

Attachment D to October 30, 2006 Notice of Amendment to a Code

Amendments to the Retail Settlement Code

Board File No.: EB-2006-0226

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 (as defined in section 6.7.1 of the Distribution System Code);*
- (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).