



October 15, 2021

Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON
M4P 1E4

Dear Ms. Long:

**RE: OEB INNOVATION SANDBOX RENEWAL CONSULTATION – NEXT STEPS
ONTARIO ENERGY BOARD FILE NUMBER: EB-2021-0180**

The Electricity Distributors Association (EDA) represents local hydro utilities, the part of our electricity system that is closest to customers. Local hydro utilities are on the front lines of power, and we know that the most important conversations about energy happen around the kitchen table, not the boardroom table. These comments are offered to inform the OEB's finalization of the Innovation Sandbox 2.0.

The EDA is supportive of the OEB's intention to renew the innovation sandbox and believes it is the right step forward in encouraging innovation within our sector. We acknowledge the OEB's efforts in accommodating the feedback received on the original sandbox to develop a "new" Sandbox 2.0. On behalf of our LDC members, we appreciate the opportunity to participate in this initiative and are confident that our members can help facilitate purposeful innovation that provides value to consumers and the electricity system.

EDA Recommendations

The following are our recommendations on enhancements to the Innovation Sandbox 2.0:

Legislative and Regulatory Barriers: As a part of the Sandbox 2.0, there are opportunities for the OEB to provide clear guidance/parameters over what regulatory mechanisms it is able to change/adjust to make it easier for project proponents to participate. This can be done by looking at other jurisdictions and their innovation initiatives/sandboxes and what regulatory flexibility was provided to those project proponents.

We also encourage to provide greater clarity on how the Grid Innovation Fund and the OEB Sandbox will work together and outline the key objectives/desired outcomes for the joint initiative. We encourage the OEB to review legislative barriers, funding opportunities (rate-basing) and partnership opportunities with other innovation stakeholders (MaRS, Pollution

Probe, etc.) to help increase uptake of sandbox projects. We encourage the sandbox to work with the sector to identify regulatory barriers, implement experimental changes, evaluate the outcomes, and determine whether the change should be permanent.

Transparency and Communication:

We applaud the OEB in its efforts to improve transparency based on the recommendation that were provided to date. We encourage the OEB to improve two-way communication with stakeholders and provide clear timelines on OEB deliverables related to sandbox applications.

We also suggest that there be greater transparency on the criteria that were used to assess applications via website or stakeholder sessions. Examples/case studies, including the innovative ideas, regulatory barriers, support sought, support provided, are all useful pieces of information that will be valuable to all stakeholders. The OEB may also want to consider reviewing and providing case studies of sandboxes/innovation initiatives from other jurisdictions to help encourage and foster innovation within our own sector.

We recommend that OEB staff regularly issue position papers based on successful Sandbox projects that articulate regulatory barriers to innovation and what is needed from OEB, IESO and Ministry officials to move forward on innovation.

Finally, we suggest that the OEB develop an advisory group of stakeholders and OEB staff to identify changes that can be implemented in the long-term that will encourage innovation based on successful sandbox projects.

Conclusion

LDCs are the owners and operators of Ontario’s electricity distribution network and provide a crucial link between the grid and the customers. By leveraging their existing customer relationships, expertise, brand recognition, and knowledge of their local distribution networks, LDCs can help facilitate purposeful innovation that provides value to consumers, including protecting against risks to the grid while focusing on emerging system needs.

Thank you for considering these recommendations. If you have any questions, please feel free to contact Abdul Mukhtadir, Senior Policy Advisor, at amuktadir@eda-on.ca.

Sincerely,



Ted Wigdor
Vice President, Policy, Government & Corporate Affairs