

ADDENDUM

Electricity Rates 2019

Demand Response (DR) Option in effect for winter 2020–2021 – Interim rate

In decision D-2020-120, the Régie de l'énergie approved the interim rate related to the Demand Response (DR) option for winter 2020–2021. This rate option replaces the Demand Response program. Given its interim nature, the rate is subject to subsequent amendments.

This addendum presents the new articles in chapters 2, 3, 4 and 6 of the Electricity Rates, which went into effect on September 14, 2020.

CHAPTER 4

RATES FOR MEDIUM POWER

SECTION 13

DEMAND RESPONSE OPTION

Application

4.73

The Demand Response (DR) Option described in this section applies to the medium-power contract of a customer who is able to curtail consumption during the winter period at Hydro-Québec's request.

Definitions

4.74

In this section, the following definitions apply:

"aggregator": A company established in Québec and mandated by one or more customers to apply to Hydro-Québec for this option.

"applicant": A customer or aggregator who applies to Hydro-Québec for this option.

"average temperature": The value in degrees Celsius of the average of the temperatures recorded at the weather station closest to the delivery point(s) during peak hours.

"DR event": The sequence of peak hours indicated by Hydro-Québec in the DR event notification sent to the participant in accordance with Article 4.79.

"effective interruptible power": The value in kilowatts of the average power reductions over all the DR events. The effective interruptible power is calculated after the winter period for each service contract. If there are several contracts, it is equal to the sum of the effective interruptible power values for all the contracts.

"participant": A customer or aggregator whose application to participate in this option has been accepted by Hydro-Québec.

"peak hours": All hours from 06:00 to 09:00 and from 16:00 to 20:00 during the winter period, excluding:

- a) Saturdays and Sundays;
- b) December 24, 25, 26 and 31, January 1 and 2, as well as Good Friday and Easter Monday when the latter fall within the winter period.

“power reduction”: The value in kilowatts of the difference between reference power and real power during a DR event for each service contract. This value cannot be negative.

“real power demand during DR event”: The value in kilowatts of the service contract’s average real power demand during the DR event.

“reference period”: Depending on whether the DR event occurs in the morning or evening, the peak period between 06:00 and 09:00 or between 16:00 and 20:00 during which there was no such event.

“reference power”: A value in kilowatts estimated from a linear regression of the service contract’s average real power demand and of the average temperature during the reference period. Hydro-Québec may adjust the reference power as needed to better reflect the customer’s normal consumption profile.

Sign-up procedure

4.75

To sign up for this option, the applicant must submit a written request to Hydro-Québec before September 15 by filling out the Demand Response Option sign-up form and the email address list for DR event notifications, available at www.hydroquebec.com. After analysis, Hydro-Québec may request modifications.

Hydro-Québec notifies the applicant in writing of its decision to accept or deny the request. If it is accepted, the parties must sign an agreement specifying the service contract(s) covered and the weather station closest to each delivery point, as well as the rights and obligations of each party.

If the applicant is an aggregator, Hydro-Québec reserves the right to require written evidence, within 5 days of acceptance, that the aggregator has notified the customers being represented that the aggregator will be the only party bound to Hydro-Québec, in communication with it and authorized to receive the credit.

The agreement comes into force on December 1 and ends on March 31 of the following year.

Eligibility

4.76

For the contract to be eligible for this option, the following conditions must be met:

- a) The applicant must provide Hydro-Québec with an estimate of the power demand reduction which the applicant undertakes to achieve for the service contract(s) in question. The reduction must be at least 200 kilowatts, but not less than 10% of the maximum

power demand during the winter period. If there are several contracts, the power demand reduction is the sum of the power demand reductions, and the maximum power demand is the sum of the maximum power demands, for all the contracts;

- b) The applicant must undertake to implement measures to reduce the power demand of each service contract;
- c) Metering for each service contract must be done by a communicating meter installed by Hydro-Québec. However, this provision may not be interpreted as an obligation on the part of Hydro-Québec to install a communicating meter for a customer who does not have one;
- d) The customer must not be served by an off-grid system or a municipal system;
- e) The customer must not benefit, for the same service contract, from the Winter Credit Option for Rate G customers described in Section 3 of Chapter 3, from any of the interruptible electricity options described in Section 6 of this chapter or in Section 4 of Chapter 6, from the Flex M or Flex G9 rates described in sections 11 and 12 of this chapter, or from the Rate for Cryptographic Use Applied to Blockchains (Rate CB).

Limitation**4.77**

Hydro-Québec reserves the right to limit the total amount of power it plans to avail itself of, based on system management requirements. It may restrict the number of sign-up requests it accepts if the power available under this option exceeds its needs for a given period of time.

Subject to the approval of the Régie de l'énergie, Hydro-Québec may terminate this option at any time.

Conditions applicable to DR events**4.78**

DR events may occur at any time during peak hours. They must meet the following conditions:

Maximum number of events per day:	2
Minimum interval between 2 events (hours):	7
Event duration (hours):	3–4
Maximum total event duration per winter period (hours):	100

DR event notification**4.79**

Hydro-Québec will notify participants by email, indicating the start and end date and time of the event.

DR event notifications will be transmitted as follows:

- No later than 15:00 on the business day preceding any DR event scheduled for 06:00 to 09:00;
- No later than 12:00 on the day of any DR event scheduled for 16:00 to 20:00;
- No later than 15:00 on the business day preceding 2 DR events scheduled for 06:00 to 09:00 and 16:00 to 20:00 on the same day.

To check the proper transmission of DR event notifications, Hydro-Québec will send 2 test notifications to the email addresses provided by the participant on the first and third Tuesdays in November, respectively. The participant must ensure that the address **GDPAffairesAvis@hydro.qc.ca** is not blocked by spam filters. For these tests, no demand reduction measures have to be implemented, and no credit will be granted.

Hydro-Québec cannot be held responsible for non-receipt of a DR event notification due to an erroneous email address provided by the participant or technical problems experienced by the aggregator, the customer or their telecommunications providers.

Credit**4.80**

The credit applicable for the winter period is as follows:

\$70 per kilowatt of effective interruptible power.

If Hydro-Québec does not send any DR event notification under Article 4.79 during the winter period, it will pay the participant a minimum amount equivalent to the lesser of the following values:

- the credit applicable to 15% of the contract's maximum power demand for the winter period; or
- 20,000.

If there is no demand reduction for a given service contract during events covered by 2 or more DR event notifications, Hydro-Québec reserves the right not to pay any amount to the participant for that contract.

The amount of the credit will be confirmed to the participant by May 31 following the winter period in which the events took place.

To obtain the credit, the amount of which will be established and confirmed by Hydro-Québec in accordance with Article 4.80, the participant must submit an invoice to Hydro-Québec as follows:

- The invoice must be numbered and generated by the participant's accounting software;
- The invoice amount must be equal to the credit amount confirmed by Hydro-Québec in accordance with Article 4.80, excluding any applicable taxes;
- The invoice must be made out to Hydro-Québec and present all the information required by tax regulations, including GST and QST registration numbers if applicable.

When Hydro-Québec receives the participant's invoice, it will check the participant's file and pay the credit if applicable.

Hydro-Québec may deduct any amount owed to it by the participant from the credit.

CHAPTER 2

DOMESTIC RATES

SECTION 10

DEMAND RESPONSE OPTION

Application

2.75

The Demand Response Option described in Section 13 of Chapter 4 applies to the Rate DM or DP contract of a customer who is able to curtail consumption during the winter period at Hydro-Québec's request.

CHAPTER 3

RATES FOR SMALL POWER

SECTION 5

DEMAND RESPONSE OPTION

Application

3.29

The Demand Response Option described in Section 13 of Chapter 4 applies to the Rate G contract of a customer who is able to curtail consumption during the winter period at Hydro-Québec's request.

CHAPTER 6

LARGE-POWER OPTIONS

SECTION 8

DEMAND RESPONSE OPTION

Application

6.68

The Demand Response Option described in Section 13 of Chapter 4 applies to the Rate LG contract of a customer who is able to curtail consumption during the winter period at Hydro-Québec's request.