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September 16, 2019

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Ontario Sustainable Energy Association (OSEA)
Comment Letter re Distributed Energy Resources Connections Review Initiative
Board File Nos. EB-2019-0207**

Please find attached Ontario Sustainable Energy Association's Comment Letter in the above-noted matter.

Yours truly,

Matt Gardner

cc: Dan Goldberger, OSEA
Marion Fraser, Fraser & Company

attached

The Ontario Sustainable Energy Association (OSEA) is pleased to provide the following comments as requested in OEB staff's letter of August 13, 2019.

The staff letter indicated that based on the meetings with stakeholders, they had identified the following high-level set of issues which may be posing barriers to DER adoption.

First, OSEA is interested in who was included in these meetings with stakeholders, what process was used to consult with them, and how were the included stakeholders determined.

Secondly, OSEA disagrees with the fundamental rationale enunciated in the letter.

The OEB's view is that there should be consistency across the Province in terms of cost responsibility and process timelines. In the case of technical requirements, a degree of standardization and consistency may be appropriate, and in the past the OEB has set technical requirements to facilitate connections. When the DSC was revised in 2009 to include requirements for connection of generation, the OEB's objective was to minimize the different treatment of customers across different service areas, given all distributors are required to connect customers in a timely fashion. Therefore, the OEB intends to proceed with a process of developing additional regulatory requirements where appropriate to standardize the connection process while ensuring reliability on the distribution system and fairness to customers in terms of cost sharing.

In contrast, OSEA supports the more enabling philosophy enunciated in the Advisory Committee on Innovation in its Report to the OEB.

OSEA recognizes that DERs are an integral part of local community energy plans and play a significant role in the consideration of such options by municipalities. For example, the City of Toronto is a case in point. The City has identified significant opportunities to improve the resiliency of the electricity supply system for the most important financial hub in Canada but has been frustrated by the lack of progress. Alternatively, Brant County now produces more electricity locally than is used locally and reaps economic benefits as a result. It is OSEA's opinion that "additional regulatory requirements" are not required. Instead, a clear enunciation of a preference for DERs with a fundamental set of principles will expand the opportunities for DERs and enable local decision makers (utilities, municipalities, customers, service providers) to have the flexibility they require to maximize the value of DERs. Given the current situation, OSEA offers comments on each of the four objectives.

1. The need for standardization and clarity of definitions, terminology and regulatory rules in respect to DERs

OSEA agrees that clarity and standardization of definitions, terminology and regulatory rules are important; OSEA disagrees that overall standardization, i.e., "One size fits all", is necessary. A "One size fits all" approach should not be implemented by the Board. The ability of individual local distribution systems, local governments and the communities they serve to develop unique roles and options for DERs in their electricity supply system should not be restricted by a centralized fiat. Instead the effective, environmental and economic value of DERs should be considered a competitive advantage for each jurisdiction just as economic development policies and programs and

unique environmental solutions are. This approach would encourage innovative approaches to the use of DERs rather than restrict their application. Local conditions and initiative should be embraced not limited.

2. The need for clear rules regarding cost responsibility for connection of DERs to ensure fairness to DER customers and all other customers of the distributor

The need for clear rules is important, however, these should not be specified by the regulatory process, only the principles. The value of DERs to the electricity system, its customers, the environment and the community are site specific – synergies and opportunities are local and specific. Any rules should foster not restrict the use of DERs.

3. More detailed and comprehensive timelines for the connection process to ensure the timelines are well understood

Local distribution companies should develop their own timelines in accordance with some fundamental prescribed principles, but without province-wide specifications, and then provide a guarantee to meet timelines.

4. Appropriate standardization of connection technical requirements

OSEA agrees that this is important, and suggests that the Electrical Safety Authority, Independent Electricity System Operator, and Canadian Standards Association should be engaged in setting such standards. OSEA also submits that Ontario's transmission system needs to remain compliant with the North American Electric Reliability Corporation's Reliability Standards. This will require monitoring by the OEB including application of reliability metric(s) to ensure a smooth transition for DER connections into the electricity system.

In addition to the above comments on the objectives, OSEA offers its view on the specific questions.

- a. Are the objectives for the DER Connections Review initiative clear?

While OSEA accepts that the current objectives are clear, it suggests that they are limiting rather than enabling. OSEA prefers enabling rules.

- b. Have staff identified the right topics for the DER Connections Review and do stakeholders have any specific concerns that they want to identify?

OSEA perceives that the "more regulation" approach enunciated in the staff letter is going in the wrong direction.

- c. Are there any proposed solutions that stakeholders wish to identify at this point?

OSEA suggests that a principles-based approach should be used rather than a "more regulations" approach, given the local nature of DERs.

- d. What is the best approach for development of solutions to the issues identified?

OSEA suggests that a principles-based approach should be used rather than a "more regulations" approach, given the local nature of DERs.

Further, OSEA intends to participate in the Working Group for this consultation.