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VIA EMAIL AND WEB POSTING

November 30, 2021

To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
All Other Interested Parties

**Re: Reliability and Power Quality Review
Ontario Energy Board File Number: EB-2021-0307**

The Ontario Energy Board (OEB) is launching a comprehensive review of reliability and power quality in the Ontario electricity sector. The Reliability and Power Quality Review (RPQR) is aligned with the [OEB's Strategic Plan](#) goals to protect the public and drive energy sector performance.

The purpose of this letter is to provide an overview of the RPQR and ask for input from customers, electricity distributors and transmitters, as well as other interested stakeholders on the issues that should be addressed as part of the review and the approach that should be taken to address those issues.

The OEB has not reviewed its approach to electricity distributor reliability performance since the launch of the Electricity Distribution System Reliability Standards initiative in 2010. For transmitter reliability, the OEB last assessed the delivery point reliability issues in 2008, in terms of the scope of those standards, following an OEB Decision in 2005 that established the policy framework. Given changes in the sector and customer expectations it is timely to undertake this comprehensive review of the overall reliability performance framework.

Proposed Approach

In order to understand the current level of effectiveness and accuracy of the reliability policy framework and reporting, OEB staff has completed an analysis of distributors' reported data. Based on the results of this work, OEB staff has identified a high-level set of issues for discussion with stakeholders. The issues focus on four areas: enhancing utility accountability, customer-specific reliability, monitoring utility performance, and supporting effective utility planning.

The OEB has considered the feedback from stakeholders at the OEB's [Policy Day](#), and in particular the need to consider the implications for costs from any new standards and requirements, while reflecting on what the OEB heard regarding the importance of reliability to customers. OEB staff is therefore proposing to focus initially on those initiatives that would increase accountability to customers through greater transparency and support the OEB's rate setting processes. Specific issues OEB staff has identified include: the need for enhanced reporting on major events and delivery point performance to provide greater accountability to customers for reliability performance, the need for ensuring consistency in reporting across utilities to support benchmarking and implementing customer specific reliability measures. Developing new approaches to measuring and assessing reliability will enable the potential for moving to stronger incentives for reliability performance and improve the effectiveness of the assessment on capital plans submitted by distributors as part of rate applications.

The OEB is looking for comments and feedback from stakeholders on these potential issues as well as on the following questions:

- Do stakeholders have a view on the approach, including prioritization, to addressing the identified issues? What is the best approach to develop solutions to the issues identified? What issues or concerns can be addressed in parallel and what issues or concerns shall be tackled in sequence?
- Do stakeholders have any specific concerns or issues that have not been identified?
- To assist stakeholders in considering these general questions about the RPQR, a set of questions relating to specific issues has been provided in Appendix A of this letter.

To facilitate gaining customer insight, the OEB plans to conduct a customer survey seeking input from Ontario residents and businesses. The objective of the survey will be to explore their experiences and expectations regarding the reliability and quality of the electricity supply they are receiving.

Once comments have been received from stakeholders and customers, the OEB intends to issue a letter setting out the scope of the RPQR and details of the approach to address the issues. Depending on the complexity of several of the issues, OEB staff may engage working groups of representatives from the sector to review and develop recommendations.

Invitation to Comment and Cost Awards

Stakeholders are encouraged to provide their views on the issues and address the questions identified by OEB staff. Comments should be submitted by **December 22, 2021** as per the instructions set out in Appendix B of this letter.

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible participants. Parties interested in requesting cost eligibility should indicate their intent by filing a letter with the OEB by **December 8, 2021** in accordance with the filing instructions set out in Appendix B.

Any questions about the RPQR should be directed to Helen Guo at Helen.Guo@oeb.ca.

Yours truly,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

Attachment: Appendix A – Questions for Stakeholders' Consideration
Appendix B – Instructions for Submitting Comments

Appendix A – Questions for Stakeholders' Consideration

Utility Accountability

- OEB staff's assessment of distributors' reported data suggests that there may be a significant gap in reporting between transmitters, host distributors and embedded distributors in terms of delivery point/loss of supply outages. Outages reported under loss of supply and major events account for more than 50% of the total number of outages in the province. What type of improvements to transmission and/or distribution reporting and/or performance expectations should be considered to increase utilities' responsibilities for loss of supply events? What are stakeholders' views on the appropriate form of incentives to drive reliability performance?
- OEB staff's assessment of reported Major Events suggests that distributors have very different interpretations of what constitutes a "Major Event", which affects overall reliability performance scores. Should the OEB revise its Major Event reporting requirements to achieve a common understanding among distributors regarding the type of outages and events that should be reported under the Major Event category? Should the OEB review the effectiveness of outage restorations?
- OEB staff's assessment of historical outage data has also suggested that there are inconsistent approaches between distributors in terms of reporting outages (e.g., different interpretations between "Adverse Weather" and "Tree Contacts" defined in RRR). What is the best approach to ensure consistent outage cause reporting across the sector?

Monitor Utility Performance

- The current performance evaluation (i.e., service area level SAIFI & SAIDI) does not support benchmarking across the industry due to the different characteristic of each utility (such as size and locations). What would be required to ensure successful distributor reliability benchmarking across the sector?
- Power quality and momentary outages can have a significant impact on customers. The OEB has seen an increase in customer concerns regarding these issues. Should the OEB establish reporting requirements to monitor utility performance in relation to momentary outages and power quality issues? What type of power quality issues should be and can be reported and monitored?

Customer Specific Reliability

- Given customers' expectations are changing because of an increasing reliance on a reliable system, should the OEB develop customer-focused reliability measures that can provide greater transparency on the level of service individual customers are receiving? Along with creating customer-focused reliability standards, should the OEB consider consequences when reliability performance expectations are not met? (e.g., customer compensation when reliability falls below acceptable level)?

Utility Planning

- How should reliability data be enhanced to support effective utility planning and rate setting? Are there any established methodologies to quantify the value, from a reliability perspective, added by transmission and/or distribution investments?

Appendix B – Instructions for Submitting Comments

Stakeholders are responsible for ensuring that any documents they file with the OEB **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-2021-0307**, 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 [Filing Systems page](#) on the OEB's website
- Stakeholders 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

All communications should be directed to the attention of the Registrar at the address below 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 the RPQR, stakeholders should include Helen Guo at Helen.Guo@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its Practice Direction on Cost Awards. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **December 8, 2021** delivered to the Registrar at registrar@oeb.ca. The submission must identify the following:

- The nature of the person's interest in the review
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's Practice Direction on Cost Awards)

- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known

All requests for cost eligibility will be posted on the OEB's website.

Costs awarded will be recovered from all licensed electricity distributors and transmitters.

Licensed electricity distributors and transmitters will have an opportunity to object to any of the requests for cost award eligibility. Objections must be filed with the OEB by **December 13, 2021** and will be posted on the OEB's website. The OEB will then issue a final determination on cost eligibility.

Eligible Activities

For the purpose of commenting on the topics and questions identified in this letter, eligible parties would be eligible for up to eight hours.

Details on costs for future steps in the review will be provided at the time of the letter setting out the scope and approach for the RPQR.

Cost Awards

The OEB will apply the principles set out in section 5 of its Practice Direction on Cost Awards when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and coordinate their participation in this process.

The OEB will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information, please refer to the OEB's Practice Direction on Cost Awards