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APPRO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

April 11, 2014

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

**Re: Rate Design for Electricity Distributors / revenue decoupling
Board File No. EB-2012-0410**

Dear Ms Walli,

Further to the Board letter dated April 3 2014 and the Board's *Practice Direction on Cost Awards*, we are writing to request intervenor status and cost award eligibility in relation to the above-mentioned consultation initiative. We believe the fixed rate design solutions as proposed by the Board will be very important to the business models adopted by Ontario distributors, and will therefore have significant impacts for a wide range of customers who have business relationships with electricity distributors.

Representation and Experts

APPRO proposes to retain an expert to assist with preparation of comments on the Draft Report of the Board, participate in the related stakeholder meetings, and help to develop approaches to the issues identified by the Board.

APPRO is therefore requesting cost eligibility for this proceeding.

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Practice Direction and other Funding

APPrO currently does not have access to other funding to enable its participation in this initiative.

In accordance with Section 3 of the Board's *Practice Direction on Cost Awards*, APPrO believes that it is eligible for an award of costs as it represents potentially affected customers as well as a public interest relative to the Board's mandate (s.3.03(b)) and APPrO members are persons with interests that will be affected by the outcome of the process (2.3.03(c)). APPrO is an association that represents generation and technology providers, who are often customers of distribution and/or applicants in other related proceedings. As a result, APPrO submits that special circumstances exist to find that it is eligible for a cost award in this process despite the fact that certain of its members may fall within s.3.05(b) of the Practice Direction.

APPrO is a non-profit organization representing electricity generators in Ontario. APPrO members produce nearly all the power generated in Ontario from facilities of many types including gas-fired, hydro-electric, nuclear, solar and wind energy. APPrO members are customers of transmission and distribution utilities in Ontario, and many have current distribution connection applications in development or underway. APPrO members often experience challenges associated with building and operating distribution connections, challenges which can in many cases be helped or hindered as a result of the business models adopted by distributors in response to the prevailing rate design solutions.

Significant change is underway in the commercially-available technologies for generating, distributing, storing and managing power at the distribution level. As power technology develops there will likely be new business opportunities for distributors and their competitive affiliates to provide value-added services to customers, as well as to achieve operational savings for themselves and other market participants. It is too early to speculate on the specific technologies and business models that will become attractive to customers, but they will likely combine innovations in distribution, efficiency, generation, storage and smart grid technology. In order to implement the full range of innovative solutions with economic value, distributors and their affiliates will almost certainly choose to collaborate or partner with other kinds of market participants. Some features of certain rate designs can facilitate such initiatives while other features can inhibit them or put them at cross-purposes with distributors' regulated wires companies. For these reasons the approach taken to rate design could have a significant impact on APPrO members' generation companies and generation facilities, both those in operation and those under development.

APPrO and its members therefore have a significant interest in this consultation initiative.

APPrO will take steps to co-ordinate with other generator organizations and limit its participation to issues of material concern to generators.

APPrO submits that it should be eligible for costs on the following grounds:

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(a) APPrO Represents a Class of Consumers in this Proceeding: New charges that may result from this proceeding could have material impact on the business conditions faced by generators. Therefore, notwithstanding s. 3.05 of the Practice Direction, special circumstances exist that would warrant an award of costs pursuant to section 3.07 of the Practice Direction.

(b) It is in the Public Interest to Facilitate Generator Participation: APPrO's members are building and planning new projects in response to OPA procurement programs and consequent contracts and Ministerial Directives that incorporate provincial policy objectives. Given that the issues in the present proceeding are to some extent generation-related, and likely to be of greatest concern to proponents of small-scale generation, the Board should facilitate the participation of generators in order to provide the best evidentiary basis for its determination. Many of APPrO's members are too small to participate individually in a meaningful way in this proceeding. APPrO's participation facilitates the involvement of such members, and ensures that the Board has before it a comprehensive representation in this proceeding from the power generator community.

(c) APPrO's Participation Contributes to Hearing Efficiency: APPrO's representation of its members in such a proceeding would be a much more effective and efficient regulatory approach than having each of its members make their own interventions, with attendant duplication and extra costs. APPrO has participated similarly in numerous electricity hearings (e.g. Transmission Project Development Planning, transmission and distribution cost responsibility proceedings, RRFE, etc.) and in natural gas proceedings (e.g., NGEIR, storage allocation, Enbridge and Union IRM proceedings).

(d) Full and informed APPrO Participation Requires Intervenor Funding: APPrO, like other trade associations such as the Association of Major Power Consumers in Ontario ("AMPCO") does not have independent funding sufficient to support efficient and effective participation in the proceedings and it would not be able to do so absent same.

The above is not an exhaustive list of APPrO's interests in this proceeding. There may be other issues of concern to APPrO that arise or develop during the proceeding. APPrO seeks at all times to retain and reflect the perspective of the generation industry as a whole, and to present a balanced view of policy issues affecting the electricity industry and the public at large in Ontario.

On the basis of the foregoing, APPrO respectfully requests that the Board approve its request to participate as an intervenor, to prepare comments on the Draft Report of the Board and participate in the stakeholder meetings, and the related cost eligibility.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a stylized flourish at the end.

Jake Brooks
Executive Director

cc: Laurie Reid
Dave Butters