

Amp Feedback on the report of the Advisory Committee on Innovation

Amp is pleased to provide this feedback to the OEB on the Report from the Advisory Committee on Innovation. As a primary stakeholder in this engagement Amp we look forward to providing additional comments throughout future stakeholder engagements as these consultations and proceedings will have critical impacts on the shape of Ontario's energy sector.

Initial Comments

Amp is supportive of the report of the ACI and the recommendations.

- It is critical to properly assess and conduct fulsome consultation in determining the parameters around control and operation of DER assets.
- Prematurely determining or authorizing control without, identifying the full compensation model for any services or revenue streams that have not yet been defined could result in unfair future compensation based on the operation of these assets where ownership and operability do not coincide. In particular caution should be taken with respect to 3B (investments in monitoring and control capabilities), that authorization of control is not prematurely provided with acceleration of improved information and capability to operate and control. While Amp is strongly supportive of increased information as well as monitoring and control capabilities, delegation of authority to control these assets for any other reason than the safe operation of the Dx system should not be made unconditionally or without clauses for compensation for all services provided to the LDC. This should be the subject of specific stakeholder consultation
- Careful consideration should be taken in the development of a methodology to assess how the value of third party assets will be compensated, including when these assets are controlled or operated by a utility for reliability and safety purposes
- Clear guidance should be provided by the OEB around how an LDC can fairly develop their own DER assets, while simultaneously facilitating the development and ownership of third party DER providers. This should include whether or not an LDC should be permitted to provide and sell DER directly to a customer. Extreme caution should be exercised to ensure that there is no unfair competitive advantage in place for LDCs in this manner over a third party provider
- Third parties should equally be able to compete in LDC procured DER in an open RFP or other fair procurement process
- Considerations around stranded assets should balance the principles of open access transmission
 - The Ontario market allows for unbiased transmission access for all market participants
 - Innovation and dynamic flows on the distribution system should also be built upon the same principles of unbiased access for customers on the Distribution grid

Amp Responses to questions posed by the OEB

1. What actions should be the highest priority for the OEB?

The following actions should be of the highest priority to the OEB:

Priority	Action
1	<p>(1B) Establish clear rules for DER integration into distribution systems, addressing technical matters including information, visibility, management and control to, among other things, protect the reliable and safe operation of the distribution system, and optimize the planning and management of resources and assets</p> <p>Particular considerations:</p> <ul style="list-style-type: none"> • information visibility, management, control • State of Charge (SOC) management for storage • Benefits of LDC/ISO vs. DER owner SOC management • OEB should coordinate and collaborate with the IESO Grid LDC Interoperability Standing Committee
2	<p>(1C) Establish guidelines for commercial arrangements governing performance of non-traditional resources so utilities and others can rely upon them as alternatives to traditional system investment</p> <ul style="list-style-type: none"> • Open and fair competition • This should be an immediate priority – not long term as stipulated in the indicative timeline
3	<p>(1A) Improve the transparency and consistency of the distribution system connection process and clarify cost responsibilities to reduce uncertainty for DER proponents, utilities and consumers</p>
4	<p>(2C) Establish a way to ensure DERs can be compensated for their services commensurate with their value while paying their appropriate share of system costs. The approach should recognize new revenue streams which may be aggregated and allow shared cost recovery</p>
5	<p>(3A) Require utilities to publish information about the characteristics and capabilities of their systems to enhance transparency of distribution system needs and capabilities within the market</p>
6	<p>(2A) Remunerate utilities to make them indifferent to conventional or alternative solutions, including when other parties own and provide the alternative solution. Considerations will include, among other things, meaningful incentives and moving away from traditional rate base regulation</p>
7	<p>(4A) Provide a means by which both utilities and unregulated entities are encouraged to discuss specific regulatory obstacles with the OEB, in order to allow near-term deployment of innovations while longer-term regulatory reforms are implemented</p>

2. What interdependencies should be considered for planning and sequencing the OEB's next steps regarding further policy development and consultations?

- Examples of relevant proceedings on other jurisdictions that should be considered
 - VDER assessment (NYPSC)
 - CAISO upstream storage rules
 - FERC Order 841
- Coordination with the IESO Grid LDC interoperability Standing Committee
 - OEB committee representation
 - Coordination for the purposes of standardizing guidelines with LDCs for information & visibility of DERs
- Coordination with the IESO Innovation Roadmap
- Assessment of the potential Impacts to the parameters contained in the IESO 18 Month Reliability outlook
- OEB Rate Design for Commercial and Industrial Customers (EB-2015-0043)
- OEB Development of a Standby Rate Policy for Load Displacement Generation (EB-2013-0004)
- Coordination with the Ministry of Energy & potential impact of Ministerial Directives
 - LTEP
 - IESO Ontario Planning Outlook
- Consideration of the work performed by NERC
 - System Planning Impacts from Distributed Energy Resources (SPIDERWG)
 - NERC Distributed Energy Resources Task Force (DERTF)

3. Are there any gaps or complementary areas of inquiry that need to be considered?

- Cases for the Utilization of Transactive Energy by LDCs/LSEs/System Operator
- Cases for third party administration of Transactive Energy settlements and related market structures