

Appendix B
to
Notice of Proposed Amendments to the
Distribution System Code
January 05, 2023
EB- 2019-0207

Proposed Amendments to the Distribution System Code – Clean Version

6.2.4.1 Subject to section 6.2.4.2, a distributor shall establish and maintain a capacity allocation process under which the distributor will process applications for the connection of embedded generation facilities. The capacity allocation process shall meet the following requirements:

...

(e) an applicant shall have its capacity allocation removed if:

...

iii) any required deposits payable to the distributor pursuant to section 6.2.18A or 6.2.18C have not been received by the date specified by the distributor;

...

6.2.4.2 Section 6.2.4.1 does not apply to an application to connect a micro-embedded generation facility, or an embedded generation facility that is not an embedded retail generation facility. Applications to connect to which the capacity allocation process does not apply, including by virtue of section 6.2.1, shall be processed by a distributor in accordance with this Code as and when received.

6.2.4.3 [Revoked]

Connection of other Generation Facilities

6.2.8A [Revoked]

6.2.8B [Revoked]

Small Embedded Generation Facility

6.2.12 Subject to sections 6.2.4.1(b), 6.2.4.1(c) and 6.2.4.2, a distributor shall follow the process as set out in the *Distributed Energy Resources Connection Procedures* to process a request for connection of a small embedded generation facility. The distributor shall provide an applicant proposing to connect a small embedded generation facility with its assessment of the impact of the proposed generation facility, a detailed cost estimate of the proposed connection and an offer to connect within:

- (a) 60 days of the receipt of the application where no distribution system reinforcement or expansion is required; and
- (b) 90 days of the receipt of the application where a distribution system reinforcement or expansion is required.

6.2.18 A distributor shall enter into a connection cost agreement with an applicant in relation to a small embedded generation facility, a mid-sized embedded generation facility or a large embedded generation facility. The connection cost agreement shall include the following:

- (a) a requirement that the applicant pay a connection cost deposit equal to 100% of the total estimated allocated cost of connection at the time the connection cost agreement is executed;
- (b) [Revoked]
- (c) [Revoked]
- (d) [Revoked]

...

6.2.18A For any proponent that executed a connection cost agreement prior to the date of coming into force of this section, but is not yet connected to the distributor's distribution system, the distributor shall notify the proponent of that embedded generation facility, within 60 days of this section coming into force, that a connection cost deposit equal to 100% of the total allocated cost of connection must be paid within 60 days of the distributor's notice as a condition of the applicant maintaining its current capacity allocation.

6.2.18B [Revoked]

6.2.18D Any connection cost deposit required to be obtained by the distributor pursuant to this Code shall be in the form of cash, letter of credit from a bank as defined in the Bank Act, or surety bond. The distributor shall allow the applicant to select the form of any required connection cost deposit.

6.2.18F Following the connection of an embedded generation facility to the distributor's distribution system a distributor shall, upon providing its permission to operate to an applicant as set out in the *Distributed Energy Resource Connection Procedures*:

- (a) at the time of providing its permission to operate to an applicant, where the agreed project scope for the connection has not yet been completed, provide a list of the incomplete elements of the agreed project scope for the connection;
- (b) no later than 60 days after providing its permission to operate, provide the applicant with a preliminary connection cost report specifying the total actual connection costs incurred and allocated to the applicant, including any host distributor and/or transmitter costs, as of the date upon which the distributor issued its permission to operate;
- (c) where the agreed project scope for the connection has been completed at the time the permission to operate has been provided by the distributor, and where the distributor

determines that the amount of the connection cost deposit provided by the applicant exceeded the actual costs incurred by the distributor that were allocated to the applicant, refund to the applicant the amount of the unused connection cost deposit within:

- i) 180 days after providing its permission to operate, where the distributor is not an embedded distributor; or
 - ii) 210 days after providing its permission to operate, where the distributor is an embedded distributor;
- (d) where the agreed project scope for the connection has not been completed at the time the permission to operate has been provided by the distributor:
- i) where the agreed project scope for the connection, including those elements of the agreed project scope identified pursuant to subsection (a), is completed within 90 days after the distributor provides its permission to operate, and where the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the actual costs incurred by the distributor that were allocated to the applicant, the distributor shall refund to the applicant the amount of the unused connection cost deposit within the number of days specified in subsection (c);
 - ii) where the agreed project scope for the connection, including those elements of the agreed project scope identified pursuant to subsection (a), is completed more than 90 days after the distributor has provided its permission to operate, and where the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the actual costs incurred by the distributor that were allocated to the applicant, the distributor shall refund to the applicant the amount of the unused connection cost deposit within:
 - (1) 90 days of the completion of the agreed project scope for the connection, where the distributor is not an embedded distributor; or,
 - (2) 120 days of the completion of the agreed project scope for the connection, where the distributor is an embedded distributor.

6.2.18H The distributor shall refund to the applicant the amount of any capacity allocation deposit or additional capacity allocation deposit, including interest as calculated according to section 6.2.18I, provided by the applicant to the distributor no later than the earlier of 30 calendar days after the applicant receives the distributor's permission to operate, or [the date that is 180 calendar days after the proposed amendments come into force].

6.2.18I Where any connection cost deposit is provided by an applicant to a distributor in the form of cash and where the distributor refunds all or any portion of such connection cost deposit to the applicant in accordance with this Code, the return of such deposit shall be in accordance with the following conditions:

- (a) interest shall accrue monthly on the deposit amounts commencing on the receipt of the deposit required by the distributor; and

(b) the interest rate shall be at the Prime Business Rate set by the Bank of Canada less 2 percent.

6.2A Connection Process for Distributor-owned Generation Facilities

6.2A.3 In applying section 6.2 in relation to a generation facility that will be owned by the distributor to whose distribution system the generation facility will be connected, the following shall apply:

...

For the purposes of this section: (i) “deposit” means a connection cost deposit; and (ii) “Accounting Guidelines” means all requirements established by the Board and in effect at the relevant time in respect of the accounting records, accounting principles and accounting separation standards to be followed by the distributor in relation to a generation facility owned by the distributor, including the “Guidelines: Regulatory and Accounting Treatments for Distributor-Owned Generation Facilities” (G-2009-0300).