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

Attention: Board Secretary

Re: Reasonable rate to recover the costs associated with embedded generators having a nameplate capacity of < 10 kW, Board File No. EB-2009-0326

CanSIA RESPONSES TO LONDON PROPERTY MANAGEMENT ASSOCIATION (“LPMA”) INTERROGATORIES

Question One

Please define what CanSIA means by the “minimal” costs to the LDC’s associated with billing, metering, administration and settlement. In particular, what level of a fixed monthly charge to recover LDC costs would CanSIA consider minimal (i.e. \$5 per month, \$10 per month)?

Response

CanSIA would consider a cost to be “minimal” at \$15 or less for all the services associated with billing, metering, administration and settlement per month.

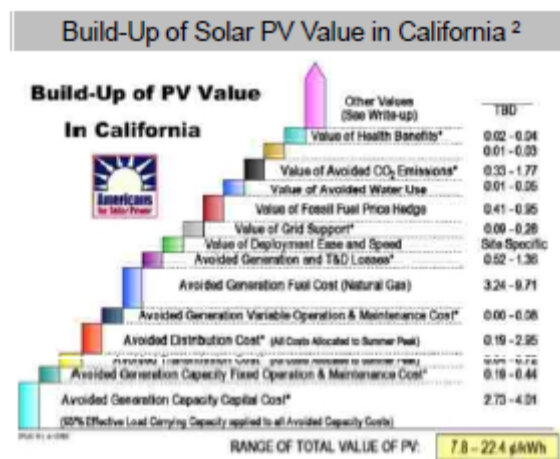
Question Two

Please explain why the LDC costs related to the MicroFit program should be socialized only to electricity customers? Will society in general benefit from the adoption of MicroFit generation?

Response

CanSIA is suggesting LDCs absorb these costs as part of their routine activities. This is also standard practice in terms of installing smart meters – as there is currently no charge to the consumer and thus makes the electrical grid work more effectively and efficiently. The numerous benefits of distributed generation (i.e. MicroFIT Generation) to society are not in dispute. CanSIA argues there is a definite benefit to LDCs and their rate payers to have MicroFIT and other embedded generation, because it will reduce their peak load generating costs and defers their need to increase transmission and distribution capacity. Ontario requires a large amount of peak power due to our use of air conditioners in the summer.

The graph below provides some evidence that there are substantial economic benefits to the implementation of PV power through embedded generation. This graph provides information from a U.S. perspective however the information can serve as a guide for all jurisdictions.



Source: "Build-up of PV Value in California". By Lori Smith Schell, PhD, Shirley Neff, Steve McClary. (Testimony), Americans for Solar Power before the California Energy Commission, San Francisco, California April 13, 2005.

Question Three

Please provide a detailed explanation of the precedents related to other elements of the FIT program regarding transmission and distribution infrastructure expansion mechanism referred to in the evidence.

Response

According to the Ontario Energy Board Distribution System Code (revised Oct. 21, 2009) in Section 3.3 it states:

3.3.3 *Subject to section 3.3.4, the distributor shall bear the cost of constructing an enhancement or making a renewable enabling improvement, and therefore shall not charge:*

(a) a customer a capital contribution to construct an enhancement; or

(b) a customer that is connecting a renewable energy generation facility a capital contribution to make a renewable enabling improvement.

It is also stated in the FIT Program Overview that “renewable enabling improvements” such as a “a modification or addition to the main distribution system identified in Section 3.3.2 that is made to enable the main distribution system to accommodate generation from renewable energy generation facilities” be the cost responsibility of the “distributor responsible.” (FIT Program Overview Version 1.1, Section 3.2)

Question Four

Does CanSIA believe it is appropriate for the owners of MicroFit generators to earn income while socializing the costs associated with enabling them earn this income to all other electricity consumers? If yes, please explain why.

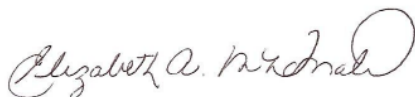
Response

It is CanSIA’s understanding that the costs to ratepayers of transmission and distribution expansion deferred by embedded generation outweigh the costs of the embedded generation itself.

CLOSING

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 up to 10 kW and looks forward to working cooperatively with the OEB.

Yours Truly,

A handwritten signature in cursive script, appearing to read "Elizabeth A. McDonald".

Elizabeth A. McDonald

President