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May 29, 2012

VIA COURIER, RESS, EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Policy Review of Micro-Embedded Generation Connection Issues
Board File No.: EB-2012-0246

The Ontario Power Authority (“OPA”) is in receipt of the Board’s Announcement and Purpose of Board Consultation dated May 15, 2012 and is writing to request participation in this consultation. The OPA provides its initial comments to items **1) Offer to Connect Process**; and **3) Appropriateness of timelines in the DSC (sections 6.2.6 and 6.2.7) for micro-embedded generators – Offer to Connect and Connections**, as these items directly pertain to the work of the OPA. The OPA believes the issues it has addressed below pertaining to items 1 and 3, should be examined further during the Board’s consultation process.

1) Offer to Connect Process; and 3) Appropriateness of timelines in the DSC (sections 6.2.6 and 6.2.7) for micro-embedded generators – Offer to Connect and Connections

The OPA recognizes that LDCs have had difficulty adhering to the Board’s Distribution System Code (“DSC”) timelines, in terms of responding to an Offer to Connect request from micro-embedded generators. Section 6.2.6 of the DSC notes that, at an existing customer connection, “the distributor shall, within 15 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility”. Whereas if the proposed generation facility would be located other than at an existing customer connection, “the distributor shall, within 60 days of receiving the application, make an offer to connect or provide reasons for refusing to connect the proposed generation facility”.

The microFIT 2.0 draft rules stipulate that Applicants need to have received and accepted an Offer to Connect within 90 days of requesting an Offer to Connect from their local distribution

company. This existing 90 day period is aligned with the 90 day period within the DSC that includes the maximum 60 days that an LDC is permitted to issue an Offer to Connect to micro-embedded generators that are not associated with an existing load account, and 30 days for the Applicant to respond to/execute the Offer to Connect. Some LDCs are experiencing a high volume of requests for Offers to Connect. Given this high volume, the current timelines in the microFIT 2.0 draft rules that align with the DSC, could cause the unintended consequence of the OPA terminating applications for reasons beyond the control of the Applicant (i.e., the LDC not meeting the DSC timelines). To mitigate this unintended consequence, the OPA has included, in the microFIT 2.0 draft rules, an additional 30 day period occurring prior to the 90 day period discussed above. Specifically the OPA will require Applicants to request an Offer to Connect from their LDC within 30 days of the OPA completing the review of their application. This will facilitate LDCs receiving Offers to Connect requests in a timely fashion as the OPA wishes to ensure DSC timelines with respect to the Offer to Connect process are reasonable for LDCs to meet.

If the DSC regulated timelines require a change as a result of this consultation process, the OPA will consider changing the microFIT 2.0 draft rules to reflect that change. However the OPA is not suggesting that the DSC be amended to include the additional 30 day period it proposes in the microFIT 2.0 draft rules.

The OPA may also provide comments on other issues if they pertain to microFIT 2.0 draft rules or other relevant processes of the OPA.

The OPA appreciates the opportunity to provide comments that will form part of this policy review to help the Board improve the connection process for micro-embedded generation.

Please provide a copy of all relevant correspondence to Miriam Heinz, Regulatory Coordinator, at the address above or through e-mail at miriam.heinz@powerauthority.on.ca.

Yours truly,

(original signed)

Nancy Marconi
Manager, Regulatory Proceedings
Ontario Power Authority