

Attachment A

Proposed Amendments to the Distribution System Code

Note: The text of the proposed amendments is set out in italics below, for ease of identification only.

1. Section 1.2 of the Distribution System Code is amended by adding the following immediately after the definition of “connection assets”:

“connection cost agreement” means the agreement referred to in section 6.2.18;

2. The definition of “embedded generation facility” in section 1.2 of the Distribution System Code is amended by adding the following at the end of the definition:

, and has the extended meaning given to it in section 1.9;

3. Section 1.2 of the Distribution System Code is amended by adding the following immediately after the definition of “embedded generation facility”:

“embedded retail generator” means a customer that:

- (a) *is not a wholesale market participant or a net metered generator;*
- (b) *owns or operates an embedded generation facility, other than an emergency backup generation facility; and*
- (c) *sells output from the embedded generation facility to the Ontario Power Authority under contract or to a distributor;*

4. The definition of “large embedded generation facility” in section 1.2 of the Distribution System Code is amended by deleting the phrase “10 MW or more” and replacing it with the phrase “*more than 10 MW*”.

5. Section 1.2 of the Distribution System Code is amended by adding the following immediately after the definition of “large embedded generation facility”:

“load displacement” means, in relation to a generation facility that is connected on the customer side of a connection point, that the output of the generation facility is used exclusively for the customer’s own consumption;

6. The definition of “micro-embedded load displacement generation facility” in section 1.2 of the Distribution System Code is deleted and replaced with the following:

“micro-embedded generation facility” means an embedded generation facility with a name-plate rated capacity of 10 kW or less;

7. The definition of “mid-sized embedded generation facility” in section 1.2 of the Distribution System Code is amended by deleting the phrase “less than 10 MW” and replacing it with the phrase “10 MW or less”.
8. Section 1 of the Distribution System Code is amended by adding the following immediately after section 1.8:

1.9 Extended Meaning of Embedded Generation Facility

A distributor shall, for all purposes under this Code, treat a generation facility that is connected on the customer side of a connection point to the distribution system as an embedded generation facility. To that end:

- a. *the terms “connect”, “connected” and “connection” when used in relation to such a generation facility shall be interpreted accordingly; and*
- b. *the distributor shall treat the owner or operator of the generation facility as a generator in relation to the connection and operation of that generation facility.*

9. Section 5.2.1 of the Distribution System Code is deleted and replaced with the following:

A distributor shall require that an embedded retail generator whose embedded generation facility has a gross name-plate capacity of more than 10 MW install a four-quadrant interval meter. A distributor shall require that a net metered generator and an embedded retail generator whose embedded generation facility has a gross name-plate capacity of 10 MW or less install such metering as may reasonably be required having regard to:

- a. *the meter data requirements necessary to enable the distributor to settle amounts owing to or from the embedded retail generator; and*
- b. *the fuel type and technology of the embedded generation facility.*

10. Section 5.2.2 of the Distribution System Code is deleted and replaced with the following:

A distributor shall meter a customer with an embedded generation facility, other than an embedded retail generator or a net metered generator, in the same manner as the distributor's other load customers.

11. Section 6.2.1 of the Distribution System Code is amended by adding the following at the end of that section:

or an embedded generation facility that is used exclusively for load displacement purposes

12. Section 6.2.3 of the Distribution System Code is amended as follows:

- (a) by removing the word "and" at the end of paragraph c;
- (b) by replacing the "." at the end of paragraph d with "; and"; and
- (c) by adding the following immediately after paragraph d:
 - e. *the name, telephone number and e-mail address of the distributor's representative for inquiries relating to the connection of embedded generation facilities.*

13. Section 6.2 of the Distribution System Code is amended by adding the following immediately after section 6.2.4:

Queuing Process

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

- a. *each application for connection, including an application under section 6.2.25, will be placed in the queue on a first-come, first-served basis upon completion of the connection impact assessment for the embedded generation facility;*
- b. *the distributor shall notify the applicant of its queue position;*
- c. *an applicant shall be removed from the queue if a connection cost agreement has not been signed in relation to the connection of the embedded generation facility within*

12 months of the date on which the application was placed in the queue;

- d. *an applicant shall be removed from the queue if a new connection impact assessment is prepared for an embedded generation facility under section 6.2.15 and the new assessment differs in a material respect from the original connection impact assessment prepared for that facility; and*
- e. *the distributor shall provide the applicant with two months' notice prior to removing the application from the queue under paragraph c.*

6.2.4.2 Section 6.2.4.1 does not apply to an application to connect a micro-embedded generation facility. Applications to connect to which the queuing 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..

- 14. Sections 6.2.5, 6.2.6, 6.2.7, 6.2.8, 6.2.24 and 6.2.26, Appendix E and Appendix F of the Distribution System Code are amended by deleting the phrase “micro-embedded load displacement generation facility” or “micro-embedded load displacement generator” wherever they appear in those sections and those Appendices and replacing them with the phrase “*micro-embedded generation facility*”.
- 15. Section 6.2.9 of the Distribution System Code is amended as follows:
 - (a) by deleting the phrase “requesting the meeting” at the end of the first sentence of the opening paragraph of that section and replacing it with the phrase “*providing the required information*”; and
 - (b) by deleting paragraph d of that section and replacing it with the following:
 - d. *the locations of the proposed generation facility including addresses and account numbers with the distributor where available.*
- 16. Section 6.2 of the Distribution System Code is amended by adding the following immediately after section 6.2.9:

6.2.9.1 Upon request, a distributor shall provide the following to a person that has requested a meeting under section 6.2.9:

- a. *a description of the portion of the distributor's distribution system relevant to the person's embedded generation facility, including the corresponding portions of an up-to-date system schematic map showing, at a minimum, the following:*
- *major distribution and sub-transmission lines;*
 - *transformer and distribution stations;*
 - *the voltage levels used for distribution;*
 - *sufficient geographic references to enable the person to correlate all of the above features with a municipal road map; and*
 - *such other information as the Board may from time to time determine; and*
- b. *subject to section 6.2.9.4, information on voltage level, fault level and minimum/maximum feeder loadings for up to three locations in the distributor's service area.*

6.2.9.2 *The distributor shall provide the information referred to in section 6.2.9.1 without charge and within the 15 days referred to in section 6.2.9.*

6.2.9.3 *Upon request, a distributor shall, subject to section 6.2.9.4, provide the information referred to in section 6.2.9.1(b) to a person that has requested a meeting under section 6.2.9 for one or more additional locations beyond the three required by section 6.2.9.1(b). The distributor shall use reasonable efforts to provide such information within the 15 days referred to in section 6.2.9, but shall in any event provide that information within a further 15 days. The distributor may recover from the person the reasonable costs incurred by the distributor in preparing the information for the additional locations.*

6.2.9.4 *A distributor may withhold information on minimum/maximum feeder loadings where the distributor believes on reasonable grounds that the disclosure of such information could be used to identify the load characteristics of an existing customer and that the loading information is therefore commercially sensitive. A distributor shall, before deciding to withhold such information, make reasonable efforts to obtain the consent of the existing customer to the disclosure of the loading information.*

17. Section 6.2.18 of the Distribution System Code is amended by adding the following at the beginning of that section:

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 provisions regarding the applicant's acceptance of the distributor's offer to connect, the connection costs and any security deposit to be paid by the applicant prior to the commencement of any work by the distributor, and the timing of the connection. The distributor's offer to connect shall be attached as an appendix to and form part of the cost connection agreement.

18. Section 6.2 of the Distribution System Code is amended by adding the following immediately after section 6.2.24:

6.2.25 A distributor shall require a generator that proposes to increase the output of an embedded generation facility that is then in service to submit a new application to connect, and the provisions of sections 6.2.9 to 6.2.24 shall apply.

19. Appendix E of the Distribution System Code is amended as follows:

- (a) by deleting the title at the top of the first page of the Appendix and replacing it with the following:

INFORMATION IN A CONNECTION AGREEMENT FOR A LARGE EMBEDDED GENERATION FACILITY

- (b) by adding the phrase "*in relation to a large embedded generation facility*" immediately after the words "a generator" in the first line under the heading "INFORMATION IN A CONNECTION AGREEMENT WITH A GENERATOR" on the first page of the Appendix;
- (c) by deleting the heading "Micro-Embedded Load Displacement Generator" and the sentence that follows on the first page of the Appendix;
- (d) by deleting sections 4.1 and 4.2 of the "Micro-Embedded Load Displacement Generation Facility Connection Agreement" on the third page of the Appendix and replacing them with the following:

4.1 If you are not an embedded retail generator, you agree that, subject to any applicable law:

- a. *the LDC will not pay you for any excess generation that results in a net delivery to the LDC between meter reads; and*
- b. *there will be no carryover of excess generation from one billing period to the next unless you are, at the relevant time, a net metered generator.*

4.2 *If you are an embedded retail generator selling output from the embedded generation facility to the Ontario Power Authority under contract, you agree that the LDC will pay you for generation in accordance with the Retail Settlement Code.*

4.3 *If you are an embedded retail generator delivering and selling output to the LDC, you agree that the LDC will pay you for generation in accordance with the Retail Settlement Code.*

- (e) by deleting the row that describes a Connection Agreement from the table set out on the fifth page of that Appendix; and
- (f) by adding, after the table set out on the fifth page of that Appendix, the form of Connection Agreement for a Small Embedded Generation Facility or a Mid-sized Embedded Generation Facility set out in the attached Annex 1.

20. Appendix F.1 of the Distribution System Code is amended as follows:

- (a) by deleting the words “load displacement” in the second line under the heading “INTRODUCTION” on the first page of that Appendix;
- (b) by deleting the words “for customer’s own use” in the “Rating” column for the “Micro” row of the table on the first page of that Appendix.; and
- (c) by deleting the phrase “<10 MW” in the “Rating” column for the “Mid-Sized” row of the table on the first page of that Appendix and replacing it with “≤ 10 MW”.

21. Appendix F.1.2 of the Distribution System Code is amended as follows:

- (a) by adding the phrase “*and the information required by section 6.2.3(e) of the Code*” at the end of the first bullet under the heading “Step 2 – Provision of Information”;

- (b) by deleting the fourth bullet under the heading “Step 2 – Provision of Information” and replacing it with the following:
- *contractual requirements (connection cost agreement and Connection Agreement)*
- (c) by deleting the phrase “(No Charge)” at the end of the heading “Step 4 – Initial Consultation” and replacing it with the phrase “(no charge except as permitted by section 6.2.9.3 of the Code)”;
- (d) by deleting the last bullet under the sentence “Generator requests preliminary meeting and submits basic information. Information required includes:” under the heading “Step 4 – Initial Consultation” and replacing it with the following:
- *alternative locations of the proposed generation facility including addresses and account numbers with the distributor where available.*
- (e) by deleting the phrase “Within 15 days of receipt of basic information and request for meeting, the distributor meets with the generator to review plans at basic level” under the heading “Step 4 – Initial Consultation” and the three bullets following that phrase and replacing them with the following:
- Within the time required by the Code, the distributor meets with the generator to review plans at a basic level, including:*
- *location of existing distribution facilities in reference to proposed alternative generation facility locations;*
 - *the information required by sections 6.2.9.1 and 6.2.9.3 of the Code, if this has been requested;*
 - *rough estimate on time and costs which could be associated with project for each alternative location sufficiently to evaluate the relative merits of the alternative location; and*
 - *basic feasibility of project for each alternative location.*
- (f) by adding the words “for the chosen location” immediately after the words “by the distributor” in the sentence immediately below the heading “Step 5 – Application for Impact Assessment”.

22. Appendix F.1.3 of the Distribution System Code is amended as follows:
- (a) by deleting the reference to “less than 10 MW” in the title on the first page of the Appendix and replacing it with the phrase “*10 MW or less*”;
 - (b) by adding the phrase “*and the information required by section 6.2.3(e) of the Code*” at the end of the first bullet under the heading “Step 2 – Provision of Information”;
 - (c) by deleting the fourth bullet under the heading “Step 2 – Provision of Information” and replacing it with the following:
 - *contractual requirements (connection cost agreement and Connection Agreement)*
 - (d) by deleting the phrase “(No Charge)” at the end of the heading “Step 4 – Initial Consultation” and replacing it with the phrase “*(no charge except as permitted by section 6.2.9.3 of the Code)*”;
 - (e) by deleting the last bullet under the sentence “Generator requests preliminary meeting and submits basic information. Information required includes:” under the heading “Step 4 – Initial Consultation” and replacing it with the following:
 - *alternative locations of the proposed generation facility including addresses and account numbers with the distributor where available.*
 - (f) by deleting the phrase “Within 15 days of receipt of basic information and request for meeting, the distributor meets with the generator to review plans at basic level” under the heading “Step 4 – Initial Consultation” and the three bullets following that phrase and replacing them with the following:

Within the time required by the Code, the distributor meets with the generator to review plans at a basic level, including:

 - *location of existing distribution facilities in reference to proposed alternative generation facility locations;*
 - *the information required by sections 6.2.9.1 and 6.2.9.3 of the Code, if this has been requested;*

- *rough estimate on time and costs which could be associated with project for each alternative location sufficiently to evaluate the relative merits of the alternative location; and*
 - *basic feasibility of project for each alternative location.*
- (g) by adding the words “*for the chosen location*” immediately after the words “by the distributor” in the sentence immediately below the heading “Step 5 – Application for Impact Assessment”.
23. Appendix F.1.4 of the Distribution System Code is amended as follows:
- (a) by adding the phrase “*and the information required by section 6.2.3(e) of the Code*” at the end of the first bullet under the heading “Step 2 – Provision of Information”;
- (b) by deleting the fourth bullet under the heading “Step 2 – Provision of Information” and replacing it with the following:
- *contractual requirements (connection cost agreement and Connection Agreement)*
- (c) by deleting the phrase “(No Charge)” at the end of the heading “Step 4 – Initial Consultation” and replacing it with the phrase “*(no charge except as permitted by section 6.2.9.3 of the Code)*”;
- (d) by deleting the last bullet under the sentence “Generator requests preliminary meeting and submits basic information. Information required includes:” under the heading “Step 4 – Initial Consultation” and replacing it with the following:
- *alternative locations of the proposed generation facility including addresses and account numbers with the distributor where available.*
- (e) by deleting the phrase “Within 15 days of receipt of basic information and request for meeting, the distributor meets with the generator to review plans at basic level” under the heading “Step 4 – Initial Consultation” and the three bullets following that phrase and replacing them with the following:
- Within the time required by the Code, the distributor meets with the generator to review plans at a basic level, including:*
- *location of existing distribution facilities in reference to proposed alternative generation facility locations;*

- *the information required by sections 6.2.9.1 and 6.2.9.3 of the Code, if this has been requested;*
 - *rough estimate on time and costs which could be associated with project for each alternative location sufficiently to evaluate the relative merits of the alternative location; and*
 - *basic feasibility of project for each alternative location.*
- (f) by adding the words “*for the chosen location*” immediately after the words “from the distributor” in the sentence immediately below the heading “Step 5 – Application for Impact Assessment”.

24. Appendix F.2 of the Distribution System Code is amended as follows:

- (a) by deleting the phrase “10 MW and Larger” in the heading of each of the two versions of section 3.2 on the second page of that Appendix and replacing it with “*Larger than 10 MW*”; and
- (b) by deleting the phrase “10 MW and Higher” in the heading of section 9 and replacing it with the phrase “*Higher than 10 MW*”.

Annex 1

**Form of Connection Agreement for a Small Embedded Generation Facility
or a Mid-sized Embedded Generation Facility**

[Document attached separately to this Notice]

Attachment B

Proposed Amendments to the Retail Settlement Code

Note: The text of the proposed amendments is set out in italics below, for ease of identification only.

1. Section 1.2 of the Retail Settlement Code is amended by adding the following immediately after the definition of “embedded distributor”:

“embedded generation facility” means a generation facility which is not directly connected to the IESO-controlled grid but instead is connected to a distribution system, and has the extended meaning given to it in section 1.9 of the Distribution System Code;

2. Section 1.2 of the Retail Settlement Code is amended by deleting the definition of “embedded retail generator” and replacing it with the following:

“embedded retail generator” means a customer that:

- (a) is not a wholesale market participant or a net metered generator;*
- (b) owns or operates an embedded generation facility, other than an emergency backup generation facility; and*
- (c) sells output from the embedded generation facility to the Ontario Power Authority under contract or to a distributor;*

3. Section 3.2 of the Retail Settlement Code is amended by deleting the four sentences immediately preceding Equation 3.2(e) on page 12 and replacing them with the following:

A distributor shall purchase energy from an embedded retail generator within its service area where such embedded retail generator has indicated that it intends to generate electricity for delivery and sale directly to the distributor, provided that the embedded retail generator has obtained such licences from the Board as may be required. The price at which such energy sales shall be settled will be the competitive electricity price as described in Appendix “A” to the Code. Notwithstanding any other provision of this Code, where an embedded retail generator has a contract with the Ontario Power Authority under which the Ontario Power Authority is purchasing output from the embedded generation facility, a distributor shall settle all applicable payments or charges associated with the contract, and shall do so in accordance with the pricing provisions of the contract and with such rules as may be determined by the Board. A

distributor shall calculate the supply facility loss factor using equation 3.2(e).