



DECISION AND ORDER

EB-2024-0137

2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION COMPENSATION AMOUNT EFFECTIVE JUNE 1, 2024

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

June 18, 2024

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1 OVERVIEW

Subsection 79.1(1) of the *Ontario Energy Board Act, 1998* (the Act) states that the Ontario Energy Board (OEB) may provide Renewable Generation Connection Rate Protection (RGCRP) compensation amounts to eligible distributors. Ontario Regulation 330/09 (the Regulation) prescribes the methodology which the OEB uses to determine the amounts for any given year.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors may apply to the OEB for funding to recover the cost of assets to enable and to connect generators to their distribution systems, including generators using renewable sources of energy such as wind or solar. The OEB then takes steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of investments to connect renewable generators in accordance with applicable legislation.

The OEB determines the eligibility of the connection investment made by each distributor in its distribution rate decisions and issues an order to the Independent Electricity System Operator (IESO) to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to the Regulation. The OEB has issued these decisions since May 1, 2010. The latest such decision was issued on January 30, 2024,¹ effective January 1, 2024, providing seven distributors with funding.

In the OEB's 2024 RGCRP Decision and Order issued on January 30, 2024, the OEB noted that it may issue an updated decision on 2024 RGCRP compensation amounts to reflect any approved 2024 funding amounts for Hydro One - Peterborough rate zone and Hydro One Distribution that may be ordered in its Decision and Order on Hydro One's 2024 RGCRP application (EB-2023-0291). The 2024 RGCRP funding for Hydro One – Peterborough rate zone remained in place at the amount set out in the OEB's 2023 RGCRP decision (\$1,016 per month) pending the determination of Hydro One's 2024 RGCRP application.

On May 7, 2024, the OEB issued its Decision and Order on Hydro One's 2024 RGCRP application (EB-2023-0291), approving the 2024 RGCRP funding amount of \$15,104 (or \$1,259 per month) for Hydro One - Peterborough rate zone.

¹ EB-2023-0267, [Decision and Order](#), January 30, 2024

This Decision and Order (Decision) updates the previously approved RGCRP amount for Hydro One - Peterborough rate zone, and calculates the updated monthly IESO payment amount to reflect the Decision and Order in EB-2023-0291.

The OEB reminds the distributors who receive the payments to follow the regulatory accounting set out in the Accounting Procedures Handbook Guidance issued in March 2015.¹ Specifically, the distributors should use Account 1533 - Renewable Generation Connection Funding Adder Deferral Account, Sub-account Provincial Rate Protection Payment Variances to record the variance between the distributor's revenue requirement associated with the portion of the actual capital and/or operating costs that are eligible for rate protection and the provincial rate protection payments as approved by the OEB and received from the IESO.

¹ [OEB Accounting Procedures Handbook Guidance](#), March 2015.

2 CONTEXT AND PROCESS

The OEB has made its determination of the compensation amount, effective June 1, 2024, to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology that the OEB uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO effective June 1, 2024, is derived from previous decisions of the OEB in which compensation amounts were determined for qualifying distributors.¹ The findings in this Decision involve only the updated amount for Hydro One – Peterborough rate zone.² This Decision and Order is being issued by delegated authority, without a hearing, under subsection 6(4) of the Act.

¹ EB-2013-0130, EB-2016-0110, EB-2018-0165, EB-2020-0013, EB-2020-0035, and EB-2023-0241

² EB-2023-0291

3 2024 COMPENSATION AMOUNT AS OF JUNE 1, 2024

The OEB has determined the amount to be distributed to the eligible distributors by the IESO as of June 1, 2024, is \$322,088 per month. This Decision extends amounts reflected in the OEB's previous decisions and orders that persist for the current year, and includes amended compensation amounts in accordance with subsequent decisions.¹

The OEB noted in its previous 2024 RGCRP Decision (EB-2023-0267) issued on January 30, 2024 that the OEB may issue an updated decision on 2024 RGCRP compensation amounts to reflect any approved 2024 funding amounts for Hydro One - Peterborough rate zone and Hydro One Distribution that may be ordered in its Decision and Order on Hydro One's 2024 RGCRP application (EB-2023-0291).

On May 7, 2024, the OEB issued its Decision and Order (EB-2023-0291) approving the 2024 RGCRP compensation amount of \$15,104 for the Peterborough rate zone.

Tables 1 and 2 below show the previous 2024 RGCRP Decision and Order (EB-2023-0267) and the Decision and Order for Hydro One's 2024 RGCRP application (EB-2023-0291) respectively.

Table 1 – Approved RGCRP Payment Amount from EB-2023-0267

	2024 Annual Payment Amount	Equivalent Monthly Payment Amount
Hydro One – Peterborough RZ	\$12,192	\$1,016

Table 2 – Approved RGCRP Payment Amount from EB-2023-0291

	2024 Annual Payment Amount	Equivalent Monthly Payment Amount
Hydro One – Peterborough RZ	\$15,104	\$1,259

¹ EB-2013-0130, EB-2016-0110, EB-2018-0165, EB-2020-0013, EB-2020-0035, EB-2023-0241, EB-2023-0291

From January 1, 2024 to May 30, 2024 (the first five months of 2024), the monthly IESO payments from the EB-2023-0267 Decision and Order amount to \$5,080 (\$1,016 in Table 1 x 5 months) which is \$1,215 less than the amount of \$6,295 (\$1,259 in Table 2 x 5 months) that was approved by the OEB in the EB-2023-0291 Decision and Order.

From June 1, 2024 to December 31, 2024 (the last seven months of 2024), the variance of \$174 per month (which is \$1,215 divided by seven months) will be added to the latest approved 2024 RGCRP monthly funding amount of \$1,259 (Table 2) for Hydro One – Peterborough rate zone in order to capture the difference in the IESO monthly payments between the two Decisions (EB-2023-0267 and EB-2023-0291) during the first five months of 2024.

The OEB calculates the amended 2024 monthly amount from June 1, 2024 to December 31, 2024) for Hydro One – Peterborough rate zone to be \$1,432 (which is the sum of \$174 and \$1,259).

The monthly amount to be collected by the IESO from all market participants effective June 1, 2024, is \$322,088. The amount billed to each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the OEB notes that all distributors pass on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR), currently approved by the OEB at \$0.0045 per kilowatt-hour.¹ It is the OEB's view that at its current level, this change will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the OEB will not adjust the WMSR at this time.

¹ EB-2023-0268, Decision and Order, December 7, 2023.

4 IMPLEMENTATION

The amount to be collected by the IESO shall be \$322,088 per month effective June 1, 2024, from all market participants.

The following monthly amounts are to be forwarded to the qualifying distributors, by the IESO:

• Toronto Hydro-Electricity System Limited	\$ 270,620
• Alectra Utilities Corporation	
○ Enersource	\$ 11,331
○ PowerStream	\$ 19,945
○ Brampton	\$ 10,754
• Elexicon Energy Inc. - Veridian service area	\$ 6,623
• Hydro One Networks Inc. – Peterborough rate zone	\$ 1,432
• Enova Power Corp.	\$ 771
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
Total to be forwarded	\$ 322,088

Attached to this Decision and Order are the communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2024 monthly payments as of June 1, 2024.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Effective June 1, 2024, the IESO shall collect \$322,088 per month from all market participants until such time as the OEB revises this amount.
2. Effective June 1, 2024, the IESO shall distribute the amounts for each qualifying distributor on a monthly basis as set out in section 4 of this Decision and Order.

DATED at Toronto June 18, 2024

ONTARIO ENERGY BOARD

Kevin Mancherjee
Director
Operations Decision Support

APPENDIX A

2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION

**Communication to the IESO on Collection of Compensation Amounts
under Ontario Regulation 330/09 as of June 1, 2024**

EB-2024-0137

DECISION AND ORDER

JUNE 18, 2024



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

BY EMAIL

June 18, 2024

Carrie Aloussis
Senior Manager, Regulatory Affairs
Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto ON M5H 1T1

Dear Ms. Aloussis:

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2024 as of June 1, 2024

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The OEB has issued previous orders, setting the compensation amount each year from 2010 to 2023, authorizing the IESO to implement the charge for each of those years. On June 18, 2024, the OEB issued its Decision and Order¹ updating the 2024 compensation amounts as of June 1, 2024. The Decision and Order is attached.

Amount to be charged by the IESO as of June 1, 2024

In its June 18, 2024, Decision and Order, the OEB determined that effective June 1, 2024, and until such time as the OEB orders otherwise, the amount to be collected by the IESO shall be \$322,088 per month from all market participants.

¹ EB-2024-0137, Decision and Order, June 18, 2024.

The OEB expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Toronto Hydro-Electricity System Limited	\$ 270,620
• Alectra Utilities Corporation	
○ Enersource	\$ 11,331
○ PowerStream	\$ 19,945
○ Brampton	\$ 10,754
• Elexicon Energy Inc. - Veridian service area	\$ 6,623
• Hydro One Networks Inc. – Peterborough rate zone	\$ 1,432
• Enova Power Corp	\$ 771
• Welland Hydro-Electric System Corp.	\$ 431
• Fort Frances Power Corporation	<u>\$ 181</u>
 Total to be forwarded	 \$ 322,088

Yours truly,

Nancy Marconi
Registrar

c: Alectra Utilities Corporation
Toronto Hydro-Electricity System Limited
Fort Frances Power Corporation
Elexicon Energy Inc. - Veridian service area
Enova Power Corp.
Hydro One Networks Inc.
Welland Hydro-Electric System Corp.

APPENDIX B

2024 RENEWABLE GENERATION CONNECTION RATE PROTECTION

**Communication to Distributors on Collection of Compensation Amounts
under Ontario Regulation 330/09 as of June 1, 2024**

EB-2024-0137

DECISION AND ORDER

JUNE 18, 2024



BY EMAIL

June 18, 2024

To: All Licensed Electricity Distributors

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2024, as of June 1, 2024

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers. On June 18, 2024, the OEB issued its Decision and Order directing the IESO to adjust the charge effective June 1, 2024.¹ The Decision and Order is attached.

Amount to be Charged by the IESO as of June 1, 2024

This Decision and Order established the 2024 compensation amounts (as of June 1, 2024) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Alectra Utilities Corporation
 - Enersource (EB-2023-0241)
 - PowerStream (EB-2023-0241)
 - Brampton (EB-2023-0241)
- Toronto Hydro-Electric System Inc. (EB-2018-0165)
- Fort Frances Power Corporation (EB-2013-0130)
- Elexicon Energy Inc. - Veridian service area (EB-2020-0013)
- Enova Power - Kitchener-Wilmot Hydro (EB-2020-0035)
- Hydro One Networks Inc. (EB-2023-0291)
- Welland Hydro-Electric System Corp. (EB-2016-0110)

¹ EB-2024-0137, Decision and Order, June 18, 2024

Commencing June 1, 2024, an amount of \$322,088 per month will be collected from all market participants. The amounts collected shall be distributed to qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the energy withdrawn from the IESO-controlled grid for each month.

Amount to be Charged by Distributors in 2024

In determining the amount to be collected by the IESO, the OEB acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the OEB at \$0.0045 per kWh. It is the OEB's view that at its current level, the change of the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580), and therefore the OEB did not adjust the WMSR at this time.

Yours truly,

Nancy Marconi
Registrar