



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

DECISION AND ORDER

EB-2024-0022/EB-2024-0096

ESSEX POWERLINES CORPORATION

Application for New Deferral Account

BEFORE: Fred Cass
Presiding Commissioner

Pankaj Sardana
Commissioner

April 3, 2025

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1 OVERVIEW

This is the OEB's Decision and Order on a motion to vary a previous decision on Essex Powerlines Corporation's (Essex Powerlines) request to establish a deferral account (PowerShare Deferral Account) to capture commodity costs that exceed the Hourly Ontario Energy Price for any kWh procured by Essex Powerlines through its PowerShare pilot project.

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 established in the Decision and Order issued on August 29, 2024 to:

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

On February 20, 2025, the OEB issued Procedural Order No. 4 treating 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). The OEB established procedural steps, including a technical conference to allow OEB staff and intervenors an opportunity to seek additional information regarding Essex Powerlines' request to amend the terms of the PowerShare Deferral Account; and a settlement conference to give the parties an opportunity to resolve any issues related to that request.

Following these steps, Essex Powerlines filed a settlement proposal (Settlement Proposal) on March 14, 2025, reflecting a full settlement among Essex Powerlines and the approved intervenors, School Energy Coalition and Vulnerable Energy Consumers Coalition (collectively, the Parties) on all the issues related to the request to amend the terms of the PowerShare Deferral Account. The Settlement Proposal resolves the issues raised in the Motion to Review in their entirety.

For the reasons set out in this Decision and Order, the OEB approves the Settlement Proposal as filed, thereby disposing of the Motion to Review.

¹ Essex Powerlines [letter to the OEB](#) dated December 13, 2024.

2 PROCESS

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 Deferral Account from March 31, 2026 to February 28, 2025.²

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 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 was 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 appeared 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 treat the request to amend the terms of the PowerShare Deferral Account as a Motion to Review and set procedural steps for a technical conference to allow OEB staff and intervenors an opportunity to seek additional information from Essex Powerlines, followed by a settlement conference on the

² Essex Powerlines [letter to the OEB](#) dated December 13, 2024.

matter. A transcribed technical conference and a settlement conference were held on March 6, 2025. Essex Powerlines, VECC and SEC 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 the Settlement Proposal on March 14, 2025. OEB staff filed a submission supporting the Settlement Proposal on March 20, 2025.

3 DECISION ON THE SETTLEMENT PROPOSAL

If approved by the OEB, the Settlement Proposal would 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.

At the March 6, 2025 technical conference, Essex Powerlines stated that on November 29, 2024 the IESO provided an initial draft of a revised Contribution Agreement to Essex Powerlines that included changes to the end date of the Contribution Agreement and the end date of the PowerShare pilot project; and a reduction in PowerShare 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 was \$27,420. Essex Powerlines confirmed that trading has concluded and it has only accrued a balance of \$27,420.

The Settlement Proposal provides that settlement on the cap and the 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 filed a submission supporting the Settlement Proposal, noting 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.

Findings

The OEB accepts the Settlement Proposal as filed and approves the amendments to the PowerShare Deferral Account. The OEB finds that the proposed reduction in the cap to \$30,000 and the amendment of the end date to February 28, 2025 appropriately reflect the revised terms of the PowerShare pilot project as communicated by the IESO.

The OEB further acknowledges that the Settlement Proposal explicitly states that agreement on the cap and the end date does not prejudice the position of any party in a future proceeding with respect to the disposition of the PowerShare Deferral Account balance, including any arguments regarding materiality. The OEB agrees with OEB staff’s submission that the prudence and materiality of the accrued balance will be addressed at the time a disposition request is made in Essex Powerlines’ next cost of service application.

The approved Settlement Proposal is attached as Schedule A to this Decision and Order.

4 IMPLEMENTATION

The OEB accepts the draft Accounting Order included in the Settlement Proposal in Schedule A of this Decision and Order.

The cumulative amount recorded in the PowerShare Deferral Account with an effective date of July 1, 2024 and end date of February 28, 2025 will not exceed \$30,000.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Settlement Proposal in Schedule A is approved.
2. The Accounting Order for the PowerShare Deferral Account included in Schedule A of this Decision and Order is approved.

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](#).

Please quote file number, **EB-2024-0022/EB-2024-0096** 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 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, Amber Goher at amber.goher@oeb.ca and OEB Counsel, James Sidlofsky at James.Sidlofsky@oeb.ca.

DATED at Toronto April 3, 2025

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND ORDER
SETTLEMENT PROPOSAL
ESSEX POWERLINES CORPORATION
EB-2024-0022/EB-2024-0096
APRIL 3, 2025

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File No. 41054.5

March 14, 2025

BY EMAIL & RESS
registrar@oeb.ca

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

Dear Ms. Marconi:

**Re: Essex Powerlines Corporation (“EPLC”)
Deferral Account Application (EB-2024-0022 / EB-2024-0096)
Settlement Proposal – PowerShare DVA Amendment**

Pursuant to the Ontario Energy Board’s (“**OEB**”) Procedural Order No. 4 issued on February 20, 2025, please find enclosed the Settlement Proposal on EPLC’s request to amend the terms of the PowerShare DVA.

If you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in black ink that reads 'Colm Boyle' in a cursive script.

Colm Boyle

CB/JV

EB-2024-0022

EB-2024-0096

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Essex
Powerlines Corporation for an order approving just and
reasonable rates and other charges for electricity distribution
beginning January 1, 2025.

ESSEX POWERLINES CORPORATION

SETTLEMENT PROPOSAL

MARCH 14, 2025

BACKGROUND

Subject to any amendments or additions herein, the Parties repeat and rely on the “BACKGROUND” section of the settlement proposal, as applicable, filed on September 23, 2024 in this proceeding and subsequently approved by the Ontario Energy Board (“OEB”) on October 15, 2024.

On December 13, 2024, Essex Powerlines Corporation (“EPLC”) filed an update to its Reply Submission on the Unsettled Issue, to reflect scope and timing changes to the PowerShare Distribution System Operator (DSO) pilot project.

On December 17, 2024, EPLC filed a further update to its Reply Submission including a copy of the Amended Contribution Agreement to provide additional context to the original letter filed on December 13, 2024. Essex Powerlines requested: (a) to withdraw the entire request for 2025 PowerShare DSO pilot project capital additions, thereby rendering moot the Unsettled Issue from the OEB Decision and Order EB-2024-0022 / EB-2024-0096 on October 15, 2024; and (b) to amend, if necessary, the terms of the PowerShare DVA approved 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 (“DVA Issue”).

On February 20, 2025, the OEB issued Procedural Order No. 4 in which it allowed EPLC to withdraw the entire request for 2025 PowerShare DSO pilot project capital additions; and it set a process for the DVA Issue that included a technical conference to be followed immediately by a settlement conference.

On March 6, 2025, EPLC, VECC and SEC attended at the technical conference and settlement conference.

1. DVA Issue

Full Settlement: The Parties agree that there are new facts that result in a change in circumstances that warrant the OEB varying the Decision and Order in EB-2024-0096 issued on August 29, 2024. Specifically, the Parties agree to amend the PowerShare DVA in the following aspects: (1) reduce the cap on the PowerShare DVA to \$30,000; and (2) amend the end date to February 28, 2025.

Settlement on this issue 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. An amended version of the PowerShare DVA Accounting Order is attached as Appendix A.

The Parties accept that EPLC does not currently have an intention or knowledge that further capital expenditures will be made on the PowerShare DSO project.

Appendix A

PowerShare DVA Accounting Order

DRAFT ACCOUNTING ORDER –

**Amended Account 1508, Other regulatory Assets/Liabilities –
PowerShare Deferral Account**

1. This account shall be used to accrue costs paid to participants in the EPLC PowerShare DSO Local Energy Market Pilot Project, with an effective date of July 1, 2024 and ending on February 28, 2025. The net amount shall be determined as the difference between amounts paid in total for capacity and energy, net of project funding, and net of HOEP where energy is purchased.
2. On a monthly basis, EPLC will record the total amount paid for capacity purchased through the Project as a debit to USoA 4705 “Power Purchased” and a credit to USoA 2200 “Accounts Payable”.
3. On a monthly basis, EPLC will record the total amount paid for energy or curtailment purchased through the Project as a debit to USoA 4705 “Power Purchased” and a credit to USoA 2200 “Accounts Payable”.
4. On a monthly basis, EPLC will record 50% of the value of flexibility purchased through the Project as a debit to USoA Account 1100 “Accounts Receivable” and as a credit to USoA 4705 “Power Purchased” to recognize the amount recoverable through Project funding, based on the Project contribution agreement and not to exceed the project maximum for flexibility as approved therein.
5. In cases where flexibility purchased is in the form of energy, EPLC will calculate the Net Receivable to be debited to USoA 1100 “Accounts Receivable” and credited to USoA 4705 “Power Purchased” as total power purchased, less 50% project funding, less HOEP for the power injected, resulting in commodity cost of HOEP remaining in USoA 4705 “Power Purchased”.
6. On a monthly basis, EPLC will debit a USoA Account 1508 “Other regulatory Assets/Liabilities – “Powershare Deferral Account” sub-account and credit USoA 4705 “Power Purchased” to move any amounts paid for flexibility through the Project, net of Project funding and HOEP, to the PowerShare Deferral Account.

7. On a periodic basis, and as approved by the IESO based on Milestone reporting, EPLC will invoice the IESO to recover funds accrued in USoA 1100 “Accounts Receivable” during monthly settlement with participants.
8. EPLC will apply interest in the balance in USoA 1508 “Other regulatory Assets/Liabilities – Powershare Deferral Account” at the OEB prescribed rate and accrue that interest in associated sub-account 1508, “Powershare Deferral Account, Carrying Charges”. The offsetting entry will be recorded in USoA Account 4405.
9. On a monthly basis EPLC will include any energy purchased in the Embedded Generation Total that is submitted to the IESO as part of the monthly IESO portal submission, so that Class B Global Adjustment can be accurately charged to EPLC.
10. The cumulative amount recorded in the new sub-accounts will be a debit amount on February 28, 2025 and will not exceed \$30,000.
11. Disposition will be requested in EPL’s rebasing Application through a rate rider to EPLC customers.
12. The following are the proposed accounting entries:

Local Capacity Payments – monthly entries when Capacity is settled with Flexibility Provider

DR 4705 – Power Purchased	\$XX	
CR 2200 – Accounts Payable		\$XX
~to record payment to DER owner		
DR 1100 – Accounts Receivable	\$XX	
CR 4705 – Power Purchased		\$XX
~to record recovery of 50% through Project funding		
DR 1508 – Other reg Assets/Liabilities – PowerShare Deferral Account	\$XX	
CR 4705 – Power Purchased		\$XX
~to transfer net commodity cost to DVA		

Local Energy Payments – monthly entries when Energy is settled with Flexibility provider

DR 4705 – Power Purchased	\$XX	
CR 2200 – Accounts Payable		\$XX

~to record payment to DER owner

DR 1100 – Accounts Receivable	\$XX	
CR 4705 – Power Purchased		\$XX

~to record recovery of 50% through Project funding

DR 1508 – Other reg Assets/Liabilities – PowerShare Deferral Account	\$XX	
CR 4705 – Power Purchased		\$XX

~to transfer net commodity cost to DVA

Note: the amount moved to 1508- Other Regulatory Assets/Liabilities – PowerShare Deferral Account, will be net of HOEP when the Flexibility activated is generation.

Local Curtailment Payments – monthly entries when Flexibility provider is activated to curtail load to meet contracted capacity.

DR 4705 – Power Purchased	\$XX	
CR 2200 – Accounts Payable		\$XX

~to record payment to DER owner

DR 1100 – Accounts Receivable	\$XX	
CR 4705 – Power Purchased		\$XX

~to record recovery of 50% through Project funding

DR 1508 – Other reg Assets/Liabilities – PowerShareDeferral Account	\$XX	
CR 4705 – Power Purchased		\$XX

~to transfer net commodity cost to DVA

Carrying Charges Monthly Entry

DR 1508 – Other reg Assets/Liabilities – PowerShare Deferral Account, Carrying Charges	\$XX	
CR 4405 - Interest Income		\$XX

~to record interest on 1508 – PowerShare Deferral Account balance