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October 16, 2018

Filed on RESS and Sent via Courier

Kirsten Walli

Board Secretary

Ontario Energy Board

P.O. Box 2319, 27th Floor

2300 Yonge Street

Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Toronto Hydro-Electric System Limited

Application for order or orders approving or fixing just and reasonable distribution rates and other charges, effective January 1, 2020 to December 31, 2024

Board File No. EB-2018-0165

We are counsel to the Distributed Resource Coalition (**DR Co.**). Please find enclosed DR Co.'s Notice of Intervention requesting intervenor status and cost eligibility in the above-noted proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "J McGillivray", is written over a light blue horizontal line.

Jonathan McGillivray

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application by Toronto
Hydro-Electric System Limited (**Toronto Hydro**) for an
order or orders approving or fixing just and reasonable
distribution rates and other charges, effective January 1,
2020 to December 31, 2024.

EB-2018-0165

NOTICE OF INTERVENTION

OF

DISTRIBUTED RESOURCE COALITION

(DR Co.)

October 16, 2018

A. Application for Intervenor Status

1. The Distributed Resource Coalition (**DR Co.**) hereby requests intervenor status in the matter of the application of Toronto Hydro for an order or orders approving or fixing just and reasonable distribution rates and other charges, effective January 1, 2020 to December 31, 2024. This notice of intervention is filed pursuant to Rule 22 of the Board's Rules of Practice and Procedure.
2. Toronto Hydro is seeking approval of its proposed (i) electricity distribution rates and other charges effective January 1, 2020 and (ii) Customer Price Cap Index framework to set distribution rates effective for the period January 1, 2021 to December 31, 2024.
3. DR Co.'s participation would focus on the following issues, if the Board accepts its application for intervenor status:
 - (a) connection of distributed energy resources (**DERs**) to the electricity grid;
 - (b) DERs as a reliability resource for Toronto Hydro;
 - (c) integration of DERs into local distribution system planning and related O&M considerations;
 - (d) DER considerations for rate design;
 - (e) DER considerations for cost allocation.

B. DR Co. and its Interest in the Proceeding

4. DR Co. is a group of electricity customers and consumers that consists of end-use residential customers, small- and medium-sized commercial and industrial customers, non-profit organizations, and owners' associations that are directly affected by and interested in (i) optimizing existing energy assets, (ii) efficiently facilitating the integration of existing and innovative DERs to achieve customer and grid solutions, and (iii) providing input on direct customer needs and local distribution company opportunities relating to DERs. DR Co. hopes to further these interests for the benefit of each and all of end-use customers, DER providers, utilities, and the regulatory regime.
5. DR Co. has a direct and substantial interest in the proceeding in that its members are directly affected by the rates, services, and approaches being proposed in Toronto Hydro's application and specifically in the Customer Price Cap Index framework. DR Co.

anticipates significant integration of DERs into the Toronto Hydro grid and customer base during the 2021 to 2024 period covered by the Customer Price Cap Index framework. DR Co. therefore has a substantial interest in the proceeding, including insofar as it addresses integration of DERs into local distribution system planning (including O&M considerations), rate design, and cost allocation.

6. The members of DR Co. in connection with this proceeding are Toronto Hydro customers that include, subject to further update, the Electric Vehicle Society (end-used electric vehicle electricity customers), Plug'n Drive, Energy Storage Canada, and Spark Power Corp.
7. DR Co. hopes to provide the Board with the currently absent, unique perspective of DER residential customers, small commercial and industrial customers, as well as DER-related non-profit organizations, owners, and developers, each of which may be materially affected by the outcome of this proceeding.

Background on DERs

8. The Independent Electricity System Operator (**IESO**) defines DERs as "electricity-producing resources or controllable loads that are directly connected to a local distribution system or connected to a host facility within the local distribution system."¹ DERs may include electric vehicles, energy storage, net-metering, solar panels, smart grid technologies, combined heat and power plants, natural gas-fuelled generators, and controllable loads (HVAC systems and electric water heaters). These resources are typically smaller in scale than the traditional generation facilities that serve most of Ontario demand.
9. Technological advancements, climate change realities, and growing consumer opportunities are leading to an increase in DERs across North America. The deployment of renewable distributed generation and energy storage facilities is increasing across Ontario. The number of electric vehicles and related charging stations in Toronto and Ontario has increased exponentially. Year-over-year Ontario EV sales grew by 273% in the second

¹ Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

quarter of 2018, as compared to the second quarter of the previous year.² DERs are anticipated to grow at a significant annual rate during the 2021 to 2024 period covered by Toronto Hydro's Customer Price Cap Index framework.

10. Output from DERs may offset and/or inform the pacing of distribution asset decisions and facilitate efficiency. This is creating both new opportunities and challenges for the electricity sector that would benefit from the Board's purview informed by the insight of DR Co.
11. DERs can also offer greater customer choice. Specifically, the IESO reports that through its regional planning process, certain communities expressed a preference for DERs to address regional demand growth or to replace aging assets.³ DERs may also present opportunities to optimize overall system investments and provide a range of grid services that are also financially beneficial to utilities. The IESO also indicates that visibility of DER activity is important and that the Ontario electricity system may benefit from DERs for the provision of reliability services and incorporation into electricity markets.⁴
12. A number of innovative DER pilot programs and procurements also stand to enhance the relevance of ensuring a DER perspective in utility proceedings. They include: a demand response pilot,⁵ aggregated distributed solar and battery resources,⁶ and energy storage procurement.⁷

² Eric Schmidt, "Electric Vehicles Sales Update Q2 2018, Canada", FleetCarma (August 10, 2018), available online at: <https://www.fleetcarma.com/electric-vehicles-sales-update-q2-2018-canada/>.

³ Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

⁴ Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

⁵ Independent Electricity System Operator, *Markets and Related Programs*, "Demand Response Pilot", available online at: <http://www.ieso.ca/Sector-Participants/Market-Operations/Markets-and-Related-Programs/Demand-Response-Pilot>.

⁶ Alectra Utilities, "POWER.HOUSE", available online at: <https://www.powerstream.ca/innovation/power-house.html>.

⁷ Independent Electricity System Operator, *Energy Procurement Programs and Contracts*, "Energy Storage", available online at: <http://www.ieso.ca/Sector-Participants/Energy-Procurement-Programs-and-Contracts/Energy-Storage>.

C. Nature and Scope of DR Co.'s Intended Participation

13. DR Co. intends to be an active participant in this proceeding and will act responsibly to coordinate with other intervenors where common issues may arise and be otherwise addressed. DR Co. otherwise intends to participate actively in order to test evidence in accordance with the stipulated processes and timelines, and provide argument. It reserves the right to adduce evidence should the Board's procedures provide for same.

D. Costs

14. DR Co. is, in accordance with s. 3.03(a) of the Board's *Practice Direction on Cost Awards* (the **Practice Direction**), eligible to seek an award of costs as DR Co. is a party that primarily represents the direct interests of consumers (residential customers, small- and medium-sized commercial and industrial customers) in relation to services that are regulated by the Board. DR Co. is also, in accordance with s. 3.03(b) of the Practice Direction, eligible to seek an award of costs as DR Co. represents organizations that have a policy interest in electricity conservation and demand management, implementation of a smart grid in Ontario, promotion of the use of electricity from renewable energy sources, each of which are components of the Board's mandate and relevant to the proceeding.
15. DR Co. therefore requests cost eligibility in this proceeding as its comments will serve an important and unique interest and policy perspective relevant to the Board's mandate, which has heretofore not been represented or heard.

E. DR Co.'s Representatives

16. DR Co. hereby requests that further communications with respect to this proceeding be sent to the following:

Electric Vehicle Society
9 Industrial Pkwy S
Aurora, ON L4G 3V9

Attention: Wilf Steimle
Email: wilf@steimle.ca

AND TO

Plug'n Drive

1126 Finch Avenue West, Unit 1
North York, ON M3J 3J6

Attention: Iris Spitz
Telephone: 647-717-6941
Email: iris@plugndrive.ca

AND TO

Energy Storage Canada

MaRS Cleantech, Suite 420
101 College St.
Toronto, ON M5G 1L7

Attention: Patricia Phillips
Telephone: 416-997-3095
Email: pat.phillips@energystoragecanada.org

AND TO

Spark Power Corp.

1315 North Service Road East, Suite 300
Oakville, ON L6H 1A7

Attention: Gord Reynolds
Telephone: 416-732-2200
Email: greynolds@sparkpower.ca

AND TO ITS COUNSEL


DeMarco Allan LLP

Bay Adelaide Centre
333 Bay Street, Suite 625
Toronto, ON M5H 2R2

Attention: Lisa (Elisabeth) DeMarco
Telephone: 647-991-1190
Facsimile: 1-888-734-9459
Email: lisa@demarcoallan.com

Attention: Jonathan McGillivray
Tel: 647-208-2677
Facsimile: 1-888-734-9459
Email: jonathan@demarcoallan.com

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
16th day of October, 2018.

A handwritten signature in black ink, consisting of a stylized 'L' followed by a long, sweeping horizontal stroke that ends in an arrowhead.

Lisa (Elisabeth) DeMarco
DeMarco Allan LLP
Counsel for Distributed Resource Coalition