



Canadian Solar Industries Association
L'Association des Industries Solaires du Canada

Suite 208-2378 Holly Lane
Ottawa, Ontario CANADA K1V 7P1

tel: 1-613-736-9077
1-866-5CANSIA
fax: 1-613-736-8938
e-mail: info@cansia.ca

www.cansia.ca

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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 SCHOOL ENERGY COALITION INTERROGATORIES

Question One

Please advise whether the CanSIA proposal is intended to apply only to renewable generators that qualify under the microFIT rules, or can include other small renewable generators.

Response

This submission focuses on solar PV energy particularly in relation to the MicroFIT program.

Question Two

Please advise whether, in the opinion of CanSIA, the costs caused on the distribution system from an under 10 KW renewable generator that does not qualify for microFIT would be different from costs caused by a similar renewable generator that does qualify for microFIT, for example because of Ontario content qualification.

Response

CanSIA requires more information to clearly understand this question. However, CanSIA believes that the Ontario Content Requirements should not impact the costs on the distribution side of the embedded generation facility.

Question Three

With reference to the cost categories referred to in the EDA submission at page 2, please advise which of those costs CanSIA believes are not caused or increased for the distributor by embedded renewable microgenerators, and which are, with reasons for each. Please advise any additional costs, not included in the EDA cost categories, that CanSIA believes are imposed on the distributor or increased because of embedded renewable microgenerators.

Response

Please see below for CanSIA's interpretation of the costs associated with the cost categories referred to in the EDA Submission on Page 2:

(1) Operation Supervision and Engineering	- Not increased
(2) Load Dispatching	- Not increased
(3) Customer Premises - Operation Labour	- Approx. \$80.00
(4) Customer Premises - Materials and Expenses	- Approx. \$100.00
(5) Maintenance of Meters	- Not increased
(6) Meter Reading Expense	- Not increased (telemetric)
(7) Customer Billing	- Marginal increase
(8) Amortization Expense - General Plant assigned to Meters	- Not increased
(9) Admin and General	- Marginal increase
(10) Allocated PILs	- Not increased
(11) Allocated Debt Return	- Not increased
(12) Allocated Equity Return	- Not increased

Question Four

Please advise whether, in CanSIA's view, the ownership of the generation (relative to the ownership of the associated load) affects the costs caused on the distribution system, with reasons.

Response

It is CanSIA's understanding for small scale embedded generation (i.e. MicroFIT) that the costs on the distribution system are not affected by the ownership of the generation facility. For generation facilities greater than 10 kW this may have to be explored in greater detail.

Question Five (a)

Please advise whether, in the event that the Board determines that some charge from the distribution company should be imposed on the embedded renewable microgenerator:

What differential impacts, if any, does CanSIA believe will arise if (i) a common charge is imposed by all distributors throughout the province, vs. (ii) each distributor has a different charge reflective of their own cost structure? In particular, to which extent is it likely that variations in distributor charges will impact the siting of embedded renewable microgeneration from one geographic area to another?

Response (a)

It is CanSIA's understanding that there is no current data to evaluate how differential charges will impact the siting of systems in one given jurisdiction over another. Much more time is required to perform an analysis of this nature.

However it can be expected that otherwise suitable sites for solar energy may be discouraged by relatively high connection charges.

Question Five (b)

What differential impacts, if any, does CanSIA believe will arise if the Board's mandated charge is (i) 100% fixed monthly charge, (ii) 100% volumetric charge, or (iii) a combination of fixed and volumetric charges?

Response (b)

As stated above, it is CanSIA's understanding that there is no current data to evaluate the impact of differential charges and much more time is required to perform an analysis of this nature. With that said CanSIA makes the following suggestions:

- (i) It is CanSIA's belief that fixed charges will remove any gaming or favouring of one jurisdiction over another based on LDC regulatory issues. Homeowners with otherwise suitable sites for solar energy may be discouraged by relatively high connection charges.
- (ii) In terms of volumetric charges, all parties would need greater clarity from the OEB whether the charges are to increase or decrease with volume. Increases or decreases may distort the uptake disproportionately and over or under incent installations that should be determined based on other more meritorious differences like solar resource availability and site suitability.

Question Six

Please provide estimates of the expected timing of the first microFIT approvals, and the expected in-service dates of the first microFIT projects to which the Board's new charge, if any, would be expected to apply. Please file any documentary material, including if available any correspondence between CanSIA and OPA, dealing with these timing issues.

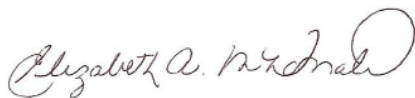
Response

There is not documented communication between CanSIA and the OPA regarding MicroFIT applications and timing of MicroFIT approvals. Conversations with OPA officials and CanSIA members however suggest there are a number of submitted MicroFIT applications. This further suggests that MicroFIT approvals could occur as early as January 2010. It is also important to remember that there are Renewable Energy Standard Offer Program (RESOP) contracts that will be grandfathered under the new MicroFIT program and will be looking for approvals right away as soon as the OPA Initialization Period comes to an end.

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, reading "Elizabeth A. McDonald".

Elizabeth A. McDonald

President