

From: Paul Sommerville <paul@mowatcentre.ca>

Sent: November 23, 2018 1:51 PM

To: Kirsten Walli <Kirsten.Walli@oeb.ca>

Cc: regulatoryaffairs@torontohydro.com; Crawford Smith <csmith@torys.com>

Subject: EB 2018-0165 Toronto Hydro Electric System Limited

Dear Ms Walli:

We are in receipt of the Board's correspondence from the Acting Registrar of November 20, 2018, denying our Request for Intervenor Status in the above-noted proceeding.

The purpose of this letter is to respectfully seek a reversal of the decision of the Acting Registrar. If a formal Notice of Motion is required, please advise and we will provide it to the Board.

First, we want to re-state the fact that Mowat's decision to forego a Review of the Board's decision to deny us status in the Hydro One case referenced in the Acting Registrar's letter was not because we accepted the decision as being correct in law or principle. Our decision to not pursue the matter then was relatable to external factors, and had nothing to do with our view of its merit. We believed it was the wrong decision then, and that it is the wrong decision now. In our view, that decision has no precedential value whatsoever.

Second, we apologize for not providing a more precise description of our interest in the subject application in our Request for Status. We hope to correct that deficiency now.

While Mowat does engage in research on Energy matters, our most important product concerns the practical application of new tools and methods to accommodate DER within Utilities. For the last number of years we have been engaged in providing up-to-date analysis concerning the various implications of and approaches to the real-world accommodation of distributed energy resources (DER) into distribution systems. Regulators and Utilities throughout North America have developed and implemented a variety of detailed responses to the material challenges presented by DER, beginning with new system planning methods, new rate designs, technical specification development, new cost allocation models and more. Mowat's engagement can assist the Board in considering whether THESL's efforts are consistent with best practices and emerging trends in the area.

Our work on Emerging Trends, and our continuing work, demonstrates that this subject matter is at the forefront of evolving Utility operation.

These are not esoteric "policy" issues-they are of the most practical nature, sounding in material monetary and rate-based implications for all customers of the Utility, system planners, energy services companies, and other stakeholders. And also the Regulator who, at the end of the day, may have to balance competing interests.

Given that the subject application is a multi-year proposal, the nature of the Utility's consideration of, planning for, budgeting for, and identification of DER opportunities could not be

more relevant to the Board's consideration. The approaches adopted by Toronto Hydro will have long term, measurable, and operational effects on the franchise, and they need to be examined as thoroughly as possible now before events overtake preparation.

The engagement of the consortium of DER-related technology companies in the Application as an Intervenor in this case is evidence of the relevance of this area of inquiry. This is an important perspective. But the subject matter deserves a thorough vetting, incorporating the full spectrum of approaches that may be taken by the Utility. It is essential that the Board has a perspective available to it that goes beyond the commercial interests of the sector. Mowat has the disinterested, independent perspective critical to both understanding the issues and ensuring that the practical implications are implemented in a cost-effective way.

Why Mowat? Mowat has a proven track record of assembling and analyzing the highly detailed components of Utility and Regulatory responses to the challenges presented by DER. We have worked for Government and private industry on these subjects with a focus that is unparalleled by any current Intervenor. We have examined specific rate design innovations related to DER installations. We have a single goal-to provide the Board with as much assistance as possible as it considers these issues in this Application. We have no commercial interest in the outcome-our sole interest is to ensure a focused, detailed and informed consideration of these issues.

The recently released report of the Board's Advisory Committee on Innovation, specifically cites our work on Emerging Trends as an important input to its effort. Emerging Trends included a detailed Paper, a video Conference and a comprehensive Literature review. The Conference was attended by a full range of stakeholders, and actively participated in by many. These documents are known to the Board, but I would be happy to forward copies, should you require it.

As to the observation made by the Acting Registrar that Board Staff and other Intervenors can effectively canvass these issues, we make the following observation.

We have the highest regard for Board Staff. And we are acutely aware of the contribution that other Intervenors can make in Applications such as this. But Board Staff must cover the full spectrum of issues presented by the Application, and with the best of intentions simply cannot bring the same depth of knowledge to the issue that Mowat can. The effective and economic integration of DER into the Toronto Hydro system is a distinct and complex subject matter, that has emerged only in the last few years. Mowat has been effectively focused on this area from its early stages and is highly conversant with what is a very dynamic and evolving area. With respect, it is overly optimistic to expect that any of the existing Intervenors can provide the kind of assistance that Mowat is prepared to offer.

As to other Intervenors, they must necessarily focus on the specific interests of their respective constituencies, as they are required to do under the Board's cost recovery Rules, and cannot bring either the independence or background to the subject that Mowat can.

As to costs eligibility. Mowat's participation is entirely dependent on costs eligibility. As noted, we have no commercial interest in the Application, and receive no funding from any source

related to it. Mowat is a truly independent, public interest actor. The writer has deep experience in, and respect for Board processes.

Should the Board conclude at the end of the day that Mowat has not contributed to its consideration of the application, it has the ways and means to address that.

I should also note that other Tribunals, such as the NEB and the CRTC, welcome the participation of independent expertise where there are important public interest issues before them.

In conclusion, we strongly believe that our Request for Intervenor standing and costs eligibility is well-founded, consistent with Board norms, and should be granted.

Respectfully,

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