

NOTICE OF APPEAL

(pursuant to Section 7 of the Ontario Energy Board Act)

IN THE MATTER of an application by Toronto Hydro Electric System Limited (Toronto Hydro, THESL), designated by the Ontario Energy Board (OEB) as EB-2018-0165;

AND IN THE MATTER OF Mowat Centre's application for Intervenor status with costs eligibility in EB-2018-0165;

AND IN THE MATTER OF the Acting Registrar's Decision with reasons to deny Mowat Intervenor status with costs eligibility, dated November 20, 2018.

With this Motion Mowat Centre seeks a reversal of the Acting Registrar's Decision to deny it Intervenor status with costs eligibility.

The Grounds for the Appeal are as follows:

First, we want to re-state the fact, noted in our application for status, that Mowat's decision to forego a Review of the Board's decision to deny it 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 application for status with costs eligibility. In his reasons the Acting Registrar said:

"Given the OEB's previously stated concerns, it would have assisted the OEB if Mowat had provided the specific issues or a better description of the issues it wishes to pursue and explained how its issues will assist the OEB in deciding this application."

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, utilities exactly like Toronto Hydro. 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 and economics.

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, distribution system planners, energy services companies, and other stakeholders. They are also highly relevant to the OEB 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 of this application. The approaches adopted by THESL 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 commercial 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. Again, we have no commercial interest in the outcome-our sole interest is to ensure a focused, detailed and informed consideration of these issues.

It is noteworthy that 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. If any further proof of the relevance and currency of these issues was needed, this Report provides it. 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, not because it was research, but because it has the most direct practical implications. These documents are known to the Board, but we would be happy to forward copies, should the Board 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 issues 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 incremental cost of our participation when compared to the contribution we can make is exceedingly modest. The writer has deep experience in, and respect for Board processes.

And 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 status and costs eligibility is well-founded, consistent with Board norms, and should be granted.

Respectfully,

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