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April 30, 2020

VIA RESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attention: Registrar

Dear Ms. Long:

Re: Utility Remuneration and Responding to Distributed Energy Resources Consultation – Written Comments on Board Staff's Preliminary Proposals
Board File Nos.: EB-2018-0287 and EB-2018-0288

We are counsel to the Electric Vehicle Society (**EVS**) in the above-noted proceeding. Please find enclosed EVS's written comments on Board Staff's preliminary proposals filed further to the Board's letter dated January 21, 2020.

Sincerely,

Jonathan McGillivray

c. All Participants in EB-2018-0287 and EB-2018-0288
All Licensed Electricity Distributors, Natural Gas Distributors and Electricity Transmitters
All Other Interested Stakeholders

ONTARIO ENERGY BOARD

EB-2018-0287
EB-2018-0288

ELECTRIC VEHICLE SOCIETY (EVS)

WRITTEN COMMENTS

April 30, 2020

1. The Electric Vehicle Society (**EVS**) is a non-profit organization representing over 1,000 end-use, largely residential, individual electric vehicle (**EV**) electricity customers. EVS has 12 local chapters of electricity rate-paying customers in Ontario. Its mission is to accelerate the adoption of EVs and shift car culture towards a more sustainable future.

2. The Ontario Energy Board's (the **Board**'s) integrated EB-2018-0287 / EB-2018-0288 consultation processes (the **Consultations**) on utility remuneration and responding to distributed energy resources (**DERs**) are of particular relevance to EVS and its members. EVS members stand to be directly and materially affected by developments in the Board's and the broader sector's response to DERs. The Board held a stakeholder meeting on February 20, 2020 and has invited stakeholders to comment on Board Staff's preliminary proposals for each initiative in the Consultations, as reflected in the presentation given by Board Staff at the meeting.

3. EVS submits that the guiding principles, need statements, objectives, and key issues and scope presented by Board Staff should reflect the considerations that: (i) EVs are growing, (ii) EVs can behave like DERs (commonly known as "V2G" or "V2X"), and (iii) EVs may have significant system and consumer benefits. EVS attended the stakeholder meeting in February and appreciates the opportunity to provide its comments. EVS's comments are organized around the following aspects of Board Staff's current thinking on the Consultations: (A) guiding principles; (B) need statements; (C) objectives; and (D) key issues and scope. Finally, these comments provide (E) a summary of EVS's recommendations, as the Consultations move into their next phase.

A. Guiding Principles

4. EVS generally supports and agrees with Board Staff's revised guiding principles for the regulatory framework.[1] EVS emphasizes, in line with the draft principles, that it will be important for the regulatory framework to enable competition and as much consumer choice and control as possible and empower efficient investment decisions and behaviour. EVS proposes the following specific revisions to the below draft principles:

[1] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 14.

Stable Yet Evolving Sector:

[…]

- It ~~neither precludes~~ promotes efficient and effective alternative business models ~~that may be desirable nor impedes~~ and the entry of new entities
- It encourages optimal use of existing assets and minimizes risks associated with stranded assets ~~as~~ while facilitating adoption of new technologies and distributed approaches to providing energy services ~~are adopted~~ by reducing regulatory barriers, developing clear rules and requirements, and streamlining regulatory review

5. As a general matter, EVS submits that the guiding principles should be consistently stated using a positive construction (i.e., avoiding the use of "neither", "nor", etc.). EVS further seeks to ensure that the guiding principles are inclusive of, and recognize, the system-wide benefits of EVs. EVs may be able to provide increased system capacity and greenhouse gas reductions in a manner that benefits all consumers (irrespective of EV ownership or use).
6. DER and EV-related DER growth and integration are moreover resulting in fundamental changes to the distribution grid that will impact several aspects of the electricity system, including electricity supply and demand, customer preferences, capital expenditures, operations and maintenance, load, and productivity. EVS submits that the guiding principles should reflect the importance of minimizing risks associated with stranded assets while facilitating adoption of new DER technologies and approaches through reduced regulatory barriers, increased competition, better rate structures, clear and efficient rules and requirements, and streamlined regulatory review.

B. Need Statements

7. **Utility Remuneration.** EVS supports the "need statements" proposed by Board Staff to assist in developing a common understanding of the objectives of, and rationales for, the Consultations. EVS can, in particular, attest to the need for the Board to have appropriate

information and tools to assess utilities' DER proposals to ensure that rates are set appropriately, and incentives are effective.[2]

8. The Board, ratepayers, and other stakeholders would have benefitted from better quality information on proposed DER- and EV-related distribution system capital investments and the impacts on load forecasting, productivity factors, and fleet management in several recent proceedings. The Board's decision on Toronto Hydro's recent rate application, for example, called for better information on such capital investments and indicated that, going forward, the Board expects Toronto Hydro to enhance its approach to forecasting customers and connections through consideration of economic and demographic conditions[3] and complete a more detailed analysis of the impact of EVs and DERs on load and load profiles for future load forecasts.[4] The Board also highlighted the materiality of EVs and DERs for load forecasting used for rate-setting purposes.[5]
9. **Responding to DERs.** EVS agrees with Board Staff that there are several interrelated opportunities and challenges around the adoption of DERs to meet consumers' own energy needs, the ability of utilities to leverage DERs to meet system needs and provide utility services, and the capacity of coordinated DER deployment to lead to mutual benefits for host customers and ratepayers.[6] EVS supports the proposed corresponding "need statements".
10. The number of EVs and EV chargers in Canada has increased at an accelerating pace over the last several years. EVs and EV-related DERs, including EV chargers and other equipment, are a key example of a DER that has a range of key system and consumer benefits, including economic benefits (optimized generator operation, deferred generation capacity investments, reduced ancillary service cost, reduced congestion cost, deferred transmission capacity investments (reduced sustained outages, reduced momentary outages, reduced sags and swells)) and environmental benefits (reduced greenhouse gas emissions). EVS submits that it is essential that these benefits are reflected in the regulatory framework that emerges from the Consultations and notes that Board Staff considers EVs to be one of the technologies driving consumer adoption of DERs, changing how energy systems are used, and creating opportunities for better service at lower cost.[7]

[2] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 25.
[3] Ontario Energy Board, EB-2018-0165, Decision and Order (December 19, 2019), pp. 126.
[4] Ontario Energy Board, EB-2018-0165, Decision and Order (December 19, 2019), pp. 122, 124.
[5] Ontario Energy Board, EB-2018-0165, Decision and Order (December 19, 2019), pp. 127.
[6] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 27.
[7] Transcript, Stakeholder Meeting (February 20, 2020), 9:4-9.

C. Objectives

11. EVS is generally supportive of the draft overarching objectives of the Consultations and the specific Responding to DERs and Utility Remuneration objectives.[8] EVS proposes the following amendments to the below objective:

> **Responding to DERs:**
>
> […]
>
> - DER adoption and integration benefits consumers and enhances overall value to consumers
> - Utility infrastructure is optimally utilized as DER adoption grows; underutilized and stranded assets are minimized; utilities take advantage of DER assets when cost effective (regardless of who owns them) so that opportunities to achieve mutual benefits are captured and consumer value is maximized

12. The importance of capitalizing on cost-effective DER assets (irrespective of ownership) and realizing their benefits and associated consumer value is reflected in Board Staff's proposed need statements. EVS submits that it should also be recognized as a necessary outcome to be achieved by the regulatory framework and other policies being developed as part of the Consultations.
13. EVS reiterates its position that the Consultations should consider the fact that both utility and non-utility investment in DERs, including EV-related DERs, may produce enhanced system reliability and lower consumer costs through load shifting, deferred/paced system investments, and improved flexibility.

D. Key Issues and Scope

14. EVs are already having and will continue to have a significant impact on the electricity system. EVS has had the opportunity to review — and agrees with — Environmental Defence's comments on the need to create a working group focused on electric vehicles as part of these Consultations.[9] EVS recommends that a dedicated working group be formed in order to

[8] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 32.
[9] Environmental Defence's Comments on Board Staff Proposals (April 30, 2020), pp. 9-10, available online at: http://www.rds.oeb.ca/HPECMWebDrawer/Record/675843/File/document.

develop specific guidance around EV infrastructure readiness, the significant benefits and importance of EV supply equipment (EVSE) and removal of regulatory barriers to charging service, rate design (including very low overnight rates for EV charging), and promotion of EV best practices in capital investment, system planning, load and demand forecasting, and productivity among utilities.

15. EVS is also concerned that Board Staff's working definition of DERs[10] does not appropriately reflect consensus in the sector on the meaning of DERs. Further, EVS notes that Board Staff's summary of consultation on the definition of DERs to-date does not reflect EVS's submissions on same, as filed on October 18, 2019, during the first phase of the Consultations. EVS noted in its submissions that the Independent Electricity System Operator (**IESO**) defines DERs as "electricity-producing resources or controllable loads that are connected to a local distribution system or connected to a host facility within the local distribution system."[11] The IESO further states that DERs can include solar panels, combined heat and power plants, electricity storage, small natural gas-fueled generators, EVs and controllable loads, such as HVAC systems and electric water heaters.[12]
16. Board Staff's has defined a DER as "any resource capable of providing energy services located at the distribution system level (in front or behind the meter)."[13] The working definition states that (i) "[d]istribution level generation and storage are DERs"; (ii) "[a] controllable load can be a DER when it offers a service by committing in advance to adjust consumption in response to system needs at a specific time or location"; and (iii) "[e]nergy efficiency does not have the same characteristics (e.g., system impacts) as DERs but may be relevant to specific issues and should be considered."[14] EVS respectfully submits that this definition lacks clarity and fails to reflect the consensus position on the meaning of DERs in the context of the Consultations and in broader Board activities.
17. EVS recommends that further work be undertaken to ensure that the Consultations are conducted on the basis of a common, consensus- and research-based definition of DERs that is clear and practical.

[10] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 37.
[11] IESO, "Distributed Energy Resources", available online at: http://www.ieso.ca/en/Learn/Ontario-Power-System/A-Smarter-Grid/Distributed-Energy-Resources.
[12] See Electric Vehicle Society, Written Comments (October 18, 2019), para 6.
[13] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 37.
[14] See Stakeholder Meeting Staff Presentation (February 20, 2020), slide 37.

E. Recommendations

18. EVS respectfully provides the following recommendations as the Consultations enter the next phase:

    (a) Reduce regulatory barriers to DERs, including EV-related DERs, by developing clear guidelines/rules and streamlining regulatory review;
    (b) The benefits of EVs should be considered fully in the context of DER integration;
    (c) Utilities should be encouraged to implement EV DER infrastructure where efficient and effective for consumers;
    (d) Re-assess and clarify regulatory restrictions on utility business activities and separation of regulated versus competitive services;
    (e) Encourage deferred utility capital investment by advancing the role of DERs as viable alternatives to traditional investment;
    (f) Develop mechanisms to compensate DERs, including EV-related DERs, for the services they provide to the electricity system;
    (g) Facilitate market-based solutions that respect consumer choices by increasing transparency and competition;
    (h) Create a dedicated working group focused on EVs as DERs.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS

30th day of April, 2020

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