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SUBMITTED VIA ELECTRONIC MAIL TO BOARDSEC@OEB.CA

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Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Re: EB-2018-0287/0288 – Written Comments Following September Stakeholder Meeting

Dear Ms. Walli:

Advance Energy Management Alliance (“AEMA”) is a North American trade association whose members include distributed energy resources (“DER”), demand response (“DR”), and advanced energy management service and technology providers, as well as some of Ontario’s largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. AEMA appreciates the opportunity to provide written comments following the September Stakeholder meeting convened by the Ontario Energy Board (“OEB”). AEMA will focus its comments on key themes that are of importance as the OEB staff move forward with the next steps of these engagements. These comments represent the views of the organization as a whole, not necessarily those of any individual members.

1. Pro-Active

As highlighted in the AEMA presentation, the OEB and the sector should work towards a pro-active vision of the future of the distribution system based on the objectives of the province as well as the fundamental regulatory principles versus reacting to changes as they come. Key themes identified in the Facilitators Report outline work that needs to be accomplished to ensure that the sector is moving in the right direction. These include:

- The need for definitions of DER and the value that can and will be derived;
- Confirming principles that focus on, but not limited to, competitiveness, consumer protection, fair and transparent information sharing and so on;

- Managing infrastructure needs and requiring that the planning process takes DERs into account through a cost/benefit analysis or performance based metrics;
- Identifying barriers at the regulatory level to enable Local Distribution Companies (“LDCs”) to choose the right infrastructure or service to ensure their reliability needs are met in a fair, competitive and transparent manner;
- Enabling competition and markets to drive value for the ratepayer; and
- Identifying the role of the LDC and identifying if legislative or regulatory changes are required.

Ontario will miss out on the value of DERs if planning and operations only start to change once DER penetrations start causing “problems”. The number of connections of behind the meter storage or electric vehicles, for example, already demonstrates that DERs will disrupt the status quo at the LDC level.

2. Principles – Customer Choice

The principles identified by OEB staff in the July 17th letter, and the discussion and refinement that took place at the September meetings (and outlined in the Facilitators Report) address a long-term vision while meeting key objectives. The customer needs to have choice – if a market exists for a service, such as DERs, then the customer has choice and can go to the market. However, customers need to be protected from unnecessary costs. To enable choice, it is important to ensure a strong regulatory regime at the distribution level that encourages competition to derive value while also offering the highest consumer protection standards.

3. Ontario is a Unique Jurisdiction

Ontario is a unique jurisdiction, but so is every other jurisdiction or market. Lessons can be learned and best practices can be adopted from markets who are moving faster than Ontario with the connection, enablement and valuing of DERs. These lessons and best practices should be viewed through an Ontario lens.

4. Coordination

The main way to extract value from DERs is to ensure coordination of the distribution system and the wholesale market. As noted at the September Stakeholder meeting, and throughout submissions to both the OEB and the Independent Electricity System Operator (“IESO”), there are numerous engagements focused on DERs at both agencies – Energy Storage Working Group, Capacity Auction that will allow storage in 2020, an Energy Efficiency (pilot) Auction, a localized distribution market in York Region. The value of DERs should be enabled to be offered at all levels to ensure the extraction of value benefits all parties, including the customer, the system operator and the LDC, and the ratepayer. The need for coordination is key.

5. Practical Solutions

AEMA encourages the OEB to ensure the consideration and operationalization of practical solutions to facilitate DER integration in ways that drive value for customers and the Ontario energy system in a timely manner, such as:

- Implement mandatory comprehensive and standardized cost-benefit analyses for utility consideration of DER installations and traditional transmission and distribution assets;
- Streamline the interconnection process for DERs, including implementation of a “fast track” interconnection process behind-the-meter, non-exporting energy projects and eliminating or significantly increasing the Transfer Trip threshold; and
- Increase access to data regarding current and emerging electricity system needs.

Once again, AEMA appreciates the opportunity to summarize key comments from the September Stakeholder meeting and the members look forward to continuing to be engaged on these topics with the OEB. Please advise if further information is required; feel free to contact me at Katherine@aem-alliance.org or +1-202-524-8832.

Sincerely,



Katherine Hamilton
Executive Director
Advanced Energy Management Alliance