

# Process: Capacity Allocation Exemption Proposal

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Process Subgroup Topic 4  
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# Overview of CAE Proposal

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## Context

- DSC established “Capacity Allocation Exempt” facilities, which do not follow a distributor’s normal capacity allocation process.
- CAE established in 2009 to expedite smaller connections, which at the time were assessed to be fewer in number.
- Subgroup believes context has changed due to an increased number of smaller facility applications and higher DER penetration levels.
- Subgroup believes that the existing CAE requirements are not practical nor appropriate.

## Recommendation

- Eliminate CAE designation and associated requirements from the DSC.

## Anticipated Benefit

- Improve simplicity and practicality, having all projects greater than 10 kW follow the same process for capacity allocation.
- Align process with anticipated growth in smaller connections.

# Capacity Allocation Exemption

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## **Summary of Discussions:**

- DSC establishes “capacity allocation exempt small embedded generation facility” as a subset of small embedded generation facility. In accordance with the DSC, CAE project applications would not follow the normal capacity allocation process and distributors are required to fast-track these connections.
- During the Notice of Proposed Amendment, select distributors suggested that maintaining preferential treatment for the CAE classification is no longer appropriate and that the CAE connection requirements should be removed.
- Subgroup found that the context for DER connections has changed since CAE was introduced in 2009; projects are frequently smaller in size and there is limited capacity to connect, creating complications for fast-tracking CAE applications.
- Subgroup viewed it as impractical to maintain a separate process for CAE project connections.

## **Proposal:**

- Removal of Capacity Allocation Exempt designation and associated requirements.

# Backup

CAE Proposal

# Context – CAE for Small Generators

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“**capacity allocation exempt** small embedded generation facility” means an embedded generation facility which is not a micro-embedded generation facility and which has a name-plate rated capacity of 250 kW or less in the case of a facility connected to a less than 15 kV line and 500 kW or less in the case of a facility connected to a 15 kV or greater line;

6.2.4.2 Section 6.2.4.1 does not apply to an application to connect a micro-embedded generation facility, a capacity allocation exempt small embedded generation facility, or an embedded generation facility that is not an embedded retail generation facility. Applications to connect to which the capacity allocation 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**.

6.2.8B Where a distributor believes that, by virtue of the operation of section 6.2.8A, the connection of a capacity allocation exempt small embedded generation facility cannot reasonably be managed by the distributor without adversely affecting the capacity allocation of a generation facility, the distributor shall promptly so notify the Board in writing. In such a case, and notwithstanding any other provision of this Code, the distributor shall not take any further steps to connect the capacity allocation exempt small embedded generation facility without further direction from the Board.

# Context – Original Rationale from EB-2009-0102

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- “Specifically, the Proposed Amendments were intended to implement a more expeditious process for connecting generation facilities that have a name-plate rated capacity in the range of >10 kW and ≤ 250 kW ....”
- “The Board acknowledges the comments of stakeholders to the effect that the connection of generation facilities with a name-plate rated capacity in the range of >10 kW and ≤ 250 kW can have implications for system reliability or the quality of power provided to other customers. However, the Board believes that such facilities present, in relative terms, a lower risk and also believes that the risk remains at this lower level even for facilities that have a name-plate rated capacity of up to 500 kW if connected to a line that is 15 kV or higher. The Board also notes that such facilities are among the few that are currently eligible under programs such as RESOP and the OMAFRA initiative referred to above, the latter of which has been made available on a time-limited basis. As such, the Board believes that it is appropriate and in keeping with government policy to maximize connection opportunities for such facilities.”
- Note: Cases where CAE Small Embedded Generation Facilities may displace other projects would be referred to Board (DSC s. 6.2.8B).

Source: <https://www.rds.oeb.ca/CMWebDrawer/Record/95389/File/document>