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May 11, 2018

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

Dear Ms. Walli:

Re: EB-2017-0049
Hydro One Networks Inc. application for electricity distribution rates beginning January 1, 2018 until December 31, 2022

We are counsel to Anwaatin Inc. (**Anwaatin**) in the above-mentioned proceeding. Please find enclosed the responses from Anwaatin to the interrogatories received from VECC.

Yours very truly,

Lisa (Elisabeth) DeMarco

ANWAATIN RESPONSE TO VECC INTERROGATORY #1

Interrogatory: 1

Reference: Evidence of Anwaatin Inc.

Question:

a) Is Dr. Richardson aware of the “Tierney Study” completed for the California Public Utilities Commission which examines the issue of using DER to enhance distribution system reliability?
b) Does Dr. Richardson agree with the findings of that study? If yes which findings does Dr. Richardson believe are most relevant to the issues facing the Anwaatin communities?

Response:

a) Dr. Richardson became aware of the "Tierney Study" completed for the California Public Utilities Commission as a result of VECC's interrogatory.
b) Dr. Richardson, notes that he has not filed evidence on behalf of Anwaatin as a technical expert. His evidence, filed on behalf of Anwaatin, addresses electricity reliability challenges in the Anwaatin First Nations communities and potential distributed energy solutions, including those applied by First Nations in other jurisdictions. He has reviewed the Tierney Study, on a non-expert basis, and finds that the following elements of the “Tierney Study”, may be relevant to the extreme reliability disparity issues that the Anwaatin First Nations communities are experiencing and potential DER reliability solutions:
    - Utility regulators, distribution utilities and other stakeholders need to consider value of DERs to the distribution system (“the Value of DERs to D”), especially with respect to reliability issues.
    - The value of DERs to D depends on their location on the local grid and upon those DERs having characteristics that provide the needed characteristics of availability, dependability, and durability (sustainable supply).
    - The ability of DERs to resolve reliability challenges on the local grid decreases substantially as the DERs’

physical distance from a local reliability problem increases.

- New methods for Valuing DERs for D should be built on the timeless regulatory principles of efficiency *and fairness* so as to create value for all customers on the distribution system – *especially with respect to reliability in rural and more remote grid-connected areas* (emphasis added).
- Utilities should integrate DERs into their distribution-system planning processes so that DERs have the potential to substitute for traditional utility investments where they can provide needed attributes cost-effectively.