



Toronto Hydro-Electric System Limited

**Application for electricity distribution rates and other
charges beginning January 1, 2025**

PROCEDURAL ORDER NO. 7

August 26, 2024

Toronto Hydro-Electric System Limited (Toronto Hydro) filed an application with the Ontario Energy Board (OEB) on November 17, 2023, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Toronto Hydro charges for electricity distribution, beginning January 1, 2025, and for each following year through to December 31, 2029 (the Application).

On July 4, 2024, OEB staff filed a letter to inform the OEB that Toronto Hydro and intervenors had reached a tentative substantial settlement that would leave only one fully unresolved issue to go to hearing, being Issue 2.4, the Innovation Fund.

By letter dated July 5, 2024, the Distributed Resource Coalition (DRC) requested approval to file an expert report to assist the OEB, Toronto Hydro, and all intervenors in their consideration of the Innovation Fund. DRC submits that the report, which would be prepared by Brattle Group, “would directly address the value of innovation funds in facilitating an energy transition in a manner that produces quantified savings and reliability benefits for both utilities and customers over the medium and longer-term.”

On August 16, 2024, Toronto Hydro filed a proposed Settlement Agreement which contains a substantial settlement of the issues within the Application, with Toronto Hydro’s proposed Innovation Fund remaining unsettled. The parties agreed consideration of the outstanding issue should proceed by way of a hearing in a format to be determined by the OEB.

Notwithstanding the filing of the proposed Settlement Agreement, DRC’s request regarding the filing of an expert report remains outstanding for the OEB to rule on. The OEB has considered DRC’s July 5 letter and the record of this proceeding and, for the reasons set out below, denies the request.

As DRC notes, its request was filed very late in the progress of this proceeding, well after the date set for the request to submit intervenor evidence. Procedural Order No 1 provided that OEB staff and intervenors shall inform the OEB by letter of their plans to file expert evidence in this proceeding by January 26, 2024.

However, the OEB's decision to deny the request is not simply based on the lateness of DRC's filing. The OEB has reviewed the record of the proceeding to date and is of the opinion that it is sufficient for the determination of the remaining issue. This proceeding has provided ample opportunity for DRC and all other parties to test Toronto Hydro's evidence through interrogatories, a technical conference, and the settlement discussions. Each party will have the opportunity to critique Toronto Hydro's proposed Innovation Fund through final submissions.

In its denial of the DRC request, the OEB would also note that it has not been unaware of the importance of the issue of innovation in the continuing progress of electrification and decarbonization of Ontario's economy. For example, a joint study has been commissioned by the OEB and the IESO that has engaged the Brattle Group to produce a study of distributed energy resource incentives that will include developments in other jurisdictions.¹ The objectives of this study were informed by stakeholder recommendations.

The OEB will decide upon the Toronto Hydro proposed Innovation Fund following the receipt of written submissions from intervening parties, followed by a reply by Toronto Hydro. The following is the schedule for submissions.

Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **September 3, 2024**.
2. Any submission from OEB staff and intervenors related to the proposed Innovation Fund shall be filed with the OEB and served on all parties by **September 18, 2024**.
3. Toronto Hydro shall file its reply submission, if any, with the OEB and serve on all parties by **October 4, 2024**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

¹ [OEB-IESO Joint Study of Distributed Energy Resources \(DER\) Incentives](#)

Please quote file number, **EB-2023-0195** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Thomas Eminowicz at Thomas.Eminowicz@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **August 26, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar