



January 25th, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

via email and Courier

RE: Issues Related to the Connection of Micro-Embedded Generation
Board File: EB-2012-0246

Dear Ms. Walli:

On December 20th, 2012 the Ontario Energy Board (“OEB”) issued a letter and a Board Staff Discussion Paper on Issues Related to the Connection of Micro-Embedded Generation Facilities. This is the submission from a group of large distributors (“Group”) which consists of Enersource Hydro Mississauga Inc, Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc, and Veridian Connections Inc.

The Group appreciates the opportunity to provide comments on the various sections of the Board Staff Discussion Paper and answers to the questions posed throughout the paper. The group wishes to identify the following principles, which it supports:

- 1. All consumers of electricity should be charged for their electricity usage; and*
- 2. The Connection Process must incorporate flexibility to accommodate the unique differences and challenges among distributors.*

1. Offer to Connect Process

The members of the Group have been able to manage the number of connection applications and believe that the process in place is fine in its current form. The Group therefore endorses Option A, keep the status quo. However, the Group would not oppose the other proposed options in the Board Staff paper or the new option identified by Hydro One.

The Group has not identified any other issues with the Connection Process in the Distribution System Code (“DSC”).



2. Appropriateness of Timelines in the DSC (sections 6.2.6 and 6.2.7)

Based on volume of applications received, members of the Group have successfully been able to develop and execute processes to meet the requirements of the DSC for the connection of micro-embedded generation and believe that the current timelines in the DSC are appropriate under the current situation. However, the Group does recognize that, due to the frequent changes in the MicroFIT program by the OPA, the fluctuating volume of applications has caused issues for some distributors. This may in the future cause issues and prevent the achievement of connections within 100% of the required timelines for members of the Group and other distributors. Therefore, the Group would support modifying the DSC to allow distributors to meet the requirements 90% of the time.

As well, the Group supports the proposed changes set out in the Hydro One submission for changes to the timelines based on the three groups identified in its exemption application (EB-2011-0118).

Group A - An indirect connection, where a site visit is not required – 15 days.

Group B - An indirect connection, where a site visit is required – 30 days.

Group C - A direct connection, where a site visit is always required – 60 days.

The Group would also recommend that the DSC be amended to state that the numbers of days are 'business days' and that language be added that the timelines start once all approvals have been received and documents have been finalized and accepted by the distributor.

3. Standard Form Connection Agreement in the DSC (Appendix E)

The Group has reviewed the comments on indemnification and insurance provisions with the Connection Agreement proposed by Hydro One and the Electricity Distributors Association, and recognizes the valid concerns identified in their submissions.

4. Experience with the Monthly Service Charge

At this time the Group does not believe that the current methodology used to set a province-wide fixed monthly charge needs to be changed, given that distributors will continue to have the flexibility to request a distributor specific microFIT charge as part of their cost of service applications.



Non-microFIT micro-embedded generation facilities do not warrant a new specific rate class, however the Group would recommend that they be added to the rate class of microFIT micro-embedded generation facilities with the exception of net-metering generation facilities as they are already charged for consumption and have a fixed monthly fee charged through the distribution account.

4. Consumption Charges

The Group would recommend that microFIT customers be charged for their consumption. For one member of the Group, an average a microFIT customer with a 10kW installation consumes approximately 400 kWh per year. However there are numerous outliers, and the opportunity exists to take advantage of the consumption of power without charge. Through bi-directional meters, the consumption is being tracked and could easily be added to the customer bill. The Group believes that all electricity customers should be charged for their usage.

5. Variability of Connection Charges

The Group does not propose any changes to the DSC related to connection charges, and that the status quo should remain. Each LDC has unique differences and challenges in their ability to set up new connections. For example PowerStream, due to the nature of its territory has a well-established process for dealing with the connection of customers, which has been adapted for the micro-embedded connection process. Currently PowerStream charges a fixed fee of \$600 that includes the costs to disconnect, reconnect, the service layouts and the meter costs. If the Board were to decide to take a more prescriptive approach, the Group would recommend adopting Option C – a formulaic approach that is similar to the approach used in the establishment of the Specific Service Charges.

6. Cost Responsibility in Relation to Upstream Infrastructure Upgrades to a Transmitter or Host Distributor

The Group recognizes the immediate issues that face Hydro One and the connection of micro-embedded generators and supports their recommendations at this time for recovery of upstream upgrades costs via a capital contribution mechanism – “trigger pays”.

However, the Group recommends that a separate consultation be initiated to examine the question of upstream infrastructure responsibilities, for both generation and distribution/transmission, and that cost responsibility in relation to upstream infrastructure upgrades to a transmitter or host distributor should be codified. This consultation should commence once the process for the Renewed Regulatory Framework concludes.



enersource

horizon
UTILITIES

HydroOttawa

Power
Stream

VERIDIAN

Yours truly,

Sarah Griffiths
PowerStream Inc.

Gia M. DeJulio
Enersource Hydro Mississauga Inc.
(905) 283-4098
gdejulio@enersource.com

Indy J. Butany-DeSouza
Horizon Utilities Corporation
(905) 317-4765
indy.butany@horizonutilities.com

Patrick J. Hoey
Hydro Ottawa
(613) 738-5499 X7472
patrickhoey@hydroottawa.com

Sarah Griffiths
PowerStream Inc.
(905) 532-4527
sarah.griffiths@powerstream.ca

George Armstrong
Veridian Connections
(905) 427-9870 x2202
garmstrong@veridian.on.ca