



BY E-MAIL AND WEB POSTING

July 19, 2024

To: All Licensed Electricity Transmitters
All Licensed Electricity Distributors
All Licensed Electricity Generators
All Licensed Electricity Storage Companies
All Other Interested Parties

**Re: Board File Number: EB-2024-0126
Transmission Connections Review**

This letter provides an overview of the responses from stakeholders in connection with the Transmission Connections Review, specifies the issues list, and requests working group nominations.

Background

On April 24, 2024, the Ontario Energy Board (OEB) issued a [letter](#) commencing a review of the Transmission System Code's (TSC) connection related sections (Transmission Connections Review) with the intention of enhancing the effectiveness of connection processes, procedures, and requirements. In that letter, the OEB invited input from stakeholders on the issues that the review should consider.

Thirteen stakeholders wrote to the OEB in support of the Transmission Connections Review including identifying issues that should be considered and to express their interest in participating. Stakeholders noted the timeliness of a review of the connection-related provisions in the TSC because growth and electrification are increasing the demand for transmission connections. All responses are available under "Consultation Documents" on the [Engage with Us](#) webpage for this initiative.

Key comments made by stakeholders include:

- Energy storage should be added to the TSC because many projects are expected to connect to the transmission system in this decade.
- The maximum fault current levels for the transmission system in Appendix 2 of the TSC are limiting distributed energy resource (DER) connection capacity.
- The current cost responsibility rules in the TSC may be hindering investments in new or modified connections to meet projected demand growth.

- The OEB's risk classification methodology and the associated economic evaluation periods, which are set out in Appendix 4 of the TSC, needs to be reviewed. These factors drive the amount of capital contribution from a connecting customer.
- Load customers would like payment flexibility for capital contributions

Approach

Having considered the comments, the OEB has identified two streams of work: one related to integrating resources, and one related to reviewing the cost allocation policies for new or modified connections, details of both are set out in Appendix A. To address these issues, the OEB will form a working group that will hold separate meetings to discuss each stream. Working group discussions may result in issues being added to the issues list.

The OEB is inviting each group that provided comments to join the working group by responding to the request below. Other stakeholders who wish to join the working group should respond to the request below.

Next Steps

The OEB is inviting participants to nominate working group representatives. Please indicate whether the nominee would like to participate in Stream 1, Stream 2 or both streams. Nominations must be submitted via e-mail to Veronica.Mendes@oeb.ca no later than **July 31, 2024**. Please quote the Transmission Connections Review, OEB file no. EB-2024-0126, and the organization name in the email subject.

The first working group meeting, which will discuss Stream 2 issues, will be held virtually on **August 26, 2024** from 1:30 pm – 4:00 pm. The OEB will confirm the working group participants prior to that date.

Questions about the Transmission Connections Review should be directed to Tayyab Chaudhry at Tayyab.Chaudhry@oeb.ca. For more information about the Transmission Connections Review, please refer to the OEB's [Engage with Us](#) site.

Yours truly,



Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment: Appendix A – Issues List

Appendix A

Issues List

Stream 1: Integrating Resources

a. Integrating energy storage

OEB staff will develop a proposal for discussion of code amendments to define energy storage, its treatment as a customer, and add a standardized connection agreement for energy storage to Appendix 1 of the TSC.

b. Integrating DERs

Options to address the impact on DER connection capacity of the maximum fault current levels in Appendix 2 of the TSC, including:

- i. Whether section 6.1.2 in the TSC, which allows for financial arrangements agreeable to the connecting customer and all affected persons to mitigate the impact of allowing the fault current to exceed the Appendix 2 maximum, is effective or whether additional flexibility should be introduced.
- ii. Whether the maximum fault current levels in Appendix 2 should be revisited more broadly.

Stream 2: Review cost allocation policies for new or modified connections

a. Review section 6.3.5 of the TSC on allocation of network upgrade costs

- i. Whether section 6.3.5 of the TSC should be strengthened to provide greater clarity about the circumstances and methodology for allocating network costs.

b. Review TSC Appendix 4 Customer Financial Risk Classification

- i. Whether the OEB's risk assessment methodology, which is set out in Appendix 4 of the TSC, needs to be updated.
- ii. Whether and how additional factors that reduce the risk for some load customers should be included.
- iii. Whether economic evaluation periods for low-risk customers should be extended beyond the existing 20 years.

c. Review payment options for capital contributions

- i. Whether capital contribution payment options should be developed for load customers and, if so, what would be the appropriate criteria, terms, and risk mitigations.