



March 18, 2025

Nancy Marconi
Registrar
Ontario Energy Board ("OEB")
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

EB-2024-0300 Proposed Amendments to the Retail Settlement Code ("the Proposal")

Dear Nancy,

We are writing to you on behalf a group of Feed-in Tariff ("FIT") distribution-connected wind, solar and hydro assets ("Dx-connected Asset Group"). The Dx-connected Asset Group collectively owns and operates 186MW of wind, 865 MW of solar and 28 MW of hydroelectric facilities. All capitalized terms in this letter have the meanings given to them in the Proposal.

As we understand the Proposal, it will include, inter alia, the replacement of HOEP with the sum of OZP and LFDA to form the Retail Settlement Code Price ("RSCP") in Appendix A of the Retail Settlement Code ("RSC"). This is of particular concern to the Dx-connected Asset Group because all their facilities are contracted with Feed-in Tariff ("FIT") contracts and are currently settled against HOEP. Under the current contract settlement regime, the contracted FIT facilities receive the indexed contract price for every MWh of production when HOEP is greater than \$0/MWh. When HOEP is less than \$0/MWh, however, the absolute value of HOEP is deducted from the indexed contract price, which results in lower revenues for our facilities.

We are concerned about the exposure that our contracts may have to negative pricing resulting from replacing HOEP with the RSCP for settling our contracts. The RSCP will be formed differently than HOEP is, and our review of historical pricing data indicates there is a heightened risk that the RSCP may be negative more frequently and attain lower pricing levels than HOEP does currently. This will result in more erosion of revenue under our FIT contracts than we currently experience. This revenue erosion is a cost associated with the Proposal that the OEB does not seem to have yet considered and this cost may not be minimal as the OEB states in the Proposal.

We have engaged with the Independent Electricity System Operator ("IESO") on this issue but despite this engagement, the IESO has not offered alternative solutions to the issues we face. Consequently, we are not positively disposed to the Proposal by the OEB and would like to see an alternative solution that does not expose our facilities to a risk of increased loss of revenue.

¹ The members of the Dx-connected Asset Group consist of BluEarth Renewables, Axiom Infrastructure, Cordelio Power, FirstLight, Energy, and Northland Power.



Sincerely,
POWER ADVISORY LLC

Michael Killeavy

Michael Killeavy, P.Eng.
Commercial Director

cc:

Darryl Yahoda, P.Eng., Power Advisory
Elio Gatto, Axium Infrastructure
Roslyn McMann, BluEarth
Stephanie Durocher, BluEarth
Scott Hossie, BluEarth
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Gina Lam, Northland Power
Robert Stepner, Northland Power
Luke Pangman, Cordelio Power
David Bale, Cordelio Power
Stephen Somerville, FirstLight Energy
Marc Mantha, FirstLight Energy