



“REINDEER” Guidelines

(Effective May 1, 2022)

Renewable Energy INnovation DiEsel Emission Reduction Program for Hydro One Remotes’ Communities

Background

Hydro One Remote Communities Inc. (Hydro One Remotes) is based in Thunder Bay and provides energy services, primarily through diesel generation, to over 4200 customers in 22 remote northern communities - the majority of which are not connected to the provincial electricity grid. The REINDEER programs were developed by Hydro One Remotes to enable the connection of renewable energy projects in its communities in an effort to reduce the impacts of diesel fuel on the environment. There are two types of REINDEER projects:

1. **“Stand-alone”** projects get paid for energy production according to a calculated rate per kilowatt generated. *Available for grid-connected and non-grid connected communities.*
2. **“Net” Metering** projects will receive a reduced monthly bill, and in some situations a credit that expires after 12 months. *Only available for non-grid connected communities.*

This document outlines the general guidelines for a REINDEER project, as well as the specific guidelines for each of the two types of project.

General Guidelines for both types of projects:

- ✓ The REINDEER provider builds, owns, operates and maintains all assets up to and including point of common coupling to Remotes’ distribution system or generating station.
- ✓ Hydro One Remotes provides connection access to the distribution system or generation station as applicable provided that the REINDEER project meets technical and metering specifications.
- ✓ Hydro One Remotes’ service reliability, customer power quality and existing assets must not be negatively impacted by the connection of the generation facility.
- ✓ REINDEER projects must be sized according to the electricity needs of the community and according to the kilowatt size of the existing energy generation in the community.
- ✓ Hydro One Remotes reserves the right to determine the energy connection point and the configuration to its distribution system.
- ✓ Contract is terminated when the distribution system is connected to the transmission grid.
- ✓ Grid connected proponents should contact the Independent Electricity System Operator (IESO) for current power purchase programs and/or review Ontario Regulation 541/05: Net Metering.
- ✓ 10 year term, renewable in 5 year contracts.
- ✓ Consultation with First Nation communities may be required as directed by Hydro One Remotes.
- ✓ All projects must meet the technical requirements set out in Sections 6.2.25, 6.2.26 and 6.2.27 of the Distribution System Code.
- ✓ All projects are subject to a technical review. The proponent is responsible for paying for the cost of this technical review. Generally, larger projects will require a more comprehensive engineering review.
- ✓ REINDEER project providers must enter into a connection agreement with Hydro One Remotes.
- ✓ All contracts are subject to legal review and must be approved by Managing Director of Hydro One Remotes.

I. “Stand-alone” Project Guidelines

Hydro One Remotes considers a project a “Stand-alone” type project if the installation’s primary purpose is to provide additional generation to the community and will feed all of the power produced into Remotes’ system. “Stand-alone” projects are available to grid-connected and non-grid connected communities.



Remotes offers to pay the 3 year historical average cost of fuel per kWh produced/avoided cost of fuel specific to that community. The proposed rates as of January, 2022 (based on 2019-2021 annual data) are as follows. All amounts will be paid to the provider quarterly.

REINDEER Stand-alone Rates 2022	
Community	\$/kWh
Armstrong/Whitesand/Collins	0.212
Bearskin Lake	0.497
Kitchenuhmaykoosib Inninuwug (Big Trout)	0.493
Biscotasing	0.299
Deer Lake	0.418
Fort Severn	0.813
KZA (Gull Bay)	0.259
Hillsport	0.333
Kasabonika Lake	0.442
Kingfisher Lake	0.436
Neskantaga (Lansdowne)	0.419
Marten Falls (Ogoki Post)	0.504
Oba	0.321
Pikangikum	n/a
Sachigo Lake	0.431
Sandy Lake	0.428
Sultan	n/a
Wapekeka	0.560
North Caribou (Weagamow)	0.264
Webequie	0.487

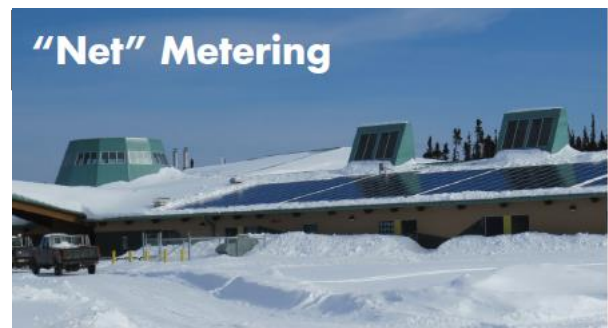
Hydro One Remotes recognizes that its operating environment is unlike any other and the above guideline may not match the unique circumstances of each situation. Because of this:

- *Hydro One Remotes is willing to commit labour and equipment resources, to install, operate and maintain any Stand-alone project, provided that the offered rate is reduced accordingly.*
- *Hydro One Remotes will NOT provide up-front financing or capital contribution at this time.*
- *Hydro One Remotes will also consider asset purchase clauses, during or at expiry of the contract term.*
- *Preference is given to proven technology. Remotes may consider research or innovation projects provided the contract terms are adjusted accordingly.*

- *An engineering review of the connection is required in order to qualify for connection to Hydro One Remotes' distribution system and for the purchase of stand-by power from Hydro One Remotes.*
- *Due to the high cost of connection in Remote communities, it is preferred that large scale renewable projects are located in close proximity to the diesel generating station.*
- *Due to the complexity of integrating energy storage and controls, it is recommended that energy storage systems be directly connected to the diesel generating station buss.*
- *Due to the integration complexity of renewable projects with energy storage, consideration should be given to utilizing Hydro One Remotes to operate and maintain the storage equipment.*
- *Station service required for renewable generation facilities will be net-metered.*
- *Hydro One Remotes reserves the right to assess each project on its own merit and may consider variations of standard terms, provided regulatory and business requirements are met.*
- *Hydro One Remotes reserves the right to withdraw this program and guideline at any time.*

2. “Net” Metering Guidelines

Hydro One Remotes encourages proponents to consider working with First Nations to develop Net Metering projects. Net Metering enables customers to generate their own electricity to reduce the per kWh cost of electricity paid to Hydro One Remotes. “Net” Metering projects are only available to non-grid connected communities.



In order for a project to be considered a Net Metering project, the electricity must be generated primarily for use within the metered facility and meet the following criteria:

- 1) *Electricity must be generated from a renewable source.*
- 2) *Projects must be sized according to the facility's load and may not exceed 50% of the current annual energy consumption.*
- 3) *Project must be sized according to the current locations electrical service capacity. Remotes will not modify the current electrical service to accommodate the renewable technology.*

From time to time, Net Metering projects may send excess generation into Hydro One Remotes' distribution system. Hydro One Remotes will credit the customer's bill for this excess electricity. The bill credits for electricity beyond the customer's own needs will expire after 12 months.

For more information

Potential REINDEER providers looking for additional information on these programs are to contact Customer Service Department, Hydro One Remote Communities Inc. at 1-888-825-8707 (toll free), 807-474-2805 (local) or email RemotesCustomerService@HydroOne.com.

