TOYOTA

TOYOTA MOTOR MANUFACTURING CANADA INC.

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VIA E-MAIL

March 5, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Ontario Energy Board Proceeding EB-2015-0043 ("C&I Consultation"); Staff Report to the Board: Rate Design for Commercial and Industrial Customers to Support an Evolving Electricity Sector ("Staff Report")

I am writing on behalf of Toyota Motor Manufacturing Canada Inc. ("**TMMC**") in connection with the issuance, on February 21, 2019, of the Staff Report in the above-noted proceeding. The Staff Report provides the recommendations of the Ontario Energy Board ("**OEB**" or "**Board**") Staff for new rate designs for electricity commercial and industrial rate classes. The Board has set a deadline of March 29, 2019 for the receipt of comments from interested parties and is holding a stakeholder conference on March 7th to allow interested parties to ask questions about the Staff Report.

Section D of the Staff Report recommends that mandatory capacity reserve charges ("**CRC**") be applied to general service customers who install distributed generation. The CRC represents "the cost of capacity that is being held in the system to supply their needs when their own generation cannot"[1]. OEB Staff recommends that CRCs would replace current standby charges.

TMMC is an intervenor in OEB proceeding EB-2018-0028 convened to hear and decide Energy+ Inc.'s ("**Energy+**") cost-of-service application for approval of 2019 electricity distribution rates ("**Application**"). The Application includes a request that the Board approve a stand-by rate applicable to customers with load displacement generation ("**LDG**") who are in certain general service rate classes, including the Large Use customer class. TMMC is one such customer.

In its EB-2018-0028 letter of intervention (attached), TMMC acknowledged that the C&I Consultation, which began in 2015, was still on-going. It noted, however, that in the absence of generic principles and methodologies for standby charges and gross-load billing for LDG customers, it had no option but to

[1] Staff Report, p.36.

address these issues in the Energy+ proceeding, by filing written evidence and tendering witnesses to speak to such evidence.

In the result, TMMC has spent the past eight months participating in all aspects of the EB-2018-0028 proceeding. The issuance of the Staff Report, two weeks before the commencement of the EB-2018-0028 oral hearing on March 7th, raises a number of concerns and questions for TMMC. First, we do not understand the intended interplay between the recommendations in the Staff Report, on the one hand, and the two proposals for standby rates being considered in the Energy+ proceeding. Does the OEB Staff recommendation in the Staff Report represent, in effect, a third proposal that parties will need to address in the upcoming EB-2018-0028 hearing? On this point, we understand that OEB Staff intends to make submissions to the Board Panel that compare and contrast the Energy+ and TMMC standby proposals with the Staff Report proposal. In this regard, we note that unlike the standby rate proposals of Energy+ and TMMC, the OEB Staff Report proposal has not been subject to any examination or discovery by parties in the EB-2018-0028 proceeding.

Second, while TMMC recognizes that the recommendations in the Staff Report have yet to be approved or adopted by the Board and that there is still some consultative and implementation-related process to be completed, we note that the issuance of the Staff Report on February, 21, 2019, comes almost three years since the date of the last C&I Staff Report (March 31, 2016). This leads us to assume that the Board Staff is nearer to the end of the C&I process than to the beginning and that the Board, sooner, rather than later, will issue a generic policy on the standby issue. This raises a question in TMMC's mind as to the utility of continuing to expend resources on pursuing the same issues in the EB-2018-0028 proceeding.

For example, TMMC is concerned that the EB-2018-0028 Board Panel could decline to decide the standby issue, preferring to let the generic C&I process prevail. If the Staff Report is in play in the EB-2018-0028 proceeding, we are also concerned that it has not been subject to examination and discovery in the same way that the Energy+ and TMMC proposals have been. Finally, if the EB-2018-0028 Board Panel approves either of the Energy+ or the TMMC standby proposals, we are concerned that this methodology could be displaced by a generic methodology when it is issued.

In light of the impending EB-2018-0028 oral hearing, TMMC would very much appreciate receiving the Board's guidance on these issues and questions as soon as possible.

Yours very truly,

Stephanie Pollard
Vice President of Administration and Corporate Secretary
TMMC

Encl.

cc:

Mr. John Vellone, Borden Ladner Gervais
Ms. Sarah Hughes, Energy+ Inc.
Parties to EB-2018-0028

DENTONS

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June 18, 2018

RESS, E-MAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Application of Energy+ Inc. for Approval of 2019 Distribution Rates ("Application"); TMMC Request for Intervenor Status; Board File No.: EB-2018-0028

1. TMMC's Interest

We are writing on behalf of Toyota Motor Manufacturing Canada Inc. ("**TMMC**") to request that it be granted intervenor status in the above-referenced proceeding. TMMC owns and operates a car manufacturing plant located in Cambridge, Ontario (the "**Cambridge Plant**"). The Cambridge Plant is connected to the electricity distribution system of Energy+ Inc. ("**Energy+**") and TMMC is one of Energy+'s two Large Use Service customers.

In the period 2012-2015, TMMC worked closely with Cambridge and North Dumfries Hydro Inc. (now Energy+), in conjunction with the Ontario Power Authority (as it then was), to develop a 9.2 megawatt natural gas-fired combined heat and power generation facility ("**Generation Facility**") owned and operated by TMMC and located at the Cambridge Plant. The Generation Facility went into service on January 1, 2016.

TMMC is the "Large Use Service" customer with load displacement generation that is referred to in the Application at Exhibit 7, page 10 of 105. TMMC will be specifically and directly affected by Energy+'s proposals, if approved, to impose a standby rate and to use gross load billing for the purpose of allocating Retail Transmission Rates – Network and Connection charges to customers with load displacement generation.

2. TMMC's Participation in the Proceeding

It is TMMC's intention to participate fully in the proceeding with a particular focus on the following issues: (a) standby rates; (b) gross load billing for load displacement customers; (c) the disposition and allocation of certain of Energy+'s variance and deferral account balances; and (d) Energy+'s customer engagement and consultation in respect of the Application, as it pertains to TMMC.

TMMC intends to participate fully in the proceeding including filing interrogatories, cross-examining witnesses and making submissions. It is also TMMC's intention to file its own written evidence dealing with the issues identified above and to produce witnesses to speak to such evidence.

3. Hearing Process

TMMC requests that the Application be heard orally. The Application includes two requests… for approval of a standby rate and for approval of gross load billing for load displacement customers…which are the subject of current and on-going OEB consultations which, when concluded, presumably will result in a set of guiding principles, generic methodologies or both, applicable to all distributors (see EB-2015-0043 and letter from the Board of March 29, 2016 to all Licensed Distributors). Absent such generic principles and/or methodologies, the litigation of these issues in the context of a utility-specific application is problematic because it puts an inordinate burden on individual ratepayers, such as TMMC. In the circumstances, TMMC feels that it has no option but to file its own evidence and put forward company and, possibly, expert witnesses who can properly respond to Energy+'s proposals.

4. Costs

TMMC does not intend to seek a cost award in this proceeding.

5. Contacts

Communications related to this proceeding should be directed to and/or served upon:

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Yours very truly

Dentons Canada LLP

Original signed Helen T. Newland

Helen T. Newland

HTN/ko

cc: Melody Collis, TMMC
Jo Keaton, TMNA
Sarah Hughes, Energy+
John Vellone, BLG
Bill Fantin
Pete Leonard