



## Hydro One Remote Communities Inc. Renewable Energy INnovation DiEsEl Emission Reduction (REINDEER) Guideline – (Effective April 6, 2018)

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### 1.0 Background

Hydro One Remote Communities Inc. (Remotes) is a subsidiary of Hydro One Inc. From its service centre in Thunder Bay, Ontario, provides energy services primarily through diesel generation to approximately 3500 customers in 21 remote northern communities that are not connected to the provincial electricity grid.

The Independent Electricity System Operator (IESO) FIT or MicroFIT program does not currently extend to Remotes' service territory. Potential REINDEER providers are encouraged to review both IESO programs at [www.ieso.ca](http://www.ieso.ca) as they may be better suited to participant needs.

Remotes is interested in enabling the connection of renewable energy projects to reduce the impact of diesel fuel on the environment within its service territory. The Remotes' Renewable Energy INnovation DiEsEl Emission Reduction (REINDEER) program was developed for projects of this nature. The REINDEER guidelines are provided below.

### 2.0 REINDEER Guidelines:

There are two (2) types of REINDEER projects: The "Standalone" type project and the "Net Metering" type project. The "Standalone" projects will get paid for production, while the "Net Metering" projects will receive a reduced monthly bill, and in some situations a credit that expires after 12 months. The standard general guidelines for a REINDEER project as well as the details of the two types of connections are outlined hereafter.

#### 2.1 Standard General Guidelines:

- REINDEER provider builds, owns, operates and maintains all assets up to and including point of connection to Remotes' distribution system.
- Hydro One Remotes provides connection access to the distribution system or generation station as applicable provided that the REINDEER project meets technical and metering specifications.
- Remotes' service reliability, customer power quality and existing assets must not be negatively impacted by the connection of the generation facility.
- REINDEER projects must be sized according to the electricity needs of the community and according to the kW size of the existing generation in the community.
- Hydro One Remotes reserves the right to determine the connection point and configuration to its distribution system.
- Contract is terminated when the distribution system is connected to the transmission grid. Proponents should contact the OPA for pricing and eligibility for OPA grid connected power purchase programs.
- 10 year term, renewable thereafter in 5 year contracts.
- Consultation with First Nation communities may be required as directed by Hydro One Remotes.
- All projects must meet the technical requirements set out in Sections 6.2.25, 6.2.26 and 6.2.27 of the Distribution System Code.



- All projects are subject to a technical review. The proponent is responsible for paying for the cost of this technical review. Generally, larger projects will require a more comprehensive engineering review.
- REINDEER project providers must enter into a connection agreement with Remotes.
- All contracts are subject to legal review and must be approved by President & C.E.O. of Hydro One Remotes.

## 2.2 Standalone Projects:

Hydro One Remotes considers a project a “Standalone” type project if the installation’s primary purpose is to provide additional generation to the community and will feed all of the power produced into Remotes’ system.

Remotes offers to pay the 3 year historical average cost of fuel per kWh produced/avoided cost of fuel specific to that community. The proposed rates as of January, 2017 (based on 2014-2016 annual data) are as follows. All amounts will be paid to the provider quarterly.

REINDEER Standalone Rates 2018	
Community	\$/kWh
ARMSTRONG	0.217
BEARSKIN	0.446
BIG TROUT (KI)	0.443
BISCO	0.337
DEER LAKE	0.383
FORT SEVERN	0.618
GULL BAY	0.261
HILLSPORT	0.375
KASABONIKA	0.413
KINGFISHER	0.391
LANDSDOWNE	0.363
MARTEN FALLS	0.445
OBA	0.349
SACHIGO	0.364
SANDY LAKE	0.379
SULTAN	0.400
WAPEKEKA	0.490
WEAGAMOW	0.339
WEBEQUIE	0.411

Hydro One Remotes recognizes that its operating environment is unlike any other and the above guideline may not match the unique circumstances of each situation.



As such:

- Hydro One Remotes is willing to commit labour and equipment resources, to install, operate and maintain any Standalone project, provided that the offered rate is reduced accordingly.
- Hydro One Remotes will NOT provide up-front financing or capital contribution at this time.
- Hydro One Remotes will also consider asset purchase clauses, during or at expiry of the contract term.
- Preference is given to proven technology. Remotes may consider research or innovation projects provided the contract terms are adjusted accordingly. Hydro One Remotes reserves the right to assess each project on its own merit and may consider variations of standard terms, provided regulatory and business requirements are met.
- Hydro One Remotes reserves the right to withdraw this guideline at any time.

### 2.3 Net Metering Guideline

Hydro One Remotes encourages proponents to consider working with First Nations to develop Net Metering projects as an alternative to Standalone generating projects. Net Metering enables customers to generate their own electricity to reduce the per kWh cost of electricity paid to Hydro One Remotes.

In order for a project to be considered a Net Metering project, the electricity must be generated primarily for use within the metered facility and meet the following criteria:

- 1) Electricity must be generated from a renewable source.
- 2) Projects must be sized according to the facility's load and may not exceed 50% of the current annual energy consumption.
- 3) Project must be sized according to the current locations electrical service capacity. Remotes will not modify the current electrical service to accommodate the renewable technology.

An engineering review of the connection is required in order to qualify for connection to Hydro One Remotes' distribution system and for the purchase of stand-by power from Hydro One Remotes.

From time to time, Net Metering projects may send excess generation into Hydro One Remotes' distribution system. Hydro One Remotes will credit the customer's bill for this excess electricity. The bill credits for electricity beyond the customer's own needs will expire after 12 months.

### 2.4 Additional Notes

Potential REINDEER providers looking for additional information are to contact Customer Service Department, Hydro One Remote Communities Inc. at 807-474-2805 or [RemotesCustomerService@HydroOne.com](mailto:RemotesCustomerService@HydroOne.com).