

September 16, 2019

VIA RESS AND COURIER

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

Dear Ms. Walli:

Re: Comments on Policy File EB-2019-0207, Distributed Energy Resources (“DER”) Connections

On August 13, 2019, the Ontario Energy Board (“OEB”) issued a letter commencing a consultation to examine issues related to DER Connections that will broadly focus on: the connection process timelines; cost responsibility matters; and technical connection requirements.

According to the OEB’s initial letter, the policy consultation arises from a number of challenges and potential barriers in respect of the connection of DERs across the province. The OEB is seeking consistency of approach among utilities across the province, in terms of cost responsibility and processing timelines. As such, the OEB intends to develop regulatory requirements to standardize the connection process.

OEB staff have identified several issues which may pose barriers to DER adoption across the province. These include:

- The need for standardization and clarity of definitions, terminology and regulatory rules in respect to DERs;
- 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;
- More detailed and comprehensive timelines for the connection process to ensure the timelines are well understood; and
- Appropriate standardization of connection technical requirements.

In order to move the policy consultation forward, OEB staff have established an objective of issuing a letter setting out the scope of the review and details regarding the approach for the consultative. To this end, OEB staff has invited comments to the following questions:

- Are the objectives for the DER Connections Review initiative clear?
- Has OEB Staff identified the right topics for the DER Connections Review and do stakeholders have any specific concerns that they want to identify?
- Are there any proposed solutions that stakeholders wish to identify at this point?
- What is the best approach for development of solutions to the issues identified?

OEB Staff is also interested in soliciting interest from stakeholders who may be interested in participating in a working group to review issues and develop a set of recommendations to address the issues.

On this latter consideration, Alectra Utilities is supportive of the technical working group and confirms its interest in having a representative participate in a working group, in order to help address issues related to DER Connections.

Responses to the specific questions put forward by OEB Staff follow, below.

Are the Objectives for the DER Connections Review Initiative clear?

DERs may serve many different needs at either a local or a system-wide level, including: reducing energy costs; enhancing reliability; or relieving capacity constraints. All of these are essential to the effective and efficient management of Ontario's electricity system. Establishing efficient DER Connection rules and standards will be important, in order to enable the province to harness the benefits that DERs can provide.

Alectra Utilities supports the OEB's desire to promote standardization and consistency in definitions, terminology, rules, and approach for DER connections going forward. In Alectra Utilities' view, the objective for this policy consultation should focus specifically on technical and process issues of facilitating DER connections. It is critical that the OEB not lose sight of distributors' responsibilities for designing, constructing, and operating the distribution network for the benefit of all system customers. An overarching objective of the DER connections process should include safety and reliability concerns for both customers implementing DER solutions and for the impacts to the distribution system network.

Has Staff identified the right topics for the DER Connections Review and do stakeholders have any specific concerns that they want to identify?

While the preliminary list of issues seems appropriate at the start, Alectra Utilities is concerned that this proceeding should not move out of lockstep of the Utility Remuneration and Responding to DERs consultation. In Alectra Utilities' view, it will be important to ensure that higher order, policy level questions are addressed first. For example, in the Utility Remuneration and Responding to DERs policy consultation, it will be essential for all market players to understand how DER connections will be evaluated in terms of system costs and benefits.

In addition, the type of connection request, that is whether for load displacement or for generation export, may impact planning and design outcomes, necessitating other considerations beyond a specific connection request. These outcomes may materially impact what and how connections processes should be framed for the context of rule or code amendments. In particular, this can have an impact on the establishment of cost responsibility and the assurance of fairness to both DER customers and all other customers.

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

Alectra Utilities makes no comment on proposed solutions at this point. Alectra Utilities urges the OEB to first establish the policy framework before finalizing DER Connections rules. It should also consult with technical experts before any proposed solutions are identified or considered.

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

Alectra Utilities supports the establishment of a technical working group in order to facilitate a common understanding of technical requirements and processes among distributors and customers. As above, Alectra Utilities is interested in participating in and helping the working group through the identification of issues and recommendations for the OEB's consideration.

In Alectra Utilities' view establishing standardized approaches to DER connections is a necessary and important step for Ontario's electricity market to achieve modernization. However, as above, establishing the policy and evaluation framework should precede the establishment of specific rules or code amendments.

It will be equally important to recognize the many different forms and purposes for DER connections, which may or may not require different connection processes or rules. Specifically, the variety of applications means that a one size fits all approach will not work. For example, DERs may be used for load displacement within a customer's facility, or its purpose may be to supply the grid with incremental capacity. Its capability may include storage of electricity for use at different times or points throughout the demand cycle. Its size and location may discreetly impact local operational performance necessitating investment or controls in order to mitigate or manage the impacts. As such, Alectra Utilities' encourages the OEB to consider the myriad of different applications that may ensue rather than assume a one size fits all approach to DER connections.

Alectra Utilities looks forward to continuing to engage with the OEB and stakeholders on this important initiative going forward.

If you have any questions with respect to any of the above, please feel free to contact Alectra at your earliest convenience.

Sincerely,

Original signed by Indy J. Butany-DeSouza

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Alectra Utilities Corporation