

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](#).