

ONTARIO REGULATION

made under the

ELECTRICITY ACT, 1998

Amending O. Reg. 429/04

(ADJUSTMENTS UNDER SECTION 25.33 OF THE ACT)

1. (1) Subsection 5 (1) of Ontario Regulation 429/04 is amended by adding the following definition:

“electricity storage facility” means, subject to subsection (1.1), a facility that is connected to, and withdraws electricity from, the IESO-controlled grid or the distribution system of a licensed distributor for the purpose of storing the electricity temporarily and then conveying only that electricity or a portion of that electricity back into the IESO-controlled grid or the distribution system;

(2) Section 5 of the Regulation is amended by adding the following subsection:

(1.1) For the purposes of the definition of “electricity storage facility” in subsection (1), a facility is not an electricity storage facility if it is connected behind the meter or is connected to any generator or load facility other than the distribution system of a licensed distributor.

2. Subsections 10(1), 11(2), 11(3), and 12(4) is amended as follows:

Class B rate

10. (1) For the purposes of this Part, the IESO shall determine a Class B rate to the nearest cent for a month using the formula,

$$(M - N) / (P - Q - \underline{U.1})$$

in which,

“M” is the amount of the global adjustment for the month,

“N” is the sum of,

- (a) the amount of the global adjustment for the month allocated under paragraph 1 of subsection 11 (2),
- (b) the amount of the global adjustment for the month allocated under subparagraph 2 i of subsection 11 (2) to licensed distributors who are market participants, and

(c) the amount of the global adjustment for the month allocated to Class A market participants under paragraph 4 of subsection 15 (5) or under subsection 15 (8),
 “P” is the sum of,

- (a) the total net volume of electricity withdrawn from the IESO-controlled grid during the month by market participants, and
- (b) the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators to licensed distributors during the month, and

“Q” is the sum of,

- (a) the total net volume of electricity withdrawn from the IESO-controlled grid during the month by persons or entities that are Class A market participants, and
- (b) the total volume of electricity distributed by licensed distributors to Class A consumers during the month.

“U.1” is the sum of

- (a) volume of electricity, if any, conveyed back into the IESO-controlled grid by market participants that are Class B electricity storage facilities during the month.
- (b) Volume of electricity, if any, conveyed back into the IESO-controlled grid or distribution system by Class B electricity storage facilities to licensed distributor during the month

Section 11

(2). The IESO shall make the following allocations, as applicable, to a licensed distributor who is a market participant:

- i. The amount, if any, determined by multiplying the global adjustment for the month by the licensed distributor’s peak demand factor determined under subsection (4) for the adjustment period.
- ii. The amount calculated using the formula,

$$[(M - N) \times (R + S - T - \text{SU})] / (P - Q - \text{U.1})$$

in which,

- “M” has the same meaning as in subsection 10 (1),
- “N” has the same meaning as in subsection 10 (1),
- “P” has the same meaning as in subsection 10 (1),
- “Q” has the same meaning as in subsection 10 (1),
- “U.1” has the same meaning as in subsection 10 (1)
- “R” is the net volume of electricity withdrawn during the month by the licensed distributor from the IESO-controlled grid,
- “S” is the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators during the month to the licensed distributor or to a wholly-embedded distributor of which the licensed distributor is the host distributor, and

“T” is the total volume of electricity distributed to Class A consumers during the month by the licensed distributor or by a wholly-embedded distributor of which the licensed distributor is the host distributor

“SU” is the volume of electricity, if any, supplied by Class B electricity storage facility during the month to the licensed distributor or to a wholly-embedded distributor of which the licensed distributor is the host distributor.

(3) The IESO shall allocate for the month to each Class B market participant the amount calculated using the formula,

$$[(M - N) \times (U - \text{SU.1})] / (P - Q - \text{U.1})$$

in which,

“M” has the same meaning as in subsection 10 (1),

“N” has the same meaning as in subsection 10 (1),

“P” has the same meaning as in subsection 10 (1),

“Q” has the same meaning as in subsection 10 (1),

“U.1” has the same meaning as in subsection 10(1),

“U” is the net volume of electricity withdrawn from the IESO-controlled grid during the month by the Class B market participant, and

“SU.1” is the volume of electricity, if any, conveyed back into the IESO-controlled grid by the Class B market participant that is an electricity storage facility during the month.

Section 12

(4) Every host distributor shall allocate for a month to the account of a wholly-embedded distributor, in respect of the wholly-embedded distributor’s Class B consumers, the amount calculated using the formula,

$$R \times [(CC + DD) - EE - \text{SU.2}]$$

in which,

“R” is the actual Class B rate for the month as finally determined by the IESO,

“CC” is the volume of electricity distributed by the host distributor to the wholly-embedded distributor during the month,

“DD” is the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, supplied by embedded generators during the month to the wholly-embedded distributor, and

“EE” is the total volume of electricity distributed by the wholly-embedded distributor to Class A consumers during the month.

“SU.2” is the total volume of electricity supplied Class B by electricity storage facilities during the month to the wholly-embedded distributor

4. (1) Subparagraph 1 i of subsection 16 (4) of the Regulation is amended by adding “after subtracting, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month” at the end.

(2) Subparagraph 2 ii of subsection 16 (4) of the Regulation is amended by adding “after subtracting, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month” at the end.

(3) Subparagraph 3 i of subsection 16 (4) of the Regulation is amended by adding “after subtracting, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month” at the end.

(4) Subparagraph 4 ii of subsection 16 (4) of the Regulation is amended by adding “after subtracting, in the case of a Class B consumer that is an electricity storage facility,

the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month” at the end.

Commencement

- 3. This Regulation comes into force on July 1, 2018.**

CONFIDENTIAL DRAFT