



BY EMAIL AND WEB POSTING

May 10, 2021

**To: All Registered Stakeholders
All Other Interested Parties**

**Re: Framework for Energy Innovation: Distributed Resources and Utility
Incentives (EB-2021-0118)**

This letter sets out the priority workstreams for the Framework for Energy Innovation: Distributed Resources and Utility Incentives (FEI), along with the activities to be undertaken in the near term. This letter also confirms the membership of the FEI Working Group (FEIWG).

Summary

The OEB confirms that the DER Usage and DER Integration workstreams will proceed to address near-term priorities, as set out in Appendix A to this letter. The OEB has selected 22 individuals representing 25 entities to serve as members of the FEIWG, as set out in Appendix B. The OEB has also issued a [Terms of Reference](#) (ToR) for the FEIWG that sets out the objectives, deliverables, roles and responsibilities of the relevant parties.

Near-Term Priority Workstreams

On March 23, 2021, the Ontario Energy Board (OEB) issued a [letter](#) (March letter) about the FEI consultation in which it proposed two priority workstreams, along with activities to be undertaken in the near term. The OEB invited stakeholders to comment on the proposed priority workstreams and several stakeholders submitted comments. A summary of the main comments is provided below, and the full comments are available on the [OEB's website](#).

- There was broad agreement with the OEB's proposed priority workstreams and approach to work.
- A few stakeholders made comments on specific issues that are intended to be addressed by the FEIWG within the Distributed Energy Resources (DER) Usage

Workstream, while a couple of stakeholders identified additional areas for consideration in the near-term.

- Some stakeholders sought clarity on the overall scope of this consultation generally, and on the issues of utility remuneration and utility ownership of DERs specifically.
- Many stakeholders identified the need for coordinating FEI work with relevant Independent Electricity System Operator (IESO) initiatives.
- A few stakeholders sought clarity on the path forward for this consultation, including:
 - A detailed workplan and the deliverables expected from the FEIWG.
 - The process through which the OEB will set policy following receipt of the FEIWG's recommendations.
 - Whether the OEB will provide opportunities for broader stakeholder input on the FEIWG's proposals and recommendations to the OEB.
- One stakeholder highlighted the importance of considering the applicability of the issues in this consultation to natural gas utilities.

Considering the broad support among the stakeholders for the two workstreams proposed in the March letter, the OEB confirms that the DER Usage and DER Integration workstreams will proceed to address near-term priorities, as set out in Appendix A to this letter. The OEB acknowledges that additional workstreams were suggested by a couple of stakeholders. While near-term activities will address priority issues, the FEIWG's consideration of the issues is expected to generate suggestions and proposals for subsequent workstreams. The OEB's determination of subsequent areas of work will be informed by the FEIWG's input.

Future Phases

The OEB further confirms that the FEI consultation will engage distributed energy issues beyond those identified as current priorities, and expects that, among other matters, issues relating to utility remuneration and utility ownership of DER assets will be considered in subsequent phases. It is anticipated that this incremental approach to work will allow progress made on near-term priorities to inform the thinking and approach to issues to be addressed subsequently.

Development of a Workplan

The OEB recognizes the desire among stakeholders for a workplan that considers co-ordination with IESO-related initiatives, as well as clarity about the deliverables expected from the FEIWG and the process through which they become policy. The OEB acknowledges the importance of ensuring that the OEB and the IESO's efforts in relation to DER integration are appropriately co-ordinated.

As indicated in the March letter, one of the initial deliverables of the FEIWG is to develop a work schedule for the confirmed near-term priorities. The work schedule is expected to identify major milestones and deliverables as well as consider co-ordination with relevant IESO-related initiatives on cross-cutting issues, as appropriate.

Further Consultation

The FEIWG is expected to prepare written recommendations for the OEB's consideration. The OEB will provide stakeholders with opportunities to comment on any recommendations made by the FEIWG, in advance of making any policy determinations related to FEI.

FEI Working Group

Confirmation of Members

The OEB has selected 22 individuals representing 25 entities to serve as members of the FEIWG, as set out in Appendix B.

In the March letter, the OEB indicated its intent to establish the FEIWG with representatives from the sector to review issues in the FEI consultation and prepare policy options and recommendations. The OEB invited stakeholders to nominate representatives to serve as members of the FEIWG for the OEB's consideration. The OEB received nominations from 42 entities, as well as two requests for observer status. The OEB appreciates the level of stakeholder interest in participating in the FEIWG, the efforts made in submitting joint nominations and the calibre of all nominations received. The OEB carefully considered the nominees' backgrounds and experience. The FEIWG's composition represents the full range of interests related to the integration of DERs in Ontario and constitutes a manageably sized group. With respect to nominees that were not selected for the FEIWG, the OEB intends to provide their details to the FEIWG for consideration as members of any sub-group(s), as appropriate.

Nomination for FEIWG Lead

As indicated in the March letter, the FEIWG will select one of its members to lead the FEIWG (FEIWG Lead). The expected role and responsibilities of the FEIWG Lead are set out in the ToR. Interested FEIWG members are invited to nominate themselves or another member for the role of FEIWG Lead. Nominations should include a short statement about the nominees' relevant background and experience including, but not limited to, leadership and facilitation experience. Nominations must be submitted to the OEB by **May 25, 2021**. The FEIWG Lead will be selected at the inaugural FEIWG meeting.

Cost Awards

Cost awards will be available to eligible participants on the FEIWG and any sub-working group(s) to cover preparation, attendance and reporting time in relation to each meeting. The maximum number of cost eligible hours to prepare for, attend and report on working group meetings is:

- Per Eligible Participant: up to 1.5 times of actual attended meeting time.
- FEIWG Lead: up to 2.5 times of actual attended meeting time, in the event the selected FEIWG Lead is a member representing an entity that is eligible for an award of costs.

For parties that share a representative, the OEB will allocate the actual meeting time based on time in attendance equally between the parties. Each party will be allowed preparation and reporting time equivalent to 0.5 times the actual meeting time. This allows parties to recover the cost of their shared representative's meeting attendance plus an amount related to preparation for, and reporting to each client, since it is reasonable to expect the representative to communicate separately with each client.

Next Steps

The OEB intends to hold the first FEIWG meeting in June.¹ Further details on meeting logistics, agenda and related material will be provided in due course.

How to File Materials

Stakeholders are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2021-0118**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's web portal](#) at <https://p-pes.ontarioenergyboard.ca/PivotalUX/>.

- Filings should clearly state the sender's name, postal address, telephone number, fax number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the [OEB's website](#).
- Stakeholders are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the web portal can contact registrar@oeb.ca for assistance.

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

Any questions related to this consultation should be directed to FEI@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll-free)

¹ The date of the first FEIWG meeting is subject to FEIWG members' availability.

Yours truly,

Original signed by

Christine E. Long
Registrar

Appendix A

FEI Near-term Workstreams

Workstream # 1 - DER Usage: This workstream is intended to investigate and support utilities' use of DERs they do not own as alternatives to traditional solutions to meet distribution needs. The near-term activities will focus on:

- Establishing a working definition of DERs.
- Developing a number of high-value, non-utility-owned DER use cases as alternatives to traditional solutions to meet distribution system needs, based on relevant players' knowledge of needs and alternative solutions.
- Defining an approach to measure the benefits of these DER use cases relative to costs and assess the value of DERs relative to traditional distribution investments.
- Developing appropriate incentives for distributors to adopt DERs for distribution uses that do not require equity investment by the utility.

Workstream # 2 - DER Integration: This workstream is intended to ensure that utilities' planning is appropriately informed by DER penetration and forecasts. The near-term activities will focus on:

- Identifying information distributors require regarding existing DERs to effectively operate and make future system plans.
- Establishing appropriate reporting requirements.

The progress made on these near-term priorities will inform subsequent areas of focus, issues to be addressed and activities to be undertaken, consistent with the incremental approach to work.

Appendix B FEI Working Group Members

Interest	Nominated By	Representative
Consumers	Anwaatin	Dr. Don Richardson
	<ul style="list-style-type: none"> Association of Major Power Consumers in Ontario Industrial Gas Users Association 	Ian Mondrow
	<ul style="list-style-type: none"> Canadian Manufacturers & Exporters Ontario Chamber of Commerce 	Marc Brouillette
	Consumers Council of Canada	Julie Girvan
	School Energy Coalition	Jay Shepherd
DER Providers	Demand Power Group	Allen M. Freifeld
	Enel	Sarah Griffiths
	Energy Storage Canada	Geoff Osborne
	Powerconsumer	Adam White
	Versorium Energy	Chris Codd
Other	<ul style="list-style-type: none"> ChargePoint Electric Vehicle Society 	Cara Clairman
	Pollution Probe	Michael Brophy
	Environmental Defence	Kent Elson
	Independent Electricity System Operator	Brennan Louw Phillip Chisulo (Alternate)
Utilities	Alectra Utilities	Indy Butany-DeSouza
	Electricity Distributors Association	Kathi Farmer
	Elexicon Energy	Falguni Shah
	Enbridge Gas	Cara-Lynne Wade
	ENWIN	Nimal Weeratunga
	EPCOR	Darren McCrank
	Hydro One Networks	Spencer Gill
	Toronto Hydro Electric System	Andrew Sasso

Updated: May 26, 2021