

Blakes Bulletin

Energy/CleanTech

Ontario Eases Rules for Connecting Small Generators to the Grid

SHARON WONG

On February 12, 2009, new rules came into effect in Ontario which are expected to expedite the connection of small electricity generation facilities, such as solar, biomass/biofuel or fuel cell, to Ontario's distribution system.

The new rules apply to a "queue exempt small generation facility", which is a facility:

- (a) with a name-plate rated capacity in the range of > 10 kW and ≤ 250 kW if connecting to a less than 15 kV line; or
- (b) those with a name-plate rated capacity in the range of > 10 kW and ≤ 500 kW if connecting to a 15 kV or greater line.

The new rules apply to any facility that meets this definition, regardless of the technology used to generate the electricity. (It had initially been proposed to limit the new rules to only certain forms of green technology.)

The process by which new generation facilities in Ontario are connected to the distribution system is set out in the Distribution System Code which is governed by the Ontario Energy Board (OEB).

The Distribution System Code already contained a simple and expedited connection process for "micro-embedded generation facilities" with a name-plate rated capacity of 10 kW or less; however, a generator over 10 kW was subject to a more complex and lengthy connection process, which includes a first-come, first-served queuing mechanism under which generation connection applicants are placed into a queue following completion of a connection impact assessment by the distributor.

Micro-embedded generation facilities are not subject to the queuing requirement. However, prior to the recent rule changes, small generation facilities of between 10 to 500 kW had to wait for connection in the same queue as large generation facilities.

As a result of the recent amendments to the Distribution System Code, queue exempt small generation facilities no longer have to wait in the queue, and distributors are required to process their applications as and when they are received and in accordance with deadlines stipulated in the Code.

In determining the feasibility of the connection of an "exempt small embedded generation facility", the distributor must now include as available any capacity that has been set aside for a generation facility that is in the queue. The OEB recognized that this approach may risk displacing a small number of projects that are currently in the queue because of the lack of connection capacity in certain locations. In order to manage this risk, the OEB also amended the Code to require a distributor to seek direction from the OEB promptly upon becoming aware that the connection of an "exempt small embedded generation facility" cannot reasonably be managed by the distributor without displacing a project that is in the queue.

The OEB expects that the new rules will result in faster connection times for smaller generators, and that this will support the Renewable Energy Standard Offer Program administered by the Ontario Power Authority and the farm-based bio-mass generation development program of the Ontario Ministry of Agriculture, Food and Rural Affairs.

The provincial government has indicated that it will soon be introducing a new Green Energy Act which is expected to contain additional measures to make it easier to get new green generators (such as wind, solar and biofuel) on to the provincial electricity grid. This new legislation is expected to be introduced by the end of February.

More information about the amendments to the Distribution System Code is available at the OEB's website: <http://www.oeb.gov.on.ca/OEB/Industry+Relations/OEB+Key+Initiatives/Distribution+System+Code+Proposed+Amendment>.

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