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June 3, 2019

**Filed on RESS and Sent via Courier**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Kitchener-Wilmot Hydro Inc. 2020 Cost of Service Application**  
**Board File No.: EB-2019-0049**

We are counsel to the Distributed Resource Coalition (**DRC**). Please find enclosed DRC's Notice of Intervention in the above-mentioned proceeding.

Sincerely,

A handwritten signature in black ink that reads "Jonathan McGillivray". The signature is fluid and cursive, with the first name and last name clearly legible.

Jonathan McGillivray

Encl.

- c. Jerry Van Ooteghem and Margaret Nanninga, Kitchener-Wilmot Hydro Inc.  
John Vellone, Borden Ladner Gervais  
Cara Clairman, Plug'n Drive  
Wilf Steimle, Electric Vehicle Society

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, Sched. B, as amended (the **Act**);

**AND IN THE MATTER OF** an application by Kitchener-  
Wilmot Hydro Inc. for an order or orders pursuant to  
section 78 of the Act for January 1, 2020 distribution rates  
and related matters.

**EB-2019-0049**

**NOTICE OF INTERVENTION**  
**OF**  
**DISTRIBUTED RESOURCE COALITION**  
**(DRC)**

**June 3, 2019**

**A. Application for Intervenor Status**

1. The Distributed Resource Coalition (**DRC**) hereby requests intervenor status in the matter of the application of Kitchener-Wilmot Hydro Inc. (**KWHI**) for an order or orders pursuant to section 78 of the Act for January 1, 2020 distribution rates and related matters (the **Application**). This notice of intervention is filed pursuant to Rule 22 of the Board's Rules of Practice and Procedure.
2. KWHI is seeking approval, *inter alia*, to charge distribution rates effective January 1, 2020 to recover a specified service revenue requirement, to adjust the Retail Transmission Rates – Network and Connection, and of proposed loss factors.
3. DRC's participation would focus on the following issues, if the Board accepts its application for intervenor status:
  - (a) connection of distributed energy resources (**DERs**) to the electricity grid;
  - (b) DERs as a reliability resource for KWHI;
  - (c) integration of DERs into local distribution system planning and related O&M considerations;
  - (d) DER considerations for rate design;
  - (e) DER considerations for cost allocation.

**B. DRC and its Interest in the Proceeding**

4. DRC is a group of electricity customers and consumers that consists of end-use residential customers, non-profit organizations, and owners' associations that are directly affected by and interested in (i) optimizing existing energy assets, (ii) efficiently facilitating the integration of existing and innovative DERs, including electric vehicles, to achieve customer and grid solutions, and (iii) providing input on direct customer needs and local distribution company opportunities relating to DERs. DRC hopes to further these interests for the benefit of each and all of end-use customers, DER providers, utilities, and the regulatory regime.
5. DRC has a direct and substantial interest in the proceeding in that its members are directly affected by the rates, services, and approaches being proposed in the Application. DRC anticipates significant integration of DERs into the KWHI grid and customer base

during period covered by the Application. DRC therefore has a substantial interest in the proceeding, including insofar as it addresses integration of DERs into local distribution system planning (including O&M considerations), rate design, and cost allocation.

6. The members of DRC in connection with this proceeding are KWHI customers that include, subject to further update, the Electric Vehicle Society (end-used electric vehicle electricity customers) and Plug'n Drive.
7. DRC hopes to provide the Board with the currently absent, unique perspective of DER residential customers, as well as DER-related non-profit organizations, owners, and developers, each of which may be materially affected by the outcome of this proceeding.

### **Background on DERs**

8. The Independent Electricity System Operator (**IESO**) defines DERs as "electricity-producing resources or controllable loads that are directly connected to a local distribution system or connected to a host facility within the local distribution system."<sup>1</sup> DERs may include electric vehicles, energy storage, net-metering, solar panels, smart grid technologies, combined heat and power plants, natural gas-fuelled generators, and controllable loads (HVAC systems and electric water heaters). These resources are typically smaller in scale than the traditional generation facilities that serve most of Ontario demand.
9. Technological advancements, climate change realities, and growing consumer opportunities are leading to an increase in DERs across North America. The deployment of renewable distributed generation and energy storage facilities is increasing across Ontario. The number of electric vehicles and related charging stations in Toronto and Ontario has increased exponentially. Year-over-year Ontario EV sales grew by 273% in the second quarter of 2018, as compared to the second quarter of the previous year.<sup>2</sup> DERs are anticipated to grow at a significant annual rate during the period covered by the Application.

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<sup>1</sup> Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

<sup>2</sup> Eric Schmidt, "Electric Vehicles Sales Update Q2 2018, Canada", FleetCarma (August 10, 2018), available online at: <https://www.fleetcarma.com/electric-vehicles-sales-update-q2-2018-canada/>.

10. Output from DERs may offset and/or inform the pacing of distribution asset decisions and facilitate efficiency. This is creating both new opportunities and challenges for the electricity sector that would benefit from the Board's purview informed by the insight of DRC
11. DERs can also offer greater customer choice. Specifically, the IESO reports that through its regional planning process, certain communities expressed a preference for DERs to address regional demand growth or to replace aging assets.<sup>3</sup> DERs may also present opportunities to optimize overall system investments and provide a range of grid services that are also financially beneficial to utilities. The IESO also indicates that visibility of DER activity is important and that the Ontario electricity system may benefit from DERs for the provision of reliability services and incorporation into electricity markets.<sup>4</sup>
12. A number of innovative DER pilot programs and procurements also stand to enhance the relevance of ensuring a DER perspective in utility proceedings. They include: a demand response pilot,<sup>5</sup> aggregated distributed solar and battery resources,<sup>6</sup> and energy storage procurement.<sup>7</sup>

**C. Nature and Scope of DRC's Intended Participation**

13. DRC intends to be an active participant in this proceeding and will act responsibly to coordinate with other intervenors where common issues may arise and be otherwise addressed. DRC otherwise intends to participate actively in order to test evidence in accordance with the stipulated processes and timelines, and provide argument. It reserves the right to adduce evidence should the Board's procedures provide for same.

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<sup>3</sup> Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

<sup>4</sup> Independent Electricity System Operator, *Ontario's Power System*, "Distributed Energy Resources", available online at: <http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources>.

<sup>5</sup> Independent Electricity System Operator, *Markets and Related Programs*, "Demand Response Pilot", available online at: <http://www.ieso.ca/Sector-Participants/Market-Operations/Markets-and-Related-Programs/Demand-Response-Pilot>.

<sup>6</sup> Alectra Utilities, "POWER.HOUSE", available online at: <https://www.powerstream.ca/innovation/power-house.html>.

<sup>7</sup> Independent Electricity System Operator, *Energy Procurement Programs and Contracts*, "Energy Storage", available online at: <http://www.ieso.ca/Sector-Participants/Energy-Procurement-Programs-and-Contracts/Energy-Storage>.

**D. Costs**

14. DRC is, in accordance with s. 3.03(a) of the Board's *Practice Direction on Cost Awards* (the **Practice Direction**), eligible to seek an award of costs as DRC is a party that primarily represents the direct interests of consumers (residential customers) in relation to services that are regulated by the Board. DRC is also eligible to seek an award of costs in accordance with s. 3.03(b) of the Practice Direction, as DRC represents organizations that have a policy interest in electricity conservation and demand management, implementation of a smart grid in Ontario, promotion of the use of electricity from renewable energy sources, each of which are components of the Board's mandate and relevant to the proceeding.
15. DRC therefore requests cost eligibility in this proceeding as its comments will serve an important and unique interest and policy perspective relevant to the Board's mandate, which has heretofore not been represented or heard.

**E. DRC's Representatives**

16. DRC hereby requests that further communications with respect to this proceeding be sent to the following:

**Electric Vehicle Society**

9 Industrial Pkwy S  
Aurora, ON L4G 3V9

Attention: Wilf Steimle  
Telephone: 416-320-9271  
Email: [Wilf.Steimle@evsociety.ca](mailto:Wilf.Steimle@evsociety.ca)

AND TO

**Plug'n Drive**

1126 Finch Avenue West, Unit 1  
North York, ON M3J 3J6

Attention: Cara Clairman  
Telephone: 647-717-6941  
Email: [cara@plugndrive.ca](mailto:cara@plugndrive.ca)

AND TO ITS COUNSEL

**DeMarco Allan LLP**

Bay Adelaide Centre  
333 Bay Street, Suite 625  
Toronto, ON M5H 2R2

Attention: Lisa (Elisabeth) DeMarco  
Telephone: 647-991-1190  
Facsimile: 1-888-734-9459  
Email: [lisa@demarcoallan.com](mailto:lisa@demarcoallan.com)

Attention: Jonathan McGillivray  
Tel: 647-208-2677  
Facsimile: 1-888-734-9459  
Email: [jonathan@demarcoallan.com](mailto:jonathan@demarcoallan.com)

ALL OF WHICH IS RESPECTFULLY  
SUBMITTED THIS  
3<sup>rd</sup> day of June, 2019.



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Lisa (Elisabeth) DeMarco  
DeMarco Allan LLP  
Counsel for Distributed Resource Coalition