

EB-2011-0169

IN THE MATTER of the *Ontario Energy Board Act 1998*, 1998,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER of an Application by Greater Sudbury
Hydro Inc. for an Order or Orders approving just and reasonable
rates and other service charges for the distribution of electricity.

INTERROGATORIES
FROM THE
SCHOOL ENERGY COALITION

Note: All of the interrogatories below are restricted to the issue of the Community Energy Storage Smart Grid Fund – Demonstration Project (the “Project”)

1. Why does the Applicant believe it is appropriate for the Board to approve this Project during the IRM term?

GSHI believes it is appropriate for the Board to approve a Smart Grid Rate Adder to allow GSHI to act as the host Utility for this project. Without approval of this funding GSHI will not participate.

The Smart Grid Fund and any approved demonstration projects are controlled and directed by the government (Ministry of Energy) and therefore by definition the timing of this application coincides with government objectives. The outcome of this and other Smart Grid Fund projects will help shape the direction of the Smart Grid in Ontario.

2. If the Smart Grid Fund criteria excluded funding for LDCs, why does the Applicant believe it is appropriate for ratepayers to fund the Project?

The benefits of the demonstration project will accrue to the Board and the Ministry in support of the Government’s Green Energy Act and to all LDCs in providing information on the technical, practical and policy challenges and opportunities of planning, designing, marketing, constructing, commissioning and operating a Microgrid at the secondary bus level, within the context of the Ontario regulatory and market conditions.

Therefore the Applicant believes it would be appropriate for all ratepayers to fund this project from the Global Adjustment; however, we did not see a mechanism for making such an application within the existing IRM rules and therefore applied for funding from GSHI ratepayers.

3. [Ex. E/p.6-11]
The Applicant in discussing the benefits of the project, focus on the future benefits of the technology. What are the direct benefits to ratepayers of the Project?

The direct benefit of this demonstration project is increased reliability for those customers connected to a Community Energy Storage unit.

4. [Ex. E/p.18]
Has the Project been vetted to date by the Ministry of Energy? If not, when does the Applicant believe it will occur?

S&C has received information from the Ministry of Energy that their application has passed first review and is one of fifteen (15) projects that are subject to a final review. S&C has had a visit from the MoE Auditor. The project is currently under final review and will be accepted or rejected in due course. The Ministry has given no firm timeline for a decision. To be clear, this is S&C's application, GSHI has no part in the application to the Ministry except to act as a host LDC.

5. Why has the Applicant proposed to collect the expenditures of this program through a rate rider instead of seeking approval for a deferral account?

The Applicant wants the project vetted and approved up front with funding approved. We will not accept the regulatory risk commensurate with funding a demonstration project that will be reviewed and approved at a later date.

6. Why does the Applicant believe it is appropriate for it to undertake the Project considering the Board is in the midst of a related consultation on *Developing Guidance for the Implementation of Smart Grid in Ontario* (EB-2011-0004)?

The Ministry of Energy initiated the Smart Grid Fund in early 2011 and asked industry to seek LDC partners with the full knowledge that the Board has not completed development of a Guide for the Implementation of the Smart Grid. This is reason enough to undertake the Project.