

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



**EB-2010-0191**

**IN THE MATTER OF A DETERMINATION BY THE ONTARIO  
ENERGY BOARD:**

**2011 Renewable Generation Connection Rate Protection  
Compensation Amount**

**DECISION WITH REASONS**

December 21, 2010

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

**AND IN THE MATTER OF** a determination by the Ontario  
Energy Board on the Green Energy Plan Electricity Rate  
Protection Benefit and Charge for 2010 as required under  
Section 79(1) of the *Ontario Energy Board Act, 1998* and  
Ontario Regulation 330/09;

**AND IN THE MATTER OF** a determination by the Ontario  
Energy Board under Section 21(4) of the *Ontario Energy  
Board Act, 1998* to dispose of this proceeding without a  
hearing.

**BEFORE:** Paul Sommerville  
Presiding Member

Cynthia Chaplin  
Chair and Member

### **DECISION WITH REASONS**

#### **2011 Renewable Generation Connection Rate Protection Compensation Amount**

December 21, 2010

## **INTRODUCTION**

Ontario Regulation 330/09 requires that the Ontario Energy Board (the “Board”) to determine the Renewable Generation Connection Rate Protection (“RGCRP”) compensation amount for 2010 and subsequent years as per the Green Energy and Economy Act, 2008.

Under section 79.1 of the *Ontario Energy Board Act, 1998*, the Board, in approving just and reasonable rates for a distributor that incurs costs to make an eligible investment for the purpose of connecting or enabling the connection of a qualifying generation facility to its distribution system, shall provide rate protection for prescribed consumers or classes of consumers in the distributor's service area by reducing the rates that would otherwise apply in accordance with the prescribed rules.

For 2010, pursuant to the Board's Decision with Reasons in the Hydro One Distribution Rates case EB-2009-0096, issued on April 9, 2010, the Board has calculated the amount of RGCRP compensation eligible consumers will receive in 2010: \$3,666,667. The Board issued its Decision on this amount on July 21, 2010.

## **DETERMINING THE 2011 RGCRP COMPENSATION AMOUNT**

In accordance with Ontario Regulation 330/09 the RGCRP amount to be collected by the Independent Electricity System Operator (“IESO”) from all electricity market participants on the IESO-controlled grid, as determined in accordance with the market rules so that the total amount of RGCRP compensation to be collected is equal to the total amount of rate protection to be provided.

## **BOARD FINDINGS**

The Board has determined, pursuant to the Board's Decision with Reasons in the Hydro One Distribution Rates case EB-2009-0096, issued on April 9, 2010, and the subsequent 2011 Hydro One Distribution Rate Order, issued by the Board on December 21, 2010; that the amount of RGCRP compensation eligible consumers will receive in 2011 will be \$19.7 million, effective January 1, 2011. The RGCRP charge to be collected by the IESO from all electricity market participants shall be \$1,641,667 per month. Regulation 330/09 sets out that collection of these amounts by the IESO will be in the form of a monthly amount charged to all Market Participants, based on their actual kWh consumption withdrawn from the IESO controlled grid each month. As a result, the monthly charge for each market participant will vary with the actual consumption in that month.

In determining this charge, the Board acknowledges that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Charge (“WMSC”) currently approved by the Board at \$0.0052 per kWh. It is the Board’s view that at its current level, the RGCRP will have a minimal impact on balances in the WMSC variance account (Account 1580) and will not adjust the WMSC at this time. Therefore the WMSC shall remain at its current level of \$0.0052 per kWh.

### **DETERMINATION TO DISPOSE OF THIS PROCEEDING WITHOUT A HEARING**

The Board has made its determination on the RGCRP compensation amount based on Ontario Regulation 330/09 and the requirements of the *Ontario Energy Board Act, 1998*. Ontario Regulation 330/09 prescribes the methodology the Board will use to determine the RGCRP charge for any given year.

The total current amount of the RGCRP for 2011 was set in the EB-2009-0096 proceeding. The Board has determined that there is no material impact resulting from this Decision and, therefore, no person will be adversely affected in a material way by the outcome of the proceeding.

### **IMPLEMENTATION**

The RGCRP charge to be collected by the IESO shall be \$1,641,667 per month effective January 1, 2011 and until such time as the Board revises the RGCRP amount.

Attached to this Decision are communications to the IESO (Appendix A) and to distributors and retailers (Appendix B) regarding the RGCRP charge for 2011.

**DATED** at Toronto, December 21, 2010  
**ONTARIO ENERGY BOARD**

*Original Signed By*

Paul Sommerville  
Presiding Member

*Original Signed By*

Cynthia Chaplin  
Chair and Member

**APPENDIX A**

**To Decision With Reasons**

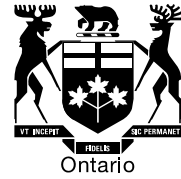
**Communication to the IESO on the 2011 RGCRP Charge**

**Board File No. EB-2010-0191**

**Dated: December 21, 2010**

**Ontario Energy Board**  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY EMAIL**

December 21, 2010

Mr. Carl Burrell  
Senior Regulatory Analyst  
Independent Electricity System Operator  
655 Bay Street, Suite 401  
Toronto, ON, M5G 2K4

Dear Mr. Burrell:

**Re: Renewable Generation Connection Rate Protection for 2011**

Ontario Regulation 330/09, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the "Board") to calculate the amount to be charged by the Independent Electricity System Operator ("IESO") with respect to Renewable Generation Connection Rate Protection ("RGCRP") for electricity that is withdrawn from the IESO-controlled grid.

On July 21, 2010 the Board issued its EB-2010-0191 decision, authorizing the IESO to implement the RGCRP charge for 2010.

On December 21, 2010 the Board issued its RGCRP decision for 2011, based on the approved 2011 Distribution Rate Order for Hydro One Networks Inc. The 2011 EB-2010-0191 decision is attached.

**Amount to be charged by the IESO for RGCRP for 2011**

The Board has determined that effective January 1, 2011 and until such time as the Board revises it, the RGCRP amount to be collected by the IESO from all market participants for 2011 shall be \$19.7 million or \$1,641,667 per month (based on a 12 month recovery period).

The Board expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire RGCRP is collected and remitted to the qualifying distributors in a timely manner.

The collected amounts are to be forwarded to the following distribution utility(ies):

- Hydro One Networks Inc.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

cc: Hydro One Networks Inc.

**APPENDIX B**

**To Decision With Reasons**

**Communication to All Licensed Electricity Distributors on the 2011RGCRP  
Charge**

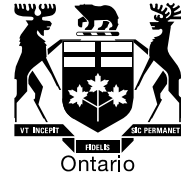
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**BY EMAIL**

December 21, 2010

To: All Licensed Electricity Distributors

**Re: Renewable Generation Connection Rate Protection for 2011**

Ontario Regulation 330/09, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the "Board") to calculate the amount to be charged by the Independent Electricity System Operator ("IESO") with respect to Renewable Generation Connection Rate Protection ("RGCRP") for electricity that is withdrawn from the IESO-controlled grid.

On July 21, 2010 the Board issued its EB-2010-0191 decision, authorizing the IESO to implement the 2011 RGCRP charge.

On December 21, 2010 the Board issued its RGCRP decision for 2011, based on the approved 2011 Distribution Rate Order for Hydro One Networks Inc. The 2011 EB-2010-0191 decision is attached.

**Amount to be Charged by the IESO for RGCRP in 2011**

The Board has determined that effective January 1, 2011 and until such time as the Board revises it, the RGCRP amount to be collected by the IESO from all market participants for 2011 shall be \$19.7 million or \$1,641,667 per month (based on an 12 month recovery period).

The monthly amount billed to each distributor will vary depending on the kWh withdrawn from the IESO-controlled grid for each month.

**Amount to be Charged by Distributors for RGCRP in 2011**

In determining this charge, the Board acknowledges that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Charge ("WMSC") currently approved by the Board at \$0.0052 per kWh. It is the Board's view that at its current level, the RGCRP will have a minimal impact on balances in the WMSC variance account (Account 1580) and will not adjust the WMSC at this time. Therefore, the WMSC shall remain at its current level of \$0.0052 per kWh.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary