

Proposal for Connection Cost Deposit Refund Timelines

DER Connections Review Working Group Tranche 4 Meeting 2
Process Subgroup Topic 3

Presentation by
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Overview of Connection Cost Deposit Refund Timeline Proposal

Context

- Concern from sector that there was variation in the refund times when excess connection cost deposits were collected.
- Concern from sector that the existing DSC requirement (which requires refund at time of connection) is impractical.

Recommendation

- Modify DSC to require Distributor to provide a Preliminary Connection Cost Report within 60 days of authorization to generate.
- Modify DSC to require excess connection cost deposits to be refunded within 180-210 days in most cases.

Anticipated Benefit

- DER owners will receive earlier indication of anticipated connection cost deposit refund, and greater certainty in timelines.
- LDCs will retain flexibility to authorize a DER to generate while minor connection scope items may be outstanding.

Background

- Developers raised a concern that there was variation across distributors in terms of the time required for an excess connection cost deposit to be refunded to the DER owner.
- LDC and Developer members of Process Subgroup believed existing DSC requirement for excess deposit refund to be returned at time of connection was not practical.
- Process Subgroup developed a proposal that is intended to provide greater transparency on refund amounts and clear, practical requirements for refund timelines.

Proposal for Connection Cost Deposit Refund

DSC section 6.2 to be revised to require the following:

- Outstanding connection scope of work (if applicable) to **be listed** at time that authorization to generate is granted (**Day 0**).
- Preliminary connection cost report to be issued by **Day 60**.
- Excess deposit refund to be issued:
 - By **Day 180** for cases without a host distributor.
 - By **Day 210** for cases with a host distributor.
- For cases where there was outstanding scope at the time authorization to generate was granted, the excess deposit refund would be issued:
 - By later of <Day 180> or <**90 days after completion of full connection scope**> for cases without a host distributor.
 - By later of <Day 210> or <**120 days after completion of full connection scope**> for cases with a host distributor.

Scenario A

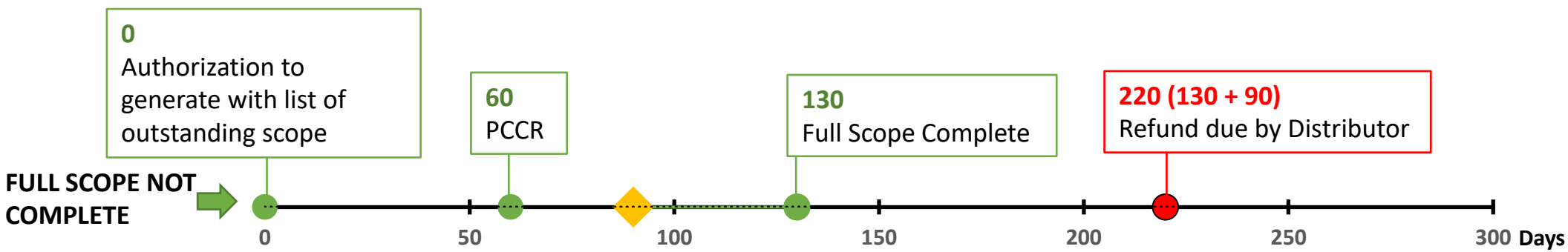
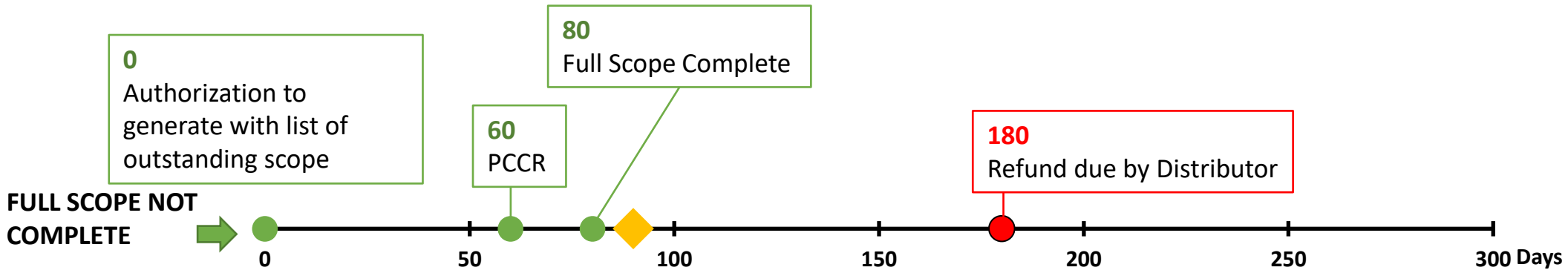
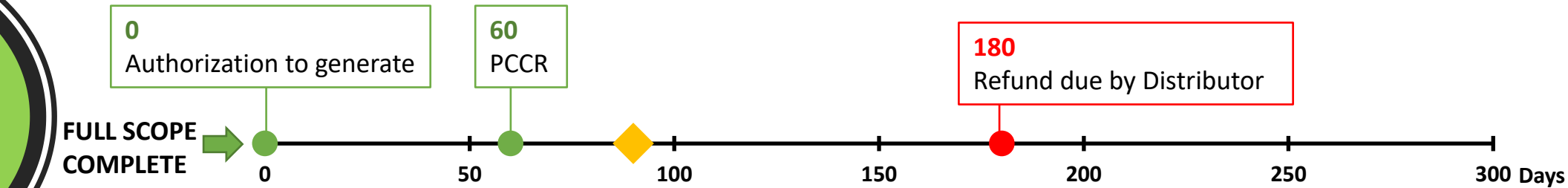
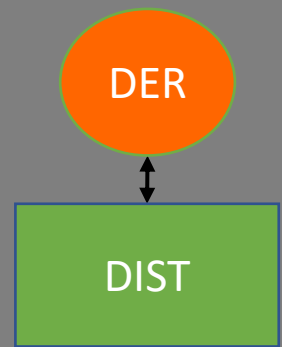
Scope of Work Status	Distributor to provide preliminary connection cost report in	Refund in days (after connection)
Full Scope of the Connection is complete (No delay)	60 days	180 days
Full Scope of the Connection is NOT complete (with delay)	60 days	Later of 180 days or 90 days after the full scope is complete



Scenario A

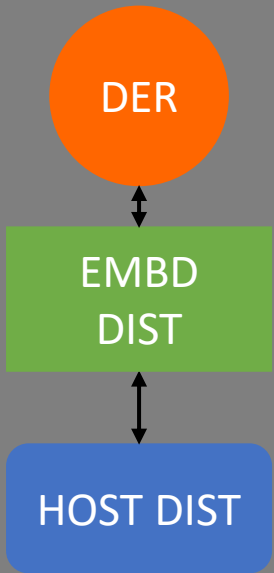
Timeline examples

PCCR - Preliminary Connection Cost Report



Scenario B

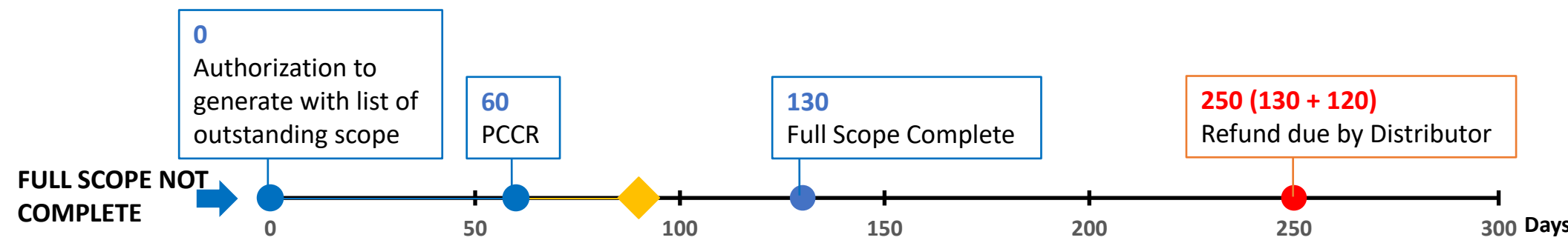
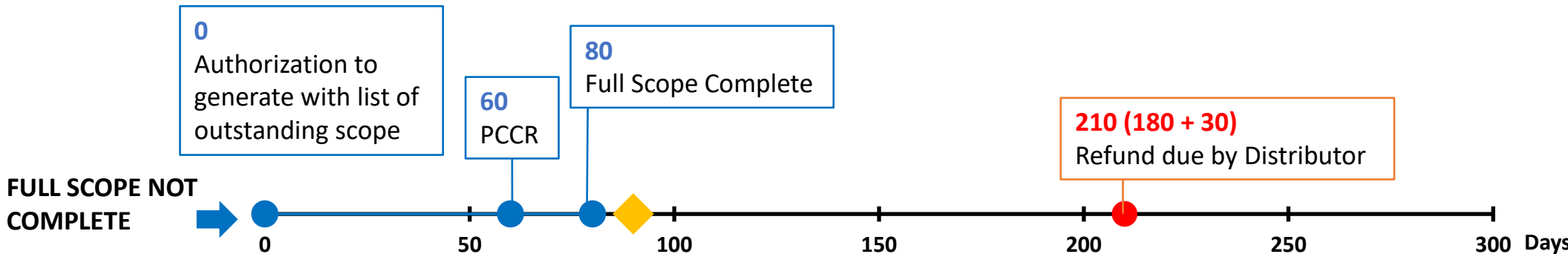
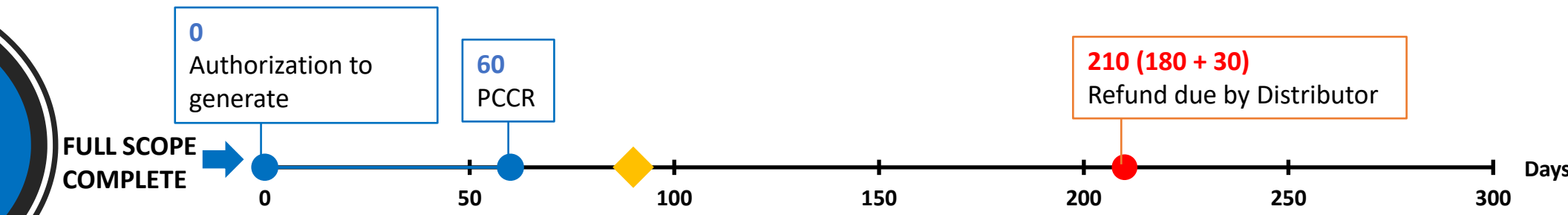
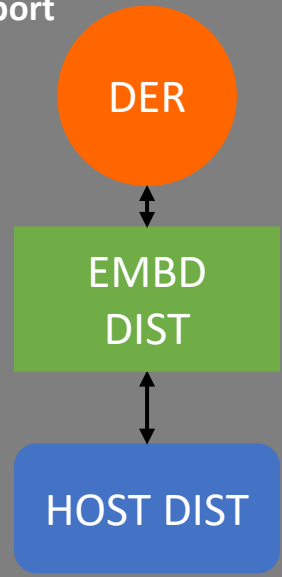
Scope of work status	Embedded Distributor to provide preliminary connection cost report in	Refund in days (after connection)
Full Scope of the Connection is complete (No delay)	60 days	180 + 30 days
Full Scope of the Connection is NOT complete (with delay)	60 days	Later of 180+30 days or 120 days after the full scope is complete



Scenario B

Timeline examples

PCCR - Preliminary Connection Cost Report



Backup

Connection Cost Deposit Refund Timeline Proposal

Proposed Revisions to DSC s. 6.2*

- 6.2.18F (a) If, following the connection of an embedded generation facility to the distributor's distribution system, the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the ~~actual~~ costs allocated to the applicant ~~and related to~~ connecting the generation facility to the distributor's distribution system, the distributor shall ~~at the time of connection~~ refund ~~to~~ the applicant the ~~total~~ amount by which the connection cost deposit exceeded the ~~actual~~ costs ~~related to~~ of connecting the embedded generation facility ~~as soon as possible and:~~
- i) ~~no later than 180 days after the distributor has provided authorization for the facility to generate; or,~~
 - ii) ~~where the distributor is embedded within a host distributor's system, no later than 210 days after the distributor has provided authorization for the facility to generate.~~
- (b) ~~Where the distributor has provided authorization for an embedded generation facility to generate before the full connection scope of work has been completed, the distributor shall specify the scope of work items that need to be completed before the connection scope of work is deemed fully complete.~~
- (c) ~~Where the distributor has provided authorization for an embedded generation facility to generate before the full scope of work has been completed, the provisions in 6.2.18F shall continue to apply provided that the full connection scope of work is completed within 90 days of the authorization to generate being provided. If the connection scope of work is completed more than 90 days after the authorization to generate is provided, the distributor shall refund the applicant the total amount by which the connection cost deposit exceeded the actual costs of connecting the embedded generation facility as soon as possible and:~~
- i) ~~no later than 90 days from the date that the connection scope of work was fully completed; or,~~
 - ii) ~~where the distributor is embedded within a host distributor's system, no later than 120 days from the date that the connection scope of work was fully completed.~~
- 6.2.22A ~~Following the connection of an embedded generation facility to the distributor's distribution system and after the distributor has provided authorization for the facility to generate, the distributor shall provide a preliminary connection cost report to the applicant no later than 60 days after the distributor has provided authorization for the generation facility to generate. The preliminary connection cost report shall specify the total actual costs incurred related to the connection of the embedded generation facility, including the costs incurred of any work required to be performed by a host-distributor or transmitter, as of the date that the facility was authorized to generate.~~

* Language presented would be expected to be worked through OEB Staff for refinement prior to presentation to the OEB and prior to issuance of a Notice of Proposal to Amend the DSC.