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July 3, 2019

Filed on RESS and Sent via Courier

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

Dear Ms. Walli:

Re: Alectra Utilities Corporation Distribution Rates Application
Board File No.: EB-2019-0018

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, reading "Jonathan McGillivray".

Jonathan McGillivray

Encl.

- c. Indy J. Butany-DeSouza, Alectra Utilities Corporation
- Charles Keizer, Torsys LLP
- 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 Alectra
Utilities Corporation for an order or orders approving or
fixing just and reasonable rates and other services charges
for the distribution of electricity as of January 1, 2020.

EB-2019-0018

NOTICE OF INTERVENTION
OF
DISTRIBUTED RESOURCE COALITION
(DRC)

July 3, 2019

A. Application for Late Intervenor Status

1. The Distributed Resource Coalition (**DRC**) hereby requests late intervenor status in the matter of the application of Alectra Utilities Corporation (the **Applicant**) for various orders pursuant to section 78 of the Act as set out in the Applicant's application filed May 28, 2019 (the **Application**). This notice of intervention is filed pursuant to Rule 22 of the Board's Rules of Practice and Procedure. Pursuant to Rule 22.05, this notice of intervention is filed one business day following the Board's prescribed deadline. The DRC has been monitoring the status of the Application for some time. However, it first learned that the Notice of Application in this proceeding had been issued on July 3, 2019. The DRC notes that it represents interests that are not otherwise represented in this matter and respectfully requests the Board's indulgence in accepting this late notice of intervention without the formality of a motion.
2. The Applicant is seeking orders approving, *inter alia*, electricity distribution rates and charges in certain rate zones effective January 1, 2020, based on 2019 rates adjusted by the Board's Price Cap Index Adjustment Mechanism formula; capital funding based on a rate-adjustment mechanism, referred to as an "M-Factor", which reconciles the capital needs set out in the Applicant's Distribution System Plan, which has been prepared on a consolidated basis for its entire service territory; and certain deferral and variance accounts and other matters as set out in the Application.
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 the Applicant;
 - (c) integration of DERs into local distribution system planning and related O&M considerations;
 - (d) DER considerations for rate design; and
 - (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 Applicant's 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 the Applicant's 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."¹ 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.

¹ 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>.

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.² DERs are anticipated to grow at a significant annual rate during the period covered by the Application.
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.³ 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.⁴
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

² 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/>.

³ 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>.

⁴ 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>.

response pilot,⁵ aggregated distributed solar and battery resources,⁶ and energy storage procurement.⁷

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.

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.

⁵ 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>.

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

⁷ 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>.

E. DRC's Representatives

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

Electric Vehicle Society
34 Hopkins Court
Dundas, Ontario. L9H 5M5

Attention: Wilf Steimle
Telephone: 905-841-8163
Email: 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

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

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

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
3rd day of July, 2019.

A handwritten signature in black ink, consisting of a stylized 'L' followed by a long, sweeping horizontal stroke that ends in a small arrowhead.

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