

Ms. Christine Long
OEB Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

September 16, 2021

**Re: EB-2021-0117 Proposed DSC Code Amendments
Pollution Probe Letter of Comment**

Dear Ms. Long:

In accordance with the OEB Notice of Proposal to Amend a Code dated August 5, 2021, please find below Pollution Probe's comments on the proposed amendments to the Distribution System Code (DSC) to facilitate connection of Distributed Energy Resources (DERs).

Pollution Probe strongly supports the OEB's intention to remove barriers to DER which provide local opportunities and needed outcomes in Ontario. Many barriers exist for DERs to be considered and implemented, even though they provide long-term cost-effective energy options that are also low emission and resilient. DERs provide a set of the most valuable energy resources Ontarians has access to and they needs to be maximized and prioritized for energy planning and delivery. Unfortunately achieving this goal will not be easy since status quo planning and decision making is deeply engrained in the industry¹.

Meaningful change, innovation and delivering Ontario's clean energy future is not a status quo activity. Although change is needed, it needs to be done in an organized manner and it may not be prudent to make some of the proposed changes to the DSC until a more robust solution is in place to fill the hole that is left. In other cases, the changes should occur now. Change without thorough analysis could have the potential of increasing barriers to DERs, rather than removing them. The OEB has set up expert consultation through initiatives such as DER Connections. Although the DER Connections Working Group did not have an opportunity to review the proposed changes before they were published for comment, many of the issues and related impacts have come up through those discussions and it will be important for the OEB to leverage those expert resources to the fullest extent. Pollution Probe recommends that the DER Connections Working Group review draft proposal packages prior to them being finalized and published for stakeholder comment in the future. It will also be important to ensure that related IESO activity also feeds into those OEB initiatives to drive alignment and coordinated outcomes. The role of the OEB is much broader than that of IESO and therefore the analysis and outcomes also need to be broader and inclusive of ensuring modernization, innovation, public interest and providing long-term consumer value.

In general, Pollution Probe supports updates to the DSC. Areas of issue are noted below.

¹ In addition, the current regulatory approach in Ontario incentivizes utility capital spending over more cost-effective local solutions.

Definition of DER

It is important to note that the DER Connections Working Group avoided developing a definition of DER since it was not required for the scope of that engagement. DERs have a broad scope and it is important that when a definition is used, it is inclusive rather than limited. The definition the DER proposed for the DSC is narrow. Selecting a narrow definition for purposes of the DSC can have unintended consequences to the OEB's interest to expand DERs. The best practice National Standard Practice Manual² for DER defines DER as:

Distributed Energy Resources (DERs) are resources located on the distribution system that are generally sited close to or at customers' facilities. DERs include EE, DR, DG, DS, EVs, and increased electrification of buildings. DERs can either be on the host customer side of the utility interconnection point (i.e., behind the meter) or on the utility side (i.e., in front of the meter). DERs are mostly associated with the electricity system and can provide all or some of host customers' immediate power needs and/or support the utility system by reducing demand and/or providing supply to meet energy, capacity, or ancillary services (time and locational) needs of the electric grid.

Adoption of this DER definition by the OEB would firmly support DERs and help achieve the OEB's DER objectives. The OEB could also adopt the broader industry definition and then indicate that for purposes of DSC application the more narrow definition is being used for DSC application. At the very least, it is recommended that the OEB indicate in the DSC that use of the narrower definition is for DSC purposes only and not meant to restrict a broader definition of DER, benefits and broader DER options in Ontario. The same applies to all documents circulated for comment, including the DER Connection Procedures ("DERCP").

Section 6

Pollution Probe does not support removing embedded generation from the exemption at this time. Removal of embedded generation is premature until there is a set of rules to support embedded generation specifically. Removal of this wording will increase the burden on these valuable customer/system resources and undermine the provinces desire to incent cost-effective conservation and demand management (CDM) resources. This is an example of a proposed change that has not been considered adequately from a broader policy perspective.

Respectfully submitted on behalf of Pollution Probe.



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² [NESP National Standard Practice Manual \(nationalenergyscreeningproject.org\)](http://nationalenergyscreeningproject.org)