

Ontario CHP Consortium

March 25, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

To Board Secretary Walli,

Re: Utility Remuneration (EB-2018-0287) and Responding to Distributed Energy Resources (EB-2018-0288) Intent to Participate and Request for Award of Costs

Please accept this letter indicating our intent to participate and a request for an award of costs for the Ontario Combined Heat and Power (CHP) Consortium in response to the Board Letter March 15, 2019 regarding the Utility Remuneration (EB-2018-0287) and Responding to Distributed Energy Resources (EB-2018-0288) proceedings.

Please note that the Ontario CHP Consortium is reapplying for an award of costs for a parallel proceeding on Rate Design for Commercial and Industrial Electricity Customers (EB-2015-0043), and we have included with this letter much of the same details requested by the board in their March 20 decision on cost eligibility in that proceeding.

1) Meaningful contribution

The Ontario CHP Consortium represents a unique constituency that intends to make a meaningful contribution to the proceedings for which we are applying for an award of costs and will be judicious in terms of our focus on specific issues of relevance to the Board and affected stakeholders.

While the OEB staff have not yet released scoping documents describing the specific issues to be addressed in the proceedings, the Ontario CHP Consortium is interested in providing comments for the Board's consideration regarding how CHP can provide value to consumers and distributors within Ontario's evolving electricity system. During the in-person stakeholder consultation session to the parallel proceeding EB-2015-0043, representatives from several organizations, including the Ontario CHP Consortium, inquired as to how DER benefits would be considered as part of the ratemaking process, and Board Staff indicated that this would be addressed in soon to be announced proceedings.

The Ontario CHP Consortium is making a request for cost eligibility in order to represent the interests of ratepayers with CHP, and the service and technology providers that serve them, both of whom have a direct interest in these proceedings. Many of the issues we have identified in the past, such as the need to better define the benefits associated with CHP and not just costs were also highlighted in the recently released Board Stakeholder Advisory Report on Innovation.

The Ontario CHP Consortium is particularly interested in providing comments for the Board's consideration regarding how to consider the benefits of CHP, and how utilities might work with CHP consumers to best evaluate the benefits of CHP to both consumers and distributors. CHP is an energy efficiency and conservation option for many large commercial and industrial ratepayers. CHP can reduce distribution system costs for those customers and ratepayers through deferment of distribution infrastructure investments. Continued evolution of CHP technology increases customer choice in managing their energy costs. The CHP Consortium intends to provide comments on behalf of ratepayers who can directly, and indirectly, benefit from CHP applications.

The comments we will be providing will address the specific policy issues of interest to the membership and the issues for which Board staff will request comment, and we will focus on how the recommendations impact the Ontario CHP Consortium membership.

The Ontario CHP Consortium is seeking an award of costs in order to hire Power Advisory as the subject matter expert consultants to conduct analysis and help prepare comments with the objective of making a meaningful contribution towards the proceeding. The contact for the consultant we are likely to use to help with this proceeding is:

Travis Lusney, P.Eng
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Toronto, ON M5J 2H7
(647) 680-1154, tlusney@poweradvisoryllc.com

We will use the consultant's and Board's time prudently and will focus on areas where the Ontario CHP Consortium can make a unique contribution and won't address areas that don't involve CHP. Furthermore, we will work with other associations that have been identified as being eligible for cost award in order to not duplicate efforts.

2) Unique contribution

The Ontario CHP Consortium can make a unique contribution to these proceedings because we are the only entity in Ontario that singularly speaks to the CHP community.

The Ontario CHP Consortium has shown that it has the capacity to provide thoughtful and helpful feedback to Board Staff in the past. And Board staff have acknowledged the Ontario CHP Consortium had a meaningful contribution to make as they consulted with our group on two

separate occasions over the last two years. The Ontario CHP Consortium was identified as one of the six groups Staff consulted with (slide 8) in their March 7, 2019 stakeholder consultation presentation in the parallel proceeding EB-2015-0043.

The Ontario CHP Consortium would have different and distinct views from other groups and associations representing other technologies in these proceedings. For example, because CHP maintenance can be scheduled during off-peak times, we might have a different perspective than groups representing intermittent renewables that cannot decide when to not generate. CHP is also a recognized conservation and energy efficiency investment that can provide benefits to distributors that should be considered as part of these proceedings.

Groups that represent multiple technologies including CHP will not necessarily deliver the same kind of focused analysis on CHP-specific issues as the Consortium will. Nonetheless, the Consortium will seek to co-ordinate with other groups of this nature to ensure efficiency and alignment to the extent possible.

3) Diverse Membership

This request for award of costs is being submitted by the Ontario CHP Consortium, a diverse group of consumers (including hospitals and universities), technology and service providers, and utilities that are all committed to advancing Combined Heat and Power (CHP), an affordable, efficient, reliable, and low carbon energy option for Ontario.

The Ontario CHP Consortium counts nearly 200 individuals representing more than 70 organizations all committed to advancing CHP in Ontario. The Ontario CHP Consortium is the only group that is fully devoted to CHP and representing the interests of CHP customers and businesses in Ontario and has been advocating for supportive CHP policies and programs since 2014. A list of active Ontario CHP Consortium participants is included as an appendix to this letter.

In response to the Board's March 20, 2019 Decision on Cost Eligibility, we would like to point out that the Ontario CHP Consortium does not just consist of generators or utilities, and our comments will not represent any individual commercial interest. We are a diverse group with a common interest in CHP, and we intend to provide feedback to the Board that addresses the broader issues and interests of all the members.

4) Governance

In its March 20, 2019 Decision on Cost Eligibility related to the parallel proceeding EB-2015-0043, The Board requested more information regarding the Ontario CHP Consortium's governance. The Ontario CHP Consortium is a coalition of diverse organizations as described in the section above, with members identified in the appendix to this letter. I am the designated Chair and have been since the Ontario CHP Consortium was founded in 2014. As the Chair I would be representing the Ontario CHP Consortium in Board proceedings, and we intend to use Power Advisory for analytical support.

The CHP Consortium's mission and purpose is to advance CHP in Ontario. We have three objectives: 1) advocate for supportive CHP policies and programs; 2) raise awareness of CHP and improve the understanding of its benefits, and; 3) identify and address barriers to CHP.

These proceedings are directly relevant to all three of our objectives, and we are requesting an award of costs so that we can meaningfully contribute to the proceedings by providing some analysis that supports our position on the benefits of CHP to consumers and distributors as part of an evolving electricity system.

The Ontario CHP Consortium's activities are guided by an annual workplan that is proposed by the Chair and reviewed and approved by the membership. Specific activities are identified that fit within the three objectives identified above. For 2019, the focus is on advocating for supportive policies and programs with Ontario and Federal governments. Specific policy issues that we have identified as Ontario CHP Consortium priorities include opportunities for CHP to contribute to Ontario's net metering and conservation programs, federal and provincial treatment of CHP in carbon pricing policies, and effective air and noise approvals for CHP technologies.

The Ontario CHP Consortium operates largely on the consensus model, which reflects the fact that we are representing interests of our common membership and not any specific commercial interest of any one member or constituency. When the Ontario CHP Consortium advocates with the Provincial Government and its agencies, boards and commissions regarding policies and programs, each individual member organization is asked to confirm in writing their support for the position taken, and these organizations are named in the final submission of public record.

Members of the Ontario CHP Consortium typically meet once a month, either by teleconference or in-person meetings, with between 30 and 40 organizations participating. When a topic emerges with significant interest among members, taskgroups are established where subject matter expert members provide more detailed input, with taskgroups being facilitated by the Ontario CHP Consortium Chair. For example, a Rates Taskgroup has been established to draft comments on the Staff Report to the Board on commercial and industrial rates and to these proceedings. The draft comments will be reviewed by the broader Consortium, providing an opportunity for feedback. A revised draft of the comments will be distributed for Consortium participants to sign on as per the process described in the preceding paragraph.

5) Criteria for Cost Eligibility

In making this request, we carefully reviewed the OEB's Practice Direction on Cost Awards, section 3.03, and are requesting a cost award for the Ontario CHP Consortium based on sections a) and b), as follows:

- a) The Ontario CHP Consortium counts among its members many consumers that have installed or are planning to install CHP, including hospitals, universities, commercial,

industrial, and institutional facilities. These ratepayers could see significant impacts resulting from decisions made by the Board as a result of these proceedings. These ratepayers rely on the CHP Consortium to keep them informed of changing policies and to advocate on their behalf for better policies and programs and have requested that the CHP Consortium represent the CHP community in these proceedings. In addition, Ontario CHP Consortium members believe that CHP applications can benefit the direct interest of all distribution consumers through deferred distribution infrastructure investments and reduced losses, among other benefits. The Ontario CHP Consortium believes that the direct interest of consumers in the benefits of CHP applications are best represented by the Consortium.

- b) The Ontario CHP Consortium also counts CHP technology and service providers to the ratepayers mentioned in (a) above among its members that is related to these proceedings. These technology and service providers have similarly requested that the CHP Consortium represent the CHP Community in these proceedings, which in this case aligns with the Ratepayers to whom they serve. Further to (a) above, the technology and service providers are best positioned to offer comments and policy perspective on the benefits of CHP to consumers and distributors.

The Ontario CHP Consortium counts generation and technology providers among its members, who are often distribution customers. The Ontario CHP Consortium therefore submits that special circumstances exist to find that it is eligible for a cost award in this process even though some of its members may fall within s.3.05 (b) of the Practice Direction.

The Ontario CHP Consortium thanks the Board for the opportunity to participate in these proceedings and we appreciate the Board's consideration in our request for eligibility for future cost awards. We have a meaningful and unique contribution to make to these proceedings, and without our voice the Board would be getting an incomplete picture from stakeholders.

Thank you for your time. Please let me know if there is any additional information you require in order to consider our request for an award of costs.

Yours Sincerely,



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Appendix: Active Members of the Ontario CHP Consortium

2G Energy Inc.	Envest Corp.	Novus Environmental Inc.
Alectra Energy Solutions	Enwave	Oxford Properties
APPo	EPS AB	PowerLink
Atlantic Power Corporation	FMC Power	QUEST
BOMA Toronto	Forum Vostro Energy Services	RathCo
Brookfield Residential	FVB Energy Inc.	Region of Waterloo
Canadian Gas Association	GAL Power	Siemens Canada
CEM Engineering	Gas Drive Global	Solar Global Solutions
City of Burlington	GRE	Stantec
City of Guelph	Hamilton Utilities Corporation	Sundara Energy Inc.
City of London	Heirloom Investments	Sunnybrook Health Sciences
CLEAResult	HH Angus	TEDOM
CWB Maxium Financial	Hydro Ottawa Limited	Region of Durham
dbs Power and Energy	INNIO	Toromont
Dillon Consulting	Killam Properties	Toronto Hydro
Doherty Engineering Inc.	Magnolia Generation	Total Power Limited
Ecosystem	Mantle314	Veridian Connections Inc.
EllisDon Corporation	Markham District Energy Inc.	Virtual Engineers
Emerson	Martin Energy	Whitby Hydro
Enbridge Gas Inc.	Mattamy Homes Limited	York University
Energy Solutions		