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October 2, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2009-0326 – Draft Issues List related to Notice of a Proceeding to Determine A Just and Reasonable Rate to Recover the Costs Associated with Embedded Generators Having a Nameplate Capacity of 10 kW or Less

This letter is in response to the Board's September 21, 2009 letter and Procedural Order No. 1 related to the above Notice. Two paper copies have been provided to the Board and an electronic version has been filed through the Board's web portal at www.err.oeb.gov.on.ca.

The London Property Management Association ("LPMA") has reviewed the draft issues list attached as Appendix B of the September 21, 2009 letter and Procedural Order No. 1.

LPMA believes that there are a number of potential issues that the Board may want to address as part of this proceeding. These are potential issues are listed below.

1. "Negative" Costs
The draft issues list concentrates on what cost elements should be used to establish the rate. LPMA notes that there could be "negative" costs, or benefits, associated with the MicroFit rate class. These benefits include a potential to reduce line losses and the potential to reduce transmission costs. The issue would be whether or not these potential cost reductions should be allocated to the MicroFit rate class. For example, the coincident peak demand of all load customer classes could be more than the coincident peak capacity used, with the difference being attributable to embedded generation.

2. Meter Costs
One of the most significant costs for the MicroFit rate class is likely to be for meters. A potential issue is whether or not small generation facilities require the same smart meter functionality that is required for load customers. If not, this could result in lower costs to be recovered from these generators.

3. Volumetric Rate

If there is a volumetric rate, should there be a different rate for wind generation versus solar generation vs. other types of small generation? Some types of micro generation are highly correlated with peak load periods, while others are intermittent over the course of day, while others (biogas) may represent high load factor generation. Should these different generation profiles have different volumetric rates?

Sincerely,

Randy Aiken

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Aiken & Associates