



October 18th, 2019

Ontario Energy Board (“OEB”)
c/o: Ms. Kirsten Walli
PO Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Subject: Utility Remuneration & Responding to DERs (EB-2018-0287, EB-2018-0288)

Background

The OEB held a three-day stakeholder meeting on Utility Remuneration & Responding to DERs (EB-2018-0287, EB-2018-0288) on September 17th through September 19th, 2019. Essex Power Corporation (“EPC”) appreciated participating in this stakeholder meeting and is pleased to present its comments and recommendations.

Recommendations

Recommendation #1: DER Visibility and Management

LDCs should have the right (and perhaps a mandate) to start implementing technologies that create DER visibility with respect to LDCs’ needs, the market’s needs (IESO), and the needs of other 3rd parties authorized by the DER owner. This would facilitate an environment that maximizes the potential benefits that DERs have to offer, regardless of any ownership model.

This visibility would facilitate the development of appropriate price signals set by the IESO.

LDCs should have the ability to incent DER owners to follow price signals, and recover those incentives in cases where the LDCs are able to avoid costs that would otherwise be spent in order to maintain a safe and reliable grid, if not for the DER.

Recommendation #2: DER Investment

Where feasible, LDCs should have the right to invest in DERs as a viable alternative to a poles/wire solution. This investment should fall within the same guidelines as a poles/wire investment in terms of cost recovery since it ultimately leads to benefit for the customer.

In the event these same DERs are able to provide *additional* value (ie. stacked benefits beyond their primary purpose described above) through market mechanisms or other avenues, these additional values should be shared with the customers it serves. Examples of this exist in other regulated utility environments. For example, in Ontario, natural gas utilities have invested in storage facilities for the purpose of supply reliability, and have since been able to use the same storage to optimize their own supply costs and pass savings along to customers.



Recommendation #3: Stakeholder Review

While many different scenarios were raised over the course of the three-day stakeholder meeting, no one topic was explored in enough detail to recommend detailed changes to the regulatory regime in Ontario. To this end, utility remuneration should be the subject of stakeholder review as a separate consultation and various models must be explored, in-depth and publicly.

We trust this information is helpful and as always, if you have any additional questions, concerns or require any clarifications whatsoever, please do not hesitate to contact us anytime.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Kristopher Taylor', is positioned above the printed name.

Kristopher Taylor, *CEM, MBA*
Director of Corporate Strategy
Essex Power Corporation

Cc: Raymond Tracey, Essex Power Corporation