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BY EMAIL

March 20, 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Essex Powerline Corporation (Essex Powerlines)
New Deferral Account Application
OEB File Number: EB-2024-0096/EB-2024-0022**

Please find attached OEB staff's submission in the above referenced proceeding.

Yours truly,

Original Signed By

Amber Goher
Advisor, Electricity Distribution Rates

Encl.

cc: All parties in EB-2024-0096/EB-2024-0022



ONTARIO ENERGY BOARD

OEB Staff Submission

Essex Powerlines Corporation

New Deferral Account Application

EB-2024-0096/EB-2024-0022

March 20, 2025

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Background

On August 29, 2024, the OEB issued its Decision and Order on the Essex Powerlines request for a new PowerShare Deferral Account. In that Decision and Order, the OEB capped the balance in the Deferral Account at \$350,000; set an end date of March 31, 2026 for the Deferral Account; and established conditions related to reporting on the PowerShare pilot project.

By letter dated December 13, 2025, Essex Powerlines requested that the OEB amend, if necessary, the terms of the PowerShare Deferral Account issued in Decision and Order EB-2024-0096 on August 29, 2024 to:

- (i) reduce the cap from \$350,000 to \$255,000; and
- (ii) change the end date of the PowerShare DVA from March 31, 2026 to February 28, 2025.¹

On December 16, 2024, the School Energy Coalition (SEC) filed a letter on behalf of itself and the Vulnerable Energy Consumers Coalition (VECC) requesting that the OEB require Essex Powerlines to provide additional information regarding changes to the PowerShare DSO pilot project. SEC stated that the proposed changes constituted a material change to the evidence, and the proposal to amend the terms of the approved PowerShare Deferral Account should be considered a motion to vary based on new circumstances. SEC requested that the OEB require Essex Powerlines to provide full details of the changes in scope and costs of the pilot, the reasons for the changes, a copy of the draft amended Contribution Agreement, and all other relevant information.

By letter dated January 14, 2025, the OEB provided for submissions from OEB staff and parties on two items: 1) whether additional information is required from the applicant related to its requests; and 2) comments on any implications of Essex Powerlines' requests.

On January 20, 2025, SEC advised that due to the lack of information about the abrupt end of the PowerShare pilot or the basis for the specific revisions to the PowerShare Deferral Account, it is not in a position to provide meaningful submissions on the implications of Essex Powerlines' request. VECC agreed with SEC and suggested a one-day meeting among the parties. OEB staff submitted that the request to lower the cap and to change the end date of the account appears to be a motion to review and vary the OEB's August 29, 2024 Decision and Order, based on "new facts that have arisen since the decision or order was issued that, had they been available at the time of the proceeding to which the motion relates, could if proven reasonably be expected to have resulted in a material change to the decision or order".

On February 20, 2025, the OEB issued Procedural Order No. 4 indicating that it would

¹ Essex Powerlines [letter to the OEB](#) dated December 17, 2024.

treat the request to amend the terms of the PowerShare Deferral Account as a Motion to Review and Vary the August 29, 2024, Decision (Motion to Review) and set procedural steps for a written hearing on the matter. A transcribed technical conference and a settlement conference were held on March 6, 2025. Essex Powerlines, VECC and SEC (collectively known as the Parties) attended the technical and settlement conferences. OEB staff also attended the technical and settlement conference but was not a party to the settlement proposal. Essex Powerlines filed a settlement proposal on March 14, 2025.

While Procedural Order No.4 did not set a specific step for a staff submission, OEB staff is making a submission on the settlement proposal pursuant to the OEB's *Practice Direction on Settlement Conferences*.²

² [Practice Direction on Settlement Conferences, February 17, 2021, p.5.](#)

OEB Staff Submission

The Parties submitted a settlement proposal that would, if accepted by the OEB, amend the PowerShare Deferral Account by: (a) reducing the cap on the PowerShare Deferral Account to \$30,000; and (b) amending the end date to February 28, 2025.

OEB staff does not take issue with the settlement proposal filed by the Parties.

At the March 6, 2025 technical conference, Essex Powerlines stated that on November 29, 2024 the IESO provided an initial draft of the revised Contribution Agreement to Essex Powerlines that included changes to the end date of the Contribution Agreement and the end date of the PowerShare DSO pilot project; and a reduction in PowerShare DSO pilot project funding. The project was shortened to conclude trading at the end of Phase 1 (that phase ended on February 28, 2025). Essex Powerlines further clarified that the unaudited balance in the Deferral Account as of February 28, 2025 is \$27,420.

Based on the revised contribution agreement, OEB staff supports the end date of February 28, 2025. With respect to the cap, since Essex Powerlines has confirmed that trading has concluded and it has only accrued a balance of \$27,420, a maximum cap of \$30,000 is appropriate.

OEB staff further notes that the materiality and prudence of the amount accrued in the PowerShare Deferral Account will be dealt with at the time of disposition of the balance in Essex Powerlines' next cost of service application. The settlement proposal provides that settlement on the cap and end date "does not prejudice the position any party may take at a future proceeding with respect to the disposal of the PowerShare DVA balance, including the issue of materiality of any balance." OEB staff submits that approach is appropriate.

~All of which is respectfully submitted~