

MowatENERGY

MOWAT'S ENÉRGY POLICY HUB

November 1, 2018

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

Dear Ms Walli:

Re: EB.2018-0165 Toronto Hydro Electric System Limited Application

Notice of Intervention of Mowat Centre

Thank you for passing along Mr Smith's correspondence, in which he urges the Board to deny our request for Intervenor status in the above-noted matter.

We strongly take issue with the Applicant's suggestion.

It seems to be largely based on the Board's characterization of our role in the recent Hydro One Rates application. We believe that characterization was wrong then, and it is wrong now. Mowat chose not to challenge that characterization at the time for reasons completely unrelated to its merit.

The fact is that Mowat is not proposing to engage in the subject case as a research organ, but rather as an organization that has engaged in

highly focused analysis on subjects that are directly relevant to the Toronto Hydro Application.

We believe that no other Intervenor, indeed no other participant, approaches the issues from a genuinely non-commercial and disinterested perspective on emerging technology issues.

Utilities must base their long term planning, and hence their costs and rates, on emerging technological and regulatory trends. The extent to which THESL has anticipated, and accommodated, those trends in its application is an issue that cannot and should not, be examined from the narrow lens of rate impacts on particular interests or constituencies.

Mowat's focus is on the public interest.

It should also be noted that other regulatory agencies, for example the CRTC and the NEB welcome the participation of organizations like Mowat in order to ensure that they have as wide a perspective as possible on the issues they are considering.

One need look no further than our Request for Intervenor Status to discern the role we expect to play.

Mowat has done considerable work on emerging energy trends in other jurisdictions, and has prepared a comprehensive analytical Report based on that research. Mowat also convened a conference dedicated to these issues which was participated in by many stakeholders, and attended by many more.

Our work has identified a number of significant trends which have important implications for utilities such as the Applicant. One objective of that work has been to examine whether, and if so, in what ways and to what extent, those trends will affect Ontario's distribution system, its utilities, its ratepayers, and its energy markets.

The subject application represents an important milestone in the regulatory landscape.

The THESL application advances a multi year custom incentive rate plan. The Application necessarily invokes consideration of a wide variety of significant policy components, including the orderly and economic integration into its system of new Distributed Energy Resources, the possible creation of new customer classes, and possible inter- class rates issues.

We believe that the participation of Mowat as an intervenor will materially assist the Board in its consideration of the many and varied policy elements of the application. As an independent disinterested party with a deep background in these subjects we expect to make a material contribution to the thoughtful consideration of the application.

In short, Mowat is not applying for Intervenor status because it is a research hub, but because it, unlike any other Intervenor, has an independent expertise in the public policy issues raised by the rate application. Mowat has no commercial interest of any kind in the Application and its interest is solely to assist the Board in considering the important policy issues raised by it.

It is my impression that that is the fundamental purpose underlying the Board's Intervenor process.

DATED AT TORONTO

Paul B. Sommerville
Executive Director
Mowat Energy

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