

Calculation Approach for Load Customers Other Than Distributors

The following summarizes Hydro One's approach when applying the TSC sections 6.5.9 and 6.5.10. The calculation approach was developed in accordance with the General Principles.

Transmission System Code Section 6.5.9

When carrying out a true-up calculation for a load customer other than a distributor, a transmitter:

- (a) shall add to the actual load the amount of any embedded generation (determined in accordance with section 11.1) of 1 MW or less per unit, or any embedded renewable generation of 2 MW or less per unit, that was installed during the true-up period; and
- (b) shall not reduce the updated load forecast as a result of any embedded generation (determined in accordance with section 11.1) of 1MW or less per unit, or any embedded renewable generation of 2 MW or less per unit, that was installed during the true-up period

Application of Section 6.5.9 (a):

- **Calculation**

Study Area DG savings = Average Monthly Peak Generation (MW)

- Qualifying DG (as defined under TSC section 6.5.9) that coincides with monthly peak load of the CCRA Study Area will be used to determine the impact on the incremental load during the True-Up period.
- Qualifying DG installed during the True-Up period may be forecast for a period not to exceed the length of the OPA contract.

- **Validated Inputs:**

- DG meter readings for each month of the CCRA True-Up period coinciding with the monthly peak load.
- Third party validation is required as appropriate (i.e. if not directly metered).

Transmission System Code Section 6.5.10

When carrying out a true-up calculation for any load customer, a transmitter:

- (a) shall add to the actual load the amount of any reduction in the customer's load that the customer has demonstrated to the reasonable satisfaction of the transmitter (such as by means of an energy study or audit) has resulted from energy conservation, energy efficiency, load management or renewable energy activities that occurred during the true-up period; and

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- (b) shall not reduce the updated load forecast as a result of any reduction in the customer's load that the customer has demonstrated to the reasonable satisfaction of the transmitter (such as by means of an energy study or audit) has resulted from energy conservation, energy efficiency, load management or renewable energy activities that occurred during the true-up period.

Application of Section 6.5.10 (a) for Customers Other Than Distributors:

1. OPA CDM Programs (including similar customer CDM programs)

- **Calculation:**

$$\text{Incremental Study Area CDM Programs' Savings} = \text{Study Area CDM Programs' Peak Load Savings (MW)} - \text{Study Area CDM Programs' Savings (MW) at In-Service}$$

- **Validated Inputs:**

- Detailed third party verified documentation, i.e. study or audit.

2. Residential Time of Use Metering (TOU)

- **Note:** TOU savings are not expected to be realized by customers other than distributors

3. IESO Industrial Conservation Initiative (ICI) Program

- **Calculation:**

$$\text{Study Area ICI savings} = \text{Average Monthly ICI Peak Savings (MW)}$$

- Qualifying ICI participants - customers that joined the ICI program during the True-Up period.

- **Validated Inputs:**

- Detailed third party verified documentation, i.e. study or audit.

4. IESO Dispatchable Load (DL) Savings

- **Calculation:**

$$\text{Study Area DL savings} = \text{Average Monthly DL Peak Savings (MW)}$$

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- Qualifying DL participants - customers that began participation in a DL program during the True-Up period.
- **Validated Inputs:**
 - Detailed third party verified documentation, i.e. study or audit.

Glossary of Terms

CDM: energy conservation, energy efficiency and load management activities

DL: IESO dispatchable load customer

Active participant in Ontario's electricity market who can adjust the amount of energy they consume in response to direct instructions from the IESO.

DG: embedded generation (determined in accordance with TSC section 11.1) or embedded renewable generation.

TSC section 11.1:

11.1.1 A transmitter shall, for all purposes, treat any generation facility that came into service on or before June 8, 2004 as embedded generation in relation to a load, provided that the generation facility was always connected on the customer side of the connection point. This requirement applies regardless of ownership of the generation facility, the voltage at which the generation facility is connected, the location of the generation facility, the size or number of units of generation capacity, or any relationship between the owner of the generation facility and the customer or the load.

11.1.2 A transmitter shall, for all purposes, treat any new generation facility that comes into service after June 8, 2004 as embedded generation in relation to a load, provided that the generation facility is connected on the customer side of the connection point at the time the generation facility comes into service. This requirement applies regardless of ownership of the generation facility, the voltage at which the generation facility is connected, the location of the generation facility, the size or number of units of generation capacity, or any relationship between the owner of the generation facility and the customer or the load.

11.1.3 If at any time after a generation facility comes into service it is reconfigured so as to become connected on the customer side of the point where a load facility is connected to a transmitter's transmission facilities, the transmitter shall not for any purpose treat that generation facility as embedded generation in relation to that load.

11.1.4 If at any time after a generation facility that is connected to a transmitter's transmission system comes into service a load customer disconnects its facilities from the transmitter's transmission facilities and subsequently connects its facilities, or a load facility becomes connected:

- (a) directly to the generation facility; or
- (b) to the facilities of any person such that both the load facility and the generation facility are connected to the transmitter's transmission facilities on that person's side of the connection point, the transmitter shall not for any purpose treat that generation facility as embedded generation in relation to that load facility.

11.1.5 The reference to "for all purposes" and "for any purpose" in sections 11.1.1 to 11.1.4 includes the purpose of determining whether bypass compensation is required to be paid by the load customer and the purpose of determining the manner in which network charges will be applied.

ICI: IESO Industrial Conservation Initiative

**CDM/DG Load Adjustment Guidelines for CCRA True-Ups
(Load Customers Other Than Distributors)**

Participants reduce their electricity costs by lowering their electricity consumption during peak periods. The participants are charged Global Adjustment on the basis of their share of the total system demand during the highest five peak hours of the year.

TOU: residential time of use metering

Time-of-use pricing is a rate structure that reflects the costs associated with electricity production throughout the day. Prices rise and fall over the course of the day and tend to drop overnight and on weekends.

True-up period: period between the In-Service Date and the current True-Up Point.

True-Up Point: means the points prescribed in either TSC Subsections 6.5.2(a), (b) or (c), whichever is applicable to the customer's CCRA.

TSC: Transmission System Code originally issued by the OEB on July 14, 2000 as last revised on August 26, 2013.