



Canadian Solar Industries Association  
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November 6, 2009

Ontario Energy Board  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attention: Board Secretary

**Re: 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, Board File No. EB-2009-0326**

## INTRODUCTION

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The Canadian Solar Industries Association (“**CanSIA**”) represents more than 400 solar energy companies, the majority of which are located in Ontario. Our mission is to develop a strong, efficient, ethical and professional Canadian solar industry that is able to provide innovative solar energy solutions and play a major role as the world transitions to a sustainable future.

The intent and the spirit of the Ontario Green Energy and Green Economy Act (“**GEGEA**”) is outlined in the act and states that, “The Government of Ontario is committed to fostering the growth of renewable energy projects, which use cleaner sources of energy, and to removing barriers to and promoting opportunities for renewable energy projects and to promoting a green economy.”

Two key objectives of the GEGEA include:

1. Elimination of coal generated power by 2014, and;
2. Creation of 50,000 green economy jobs.

This commitment is to be implemented through the Province’s Feed-in Tariff (“**FIT**”) Program which the microFIT Program is a component. The Ontario Power Authority (“**OPA**”) microFIT Program Overview states clearly that the purpose of this program is to “encourage the development of “micro-scale” renewable energy projects across the province”.

## **SERVICE CLASSIFICATION**

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- 1. Is the description/definition for the embedded micro-generation service classifications shown in appendix D appropriate? If not, what should be the description/definition of this service classification?**

CanSIA supports the definition as outlined in appendix D of DECISION AND PROCEDURAL ORDER NO. 2, Board File EB-2009-0326.

## **COST ELEMENTS TO BE RECOVERED**

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- 2. Are the same costs elements applicable to all micro-generation customers?**

**If so, what cost elements should be used to establish the rate? Based on the Uniform System of Accounts (USoA), which specific accounts or components ought to be included in the development of the rate?**

**If not, what cost elements should be used to establish the rate? Based on the USoA, which specific accounts or components ought to be included in the development of the rate for microFIT projects that are:**

- a. Directly connected**
- b. Indirectly connected**
- c. Owned by the load customer entity at the location vs. owned by different entity**

Costs associated with billing, metering, administration and settlement act as a barrier and deterrent to the deployment of micro-scale renewable energy projects across the province. CanSIA argues there should be no cost to microFIT generators regarding billing, metering, administration and settlement as per the objectives of the Ontario Government to “fostering the growth of renewable energy projects, which use cleaner sources of energy, and to removing barriers to and promoting opportunities for renewable energy projects and to promoting a green economy.”

In order to meet the objectives of the Ontario Government, the minimal costs to the LDC’s associated with billing, metering, administration and settlement should be socialized into the utility’s electricity rate borne by the entire consumer base. There is already precedent of this practise in other elements of the FIT program regarding transmission and distribution infrastructure expansion mechanisms. In addition it is our understanding that some leading LDC’s in Ontario and as well as BC Hydro already provide many of these services to micro-scale generators at little or no cost.

The benefits of distributed generation, such as reduced line losses and the potential to reduce transmission costs over time should also be considered in regards to minimizing the cost to microFIT generators.

Furthermore generators, being home and small building owners in the case of the microFIT Program, already have an existing administration account with the LDC and therefore any additional administrative account should be unnecessary.

## **RATE DESIGN**

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- 3. Should the approval rate be a uniform rate for all distributors, or should different distributors have different rates?**
- 4. Should the costs be recovered through a fixed charge, a volumetric rate or a combination of the two? If there is a volumetric rate, which should be the basis for establishing the charge determinant? If there is to be a combination of fixed and volumetric, what should be the basis for the cost recovery split?**

Costs associated with billing, metering, administration and settlement act as a barrier and deterrent to the deployment of micro-scale renewable energy projects across the province. Again, CanSIA argues there should be no additional payment required from microFIT generators regarding billing, metering, administration and settlement costs as per the objectives of the Ontario Government to “fostering the growth of renewable energy projects, which use cleaner sources of energy, and to removing barriers to and promoting opportunities for renewable energy projects and to promoting a green economy.”

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## IMPLEMENTATION

**5. What should be the effective date be for any rate or rates created by this proceeding? Does the incentive regulation framework pose any difficulties for implementation?**

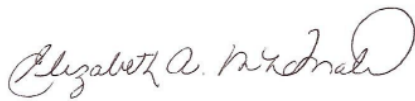
CanSIA argues that new changes should be implemented as soon as possible. According to feedback from CanSIA members and Ontario Power Authority, it is expected that microFIT contracts will be approved quickly and that solar PV projects will be constructed immediately. Therefore, new changes need to be determined and implemented in a time sensitive manner.

## CLOSING

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CanSIA appreciates this opportunity to provide input regarding the OEB proceeding to determine a just and reasonable rate to recover the costs associated with embedded generators having a nameplate capacity of 10 kW and looks forward to working cooperatively with the OEB. Furthermore, CanSIA requests an opportunity to meet with the OEB to discuss this submission in further detail.

Yours Truly,

A handwritten signature in cursive script, reading "Elizabeth A. McDonald".

Elizabeth A. McDonald

President