

November 25, 2009

ALASI Inc. Responses to Interrogatories from the Ontario Energy Board

1. a)

ALASI proposes that the Renewable Energy Recovery Fee (RERF) be a monthly charge.

1. b)

ALASI proposes that the Renewable Energy Recovery Fee (RERF) be charged to all customers.

2.

ALASI proposes that the Renewable Energy Recovery Fee is NOT a per kW or per kWh charge.

ALASI proposes that the RERF recover ONLY the Incremental Participation Costs of the FIT Program.

ALASI proposes that the Incremental Participation Costs (IPC) include ONLY;

One (1) Generation Meter Cost

Incremental Meter Reading Activity Cost

Reasonable Incremental Account Management and Settlement Cost

Generation Meter Cost

ALASI recommends that the cost of the Generation Meter be set as between a minimum of zero (\$0.00) and a maximum of Least Available Cost to any LDC in Ontario at any time.

Generation Meter Cost set at minimum of zero (\$0.00) where;

meter cost is deemed to be recoverable through other existing settlement mechanisms during the ongoing commodity sale of energy generated by the microFIT contracted EG facility occurring in the Generation Meter (indirect in-series) or in the Associated (or near-by) Load Meter (indirect in-parallel or direct).

Generation Meter Cost set at maximum of Least Available Cost where;

Meter cost is deemed to not be recoverable through existing settlement mechanisms, and that the Least Cost of acquiring the Meter Asset available to any EG facility be made available at no greater cost to any other EG facility in Ontario.

Incremental Meter Reading Activity Cost

ALASI recommends that the incremental activities of reading the generation meter be reasonably limited to and defined as; one step sideways by an already on-site agent of the LDC (or other) and the recording of data from the generation meter using a least cost method, and that these activities be assigned a cost.

Reasonable Incremental Account Management and Settlement Cost

ALASI recommends that the Incremental Account Management and Settlement Costs be established as reasonable and at a maximum of the lesser of; the Least Cost currently available to any single LDC in Ontario to perform these activities, or, the province-wide cost of these services as could be provided by a private 3rd party.

ALASI believes that the cost responsibility for Account Management System Investments, past and future, should be borne by each LDC. ALASI believes that any alternative approach supports inefficient operational decisions and investments, resulting in unreasonably higher costs to ratepayers.

Renewable Energy Recovery Fee Calculation

ALASI proposes that the RERF be calculated in a manner similar to or specifically as;

$$\text{RERF} = \text{RERT} / \text{All Electricity Customers in Ontario}$$

Where;

RERT is Renewable Energy Recovery Total (in any period), and,

RERT = IPC x Number of FIT Participants, and,

IPC equals the sum of;

assigned generation meter cost

assigned meter reading cost

assigned account management and settlement cost, and,

The Number of FIT Participants be deemed to include both FIT Contract facilities and FIT Contract Applicants in any period.

3.

ALASI appreciates that in recommending a new cost recovery mechanism (RERF) for all FIT contracted EG facilities in Ontario we have extended the scope of our response and recommendations beyond the scope of the issues directly at hand.

Our statement as cited by the OEB was intended to;

1. explain the necessity of our foray beyond the direct scope of the issues and to provide an understanding of our rationale and alternative recommendation for the reasonable recovery of costs by LDCs in carrying out the obligations assigned to them by the OPA under the FIT program, and;
2. to apologize for opening this proverbial can of worms.

ALASI believes and takes the approach that there is no identifiable problem unless a reasonable solution can be identified. We undertook to identify at a high level the reasonable solution but did not detail the mechanics of that solution, expecting instead that the OEB was best qualified to supply such detail in its ongoing successful balancing of the best interests of various stakeholders in Ontario.

Without compromise, ALASI has concluded and recommended that a just a reasonable rate for EG facilities having a nameplate capacity of 10 kW or less is zero (\$0.00).

We trust that the responses contained herein clearly explain our proposals, recommendations and intentions.

Thank you.