

## Energy Regulatory Update (Q3, 2021)

Welcome to the first Shepherd Rubenstein *Energy Regulatory Update*, a quarterly roundup of important developments in the Ontario energy sector. Below were some of the key regulatory happenings between July and September.

### **Ontario Energy Board**

The OEB's modernization efforts continue. The OEB:

- made amendments to its [Rules of Practice and Procedure related to Motions to Review](#),
- proposed some changes to the [Practice Direction on Confidential Filings](#),
- formed its new [Adjudicative Modernization Committee](#) (our own [Mark Rubenstein](#) is a member), and
- held its first [Policy Day](#).

The OEB also issued some significant decisions. During the past three months it:

- created a first generation [Integrated Resource Planning Framework for Enbridge Gas](#) establishing specific requirements for when and how Enbridge will consider non-pipe alternatives to address system needs,
- approved a substantial [Settlement Proposal](#) in Ontario Power Generation's 2022-2026 Payment Amounts application,
- released a decision regarding the [applicability of Federal Carbon Charge Pricing Program to Enbridge Gas' Indigenous customers](#), and
- approved the [first revenue requirement for the new Wataynikaneyap Power LP's transmission line](#).

It released for comments an [OEB Staff Discussion Paper on updating the CDM Guidelines for Electricity Distributors](#), and a [proposal to amend the Distribution System Code to facilitate connection of DERs](#).

The OEB accepted Assurances of Voluntary Compliance with [two different entities regarding operating in the wholesale market without a license](#), [one entity related issuing individual bills to customers with a being a licenses sub-metered](#), and [Enbridge Gas regarding disconnection-related practices](#),

The Market Surveillance Panel also issued its [semi-annual monitoring report](#).

### **Independent Electricity System Operator**

The IESO issued its first [Annual Acquisition Report](#) and its [Q3 2021 Reliability Outlook](#). The [Technical Panel approved a number of administrative changes for the upcoming 2021 capacity auction](#).

The IESO continues its engagement in several different important areas. This includes:

- the creation of a [Distribution Energy Resources Roadmap](#), which includes a [DER Potential Study](#),
- the [enablement of participation of hybrid resources](#), and
- continued work on [resource adequacy](#), including engagement on [a medium term RFP](#) and [enhancements to the IESO's capacity auction](#).



Work also continues on the implementation phase of the Market Renewal Program. The IESO released for comment [draft market rules and manuals related to market power mitigation](#).

The [IESO](#) and the [OEB](#) have also [jointly through combined use of the Grid Innovation Fund and Innovation Sandbox issued a targeted call for novel and innovative project proposals](#)

With respect to bulk system and regional planning, the IESO released its:

- [electricity plan for the West of London Area](#),
- [Southern Huron-Perth IRRP](#), and
- [Peel/Halton \(GTA West\) IRRP](#).

### ***Legislative and Regulatory***

The Government of Ontario has proposed amendments to regulations under the *Ontario Energy Board Act*. First, it proposed changes to [Ontario Regulation 53/05 to include the Darlington Small Modular Reactor project to be a prescribed facility to allow Ontario Power Generation to recover the project's prudently incurred costs as determined by the OEB](#). Second, it proposed [amendments to Ontario Regulation 95/05 to specify that RPP rates would be updated only once a year](#).

The Government of Ontario also issued [Ontario Regulation 679/21 under the Ontario Energy Board Act](#) that provides a framework for [Community Net Metering Program](#), and [authorized West Five development in London to be the first demonstration project](#).

### ***Other News***

The municipal shareholders have approved the [proposed merger of the parent companies of Energy+ Inc. and Brantford Power Inc.](#) OEB approval is still required.

### ***Shepherd Rubenstein News***

Shepherd Rubenstein has expanded with the addition of associate lawyer [Fred Zheng](#). [Fred](#) will be assisting in a wide range of energy regulatory matters.

Both [Jay Shepherd](#) and [Mark Rubenstein](#) were named in the [2022 edition of 'Best Lawyers'](#) for energy regulatory law. [Jay](#) was also recognized in the [Lexpert Special Edition – Energy](#).

### ***Things We Are Reading and Listening To***

New [report](#) from Strategic Policy Economics on Ontario's future electricity supply issues if we are going to meet climate goals, the Canadian portion of NERL's [North American Renewable Integration Study](#), FERC's [Advanced Notice on Proposed Rulemaking](#) regarding regional transmission planning, cost allocation, and generator interconnection, and the [The Disconnect: Power, Politics and the Texas Blackout](#) podcast.

Last week was the first National Day Truth and Reconciliation Day. Regardless of the day, it is always a good time to reflect and review the [Truth and Reconciliation Commission's Calls to Action](#).

*As always, if you have any questions, or think we can be of assistance to you or your organization, please do not hesitate to reach out to any of the [Shepherd Rubenstein lawyers](#).*