



BY EMAIL and RESS

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2300 Yonge Street
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January 20, 2025
Our File: EB20240022

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2024-0022/EB-2024-0096 – EPLC 2025 – PowerShare Pilot

We are counsel to the School Energy Coalition (“SEC”). Pursuant to the OEB’s letter dated January 14, 2025, SEC provides the following brief comments.

SEC believes that not only intervenors, but also the OEB panel, are entitled to the full details from Essex Powerlines Corporation (“EPLC”) regarding the developments in the PowerShare pilot program that led to the company abandoning its request for 2025 capital additions (previously subject to written argument), and seeking changes to the terms of the approved PowerShare DVA. Considerable time and resources were spent on the PowerShare pilot during both the rates and DVA applications. The DVA application, in particular, included a technical conference, settlement conference, written argument, and ultimately a decision rendered by the panel, all on an expedited schedule.

EPLC’s response to the SEC and VECC letter of December 16th is inadequate. While EPLC provided information on the amended Contribution Agreement with the IESO, it failed to explain what specifically occurred to cause the PowerShare pilot to end more than a year early. EPLC has merely offered an incredibly vague statement that the “PowerShare pilot, and resulting local energy market, has evolved.”¹

With respect to the specific relief sought, SEC does not understand the basis of EPLC’s request to amend the terms of the PowerShare DVA cost cap from \$350,000 to \$255,000.

In the Decision on the PowerShare DVA, the OEB approved the account with an end date of March 31, 2026, and set a cap of \$350,000², which was lower than the forecasted amount of \$554,525.³ The reduced amount was justified by, among other reasons, incentivizing cost control and financial risk-

¹ See EPLC Letter (December 17, 2024)

² [Decision and Order \(EB-2024-0096/0022\), August 29, 2024](#), p.13-14,16

³ DVA Application, p.4; [Decision and Order \(EB-2024-0096/0022\), August 30, 2024](#), p.13



sharing.⁴ The OEB also set the effective date of July 1, 2024⁵, which equates to an average of \$16,667 for each of the 21 months of the pilot.

EPLC's request to reduce the cap to \$255,000 and change the end date of the DVA to February 28, 2025, to align with the pilot's new end date, results in a 62% reduction in the pilot's duration but only a 27% reduction in the cost cap. On a per month basis, the revised cap (\$31,875⁶) would be significantly higher than what the OEB approved (\$16,667⁷), and even what the OEB previously rejected (\$26,406⁸). No explanation has been provided for why the cost cap reduction is not proportional to the reduction in the pilot's length. To do otherwise is inconsistent with the reasoning in the OEB's decision.

Since SEC lacks sufficient information to understand the reason for the abrupt end of the PowerShare pilot or the basis for the specific revisions to the PowerShare DVA, we are not in a position at this time to provide meaningful submissions on the implications of EPLC's request.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Brian McKay, SEC (by email)
Applicant and intervenors (by email)

⁴ [Decision and Order \(EB-2024-0096/0022\), August 30, 2024](#), p.14

⁵ [Decision and Order \(EB-2024-0096/0022\), August 30, 2024](#), p.15

⁶ \$255,000/8 months

⁷ \$350,000/21 months

⁸ \$554,525/21 months