

December 10, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Via RESS and by courier

Dear Ms. Walli:

Re: EB-2009-0326 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

The Electricity Distributors Association (EDA) is the voice of Ontario's electricity distributors. The EDA members have reviewed their previous submissions and those of the other intervenors and would like to provide a final commentary on this OEB proceeding.

The EDA members have been active and enthusiastic partners in helping the government and Ontario Power Authority (OPA) develop and launch the FIT and microFIT programs. The submissions by EDA members have been based on the principles of fairness, ease of administration, and consideration of cost causality on a province-wide basis.

EDA members understand that it is envisioned that the microFIT program will significantly help to achieve the government's target of 100,000 solar roofs in Ontario.¹ This will result in Ontario's LDCs serving a substantial new customer category. This new customer category will result in new costs. The EDA members' submissions are intended to establish a new protocol for the full and fair cost recovery for the increased costs directly related to this new category of LDC customer.

Several interrogatories directed towards the EDA asked for details regarding the costs associated with this new program and customer category. Although some EDA members have experience with a small number of distributed generation facilities, it was noted that the significantly larger volume of microFIT customers will result in a significant increase in costs across the province, along with new costs associated with the administration and settlement of customer accounts, and the upgrading or additional programming of existing Customer Information Systems.

¹ Solar Task Force Report, October 31, 2008.

The necessity to develop a familiarity with this new class of customer prompted the EDA to propose a two-phase approach to setting a just and reasonable rate to recover the costs associated with these generators. The first phase, involving a single, province-wide rate based on the average of 12 cost items derived from the residential load customer cost allocation model, would allow the OEB to expeditiously develop a rate, whilst providing both LDCs and the OEB an opportunity to gain experience with this new class of customer.

The second phase would allow LDCs to continue to use the OEB set provincial rate or to apply for an individual LDC specific rate, if the provincial rate is unsuitable to their particular circumstances.

Finally, EDA members recommend that the effective date for the introduction of the provincial microFIT generator customer charge rate, established by the OEB through this proceeding, should be May 1, 2010. In future years, the LDC-specific rates would be implemented coincident with the effective date of the LDCs' rate schedule.

In conclusion, EDA members thank the OEB for the opportunity to provide input into the development of a microFIT generator customer charge, and look forward to the successful implementation of the charge.

Yours truly,

“original signed”

Maurice Tucci
Policy Director, Distribution & Regulation

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