

Jonathan McGillivray

Associate

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

TEL +1.647.208.2677 FAX +1.888.734.9459

jonathan@demarcoallan.com

August 23, 2019

VIA RESS AND 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: Distributed Energy Resources Connections Review Initiative

Board File No.: EB-2019-0207

We are counsel to Energy Storage Canada (**ESC**). Please find enclosed ESC's Notice of Intervention requesting participant status and cost eligibility in the above-noted proceeding.

Sincerely,

Jonathan McGillivray

cc. All Participants in EB-2019-0207

All Licensed Electricity Distributors and Transmitters

All Other Interested Stakeholders

Patricia Phillips, ESC

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF the initiative to review the Ontario Energy Board's (the **Board's**) requirements in regard to the connection of distributed energy resources (**DERs**) by licensed electricity distributors.

EB-2019-0207

NOTICE OF INTERVENTION & REQUEST FOR COST ELIGIBILITY

OF

ENERGY STORAGE CANADA

A. <u>Application for Intervenor Status</u>

1. Energy Storage Canada (ESC) hereby requests status to participate in the Board's initiative to review its requirements in respect of the connection of DERs by licensed electricity distributors (the DER Connections Review). The purpose of the DER Connections Review is to identify barriers to the connection of DERs and standardize and improve the connection process where appropriate. It will, in particular, focus on connection of electricity generation and storage facilities to the distribution system, either in front of or behind the distributor's meter. This notice of intervention is filed pursuant to Rule 22 of the Board's Rules of Practice and Procedure, including Rule 22.05, and the Board's letter dated August 13, 2019.

B. ESC and its Interest in the Proceeding

- 2. ESC is the only industry association representing the energy storage industry in Canada. It is a non-profit, membership-based organization whose mission is to advance the energy storage industry through collaboration, education, policy advocacy, and research. ESC's membership includes technology developers, project developers, research groups, energy consultants, and power generators. The members of ESC have unique expertise and experience as both customers and suppliers of energy storage technologies and services. It is important that ESC, on behalf of energy storage interests, has the ability to contribute to the DER Connections Review.
- 3. ESC provides the Board with the perspective of energy storage industry stakeholders and DER providers. ESC's members will be directly and materially affected by the outcome of the DER Connections Review. ESC members also have direct experience with energy storage and its impacts and benefits on electricity distribution and transmission that is likely to be useful to the Board in this proceeding.
- 4. ESC has been an active, Board-approved, cost eligible intervenor in the Board's consultation on rate design for electricity commercial and industrial customers (EB-2015-0043) and Hydro One Networks Inc.'s 2018-2022 distribution rates application (EB-2017-0049). ESC is also an active participant in the Utility Remuneration and Responding to DERs consultation (EB-2018-0287 / EB-2018-0288) with which the DER Connections Review will be coordinated.

5. ESC has a direct and substantial interest in the DER Connections Review in that its members are directly affected by the Board's approach to DER connections. ESC has a substantial interest in the DER Connections Review, including insofar as it addresses barriers to the connection of DERs, standardizing and improving the connection process where appropriate, and connecting electricity generation and storage facilities to the distribution system. ESC will also address the benefits of sector transformation related to energy storage, DERs, and DER connections. Energy storage providers will be materially affected by the outcome of this proceeding because of the unique characteristics of energy storage.

C. Nature and Scope of ESC's Intended Participation

6. ESC intends to be an active participant in the DER Connections Review and will act responsibly to coordinate with other intervenors where common issues may arise and be otherwise addressed. ESC otherwise intends to participate actively in order to provide comments, test evidence in accordance with the stipulated processes and timelines, and provide argument/submissions. It reserves the right to adduce evidence should the Board's procedures provide for same.

D. Costs

- 7. ESC is both cost award eligible and should be granted cost award eligibility in accordance with sections 3.03(a), 3.03(b), 3.04(d), 3.06, and 3.07 of the Board's *Practice Direction on Cost Awards* (the **Practice Direction**) on the grounds that:
 - (a) ESC primarily represents energy storage and DER providers that are consumers of services that are regulated by the Board. Energy storage providers are, in fact, customers when they are loading and drawing energy from the electricity distribution system. Energy storage and DER providers also make significant payments to electricity utilities for services ranging from connection costs to impact studies, including rates and charges for distribution services, maintenance costs for specified equipment, communication fees, and payments for 'forced' upgrades when a utility upgrades its systems. ESC should therefore be afforded cost eligibility in accordance with section 3.03(a) of the Practice Direction.

- (b) ESC represents the energy storage, DER, and distributed generation policy perspective that is relevant to the Board's mandate set out in section 1 of the *Ontario Energy Board Act*, as amended, including as it relates to customer protection, efficiency, and innovation. Energy storage is a key component of sector evolution and innovation in the distribution system. ESC should therefore be afforded cost eligibility in accordance with section 3.03(b) of the Practice Direction.
- ESC's members are energy storage and DER providers that make significant (c) payments to electricity utilities for Board-regulated services. In the context of the DER Connections Review, ESC's members are not commercial entities that are primarily representing their own commercial interests. ESC is a non-profit industry association representing members that are consumers of Board-regulated services. Further, and as a result of the energy storage and DER connection trend that the DER Connections Review expressly sets out to address, some of ESC's members are "prosumers" in the electricity sector. Energy storage providers are customers when they are loading and drawing energy from the electricity distribution system. At a time when consumers can realistically install load management, energy storage, and distributed generation equipment behind the meter, it is no longer appropriate to maintain an inflexible distinction between consumers and producers. A greater number of customer types now exists, and their participation in regulatory processes such as the DER Connections Review should be facilitated. ESC respectfully submits that facilitating reduced customer costs and increased choice through energy storage resources constitute factors relevant to the public interest in the DER Connections Review and support ESC's request for cost eligibility in accordance with section 3.04(d) of the Practice Direction.
- (d) ESC's members moreover include DER providers, including suppliers of energy storage technologies and services. The Board has previously expressly determined that generators are customers of distributors, who (for cost award purposes) are considered to be the applicants in the context of a consultation.¹ The Board should not depart from its past practice in this respect and ESC should therefore be afforded cost eligibility in accordance with section 3.06 of the Practice

¹ EB-2015-0043, Decision on Cost Eligibility (July 16, 2015), p. 2, available online at: http://www.rds.oeb.ca/HPECMWebDrawer/Record/487076/File/document.

Direction, and notwithstanding any determination that would otherwise be made

pursuant to section 3.05.

(e) Finally, the DER Connections Review raises unique and unprecedented issues

and impacts affecting both electricity distribution system benefits and rate

mitigation for suppliers of energy storage technologies and related services. ESC

submits that these impacts and the rapid integration of potentially beneficial DERs

constitute special circumstances that warrant a finding that ESC should be

afforded cost eligibility in accordance with section 3.07 of the Practice Direction.

8. ESC is moreover not proposing simply to represent its members' interests. ESC proposes,

as it has demonstrated in past proceedings, to make the case for improvements in

regulatory policy that will benefit all rate payers, by bringing to bear public interest insights,

experience, and expertise that arise from the policy perspectives of its members in their

capacity as consumers of Board services. ESC therefore respectfully requests that the

Board afford ESC cost eligibility in the DER Connections Review.

E. **ESC's Representatives**

9. ESC hereby requests that further communications with respect to the DER Connections Review be sent to the following:

Energy Storage Canada

777 Bay St. Unit C208B Toronto, ON M5G 2C8

Attention: Patricia Phillips, Executive Director

Telephone: 416-575-8537

Email: pat.phillips@energystoragecanada.org

AND TO ITS COUNSEL

DeMarco Allan LLP

Bay Adelaide Centre 333 Bay Street, Suite 625

Toronto, ON M5H 2R2

5

Attention: Lisa (Elisabeth) DeMarco

Telephone: 647-991-1190 Facsimile: 1-888-734-9459

Email: <u>lisa@demarcoallan.com</u>

Attention: Jonathan McGillivray

Tel: 647-208-2677 Facsimile: 1-888-734-9459

Email: jonathan@demarcoallan.com

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS

23rd day of August, 2019.

Jonathan McGillivray

DeMarco Allan LLP

Counsel for Energy Storage Canada