TOWNSHIP OF WHITBY PT 1, 40R8950; TOWN OF WHITBY
265770210	NORTH BROOKLIN HOLDINGS INC.;	<i>Email:</i> mgreenbaum@voguegroup.com	PT LT 21 CON 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R26684 TOWN OF WHITBY
265770203	7510 THICKSON ROAD HOLDINGS INC.(North Whitby Holdings)	<i>Phone #:</i> <i>Address:</i>	PT LT 21 CON 7 TOWNSHIP OF WHITBY, PT 2 PL 40R25067 TOWN OF WHITBY
		1118 Centre Street, Suite 208 Thornhill, Ontario, L4J 7R9	
<b>Runnymede</b>			
265770227	BROOKLIN (AD) LIMITED PARTNERSHIP; 1955551 ONTARIO INC.;	<i>Contact:</i> Glen Murphy	PART LOT 22 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R28927 TOWN OF WHITBY
265780183	BROOKLIN (AD) LIMITED PARTNERSHIP; 1955551 ONTARIO INC	<i>Email:</i> glen@runnymede-dev.com	PART LOTS 27 AND 28 CONCESSION 7 TOWNSHIP OF WHITBY PART 1 PLAN 40R29357 TOWN OF WHITBY
265780184	BROOKLIN (AD) LIMITED PARTNERSHIP; 1955551 ONTARIO INC.	<i>Phone #:</i> (416) 298-0066 x352	PART LOTS 27 AND 28 CONCESSION 7 TOWNSHIP OF WHITBY PART 2 PLAN 40R29357 TOWN OF WHITBY
		<i>Address:</i> Kap/Brooklin Hotner Ltd c/o Runnymede Investment Inc. Weston Centre 22 St. Clair Avenue East, Suite 200 Toronto, Ontario, M4T 2S3	
<b>Xarch Capital Corp</b>			
265780194	XARCH CAPITAL CORP.	<i>Contact:</i> Borys Charchenko President, XARCH CAPITAL CORP. <i>borys@xarchcapital.com</i> (416) 910-9131	PT LT 27 CON 7 TOWNSHIP OF WHITBY; PT LT 28 CON 7 TOWNSHIP OF WHITBY AS IN D23256 TOWN OF WHITBY
<b>Tercot Properties</b>			
265780191	WHITBY ASHBURN HOLDINGS INC	<i>Contact:</i> Joe Valela (Principal) TERCOT COMMUNITIES 408 - 56 THE ESPLANADE, TORONTO, ON M5E 1A7 MOBILE 416 230 9951 JVALELA@TERCOT.COM   TERCOT.COM	PART LOTS 27 AND 28 CONCESSION 7 TOWNSHIP OF WHITBY, PART 1 PLAN 40R30821 TOWN OF WHITBY

**ATTACHMENT 1 – PAGE 3 OF 3**

Delpark Homes			
265 770241	DELPARK HOMES (BROOKLIN) INC.	Contact: Eddy Chan (Director, Land Development) DELPARK HOMES 8888 Keele Street, Units 13-14, Concord, L4K 2N2 Office: (416) 309-2009 ext. 234 Cell: (416) 565-6466 eddy@delparkhomes.ca	PART LOT 26, CONCESSION 7 GEOGRAPHIC TOWNSHIP OF WHITBY, PARTS 1, 2 AND 3 PLAN 40R30893 SUBJECT TO AN EASEMENT OVER PART 2 PLAN 40R30893 AS IN CO62350 TOWN OF WHITBY
<b>Minto Communities</b>			
265 770245	MINTO COMMUNITIES INC.	Contact: Tiago Do Couto, Director of Land Development Giordano Labile, Junior Development Manager	PART LOT 23 CONCESSION 7 WHITBY, PART 4 40R30924 TOWN OF WHITBY
<b>Artlife Development</b>			
265 770085	10113344 CANADA CORP.	Contact: Sharon Marom, Director Artlife Development Martin Ferreira, Executive Director Artlife Development Planners: Weston consulting Katie Pandey Nick Rhomey-Smith	PT LT 22 CON 7 TOWNSHIP OF WHITBY PT 2, 40R12759; WHITBY

Date: April 14, 2022



Prepared by:





















Note: Funding owners in the table above are parties to the Funding Agreement. The legal name on title might be different.



**LEGEND:**

-  NEIGHBOURHOOD BOUNDARY
-  RELATED OWNERSHIP BOUNDARY

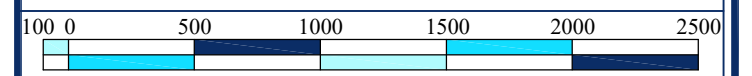
**PARTICIPATING:**

-  FIELDGATE
-  FIELDGATE - 625
-  FIELDGATE - 7150
-  MATTAMY
-  SORBARA / TRIBUTE (ABACUS)
-  LAKEVIEW HOMES INC.
-  BROOKVALLEY DEVELOPMENTS NORTH INC.
-  NORTH WHITBY HOLDINGS INC.
-  BROOKLIN (AD) LIMITED PARTNERSHIP
-  NORTH BROOKLIN HOLDINGS INC.
-  XARCH CAPITAL CORP.
-  TERCOT
-  DELPARK HOMES
-  BATTY (MINTO)
-  10113344 CANADA
-  DEFERRED LANDS
-  NON-PARTICIPATING
-  NON-APPLICABLE

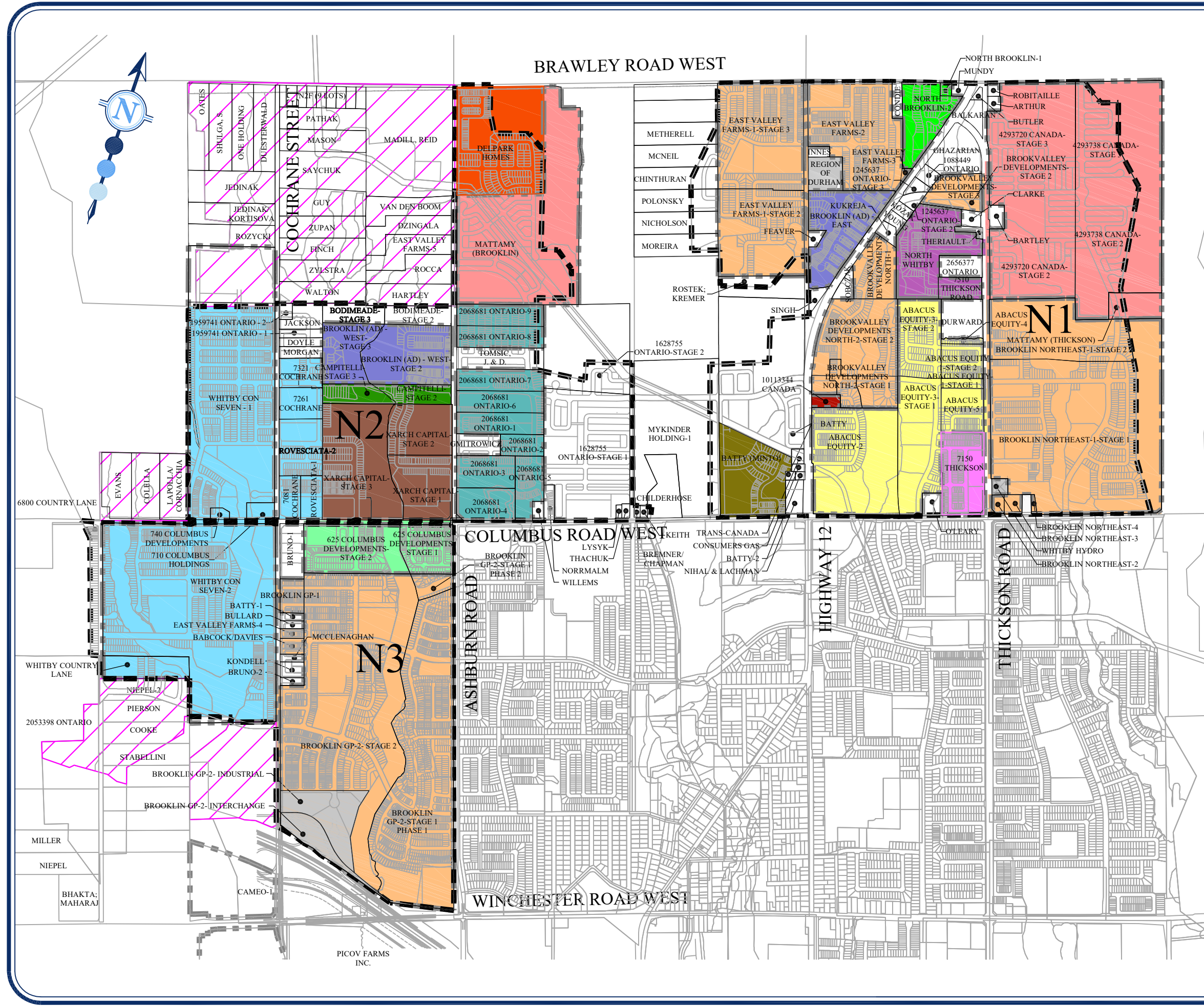
\*NOTE: LAYOUT IS SCHEMATIC ONLY. DETAILS TO BE PROVIDED AT DETAILED DESIGN STAGE.

 30 CENTURIAN DRIVE, SUITE 100  
MARKHAM, ONTARIO L3R 8B8  
TEL: (905) 475-1900  
FAX: (905) 475-8335

**BROOKLIN NORTH COMMUNITY DEVELOPMENT AREA PARTICIPATING RELATED OWNERSHIP PLAN**



DESIGNED BY: M.W.C.	CHECKED BY: J.L.B.
SCALE: NTS	DATE: APRIL 2022
PROJECT No: 1675	SCHEDULE: C



Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-3:

Reference: Appendix B, Page 6 and Appendix B-2, page 13

Preamble: "ICM funding of \$26.657MM for the Sustainable Brooklin Project in the WRZ and an exemption for the Brooklin Line (as more fully described in Appendix B-2) from Section 3.2 of the Distribution System Code ("DSC") (the "DSC Exemption"), which would otherwise require Elexicon to collect a capital contribution from the local developers towards the cost of constructing and operating the Brooklin Line."

- a) Please file a copy of Section 3.2 of the Distribution System Code as a document and not a link.
- b) What is the amount of the capital contribution that "would otherwise require Elexicon to collect"?
- c) Is \$26.657 million the total cost of constructing the Brooklin Line? If the answer is no, what is the cost of constructing the Brooklin Line? If the answer is yes, does the calculation of the contribution consider incremental revenues of the Brooklin Line?
- d) The quoted text suggests that "the local developers" would otherwise pay an operating cost. What is the amount of this operating cost and how and when would the local developers pay it?
- e) Are "the local developers" the same entities previously referred to as the Brooklyn Landowners Group? If not, please explain why not and file the list of "local developers" who will not be required to pay a contribution.
- f) Does Elexicon have a contribution policy that it applies to new development? If the answer is yes, please file a copy of the policy. If the answer is no, please explain how Elexicon informs developers about the requirement for contributions.
- g) Are there developers in other parts of the Elexicon service area who are currently paying or have paid contributions to Elexicon? If the answer is yes, what is the annual amount of contributions received by Elexicon? If the answer is no, please explain why not.

Response:

- a) Section 3.2 of the DSC is attached below
- b) The capital contribution Elexicon would collect would be \$26.657MM. The Brooklin line extension does not have any supporting revenues.



c) Yes, the forecasted cost of the Brooklin line is \$26.657 MM. The Brooklin line extension does not have any supporting revenues to factor into the contribution calculation.

d) The noted text reference to operating costs is meant to reference that Elexicon’s collection of a capital contribution from the local developers would fund both the capital and operating costs of the connection. It does not mean that Elexicon will collect operating costs from local developers.

e) No. Brooklin Landowners Group represents a majority position of development planned in the area to be served by the Brooklin Line, but do not represent all developers whose new construction homes will be served by the Brooklin Line. Elexicon has proposed that all developers’ whose new construction homes are served by the Brooklin Line be required to construct DER-and-EV-ready homes or pay a capital contribution if/when they request connection to the distribution system.

f) Elexicon utilizes its Conditions of Service Section 2.1, which are consistent with Section 3 of DSC, to determine whether any development would be categorized as an expansion or enhancement. Calculation of the contribution amount is completed in compliance with Appendix B of the DSC.

g) Yes. Please see annual contribution amounts below for 2018-2021

Table 1 Annual Contribution Amounts (\$000s)

	2018	2019	2020	2021
<b>Contributed Capital (\$'000)</b>	8,131	16,807	16,341	15,665



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Attachment 1

- 3.1.10 Where a customer requests the relocation of a distributor-owned asset, the distributor shall recover from that customer the cost of relocating that asset, except to the extent recovery is limited under law.
- 3.1.11 Where a distributor-owned asset is relocated in the absence of a customer request, the distributor shall bear the cost of relocating that asset.

### **3.2 Expansions**

- 3.2.1 If a distributor must construct new facilities to its main distribution system or increase the capacity of existing distribution system facilities in order to be able to connect a specific customer or group of customers, the distributor shall perform an initial economic evaluation based on estimated costs and forecasted revenues, as described in Appendix B, of the expansion project to determine if the future revenue from the customer(s) will pay for the capital cost and on-going maintenance costs of the expansion project.
- 3.2.2 If the distributor's offer was an estimate, the distributor shall carry out a final economic evaluation once the facilities are energized. The final economic evaluation shall be based on forecasted revenues, actual costs incurred (including, but not limited to, the costs for the work that was not eligible for alternative bid, and any transfer price paid by the distributor to the customer) and the methodology described in Appendix B.
- 3.2.3 If the distributor's offer was a firm offer, and if the alternative bid option was chosen and the facilities are transferred to the distributor, the distributor shall carry out a final economic evaluation once the facilities are energized. The final economic evaluation shall be based on the amounts used in the firm offer for costs and forecasted revenues, any transfer price paid by the distributor to the customer, and the methodology described in Appendix B.
- 3.2.4 The capital contribution that a distributor shall charge an embedded distributor or a customer other than a generator to construct an expansion shall be equal to that customer's share of the difference between the present value of the projected capital costs and on-going maintenance costs for the facilities and the present value of the projected revenue for distribution services provided by those

facilities. The methodology and inputs that a distributor shall use to calculate this amount are described in Appendix B.

3.2.4A Where an expansion involves an upstream transmission asset that has been deemed by the Board to be a distribution asset pursuant to section 84 of the Act, a distributor shall not require a capital contribution under section 3.2.4 or section 3.2.27 from a load customer with a non-coincident peak demand of less than 5 MW.

3.2.5 The capital contribution that a distributor shall charge a generator to construct an expansion to connect a generation facility to the distributor's distribution system shall be equal to the generator's share of the present value of the projected capital costs and on-going maintenance costs for the facilities. Projected revenue and avoided costs from the generation facility shall be assumed to be zero, unless otherwise determined by rates approved by the Board. The methodology and inputs that a distributor shall use to calculate this amount are described in Appendix B.

3.2.5A Notwithstanding section 3.2.5 but subject to section 3.2.5B, a distributor shall not charge a generator to construct an expansion to connect a renewable energy generation facility:

(a) if the expansion is in a Board-approved plan filed with the Board by the distributor pursuant to the deemed condition of the distributor's licence referred to in paragraph 2 of subsection 70(2.1) of the Act, or is otherwise approved or mandated by the Board; or

(b) in any other case, for any costs of the expansion that are at or below the renewable energy generation facility's renewable energy expansion cost cap.

For greater clarity, the distributor shall bear all costs of constructing an expansion referred to in (a) and, in the case of (b), shall bear all costs of constructing the expansion that are at or below the renewable energy generation facility's renewable energy expansion cost cap.

3.2.5B Where an expansion is undertaken in response to a request for the connection of more than one renewable energy generation facility, a distributor shall not charge any of the requesting generators to construct the expansion:

(a) if the expansion is in a Board-approved plan filed with the Board by the distributor pursuant to the deemed condition of the distributor's licence referred to in paragraph 2 of subsection 70(2.1) of the Act, or is otherwise approved or mandated by the Board; or

(b) in any other case, for any costs of the expansion that are at or below the amount that results from adding the total name-plate rated capacity of each renewable energy generation facility referred to in section 6.2.9(a) (in MW) and then multiplying that number by \$90,000.

For greater clarity, the distributor shall bear all costs of constructing an expansion referred to in (a) and, in the case of (b), shall bear all costs of constructing the expansion that are at or below the number that results from the calculation referred to in (b).

3.2.5C Where, in accordance with the calculation referred to in section 3.2.5B(b), a capital contribution is payable by the requesting generators, the distributor shall apportion the amount of the capital contribution among the requesting generators on a pro-rata basis based on the total name-plate rated capacity of the renewable energy generation facility referred to in section 6.2.9(a) (in MW).

3.2.6 If a shortfall between the present value of the projected costs and revenues is calculated under section 3.2.1, the distributor may propose to collect all or a portion of that amount from the customer in the form of a capital contribution, in accordance with the distributor's documented policy on capital contributions by customer class.

3.2.7 If the capital contribution amount resulting from the final economic evaluation provided for in section 3.2.2 or 3.2.3 differs from the capital contribution amount resulting from the initial economic evaluation calculation, the distributor shall obtain from the customer, or credit the customer for, any difference between the two calculations.

- 3.2.8 If an expansion is needed in order for a distributor to connect a customer, the distributor shall make an initial offer to connect the customer and build the expansion. A distributor's initial offer shall include, at no cost to the customer:
- (a) a statement as to whether the offer is a firm offer or is an estimate of the costs that would be revised in the future to reflect actual costs incurred;
  - (b) a reference to the distributor's Conditions of Service and information on how the customer requesting the connection may obtain a copy of them;
  - (c) a statement as to whether a capital contribution will be required from the customer;
  - (d) a statement as to whether an expansion deposit will be required from the customer and if the distributor will require an expansion deposit from the customer, the amount of the expansion deposit that the customer will have to provide; and
  - (e) a statement as to whether the connection charges referred to in sections 3.1.5 and 3.1.6 will be charged separately from the capital contribution referred to in section 3.2.8(c), and a description of, and if known, the amount for, those connection charges.
- 3.2.9 If the distributor will require a customer to pay a capital contribution, the distributor must, in addition to complying with section 3.2.8, also include in its initial offer, at no cost to the customer:
- (a) the amount of the capital contribution that the customer will have to pay for the expansion;
  - (b) the calculation used to determine the amount of the capital contribution to be paid by the customer including all of the assumptions and inputs used to produce the economic evaluation as described in Appendix B;
  - (c) a statement as to whether the offer includes work for which the customer may obtain an alternative bid and, if so, the process by which the customer may obtain the alternative bid;

- (d) a description of, and costs for, the work that is eligible for alternative bid and the work that is not eligible for alternative bid associated with the expansion broken down into the following categories:
  - i) labour (including design, engineering and construction);
  - ii) materials;
  - iii) equipment; and
  - iv) overhead (including administration);
- (e) an amount for any additional costs that will occur as a result of the alternative bid option being chosen (including, but not limited to, inspection costs);
- (f) if the offer is for a residential customer, a description of, and the amount for, the cost of the basic connection referred to in section 3.1.4 that has been factored into the economic evaluation; and
- (g) if the offer is for a non-residential customer and if the distributor has chosen to recover the non-residential basic connection charge as part of its revenue requirement, a description of, and the amount for, the connection charges referred to in section 3.1.5 that have been factored into the economic evaluation.

3.2.10 Once the customer has accepted the distributor's offer, and if the customer requests it, the distributor shall provide to the customer, at cost, an itemized list of the costs for the major items in each of the categories listed in section 3.2.9(d) and shall be done in the following manner:

- (a) if the customer has not chosen to pursue an alternative bid, the distributor shall provide the itemized list for all of the work; or
- (b) if the customer has chosen to pursue the alternative bid option, the distributor shall only be required to provide the itemized list for the work that is not eligible for alternative bid.

- 3.2.11 If the customer submits revised plans or requires additional design work, the distributor may provide, at cost, a new offer based on the revised plans or the additional design work.
- 3.2.12 The distributor shall provide the customer with the calculation used to determine the final capital contribution amount including all of the assumptions and inputs used to produce the final economic evaluation as provided for in sections 3.2.2 and 3.2.3. The distributor shall provide the final economic evaluation and final capital contribution amount to the customer at no cost to the customer.
- 3.2.13 The last sentence of section 3.2.12 does not apply to a customer who is a generator or is proposing to become a generator unless the customer's proposed or existing generation facility is an emergency backup generation facility.
- 3.2.14 Where the distributor requires a capital contribution from the customer, the distributor shall allow the customer to obtain and use alternative bids for the work that is eligible for alternative bid. The distributor shall require the customer to use a qualified contractor for the work that is eligible for alternative bid provided that the customer agrees to transfer the expansion facilities that are constructed under the alternative bid option to the distributor upon completion.
- 3.2.15 The following activities are not eligible for alternative bid:
- (a) distribution system planning; and
  - (b) the development of specifications for any of the following:
    - i) the design of an expansion;
    - ii) the engineering of an expansion; and
    - iii) the layout of an expansion.
- 3.2.15A Work that requires physical contact with the distributor's existing distribution system is not eligible for alternative bid unless the distributor decides in any given case to allow such work to be eligible for alternative bid.



- 3.2.15B Despite any other provision of this Code, decisions related to the temporary de-energization of any portion of the distributor's existing distribution system are the sole responsibility of the distributor. Where the temporary de-energization is required in relation to work that is being done under alternative bid, the distributor shall apply the same protocols and procedures to the de-energization as it would if the customer had not selected the alternative bid option.
- 3.2.16 If a customer chooses to pursue an alternative bid and uses the services of a qualified contractor for the work that is eligible for alternative bid, the distributor shall:
- (a) require the customer to complete all of the work that is eligible for alternative bid;
  - (b) require the customer to:
    - i) select and hire the contractor;
    - ii) pay the contractor's costs for the work that is eligible for alternative bid; and
    - iii) assume full responsibility for the construction of that aspect of the expansion;
  - (c) require the customer to be responsible for administering the contract (including the acquisition of all required permissions, permits and easements) or have the customer pay the distributor to do this activity;
  - (d) require the customer to ensure that the work that is eligible for alternative bid is done in accordance with the distributor's distribution system planning and the distributor's specifications for any of the following:
    - i) the design of the expansion;
    - ii) the engineering of the expansion; and
    - iii) the layout of the expansion

- (d.1) require the customer to obtain the distributor's review and approval of plans for the design, engineering, layout, and work execution for the work that is eligible for alternative bid to ensure conformance with the distribution system planning and specifications referred to in paragraph (d) prior to commencing that work; and
- (e) inspect and approve, at cost, all aspects of the constructed facilities as part of a system commissioning activity, prior to connecting the constructed facilities to the existing distribution system.

3.2.17 In addition to the capital contribution amounts in sections 3.2.4 and 3.2.5, the distributor may also charge a customer that chooses to pursue an alternative bid any costs incurred by the distributor associated with the expansion including, but not limited to, the following:

- (a) costs for additional design, engineering, or installation of facilities required to complete the project;
  - (a.1) costs associated with any temporary de-energization of any portion of the existing distribution system that is required in relation to an expansion that is constructed under the alternative bid option;
  - (a.2) costs associated with the review and approval referred to in section 3.2.16(d.1);
- (b) costs for administering the contract between the customer and the contractor hired by the customer if the distributor is asked to do so by the customer and the distributor agrees to do it; and
- (c) costs for inspection or approval of the work performed by the contractor hired by the customer.

When the customer transfers the expansion facilities to the distributor in accordance with section 3.2.18 and 3.2.19, the charges referred to above shall be included as part of the customer's costs for the purposes of determining the transfer price.

- 3.2.18 When the customer transfers the expansion facilities that were constructed under the alternative bid option to the distributor, and provided that the distributor has inspected and approved the constructed facilities, the distributor shall pay the customer a transfer price. The transfer price shall be the lower of the cost to the customer to construct the expansion facilities or the amount set out in the distributor's initial offer to do the work that is eligible for alternative bid. If the customer does not provide the distributor with the customer's cost information in a timely manner, then the distributor may use the amount for the work that is eligible for alternative bid as set out in its initial offer for the transfer price instead of the customer's cost.
- 3.2.19 Where a distributor is required to pay a transfer price under section 3.2.18, the transfer price shall be considered a cost to the distributor for the purposes of completing the final economic evaluation.
- 3.2.20 For expansions that require a capital contribution, a distributor shall require the customer to provide an expansion deposit for up to 100% of the present value of the forecasted revenues as described in Appendix B. For expansions that do not require a capital contribution, a distributor may require the customer to provide an expansion deposit for up to 100% of the present value of the projected capital costs and on-going maintenance costs of the expansion project.
- 3.2.21 The expansion deposit collected under section 3.2.20 shall cover both the forecast risk (the risk associated with whether the projected revenue for the expansion will materialize as forecasted) and the asset risk (the risk associated with ensuring that the expansion is constructed, that it is completed to the proper design and technical standards and specifications, and that the facilities operate properly when energized) related to the expansion.
- 3.2.22 If the alternative bid option was chosen, a distributor shall be allowed to retain and use the expansion deposit to cover the distributor's costs if the distributor must complete, repair, or bring up to standard the facilities. Complete, repair, or bring up to standard includes costs the distributor incurs to ensure that the expansion is completed to the proper design and technical standards and specifications, and that the facilities operate properly when energized.

- 3.2.23 Once the facilities are energized and subject to sections 3.2.22 and 3.2.24, the distributor shall annually return the percentage of the expansion deposit in proportion to the actual connections (for residential developments) or actual demand (for commercial and industrial developments) that materialized in that year (i.e., if twenty percent of the forecasted connections or demand materialized in that year, then the distributor shall return to the customer twenty percent of the expansion deposit). This annual calculation shall only be done for the duration of the five-year customer connection horizon. If at the end of the customer connection horizon the forecasted connections (for residential developments) or forecasted demand (for commercial and industrial developments) have not materialized, the distributor shall be allowed to retain the remaining portion of the expansion deposit.
- 3.2.24 If the alternative bid option was chosen, the distributor shall retain at least ten percent of the expansion deposit for a warranty period for at least two years. This portion of the expansion deposit can be applied to any work required to repair the expansion facilities within the two year warranty period. The two year warranty period begins:
- (a) when the last forecasted connection in the expansion project materializes (for residential developments) or the last forecasted demand materializes (for commercial and industrial developments); or
  - (b) at the end of the five-year customer connection horizon,
- whichever is first. The distributor shall return any remaining portion of this part of the expansion deposit at the end of the two year warranty period.
- 3.2.25 Any expansion deposit required under section 3.2.20 shall be in the form of cash, letter of credit from a bank as defined in the Bank Act, or surety bond. The distributor shall allow the customer to select the form of the expansion deposit.
- 3.2.26 Where any expansion deposit is in the form of cash, the distributor shall return the expansion deposit to the customer together with interest in accordance with the following conditions:

- (a) interest shall accrue monthly on the expansion deposit commencing on receipt of the total deposit required by the distributor; and
- (b) the interest rate shall be at the Prime Business Rate set by the Bank of Canada less 2 percent.

3.2.27 Unforecasted customers that connect to the distribution system during the five-year customer connection horizon will benefit from the earlier expansion and should contribute their share. In such an event, the initial contributors shall be entitled to a rebate from the distributor. A distributor shall collect from the unforecasted customers an amount equal to the rebate the distributor shall pay to the initial contributors. The amount of the rebate shall be determined as follows:

- (a) for a period of up to five years, the initial contributor shall be entitled to a rebate without interest, based on apportioned benefit for the remaining period; and
- (b) the apportioned benefit shall be determined by considering such factors as the relative name-plate rated capacity of the generator customers, the relative non-coincident peak demand of the load customers and the relative line length in proportion to the line length being shared by the customers , as applicable.

3.2.27A Notwithstanding section 3.2.27, when the unforecasted customer is a renewable energy generation facility to which section 3.2.5A or 3.2.5B applies and the customer entitled to a rebate under section 3.2.27 is a load customer or a generation customer to which neither section 3.2.5A nor 3.2.5B applies, the initial contributors shall be entitled to a rebate from the distributor in an amount determined in accordance with section 3.2.27. The distributor shall reduce the connecting renewable energy generation facility's renewable energy expansion cost cap by an amount equal to the rebate. If the amount of the rebate exceeds the connecting renewable generation facility's renewable energy expansion cost cap, the distributor shall also collect the difference from the connecting renewable energy generation customer.

3.2.27B Notwithstanding section 3.2.27, when an unforecasted customer that is a renewable energy generation facility to which section 3.2.5A or 3.2.5B applies

(the “unforecasted renewable generator”) connects to the distribution system during the customer connection horizon as defined in Appendix B and benefits from an earlier expansion made on or after October 21, 2009 to connect another renewable energy generation facility to which section 3.2.5A or 3.2.5B applies (the “initial renewable generator”), the initial renewable generator shall be entitled to a rebate if the cost of the earlier expansion exceeded the initial renewable generator’s renewable energy expansion cost cap. In such a case, the following rules shall apply:

- (a) the distributor shall pay to the initial renewable generator a rebate in an amount determined in accordance with section 3.2.27C; and
- (b) the distributor shall collect from the unforecasted renewable generator an amount determined in accordance with section 3.2.27C.

For greater certainty, no rebate shall be payable to an initial renewable generator towards the cost of an earlier expansion if the cost of the earlier expansion did not exceed the initial renewable generator’s energy expansion cost cap.

3.2.27C For the purposes of section 3.2.27B:

- (a) the amount of the rebate payable by the distributor to the initial renewable generator shall be the difference between the amount paid by the initial renewable generator towards the cost of the earlier expansion and the amount that would have been paid by the initial renewable generator towards that cost, determined in accordance with the rules set out in sections 3.2.5B and 3.2.5C, had the earlier expansion been undertaken for both the initial renewable generator and the unforecasted renewable generator. The rebate shall be without interest; and
- (b) the amount to be collected from the unforecasted renewable generator shall be the amount that would have been paid by the unforecasted renewable generator towards the cost of the earlier expansion, determined in accordance with the rules set out in sections 3.2.5B and 3.2.5C, had the earlier expansion been undertaken for both the initial renewable generator and the unforecasted renewable generator.

3.2.27D Notwithstanding section 3.2.27, an unforecasted customer that is a load customer or a generation customer to which neither section 3.2.5A or 3.2.5B applies, that connects to the distribution system during the customer connection horizon as defined in Appendix B and that benefits from an earlier expansion made on or after October 21, 2009 to connect a renewable generation facility to which section 3.2.5A or 3.2.5B applies (the “initial renewable generator”) shall contribute towards the cost of the earlier expansion. In such a case, the following rules shall apply:

- (a) where the cost of the earlier expansion exceeded the initial renewable generator’s renewable energy expansion cost cap, the initial renewable generator and the distributor shall be entitled to a rebate in an amount determined in accordance with sections 3.2.27 and 3.2.27E; or
- (b) where the cost of the earlier expansion was at or below the initial renewable generator’s renewable energy expansion cost cap, the distributor shall be entitled to a rebate in an amount determined in accordance with section 3.2.27.

3.2.27E For the purposes of section 3.2.27D(a), the amount of the rebate shall be apportioned between the initial renewable generator and the distributor on a pro-rata basis based on their respective contributions to the cost of the earlier expansion.

3.2.27F For greater certainty:

- (a) sections 3.2.27B and 3.2.27D do not apply in respect of an expansion referred to in section 3.2.5A(a) or 3.2.5B(a);
- (b) the amount of the rebate payable to an initial renewable generator under section 3.2.27B or section 3.2.27D(a) shall not exceed the amount paid by the initial renewable generator as a capital contribution towards the cost of the earlier expansion; and
- (c) where an earlier expansion referred to in section 3.2.27B or 3.2.27D was made to connect more than one renewable energy generation facility to which section 3.2.5B applies, the amount of the rebate payable to the renewable

generators shall be apportioned between them on a pro-rata basis based on the total name-plate rated capacity of each renewable energy generation facility referred to in section 6.2.9(a) (in MW).

3.2.28 A distributor shall prepare all estimates and offers required by section 3.2 in accordance with good utility practice and industry standards.

3.2.29 The distributor shall perform all of its responsibilities and obligations under section 3.2 in a timely manner.

3.2.30 An expansion of the main distribution system includes:

- (a) building a new line to serve the connecting customer;
- (b) rebuilding a single-phase line to three-phase to serve the connecting customer;
- (c) rebuilding an existing line with a larger size conductor to serve the connecting customer;
- (d) rebuilding or overbuilding an existing line to provide an additional circuit to serve the connecting customer;
- (e) converting a lower voltage line to operate at higher voltage;
- (f) replacing a transformer to a larger MVA size;
- (g) upgrading a voltage regulating transformer or station to a larger MVA size;  
and
- (h) adding or upgrading capacitor banks to accommodate the connection of the connecting customer.

### **3.3 Enhancements**

3.3.1 A distributor shall continue to plan and build the distribution system for reasonable forecast load growth. A distributor may perform enhancements to its distribution system for purposes of improving system operating characteristics or for relieving system capacity constraints. In determining system enhancements



Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-4:

Reference: Appendix B, page 8

Preamble: “Elexicon requests that a condition of the OEB’s approval of the DSC Exemption be that all developers that may stand to benefit from the Brooklin Line will construct DER and EV ready homes or buildings as specified in Appendix B-2 of this Application.”

- a) Considering that developers are not regulated by the OEB, please explain why Elexicon believes that the OEB could set such a condition.
- b) Would the OEB have to inspect each new home that is built by “the developers that may stand to benefit” over the years to ensure that the condition is met?
- c) For how many years would the OEB need to inspect the construction of new homes and who would pay for such inspections?

Response:

- a) Please see Elexicon Energy’s response to STAFF-21
- b) Please see Elexicon Energy’s response to STAFF-21
- c) Please see Elexicon Energy’s response to STAFF-21

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-5:

Reference: Appendix B, page 8

Preamble:” Should a developer fail to deliver on the construction of DER-and-EV-Ready homes or buildings, that developer or property owner will be required to pay an appropriate capital contribution to Elexicon in support of the Brooklin Line. The amount of the capital contribution would be approximately \$2,260 per home or building before Elexicon supplies power (Source Brooklin Landowners Group Inc). With respect to non-residential customers, Elexicon would apply the standard requirements of the DSC to calculate a capital contribution commensurate with the capacity required for the customer in question.”

- a) The quoted text indicates that the \$2,260 capital contribution per home or building was calculated by the Brooklin Landowners Group. Does Elexicon agree with that estimate and adopt it as its own? If the answer is yes, is that amount the approximate estimate of making a home DER-and-EV ready? If the answer is no, please explain why not and provide the correct estimate per home.
- b) Please file a numerical example of how Elexicon would apply the standard requirements of the DSC to calculate a capital contribution commensurate with the capacity required for a non-residential customer.
- c) When and how would Elexicon collect the \$2,260 contributions per home?
- d) Would such contributions be credited against the Whitby Rate Zone plant in service to reduce rate base?

Response:

- a) Elexicon accepts the Brooklin Landowner’s Group (“Brooklin Developers”) cost estimate of \$2,260 to construct a DER and EV ready home. To the best of Elexicon’s knowledge the cost estimate seems reasonable.
- b) Elexicon would apply the OEB’s clearly defined and well-tested Economic Evaluation Model to determine the commensurate capital contribution for non-residential customers.

- c) In the event that, in the course of planning, a developer elected not to construct DER-and-EV-ready homes, Elexicon would collect the capital contribution required on the same timeline applicable to connection agreement.
  
- d) Yes.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-6:

Preference: Appendix B, page 9

Preamble: "Finally, the ICM Projects respond to the desire of local communities to have a say in the kinds of investments in electricity infrastructure that are made in their service area, to serve their needs. In this regard it is noteworthy that on July 11, 2022, the Whitby Town Council unanimously endorsed the WSG and Sustainable Brooklin Projects."

- a) Did Elexicon make a presentation to the Whitby Town Council? If the answer is yes, please file copies of all presentation materials. If the answer is no, please explain why not.
- b) Was the Whitby Town Council informed that electricity customers in Whitby would have to pay \$43.171 million for the Whitby Smart Grid Project and \$26.657 million for the Sustainable Brooklin Project? If the answer is yes, please file the minutes of the Council Meeting proving that they were informed. If the answer is no, please explain why not.
- c) Please file a copy of the resolution of the Whitby Town Council endorsing the WSG and the Sustainable Brooklin Project.

Response:

- a) Yes, Elexicon Energy Inc. did make a presentation to the Whitby Town Council on July 11, 2022. Please see Elexicon Energy's response as provided in Exhibit I.SEC-11 Attachment 2.
- b) Yes. Please see Exhibit I.SEC-11 Attachment 1. Please see slide 5 of 7, which includes cost estimates as of June 15, 2022. Please also see Attachment 1 to this interrogatory response which provides the minutes of the Whitby Town Council meeting, unanimously endorsing both the Whitby Smart Grid and Sustainable Brooklin ICM projects. Additionally, the following URL is a link to the minutes published on the Council's website:  
<https://whitby.civicweb.net/document/189869/?printPdf=true>
- c) Please see Section 3.2 of the minutes provided in Attachment 1 of this interrogatory response.



CCMBC – 6  
Attachment 1



## Special Council Minutes

July 11, 2022, 4:00 p.m.

Present: Mayor Mitchell (Participating Electronically)  
Councillor Drumm (Participating Electronically)  
Councillor Leahy (Participating Electronically)  
Councillor Lee (Participating Electronically)  
Councillor Mulcahy (Participating Electronically)  
Councillor Newman  
Councillor Roy (Participating Electronically)  
Councillor Shahid  
Councillor Yamada (Participating Electronically)

Also Present: M. Gaskell, Chief Administrative Officer  
S. Klein, Director of Strategic Initiatives  
F. Wong, Commissioner of Financial Services/Treasurer  
K. Narraway, Manager of Legislative Services/Deputy Clerk  
K. Douglas, Legislative Specialist (Recording Secretary)

- 
1. Call To Order: The Mayor
  2. Call of the Roll: The Clerk
  3. Declarations of Pecuniary Interest

There were no declarations of pecuniary interest.

**Moved by** Councillor Newman

**Seconded by** Councillor Drumm

That Council move in-camera in accordance with Procedure By-law # 7462-18, Closed Meeting Policy G 040, and the Municipal Act, 2001, Section 239 (2)(i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

**Carried**

4. Closed Session

- 4.1 Confidential Office of the Chief Administrative Officer Report, CAO 21-22  
Re: Elexicon Energy – Potential Ontario Energy Board (OEB) Incremental Capital Module (ICM) Applications

This portion of the meeting was closed to the public. [Refer to the In Camera minutes of the meeting - Town Clerk has control and custody].

5. Rising and Reporting

- 5.1 Motion to Rise

That Council rise from the closed portion of the meeting.

**Moved by** Councillor Drumm

**Seconded by** Councillor Newman

That Council rise from the closed portion of the meeting.

**Carried**

- 5.2 Reporting Out

Mayor Mitchell advised that during the closed portion of the meeting Council discussed commercial and financial information, supplied in confidence to the municipality, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of an organization.

Confidential Office of the Chief Administrative Officer Report, CAO 21-22

Re: Elexicon Energy – Potential Ontario Energy Board (OEB) Incremental Capital Module (ICM) Applications: Whitby Smart Grid and Sustainable Brooklin

Discussion ensued between Members of Council regarding:

- the importance of ensuring a responsible, innovative and robust electrical distribution system to support the needs of the community, including the ability to address future storm events; and,
- the benefits of Whitby Smart Grid and Sustainable Brooklin to community members, including the ability to support green initiatives, new housing development, and the growing number of electric vehicles in Whitby.

**Resolution #** Resolution # 186-22

**Moved by** Councillor Newman

**Seconded by** Councillor Roy

1. That Council endorse an Incremental Capital Module application to the Ontario Energy Board by Elexicon Energy for the purpose of implementing smart grid technology, including without limitation VoltVar Optimization (VVO), Fault Monitoring and Distribution Automation (FLISR) and an Advanced Distribution Management System (ADMS) in Whitby; and,
2. That Council endorse an Incremental Capital Module application to the Ontario Energy Board by Elexicon Energy for the purpose of funding the extension of the hydro electric grid to north Brooklin in return for the commitment from the North Brooklin landowners to ensure that newly constructed homes serviced by said extension are 'roughed-in' for Distributed Energy Resources and Electric Vehicle (EV) chargers.

**Carried**

6. Confirmatory By-law

6.1 Confirmatory By-law

**Resolution #** Resolution # 187-22

**Moved by** Councillor Drumm

**Seconded by** Councillor Newman

That leave be granted to introduce a by-law and to dispense with the reading of the by-law by the Clerk to confirm the proceedings of the Council of the Town of Whitby at its special meeting held on July 11, 2022 and the same be considered read and passed and that the Mayor and the Clerk sign the same and the Seal of the Corporation be thereto affixed.



**Carried**

7. Adjournment

7.1 Motion to Adjourn

**Moved by** Councillor Mulcahy

**Seconded by** Councillor Shahid

That the meeting adjourn.

**Carried**

The meeting adjourned at 5:42 p.m.

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Christopher Harris, Town Clerk

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Don Mitchell, Mayor

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-7:

Reference: Appendix B, page 10

Preamble: "As set out in Appendix B-4, to defer upstream capital investments needed for distribution system capacity, approximately 12% of all new customers in the North Brooklin area need to install rooftop solar with battery storage to defer a material capital investment by one year, 39% for a three-year deferral and 53% for a five-year deferral."

- a) How would Elexicon know which customers installed rooftop solar with battery storage?
- b) Would any size of rooftop solar and battery storage meet this condition? If the answer is no, what is the minimum size per new customer of rooftop solar in square metres and the minimum capacity of storage battery in kWh. If the answer is no, please explain why not.
- c) Does Elexicon expect to have a contract with each home purchaser that would require the purchaser to install rooftop solar with battery storage? If the answer is yes, please file a draft contract. If the answer is no, please explain why not.

Response:

- a) Elexicon expects to identify program participants who install rooftop solar with battery storage in the course of delivering its DER Enabling Program.
- b) Elexicon is not clear what 'condition' is referenced in the question. The estimates provided assume an average system size, with an understanding that actual systems will prove to be larger or smaller than this standard assumption.
- c) No. Elexicon's Sustainable Brooklin project facilitates the construction of DER-and-EV-ready homes. With respect to DER systems themselves, the precise commercial relationship between Elexicon and DER owners will be dictated by the details of Elexicon's planned DER Enabling Program, which will be informed by the OEB's Decision and Order in this proceeding.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-8:

Reference: Appendix B, page 36, Tables 5, 6 and 7

a) Please file a table showing forecast and actual capital expenditures by category for WRZ and VRZ for 2018, 2019, 2020, and 2021.

b) Please file a table of the forecasts of capital expenditures by category for WRZ and VRZ for 2022, 2023, 2024 and 2025.

Response:

a) Please see response to STAFF-5 part a.

b) Please see response to SEC-13 part a.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-9:

Reference: Appendix B, Page 38

Preamble: "In order to satisfy the prudence test, a distributor must demonstrate that its decision to incur the incremental capital represents the most cost-effective option for its customers (though, not necessarily the least initial cost option)."

- a) Please confirm that WSG consists of numerous electrical components that will be installed at various locations.
- b) Please confirm that installation of electrical components at various locations is a typical annual program of an electricity distributor.
- c) Is the option selected for WSG the least cost option from the perspective of Elexicon ratepayers? Please explain your answer.
- d) Please confirm that Sustainable Brooklin Project is a feeder extension project.
- e) Please confirm that feeder extension project is a typical annual program of an electricity distributor.
- f) Is the Sustainable Brooklin Project the least cost option from the perspective of Elexicon ratepayers? Please explain your answer.

Response:

- a) Like any project, the Whitby Smart Grid ("WSG") consists of numerous electrical components, installed at the required locations within Elexicon's distribution system.
- b) While typical annual programs may involve the installation of electrical components at various locations, the WSG is a discrete project, incremental to the projects contemplated in the Distribution System Plan and not a part of a typical annual capital program for Elexicon Energy ("Elexicon"). Elexicon intends to deploy a set of distinct assets for the WSG, over a concentrated 2.5 year period due to the logistics of purchasing and installing such technologies. It also intends to limit intra rate zone cross subsidy by initiating cost-recovery of the WSG at a time when all Whitby Rate Zone customers receive the benefits of the Project (i.e., upon the in-service date of the entire project).

Elexicon observes that in approving PUC Distribution Inc.'s Sault Smart Grid ("SSG") Incremental Capital Module ("ICM") application, the OEB found the SSG to be a discrete project, noting it "*is a novel project and therefore not part of an ongoing capital program.*"<sup>1</sup> Elexicon's WSG shares many similarities with the SSG - it is similarly a novel, discrete and incremental project not part of any typical annual capital program.

- c) As explained in Appendix B-1 in Table 22, Elexicon considered 3 options for the WSG project. The chosen option represents the least cost option between Options 1 and 2. It will deliver benefits to customers sooner than option 2 or 3. Option 3 will require Elexicon to reprioritize a significant amount of its Whitby Rate Zone Distribution System Plan capital spend to accommodate the costs of the Whitby Smart Grid, and potentially add costs to Elexicon's overall operations. The project deferrals as required in Option 3, can add costs by negatively impacting the reliability of assets, and customer service.
- d) The Sustainable Brooklin Project is a feeder expansion project to deliver incremental capacity to an area of the WRZ where insufficient capacity currently exists.
- e) Not confirmed. Elexicon does not pursue feeder expansion projects without an underlying reason. Some feeder expansions may be to loop the system to improve reliability. Other feeder expansions may be to deliver incremental capacity to new customers. As noted in the Application, absent the requested DSC Exemption, and ICM funding, the feeder expansion would otherwise be treated in accordance with the requirements of the DSC and it is Elexicon's understanding that the Brooklin Developers will not be able to provide DER or EV ready homes.
- f) As explained in Appendix B-2 in section 4.1, Elexicon considered four options. The chosen option (option 1) represents the least cost option. Whilst the cost for options 1 and 2 are similar, these options will not deliver the objective of building DER-ready homes that can be integrated into Elexicon's system. As noted in the Application, Elexicon's innovative Sustainable Brooklin proposal will further the adoption of DER and EVs, and support the Governments action plan on Climate Change.

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<sup>1</sup> EB-2020-0249, Decision and Order, page 20

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-10:

Reference: Appendix B, page 44

Preamble: "Absent the DSC Exemption, the Developers are concerned that construction of both the Brooklin Line and new homes in North Brooklin area will be delayed by several years while the Developers raise financing for the capital contribution. In order to address these concerns, Elexicon and the Developers created the innovative Sustainable Brooklin Project to meet the needs, preferences, and goals of customers, the OEB, the Ministry of Energy, Developers and Elexicon. In exchange, the Developers are willing to construct DER-and-EV-Ready homes in the North Brooklin community (as set out in section 2.3.2). The estimated incremental cost per home for the Sustainable Brooklin Project is \$2,260; resulting in an expected investment from the Developers of \$20 to \$30.4MM over the course of 20 years."

- a) Did Elexicon or the Developers initiate the creation of the Sustainable Brooklin Project?
- b) Please file copies of all correspondence including e-mails between Elexicon and the Developers that resulted in the creation of the Sustainable Brooklin Project.
- c) Please file copies of all correspondence including e-mails between Elexicon and the Ministry of Energy regarding the Sustainable Brooklin Project.
- d) Did Elexicon discuss the Sustainable Brooklin Project with any employee of the OEB prior to filing? If the answer is yes, please identify the OEB employee(s), the dates of the discussions, and file copies of any correspondence including e-mails.
- e) Considering that the incremental cost to make a home "DER-and-EV-Ready" is only \$2,260 why does Elexicon believe that the Developers would not be able to recover the cost from Sustainable Brooklin home buyers and should instead recover it from current Elexicon ratepayers using ICM funding?

Response:

- a) The Sustainable Brooklin Project is the result of discussions between the Brooklin Landowner's Group ("Brooklin Developers") and Elexicon. These discussions commenced from the normal engagement of developer groups and Elexicon's customer connection department. Initial discussions regarding options to bring capacity for the area

led to the development of an innovative solution to facilitate construction of DER and EV enabled homes in return for an exemption from the DSC, which is the Sustainable Brooklin Project.

- b) Elexicon confirms that there is no correspondence that does not contain sensitive customer confidential information with the Brooklin Developers associated with the creation of the Sustainable Brooklin Project. Regular meetings between Elexicon and the Brooklin Developers were set beginning in the spring of 2022, and these meetings served as the venue to discuss the Sustainable Brooklin Project.
- c) Elexicon confirms that there is no written correspondence or emails between the Ministry of Energy and Elexicon regarding the Sustainable Brooklin Project.
- d) Yes. Elexicon engaged the OEB Sandbox and held three meetings. The OEB Sandbox team included Carolyn Calwell, Harneet Parnesar, Brian Hewson and Rachelle Levin. These meetings were held on April 12, 2022, May 12, 2022, and June 10, 2022. Elexicon presented its thoughts on what became the Sustainable Brooklin and Whitby Smart Grid projects at each of the OEB Sandbox meetings seeking feedback on the proposed technologies and innovative quid-pro-quo solution of the Sustainable Brooklin Project. Elexicon can confirm that the OEB Sandbox feedback was agnostic, did not endorse or reject Elexicon's proposals, and ended in the OEB Sandbox recommendation that Elexicon prepare and file an application for OEB review regarding the projects. No final written proposals were submitted to the OEB Sandbox in the course of these discussions. The content of discussions was contained to the meetings held, and thus all email correspondence was of an administrative and scheduling nature, and not relevant to this application.
- e) Elexicon has been informed that absent the Sustainable Brooklin Project and its quid-pro-quo, the homes built in North Brooklin will not be built DER-and-EV-ready. This is the driver behind Elexicon's Sustainable Brooklin proposal, as further elaborated on in Elexicon's application and evidence. Elexicon is not a subject matter expert in the costing and valuation of residential real estate, and thus has no basis for a definitive position on developers' ability to recover costs incurred when selling completed housing units.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-11:

Reference: Appendix B, Page 49

Preamble: “The Developers have raised a concern of inconsistency between the DSC and the TSC. In assessing available alternatives to meet growth needs in the North Brooklin area. Elexicon assessed the construction of a potential (hypothetical) new TS (“Brooklin TS”). Construction of a Brooklin TS was dismissed on evaluation as an imprudent investment.”

- a) Did the Developers express their concern about inconsistency between the DSC and the TSC in writing? If the answer is yes, please file copies of all correspondence including e-mails between the Developers and Elexicon about the inconsistency? If the answer is no, when, and how was Elexicon made aware of the inconsistency?
- b) Does Elexicon agree that there is inconsistency between the DSC and TSC? If the answer is yes, please file a copy of the section(s) of the TSC that are inconsistent with the DSC and explain the inconsistency. If the answer is no, did Elexicon explain to the Developers that their concern is unfounded?
- c) Please file copies of all correspondence including e-mails between the Developers and Elexicon regarding alternatives to growth needs in the North Brooklin Area.
- d) When was the construction of a Brooklin TS dismissed and who made the decision to dismiss it?
- e) Is the decision not to construct a Brooklin TS permanent, meaning that Elexicon has made a commitment to not build it at any time in the future, or does the decision just delay its construction?

Response:

- a) The Brooklin Developers expressed their concern verbally during discussions with Elexicon regarding the application of the DSC and the capital contribution required to construct the infrastructure that would extend distribution capacity to North Brooklin.
- b) Elexicon understands the concerns raised by the Brooklin Developers, for if Elexicon had pursued a Brooklin Transformer Station rather than the Brooklin Line, no capital contribution would have been required by developers in the area under the applicable provisions of the TSC and DSC. Elexicon submits that the question of whether the DSC and TSC are inconsistent is for the OEB to determine and action, should it wish to do so.



Elexicon's application requests an exemption from section 3.2 of the DSC for the Sustainable Brooklin Project, and not to determine if there is an inconsistency between the TSC or DSC.

- c) Elexicon can confirm that there is no correspondence with the Brooklin Developers alternatives to growth needs in the North Brooklin Area.
- d) Elexicon's Planning and Asset Management teams made the decision that a Brooklin TS was not optimal when the initial cost estimate for the Brooklin Line was developed. Elexicon compared the costs of the recently approved ~\$40 million Seaton TS project against the estimated \$26.6 million Brooklin Line, as well as Elexicon's knowledge that the Whitby TS had adequate capacity to serve the region in the near-to-mid term.
- e) No; Elexicon has not made a commitment to never construct a Brooklin TS. Based on the load forecast provided in this proceeding, a new TS of some size in some location may be required in the early to mid 2030s. As noted in section 5.2. Opportunities to Defer Infrastructure Investments<sup>1</sup>, Elexicon's intention in pursuing the Sustainable Brooklin Project is to explore credible opportunities to defer material infrastructure investments via DER proliferation, including the potential deferral of a new TS in the 2030s. Elexicon intends to continue to evaluate the proliferation of load in its service area and to plan in response to evolving circumstances.

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<sup>1</sup> Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin, Page 48 of 56

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-12:

Reference: Appendix B-1, page 12, Table 2, Forecast Capital Expenditures

- a) What is the capital expenditure on each component of ADMS: Software, Communications Infrastructure, Active Demand Management Program Design, by year?
- b) What is the capital expenditure on VVO and FLISR Field Hardware by year? Please show VVO and FLISR separately.
- c) What are the in-service dates and amounts for each year?
- d) Why is NRCan funding only \$4.041 million and how was that amount determined?
- e) Has Elexicon received the \$4.041 million from NRCan? If the answer is yes, will the interest on the \$4.041 million be used to reduce rate base? If the answer is no, when does Elexicon expect to receive it?

Response:

- a) Please see response to VECC-10.
- b) Please see response to VECC-07 part a.
- c) The capital expenditures detailed in Table 2 as noted in the reference will be placed in-service in 2025 at an approved budget of \$43.171MM.
- d) Elexicon's conversations with NRCan commenced with its application regarding the Advanced Distributed Management System ("ADMS") project. These discussions commenced in advance of Elexicon's development of the Whitby Smart Grid ("WSG") and Sustainable Brooklin ("SB") projects. Elexicon received funding at the 50% level for its ADMS component of the WSG project in March, 2022. The resulting NRCan contribution is \$4.041MM. Elexicon considers to pursue additional funding options from NRCan and from other sources.
- e) Elexicon will receive progress payments from NRCan throughout the term of the agreement. Elexicon will record the amounts received from NRCan on its balance sheet and it will accumulate interest as per the OEB's prescribed interest rates for Deferral and Variance accounts. The final NRCan amount, including any interest charges, will reduce rate base as a capital contribution.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-13:

Reference: Appendix B-1, Whitby Smart Grid Business Case, page 30

- a) How will Elexicon measure the achievement of the “Expected Benefits”?
- b) What should the OEB do if Elexicon does not achieve the “Expected Benefits”?
- c) What will be the impact on Elexicon ratepayers if the “Expected Benefits” are not achieved?

Response:

- a) Elexicon expects that upon completion of the construction of Whitby Smart Grid project it will be able to compare pre-construction baseline voltage settings at each of the Whitby Rate Zone feeder stations with future settings that have installed Volt-Var Optimization (“VVO”) technology. Elexicon also expects to be able to conduct a count of the number of times that the Fault Location Isolation and Service Restoration technology (“FLISR”) is utilized to expeditiously isolate segments of the grid in fault condition. Each of these measurements will provide the basis for evaluating the achievement of the expected benefits. Elexicon continues to monitor PUC Distribution’s 2023 Cost of Service application (EB-2022-0059). PUC Distribution has hired a third party contractor to design detailed performance metrics for its smart grid project.
- b) As with any investment, Elexicon anticipates the assets installed will undergo any reviews deemed necessary by the OEB at the time they are brought forward for inclusion in rate base. Elexicon expects any assessment by the OEB will be best completed at that time, on the basis of a complete evidentiary record and reviewed for prudence.
- c) The modernization of the distribution grid, through the implementation of the Advanced Distribution Management System (“ADMS”), VVO, and FLISR, are proven technologies that lead to energy savings and improved reliability. They are necessary to enable the broad deployment of DERs. The implementation of these technologies together in the Whitby Smart Grid project is consistent with other electricity distributor implementations. As is the case with any project, the quantum of benefits realized will vary from forecast to actual, with actual energy savings and reliability benefits which are greater or lesser than



those forecast in this application. However, the existence of these benefits are not in question.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-14:

Reference: Appendix B-1, Whitby Smart Grid Business Case, page 26, Table 13

- a) Please explain why “Major Equip Field Commissioning” and “Minor Equip Field Commissioning” which appear to be activities and not assets are listed under “Asset Type.”
- b) Please confirm that items listed in Table 13 under “Asset Type” are similar to asset types that Elexicon or its predecessors have installed in the past without the need for ICM funding from ratepayers.

Response:

- a) Elexicon has utilized the following internal classification and nomenclature:

“Major Equip Field Commissioning” is the total number of assets to be installed for Automated Switches, Capacitors, Voltage Regulators (144+46+46 = 236) that will require commissioning.

“Minor Equip Field Commissioning” is the total number of assets to be installed for Communicating Faulted Circuit Interruptors, Voltage Sensors, Radio HeadEnd, Routers and Leased Line (138+138+8+8 = 292) that will require commissioning.

- b) As is outlined in the Application at Section 3.2.2.1 of Appendix B, the WSG is a novel and discrete project that directly relates to the project drivers (see Table 2 of Appendix B) and is incremental to capital funded through existing rates. While Elexicon can confirm that it has installed capacitors which is listed in Table 13 in the past, this is not relevant to the question of ICM eligibility. Conversely, neither Elexicon nor its predecessors installed the Volt-Var Optimization, Fault Location Isolation and Restoration (FLISR) or Advanced Distribution Management system in the past, with the exception of a pilot initiative involving FLISR and the limited scope implementation of ADMS contemplated under the DSP.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-15:

Reference: Appendix B-1, Whitby Smart Grid Business Case, page 38

Preamble: “High penetrations of DERs, increases the needs for distribution system reliability. Thus, to quickly locate faults, maintain system reliability, and minimize outages, CFCIs will be added to the DA system. DERs increase distribution system complexity and traditional methods of fault locating may be too cumbersome, resulting in extended outages in a high-DER future. Incorporating FLISR systems will help improve system reliability.”

Please confirm that Elexicon is requesting OEB approval for ICM funding from ratepayers of \$26.7 million to increase DER penetration, and ICM funding from ratepayers of \$43.2 million to deal with the reliability problems due to high penetration of DERs. Please discuss your answer.

Response:

Elexicon Energy does not confirm the statement. The question above only highlights two items among many which underpin the need and justification for the Projects. Please see Appendix B, pages 20 to 22, Table 2 for a list of project drivers necessitating the Projects. Please see Appendix B, pages 9 to 12 for a summary of the anticipated benefits resulting from the Projects.

The projects are needed to meet the requirements of the Brooklin Landowner’s Group Q3, 2023 in-service date for new construction, and the Whitby Smart Grid will modernize Elexicon Energy’s distribution grid while providing customers energy savings and more rapid fault isolation and system restoration as a result of major storm events.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-16:

Reference: Appendix B-1, Whitby Smart Grid Business Case, pages 43 and 44

Preamble: "As stated earlier it is expected that with the implementation of smart grid technology there will be reliability improvements. The following provides a summary of an example of system reliability improvements through FLISR systems implementation based on historical period of April 2020 to January 2022:

- SAIFI improving from 0.87 to 0.28
- SAIDI improving from 1.03 to 0.45
- CAIDI ~ 40 minutes improvement per complex outage.
- MAIFI going from 0 to 0.59"

a) Does the quoted text refer to an area served by Elexicon? If the answer is yes, please identify the area, the number of customers served and the cost of FLISR systems implementation. If the answer is no, please provide the source of the quoted numbers.

b) Is Elexicon claiming that it will achieve the same results with WSG implementation? Please explain your answer.

c) How should the OEB ensure that Elexicon is held accountable for the success of WSG?

Response:

a) Confirmed. The service area relates to the Whitby Rate Zone, which serves 48,666 customers as of December 31, 2022. The cost of the FLISR implementation is \$18.36 million (excluding project management, engineering and IT support costs).

b) Yes, Elexicon is implementing a proven technology and expects similar results should be achievable for the Whitby Rate Zone via the WSG. Elexicon experienced a significant weather event in May 2022 as one example where the FLISR technology would provide improvements to Elexicon's current response time.

c) The OEB has the ability to review performance metrics on an annual basis through Elexicon's filing of its annual Scorecard from 2026, onward. Additionally, the OEB will be able to review Elexicon's project execution within Elexicon's 2025 IRM application in order to finalize ICM rate riders associated with the project. Finally, the OEB will have the opportunity to review the results



of the WSG project during Elexicon's next rebasing application when the project is entered into rate base.

Elexicon is also monitoring the progress of PUC Distribution's 2023 Cost of Service application [Docket #EB-2022-0059] to see how the OEB decides on the framework and elements of the Sault Smart Grid project.



Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-17:

Reference: Appendix B-1, Whitby Smart Grid Business Case, page 54

- a) What is the NPV of Option 1 from the perspective of Elexicon ratepayers?
- b) What is the NPV of Option 2 from the perspective of Elexicon ratepayers?

Response:

- a) See response to Staff-7 part f.
- b) See response to Staff-7 part f.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-18:

Reference: Appendix B-2, Page 13

Preamble: "As stated earlier, Elexicon is proposing to fund the new feeders and associated smart grid technologies through the ICM."

a) Has Elexicon or its predecessor distributors ever built new feeders in the past without ICM funding? If the answer is no, please explain why not? If the answer is yes, what is the cost of new feeders built by Elexicon or its predecessor distributors net of contributions from developers over the past five years?

b) What are "associated smart grid technologies"?

c) Do "associated smart grid technologies" make construction of feeders more expensive? If the answer is yes, what is the per cent increase in costs of feeders due to smart grid technologies? If the answer is no, please explain why not.

Response:

a) Elexicon and its predecessors undertook the construction of new feeders through feeder expansion programs. Elexicon's request in this ICM application is the result of the need for an extension of Elexicon's distribution grid, and the opportunity to construct 10,000 to 11,000 DER-and-EV ready homes facilitated by an exemption to section 3.2 of the Distribution System Code. Costs related to new feeders are typically funded by Elexicon's Feeder Expansion Program. Average Historical costs are listed in Elexicon's DSP, in Table 1 of Business Case A3.

b) Please see Table 5-2 in Appendix B-5 p. 23.

c) Yes; the cost of feeders equipped with the proposed smart grid technologies ("Smart Grid Feeder") are more expensive than prior feeders constructed by Elexicon or its predecessors. Each Smart Grid Feeder will have approximately \$790,000 worth of Smart Grid equipment installed.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-19:

Reference: Appendix B-2, Sustainable Brooklin Business Case, page 14

Preamble: “The Brooklin Developers will invest their own capital in the creation of a new, innovative community wherein DER and EV uptake can significantly exceed business-as-usual; with resulting benefits for both the residents of North Brooklin and the broader Whitby rate zone customer base. Based on initial quotes the Brooklin Developers has received, it is estimating a cost of around \$23M install the standard rough-in.”

- a) What is included in the “standard rough-in” of \$23 million?
- b) Please confirm that the Developers are avoiding payment of a contribution of \$26.657 million while incurring an incremental cost of \$23 million. Please explain your answer.

Response:

- a) Please see Appendix B-2 Sustainable Brooklin Business Case Page 4 of 37.
- b) Elexicon confirms that if the OEB approves its application as filed, Developers will commit to an investment of between \$23MM and \$30MM and will not pay a capital contribution toward the \$26.657MM Brooklin Line.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-20:

Reference: Appendix B-2, Sustainable Brooklin Business Case, page 15

Preamble: “Investments made by the Brooklin Developers to create a DER and EV-ready community will incur capital costs on their part, for which recovery at the time of home sale is highly uncertain. Given the high and increasing cost of residential development and construction, the Brooklin Developers would be otherwise unlikely to assume the business risk of constructing DER and EV-ready homes in North Brooklin. This outcome is highly sub-optimal, as the costs and challenges of DER and EV retrofits are significantly greater than inclusion of these technologies at the design and construction phases. All else equal, failing to incorporate these technologies into front-end development will result in a community of North Brooklin that has low or average levels of DER and EV uptake.”

- a) Does Elexicon believe that DER and EV ready homes would not be more attractive to home buyers and that they would be unwilling pay \$2,260 more for such homes? Please discuss.
- b) Why does Elexicon believe that Brooklin Developers would be unlikely to assume the business risk of constructing DER and EV ready homes at the additional cost of only \$2,260 per home?
- c) Have the Developers discussed the market risk of constructing DER and EV ready homes with Elexicon? If the answer is yes, please file copies of all correspondence including e-mails between the Developers and Elexicon regarding such market risk. If the answer is no, please confirm that Elexicon has no experience in the assessment of real estate market risk.
- d) Is it fair for Elexicon customers in other service areas to be forced to subsidize the construction of DER and EV ready homes in Brooklin while they must pay higher costs to have their own homes made DER and EV ready? Please explain your answer.

Response:

- a) Elexicon is not a subject matter expert in the costing and valuation of residential real estate, and thus has no basis for a definitive position on whether such homes would be more attractive to home buyers. However, this of itself is a contributing reason Elexicon has proposed the Sustainable Brooklin project. Elexicon’s proposal will ensure that the new home will be built DER-and EV-ready in the immediate future, regardless of whether market demand for such homes is immediate. To the degree a first new home owner does not install DERs or an EV charging station, a subsequent home owner can make such an

investment at arguably the same cost. The subsequent home owner will not have to overcome the economic barrier of having a costly retrofit to make the home DER and EV ready.

- b) To the best of Elexicon's knowledge and information, the developers in question in this area will not build DER-and-EV-ready homes carte blanche absent approval of the Sustainable Brooklin Project and associated DSC exemption.
- c) No. Elexicon is not a subject matter expert in the costing and valuation of residential real estate, nor market risk in these areas.
- d) As noted in section 5.1 Facilitating Innovation and DER-EV Uptake<sup>1</sup>, the Sustainable Brooklin Project seeks to enable greater uptake of DERs in a geographically targeted region in order to credibly explore deferral of material investments in the 2030's. Elexicon requires time to assess the approach to system planning, which may prove to yield beneficial outcomes well beyond a single, targeted deferral in the long term.

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<sup>1</sup> Appendix B Incremental Capital Module: Whitby Smart Grid & Sustainable Brooklin, Page 46 of 56

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-21:

Reference: Appendix B-4, METSCO Report, page 24

Preamble:

“Assumptions:

1. Nameplate rating of rooftop solar panel: 10 kW.
2. Nameplate rating of battery storage: 10 kWh.
3. Firm capacity of rooftop solar without BESS in summer: 33%.
4. Firm capacity of rooftop solar without BESS in winter: 0%.
5. Firm capacity of rooftop solar with BESS (summer and winter): 100%.”

a) Is the nameplate rating of rooftop solar based on perfect conditions such as daytime on a sunny day with no snow cover on the roof?

b) Does “Firm capacity of rooftop solar with BESS (summer and winter): 100%” mean 24 hours a day, 365 days per year?

c) What assumptions did METSCO make for the following:

- i) hours of darkness during different seasons of the year,
- ii) number of days per year when solar panels will be covered with snow,
- iii) number of overcast days per year,
- iv) type of space heating and cooling in the home,
- v) type of water heating in the home,
- vi) number of hours per day of EV charging and the Level of charger,
- vii) number of hours per day that a 10-kWh battery supplies all electricity needs of a home.

Response:

- a) By definition, the nameplate rating of any generation asset, including rooftop solar, represents capacity at the maximum possible power output of a unit. Weather, time of day, snow or no snow are all factors that are not relevant to a nameplate rating of a generation installation.
- b) No. The assumption of 100% firm capacity of rooftop solar with BESS refers to the ability to dispatch the battery at its rated capacity for up to one hour at any time for the purpose offset system or local peak load.
- c)
  - i) This variable was not modelled. The ratio of firm capacity relative to installed capacity for solar panels is based on the ratio used by the IESO in their 2021 *Annual Planning Outlook*.
  - ii) See response to c.i.
  - iii) See response to c.i.
  - iv) This variable was not modelled. Household loads are modelled based on historical trends.
  - v) See response to c.iv.
  - vi) EV charging loads were not modelled.
  - vii) A 10-kWh battery is modelled as a 10-kW displacement of peak load for one hour. The battery was not modelled as being tied to a specific home, nor were charges/discharges modelled outside of a peaking event.

Elexicon Energy Inc.

Answer to Interrogatory from

Coalition of Concerned Manufacturers and Business of Canada

Interrogatory CCMBC-22:

Reference: Appendix B-4, METSCO Report, page 28

Preamble: “While DER can be used to offset peak demand and defer investments into new stations and feeders, high DER penetration creates numerous challenges for operating the distribution system. Methods such as VVM, DA, AMI must be used to facilitate the DER.”

- a) Is it possible that the costs of addressing numerous challenges of high DER penetration could be greater than the benefits? Please discuss.
- b) Do electricity distributors with high DER penetration need specialized technical staff to deal with the challenges?

Response:

- a) Elexicon is not in a position to address the hypothetical ‘numerous challenges’ question posed, which appears to be a question of policy not specific to this application. However, Elexicon notes that high DER penetration creates the opportunity to defer future distributor investments<sup>1</sup>, which will help to offset the costs of implementing technologies in the future that are intended to address challenges stemming from high DER penetration. Further, the specific technologies included within the Whitby Smart Grid, in addition to being proven, provide immediate benefits to customers via energy savings and improved reliability; beyond their assistance in integrating higher levels of DERs into the distribution grid.
- b) Electricity distributors need specialized technical staff to deal with many challenges of managing a complex system, of which high DER penetration is one potential challenge. With specific respect to the Whitby Smart Grid, Elexicon has assumed incremental OM&A expenses associated with 1.5 additional FTE’s within the Additional OM&A Expense listed in Appendix B, page 11, Table 1.

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<sup>1</sup> Appendix B-1 - Whitby Smart Grid Business Case, Page 23 of 67