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CanSIA

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May 29, 2012

RESS, COURIER & EMAIL

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

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

**Re: Policy Review of Micro-Embedded Generation Connection Issues (EB-2012-0246) -
Canadian Solar Industries Association Intent to Participate**

On behalf of the Canadian Solar Industries Association (“CanSIA”), I am hereby indicating CanSIA’s intent to participate in the above-referenced consultation process.

A. About CanSIA

CanSIA is a national trade association that represents over 650 solar energy companies across Canada, including over 500 companies that operate in Ontario. Since 1992, CanSIA has worked to develop a strong and efficient solar industry in Canada with the capacity to provide innovative solar energy solutions and to play a major role in the global transition to a sustainable, clean-energy future. Among CanSIA’s members are companies that serve the needs of micro-embedded solar generators, including manufacturers and installers. Accordingly, CanSIA has a strong interest in the consultation process and in any policy changes that may result from it.

B. Issues for Review

CanSIA agrees that the six items identified by the Board for review are appropriate for consideration in this proceeding. In addition, CanSIA proposes that as part of the consultation process the Board should address the issue of appropriate penetration levels for micro-embedded generation on distribution systems in Ontario. This issue, described below, is directly related to the Board’s objective in this policy review of improving the connection process for micro-embedded generation and is also related to the Board’s objective under the *Ontario Energy Board Act, 1998* (the “Act”) of promoting the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The issue of appropriate penetration levels for micro-embedded generation arises from the practice introduced by Hydro One Networks Inc. (“HONI”), and adopted by a number of other distributors in Ontario, of limiting the amount of micro-embedded generation that they are willing to connect to feeders on their respective distribution systems. In particular, as part of its connection process for micro-

embedded generation facilities, HONI employs a screening tool to identify its concerns associated with proposed connections. On the basis of this screening tool, HONI, and other distributors, have been limiting the amount of micro-embedded generation on their F-class feeders to 7% of annual peak feeder loads (the “7% cap”), as well as to 10% of annual peak feeder loads on M-class feeders (the “10% cap”). The 7% cap is described in HONI’s *Technical Interconnection Requirements for Distributed Generation - Micro Generation & Small Generation, 3-phase, less than 30 kW*, dated 2010. As a result of these limitations, which were introduced by HONI without consultation or Board oversight, a high number of micro-embedded generation connection applications are being refused in Ontario. This includes the refusal by HONI to connect over 4,000 out of the 15,630 microFIT connection applications it had received as of July 29, 2011.

This issue was raised in EB-2011-0118 where, although the Board found it to be a matter outside of the scope of that proceeding, the Board did acknowledge in its Decision and Order dated October 11, 2011 that it is a matter of significant concern to the solar industry. More recently, in the *Ontario Feed-in Tariff Program Two-year Review Report*, dated March 19, 2012, one of the recommendations related to Transmission and Distribution was to “maintain Hydro One’s technical limit for connecting micro-sized projects to its distribution system (the “7 per cent rule”), pending the results of additional studies.” On March 23, 2012, HONI posted to its website a November 22, 2011 report on this issue by Kinetrics Inc. entitled “Technical Review of Hydro One’s Anti-Islanding Criteria for MicroFIT PV Generators”. The report raises a number of questions with respect to the basis for each of the 7% and 10% caps and recommends a number of further studies and tests be carried out in order to determine and quantify any less stringent penetration restrictions that may be more appropriate for HONI’s distribution system.

While CanSIA appreciates the improvements made by HONI in its communications with stakeholders and HONI’s leadership on this issue to date, CanSIA’s underlying concerns with respect to the low limits on penetration levels for micro-embedded generation remain. Furthermore, CanSIA is concerned that any additional studies or tests carried out by HONI or its consultants at its cost and for the sole benefit of HONI may come to be relied upon by other distributors, or that changes to HONI’s policies arising from any such additional studies or tests may be adopted by other distributors, even where it may be inappropriate for such other distributors to do so. Moreover, should any additional studies or tests find support for increased penetration levels for micro-embedded generation levels, CanSIA is concerned that there are no regulatory assurances that such increased penetration levels will necessarily be accommodated by distributors.

Based on the foregoing, there are important questions raised for consideration in the policy review, including whether the maximum penetration levels being applied by HONI and other distributors are appropriate or overly conservative. Related questions include the appropriate process and level of transparency that should apply to the ongoing consideration of this issue, which has broad implications for the solar industry, for prospective micro-embedded generators and for distributors across Ontario, as well as the extent to which the Board should exercise its ongoing oversight on this issue and adopt policies to ensure that distributors adhere to appropriate penetration levels in the connection of micro-embedded generation facilities.

C. Cost Eligibility

CanSIA, which does not have independent funding sufficient to support its well-rounded participation, requests cost eligibility in this proceeding. CanSIA submits that it should be eligible because it will represent a public interest that is relevant to the Board’s mandate, namely the interests of micro-embedded generators and the solar industry that services the needs of such generators. In particular, paragraph 5 of subsection 1(1) of the Act provides that the Board in carrying out its responsibilities in relation to electricity shall be guided by the objective of promoting “the use and generation of electricity

from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.”

This proceeding relates to the connection of micro-embedded generation facilities that are typically owned and operated by small businesses, farmers and individuals. The vast majority of these stakeholders are serviced directly by CanSIA member companies, including manufacturers of the inverters, racking systems and panels that comprise solar generation facilities, as well as the installers and consultants that assist individuals and small businesses in developing and obtaining approvals and connections for their micro-embedded solar generation facilities. As stakeholders, Ontario’s micro-embedded generators are largely unorganized and are without a common voice. As such, the interests of directly affected generator customers are unlikely to be adequately represented in this proceeding . However, as direct service providers, CanSIA’s member companies have interests that are closely aligned to those of such generators and can therefore, in our submission, serve as an efficient and effective proxy for the interests of generator consumers in this proceeding. Moreover, as the long-term sustainability of the solar industry in Ontario is directly affected by the extent and timeliness of connections for micro-embedded generators, it is CanSIA’s submission that it therefore represents a public interest that is relevant to the Board’s mandate. Therefore, consistent with section 3 of the Board’s *Practice Direction on Cost Awards*, CanSIA should be found eligible for costs.

In addition, CanSIA recommends that the Board facilitate participation by providing parties, including CanSIA, with eligibility to claim the costs of experts to provide advice, particularly with respect to the proposed issue of appropriate penetration levels for micro-embedded generation connections. Aspects of this issue are highly technical in nature and will therefore require CanSIA to draw upon outside expertise in order to best assist the Board.

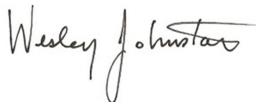
D. Notices

Please provide copies of all communications to:

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Yours truly,



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