



Response Submission to the Ontario Energy Board

**December 20th, 2012 Board Staff Discussion Paper on Issues Related
to the Connection of Micro-Embedded Generation Facilities**

EB-2012-0246

Canadian Solar Industries Association (CanSIA)
www.cansia.ca

1. About CanSIA

CanSIA is a national trade association that represents approximately 650 solar energy companies throughout Canada. The majority of these companies operate in the Province of Ontario. Since 1992, CanSIA has worked to develop a strong, efficient, ethical and professional Canadian solar energy industry with capacity to provide innovative solar energy solutions and to play a major role in the global transition to a sustainable, clean-energy future.

2. Key Principles

Power generation utilizing solar irradiance as its fuel source taps a fully renewable resource with an environmentally benign technology. Averting the harmful effects presented by conventional energy projects, solar power generation has considerably less environmental impact than competing renewable technologies. The permitting and connection process is a central gateway to the overall success of green energy generation for Ontario and fundamental to any such process is the need for an alignment between the real impact of distributed generation and sufficient protection of stakeholder interests. Photovoltaic Distributed Generation offers a low operating cost energy infrastructure investment with known fuel pricing and performance factors.

3. Background

The Canadian Solar Industries Association (“CanSIA”) appreciates the opportunity to provide stakeholder feedback regarding the Ontario Energy Board’s “Staff Discussion Paper on Issues Related to the Connection of Micro-Embedded Generation Facilities” as micro solar PV generators represent the largest share of micro-embedded generation facilities in Ontario. CanSIA has been an active and constructive stakeholder and participant in Ontario’s interconnection policy and technical matters, as Distributed Generation (“DG”) becomes increasingly common on many levels throughout society.

For the purposes of providing feedback regarding the Discussion Paper, CanSIA has identified the question numbers from the Paper in addition to applicable comments.

4. Itemized Response

1.1) This discussion, as presented by the OEB, appears somewhat dated since OPA rules (microFIT 2.0) have changed in such a manner as to limit the number of applications from participants and have virtually eliminated “aggregators” who, in the past, held many contracts despite the fact that they were a single participant. CanSIA contends that the volume of applications that Local Distribution Company’s (“LDC”) receive has been reduced dramatically over the past 6 months and will continue to stay at manageable levels for the foreseeable future, due to OPA rule changes. In reality, the OPA microFIT rule changes have effectively acted as the equivalent to a “tool” for the LDC’s in reducing the previous high volumes of Connection Requests. Notwithstanding the above, it is anticipated that a portion of the microFIT applications at various stages of the process are never going to proceed

through to commissioning. These applications complicate resource management (i.e., time, manpower & material) for LDCs and installers alike. Having an accurate count of how many projects are actually coming online where and when and their respective name plate capacities will also allow an LDC to preemptively identify requisite upgrades, if applicable. For these reasons CanSIA believes that there should be no LDC fees charged for offers to connect for micro-embedded generators and that the Distribution System Code (“DSC”) should be left “as is” regarding this matter but also that it would not be unreasonable for an LDC to charge for the preparation of an Offer to Connection on a fully-refundable basis i.e., as a down payment of sorts on the Connection cost, given that the fees associated with the preparation for an offer to connect are not “in addition to” the LDC’s connection cost.

1.2) Hydro One’s (and other LDC’s who have followed) technical screen criteria should be addressed. Specifically, the OEB has stated in their discussion paper that they are unwilling to review the “7% Rule” since “no further studies have been completed” since the Two-Year Review Report was issued by the Ministry of Energy. In fact, during CanSIA’s Technical Working Group meetings with Hydro One regarding the “7% Rule” (in 2011), Hydro One agreed to perform additional studies as described in the “Technical Review of Hydro One’s Anti-Islanding Criteria for microFIT PV Generators” that was authored by Kinectrics Inc. In fact, Hydro One is in the process of completing these studies. The status of these studies should be disclosed by Hydro One in the form of a stakeholder feedback process with the participation of the OEB to move this issue forward in a meaningful and timely fashion.

2.1 to 2.5) As stated above, the volume of microFIT applications has dropped since the OPA’s rule changes in microFIT 2.0 were implemented. In light of this, LDC’s should be expected to successfully meet the DSC timelines for Offers to Connect more than 90% of the time. Admittedly, 100% compliance with the DSC timelines may be unreasonable given unforeseen circumstances in some rare cases. Therefore, an effective approach would be to amend the DSC such that LDC’s are required to comply with the existing timelines at least 97% of the time with exceptions for “force majeure”-type situations such as:

- Tip levels for high volumes of micro-embedded Connection Requests that are “not located on or at an existing customer connection” (i.e. “Stand Alone” connections). Although this unmanageable “high volume” situation is unlikely going forward, LDC’s should be in a position (given three years of experience dealing with an increased number of Connection Requests) to best answer what this tip level should be.

3.1) CanSIA has no significant issue with the standard form micro embedded generation facility connection agreement, but wishes to emphasize that applications to obtain a Connection Agreement can vary greatly with different questions, formats, design of Single Line Diagrams (SLD)s, and other various requirements. There would be significant benefit for generators to develop a common and consistent Connection Agreement application form. It is imperative that this standard application be as simple and straight forward as possible, and does not contain all the complexities of the various applications that exist today.

3.2) Issues related to the insurance requirements for small and mid-sized embedded generation facilities are not comparable to micro-embedded generators. To CanSIA’s understanding this has not been raised as an issue for either LDC’s or on the part of industry. As such the micro-embedded generation facility connection agreement should be left as is in this regard. Furthermore any modification forcing liability insurance requirements on the micro-embedded generator would likely cause micro-generation projects to become cost prohibitive.

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4.1) CanSIA has no significant issue with the methodology used to set the common microFIT account monthly service charge at this time.

4.2) Non-microFIT micro-embedded generators are typically Net-Metered (no additional meter) and, therefore, a second account is generally not created and maintained by the LDC. Although settlement may require some manual intervention based on the capability of the LDC's settlement systems, this should be considered "normal business" for an LDC and CanSIA believes that additional charges for non-microFIT micro-embedded generators is clearly not warranted.

4.3 to 4.6) LDC's have generally pushed for microFIT connections to be treated similar to load customer connections. An example of this is seen in the issue of "timelines" related to Offers to Connect, where it has been suggested to apply a 90% compliance level to achievement of associated DSC micro-embedded generator connection timelines by LDC's – to match load customer connection requirements. Micro-embedded generators that consume electricity should not be treated differently than load customers and should pay TOU, RPP, or HOEP (whichever is applicable) for their electricity consumed – not microFIT rates.

5.1 to 5.4) CanSIA believes that the OEB should consider implementing a standard amount for "basic" connections for micro-embedded generators. This would simply include costs associated with installation of a meter and the pre-work (Offer to Connect, etc.). As indicated in the OEB's summary chart in the Discussion Paper, there is considerable variation in this amount amongst the LDC's. Given that the general scope for a "basic" connection is common to most LDC's (i.e. installing a meter), there is clearly no justification for having two different LDC's who can charge an amount that is ~\$1,500 different from one another. Therefore, a standard amount for "basic" connections must be set by the OEB in consultation with LDC's or an amount approved by LDC by the OEB.

With respect to site specific charges (i.e. transformer changes, pole line extensions, etc.), the feasible approach is to continue to empower the LDC to determine these costs. Simple (inexpensive) periodic audits of these specific LDC-identified costs should be conducted by the OEB to add a "check and balance" to the process to ensure typical market rates/prices are being applied by the LDC's.

6.1 to 6.5) Existing micro-embedded generators connected to the distribution system, should never be subject to fees resulting from an upgrade triggered by a new generator that is connecting to the same distribution system. It's simply not feasible or practical. Existing micro-embedded generators should remain exempt.

New generators that would collectively trigger an upgrade should share the cost of the upgrade based on their *generation capacity as a fraction of the total capacity* that is made available as a result of the upgrades. Therefore, as an example, consider a group of microFIT projects that trigger an upgrade to a Transformer Station ("TS") where the cost of the TS upgrade was \$1million and the upgrade created 20MW of additional capacity. A single microFIT (10kW) project owner from the group of projects that triggered the upgrade would pay:

$$(10\text{kW}/20,000\text{kW}) \times \$1\text{million} = \$500$$

This is a very simple example intended to show a model (that could be developed further) that shares the costs of distribution system upgrades amongst micro-embedded generators (usually renewable generators) and the

rate payers (assuming not all of the new capacity is claimed by generators), both of whom benefit from distribution system upgrades. Also, it would be simple for LDC's to reasonably manage.

Next Steps

CanSIA supports the Energy Board's efforts to improve the interconnection process and to work collaboratively with other stakeholders, obtaining safe, reliable, and innovative solutions for the connection of solar distributed generation. CanSIA looks forward to working with the Board to identify and help facilitate critical improvements required of the interconnection process to meet the goals of the Long Term Energy Plan and the Green Energy and Economy Act and further welcomes the opportunity to discuss the content of this submission with the Board.

CanSIA strives to be a strong and credible partner to government as it engages in these critical policy making activities. The membership looks forward to working towards the common goal of making Ontario a cleaner, greener and economically prosperous province for all of its citizens.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'John Gorman', with a stylized flourish at the end.

John Gorman

President, CanSIA