



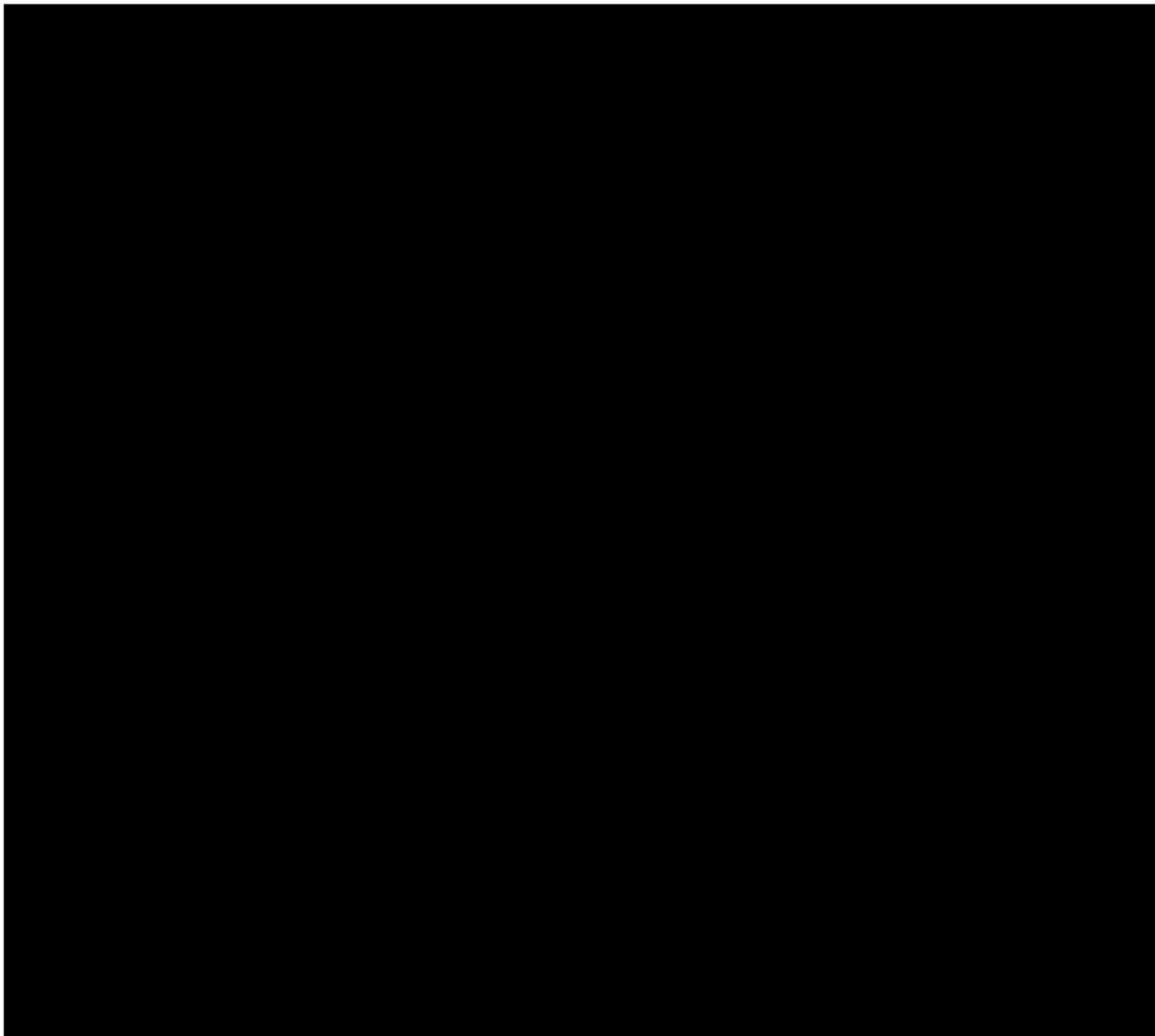
## Board Meeting

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Date of Report	June 6, 2022
Submitted by	Indy J. Butany-DeSouza, President & Chief Executive Officer
Subject	CEO Report
Meeting Date	June 14, 2022

**Action Request:**

Recommend/Approve       For Discussion       For Information Only





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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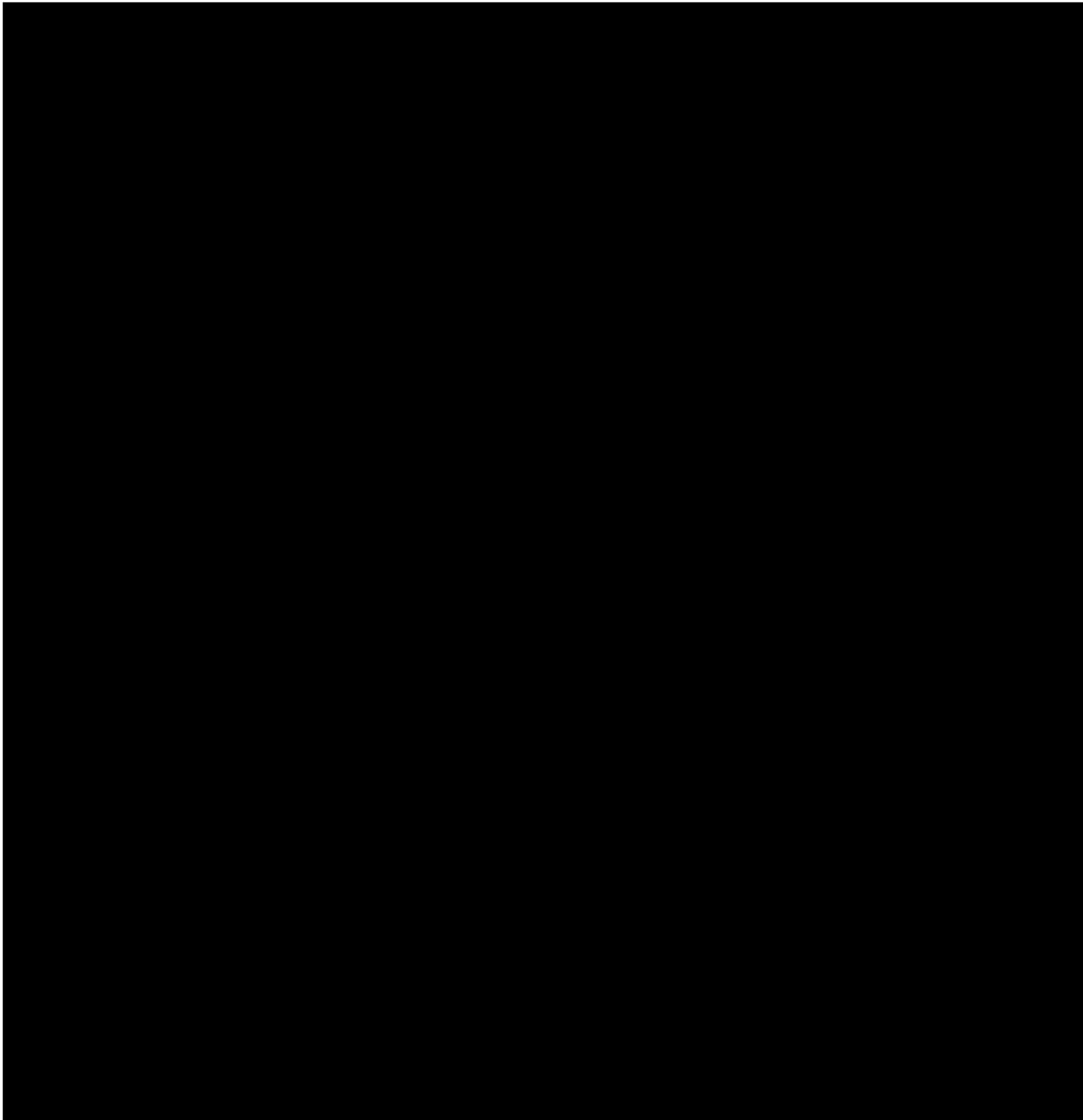
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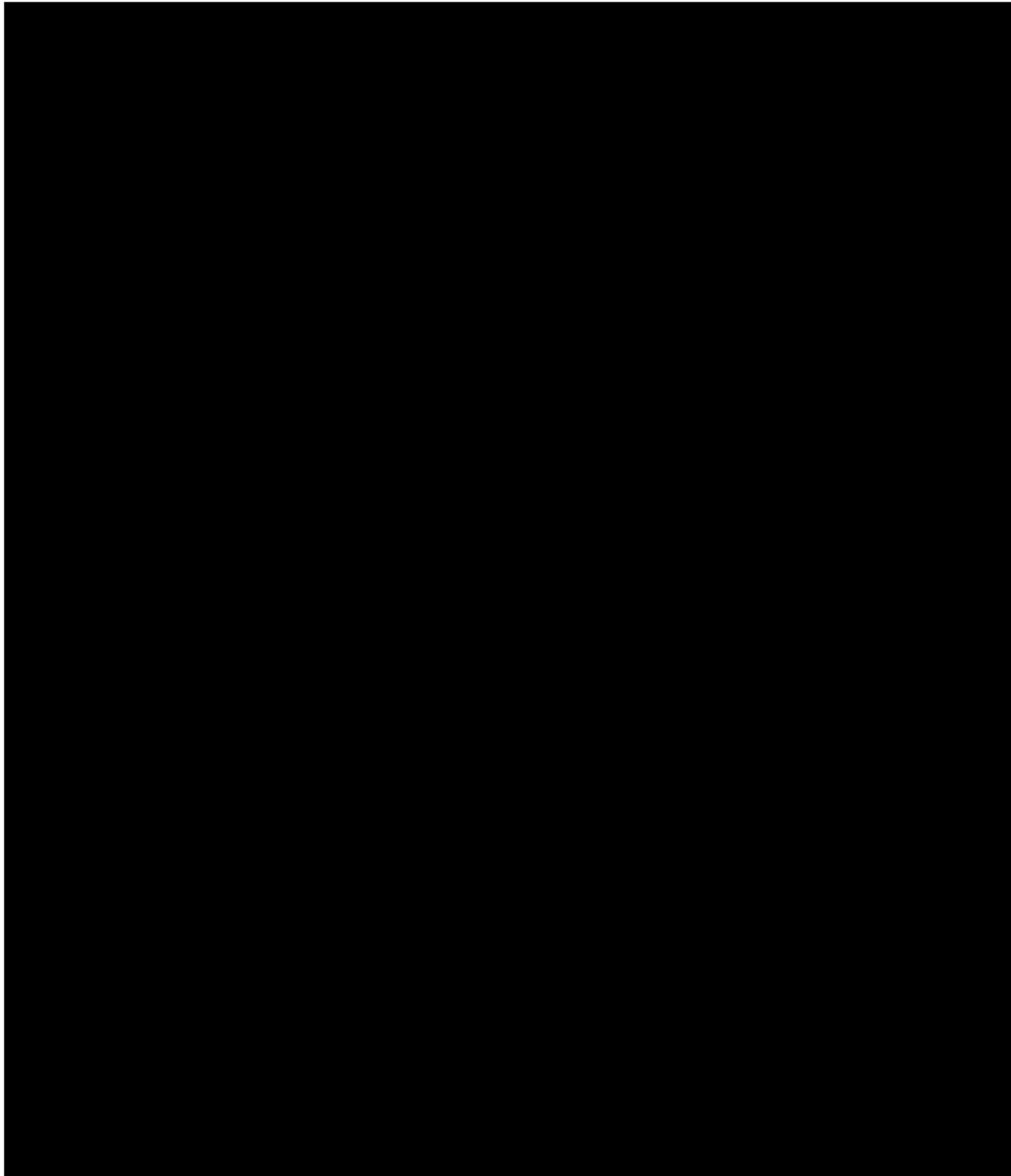
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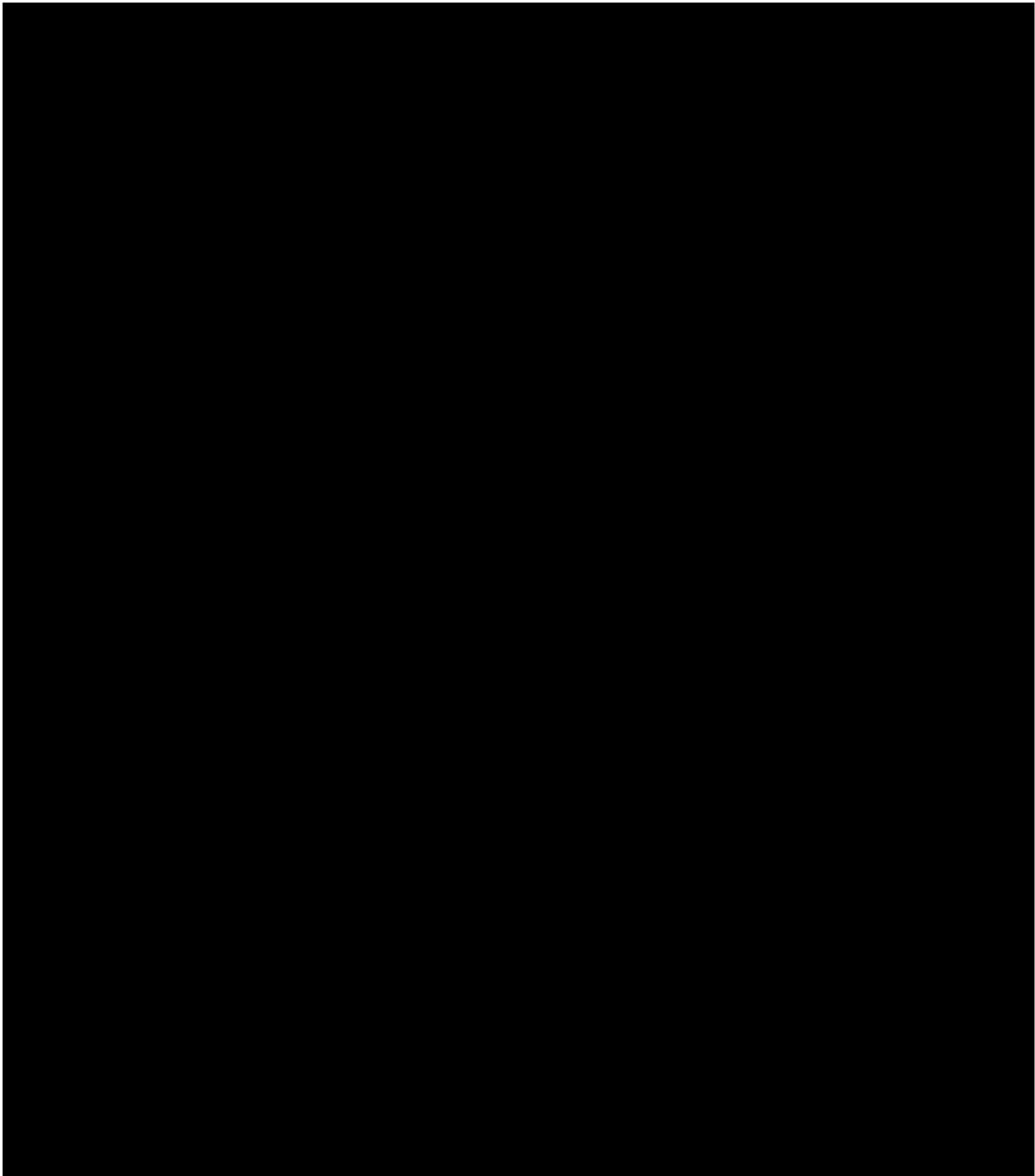
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### **Whitby Smart Grid, North Brooklin ICM Application and OEB Sandbox**

Management has been in discussions with the Brooklin Landowners Group Inc. ("BLGI") regarding the extension of its infrastructure from Whitby Transformer Station to a demarcation point in Whitby that is on Ashburn Road north of Columbus Road West (the "Extension"). BLGI has requested that Elexicon seek an exemption from the Distribution System Code ("DSC") requirement that BLGI pay for the cost of the Extension, which is estimated to be approximately \$28M.

With the support of BLGI, Elexicon is exploring an innovative approach to meeting the electricity supply needs in the Whitby, Ajax and Pickering service areas over the next 20 years: the Whitby Smart Grid and Sustainable Brooklin (the "Projects"). The Projects will invest capital in grid modernization technologies throughout Whitby (approximately \$50M over 2.5 years), provide BLGI with a DSC-exempt Extension (approximately \$28M), and have BLGI build Distributed Energy Resource (DER) 'roughed-in' homes as a first tranche of the Whitby Smart Grid (estimated at approximately \$2,000 investment per home).

In this context, Elexicon is preparing a proposal to submit to the OEB's Innovation Sandbox, an OEB management group whose sole purpose is to engage in informal discussions with its regulated entities to explore innovative energy solutions. This proposal would involve modernizing the grid in the Whitby Hydro service area to accommodate high levels of DER integration. The Projects would involve the integration of voltage optimization ("VVO"), switched capacitor banks, fault location isolation and service restoration ("FLISR"), and communicating faulted circuit indicators ("CFCI"). It would also allow the creation of a local (distribution level) energy and capacity market to create financial incentives for cost effective DER integration. In return, BLGI will ensure that the homes in north Brooklin are all built with standard rough-ins for rooftop solar, battery storage and EV charging – equipping customers with a cost effective option to participate in the DER market if desired.

If the proposal receives OEB approval for Incremental Capital Module ("ICM") funding, a rate rider would be applied for the Whitby Rate Zone until the next rebasing. In the absence of ICM approval, Elexicon would not proceed with the Projects and the BLGI would have to pay for the Extension.

