January 14, 2022

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

Via RESS

Dear Ms. Marconi,

RE: ENWIN Utilities Ltd.'s Stakeholder Comments
Reliability and Power Quality Review
EB-2021-0307

On November 30, 2021, the Ontario Energy Board ("**OEB**") provided notice that it is launching a comprehensive Reliability and Power Quality Review ("**RPQ Review**") under OEB File No.: EB-2021-0307, and it invited feedback from interested stakeholders by January 14, 2022. ENWIN Utilities Ltd. ("**ENWIN**") greatly appreciates the opportunity to provide its feedback to the OEB on this important topic.

ENWIN believes it is crucial for distributors to continually improve reliability and power quality and that, in so doing, they must be accountable to customers. ENWIN greatly appreciates the OEB's initiative to assist distributors in their efforts to improve reliability and power quality through the RPQ Review, and it looks forward to learning more about any specific issues associated with reliability, power quality, or accountability that may be discovered as a result.

ENWIN notes that distributors are already highly motivated to increase reliability and power quality for their customers, but they face barriers including access to technology and costs. Therefore, ENWIN hopes the OEB's RPQ Review will assist distributors in their efforts to increase reliability and power quality in a cost-effective manner, while keeping in mind the regulatory burden associated with increased reporting requirements. While ENWIN agrees that reporting requirements are important for accountability, they should also assist in improving reliability or power quality for customers, and these benefits should be balanced against the costs and regulatory burden associated with collecting and reporting the data.

With respect to the specific issues and questions raised by the OEB in Appendix A of its letter dated November 30, 2021, ENWIN has the following feedback:

Utility Accountability

OEB staff's assessment of distributors' reported data suggests that there may be a significant gap in reporting between transmitters, host distributors and embedded distributors in terms of delivery point/loss of supply outages. Outages reported under loss of supply and major events account for more than 50% of the total number of outages in the province. What type of improvements to transmission and/or distribution reporting and/or performance expectations should be considered to increase utilities' responsibilities for loss of supply events? What are stakeholders' views on the appropriate form of incentives to drive reliability performance?

- **Feedback**: ENWIN agrees that it would be helpful to have more data regarding loss of supply events. The OEB appears to be considering increasing distributors' responsibilities for loss of supply events. It is important to note that distributors generally have little to no control over loss of supply events, or knowledge surrounding the cause of these events. Therefore, placing incentives on distributors relating to loss of supply events is unlikely to drive reliability performance and may be seen to be unfair. In addition, ENWIN believes it would be difficult for distributors to meet additional reporting requirements relating to loss of supply events.

OEB staff's assessment of reported Major Events suggests that distributors have very different interpretations of what constitutes a "Major Event", which affects overall reliability performance scores. Should the OEB revise its Major Event reporting requirements to achieve a common understanding among distributors regarding the type of outages and events that should be reported under the Major Event category? Should the OEB review the effectiveness of outage restorations?

- **Feedback:** It is ENWIN's understanding that distributors in Ontario follow IEEE Standard 1366, in which a "major event" is well-defined. The IEEE Standard 1366 determines the threshold for a "major event" based on a statistical evaluation of a distributor's recent past outage experiences. Consequently, distributors will all have different thresholds under the IEEE Standard 1366 because they have had different outage experiences. ENWIN does not believe it is necessary to depart from IEEE Standard 1366 for distributors in Ontario, and notes that any such departure would mean that distributors' major event experiences in Ontario would not be comparable to those of distributors in other jurisdictions and countries.

OEB staff's assessment of historical outage data has also suggested that there are inconsistent approaches between distributors in terms of reporting outages (e.g., different interpretations between "Adverse Weather" and "Tree Contacts" defined in RRR). What is the best approach to ensure consistent outage cause reporting across the sector?

- **Feedback:** ENWIN supports any efforts to clarify reporting requirements relating to underlying causes of outages to increase consistency. However, even with clarification, please note that it can be difficult to determine the cause of certain outages without significant investments in time, equipment, and/or technology. For example, tree contact can be transient, or there may not be sufficient evidence to diagnose a lightning caused equipment failure. While it is certainly helpful to know

the cause of an outage, it is not clear that the benefits of more consistent outage cause reporting will outweigh the costs associated with investments in time, equipment, and/or technology that may be required. ENWIN hopes the OEB will consider this in its RPQ Review.

Monitor Utility Performance

The current performance evaluation (i.e., service area level SAIFI & SAIDI) does not support benchmarking across the industry due to the different characteristic of each utility (such as size and locations). What would be required to ensure successful distributor reliability benchmarking across the sector?

- **Feedback:** ENWIN notes that it may not be appropriate for the OEB to benchmark reliability or power quality across the industry. Distributors' experiences and their ability to increase reliability or power quality depend largely on their location, distribution system characteristics (such as ratio of overhead to underground infrastructure), and customer preferences. Some distributors cannot increase reliability or power quality due to certain weather patterns, for example, or cannot make improvements without incurring substantial costs, and their customers may not be willing to pay higher rates to enjoy greater reliability or power quality. While ENWIN understands and appreciates the benefits of benchmarking, it recommends that the OEB continue to measure distributors' performance regarding reliability and power quality based on past performance and customer preferences.

Power quality and momentary outages can have a significant impact on customers. The OEB has seen an increase in customer concerns regarding these issues. Should the OEB establish reporting requirements to monitor utility performance in relation to momentary outages and power quality issues? What type of power quality issues should be and can be reported and monitored?

- **Feedback:** ENWIN notes that momentary outages are not power quality issues, though many customers view them as being one and the same. ENWIN believes the OEB should be cautious about managing customer expectations as they relate to reducing momentary outages, as momentary outages are often the product of protection systems operating as intended to avoid longer outages.

- **Feedback**: One cause for the increase in duration of momentary outages is the proliferation of Distributed Energy Resources ("DERs") and the impact they have on distribution systems due to FIT and net metering programs. For example, the duration of a momentary outage is generally related to the amount of time required to complete a reclose of a distribution system circuit. However, generators on distribution systems require additional time to disconnect their DERs, and DERs can suffer damage if they are connected to distribution systems when distributors conduct recloses. Therefore, some distributors will take more time to conduct recloses to give generators the opportunity to protect their DERs from damage, which has made momentary outages more noticeable to customers. In addition, where DERs connections are exclusive to one feeder and one supply station, which is typical in Ontario, distributors are limited in their ability to change supply

configurations to address outages in a timely manner in part because of the amount of time it takes to disconnect DERs from distribution systems. As a result, ENWIN proposes that the OEB explore the impact of DERs on reliability and power quality in more detail as part of this RPQ Review or another review or initiative.

Customer Specific Reliability

Given customers' expectations are changing because of an increasing reliance on a reliable system, should the OEB develop customer-focused reliability measures that can provide greater transparency on the level of service individual customers are receiving? Along with creating customer-focused reliability standards, should the OEB consider consequences when reliability performance expectations are not met? (e.g., customer compensation when reliability falls below acceptable level)?

- **Feedback:** ENWIN agrees that customers' expectations are changing and, due in part to their increased reliance on electricity, it is becoming even more important to ensure its distribution system is reliable. However, ENWIN is not currently able to regularly track and report customer specific reliability for all customers. The equipment, technology, and processes required for this reporting is costly to procure, develop, and maintain. As such, customer specific reliability reporting could not be achieved by ENWIN without significant investments. ENWIN hopes the OEB will consider whether customer-focused reliability standards would assist in improving reliability or power quality for customers, and balance any such benefits against the regulatory burden and costs associated with same.

- **Feedback:** Similarly, significant investments would be required for ENWIN to obtain the data and implement the processes required for any customer reliability compensation. ENWIN notes that distributors are already highly motivated to make improvements to reliability and power quality, and customers have different reliability expectations. In addition, as distributors only retain a relatively small portion of customers' bills, any customer reliability compensation is not likely to be significant to customers, particularly if you consider the investments required to implement customer reliability compensation. Therefore, ENWIN questions whether consequences such as customer reliability compensation would assist in meeting the goals of this RPQ Review. Instead, ENWIN believes that distributors would benefit more from the OEB's assistance and incentives for improving reliability and power quality.

Utility Planning

How should reliability data be enhanced to support effective utility planning and rate setting? Are there any established methodologies to quantify the value, from a reliability perspective, added by transmission and/or distribution investments?

- **Feedback**: Though many have tried, it is ENWIN's understanding that it is extremely difficult to quantify the value of reliability investments to customers, or to determine the improvement in reliability that a particular investment will provide. However, customers are becoming increasingly vocal about inconveniences and costs caused

by outages, and they are becoming even more reliant on their electricity supply. Therefore, it is ENWIN's hope that the OEB's RPQ Review will result in further assistance being provided to distributors in their efforts to improve reliability and power quality.

The OEB has indicated that it will conduct a customer survey to seek input from Ontario residents and businesses, including their experiences and expectations regarding the reliability and quality of the electricity supply they are receiving. ENWIN agrees that it is important to obtain customer input on this topic. However, customers' experiences and expectations can vary over the course of a year due to seasonal issues such as weather events, and they do not always reflect customers' objective experiences with outages. Therefore, ENWIN hopes the OEB will take steps to account for the subjective nature of survey results. Finally, ENWIN believes the OEB should ask customers whether an increase or decrease in reliability is worth a corresponding change to their monthly bill, for example, to gain a better understanding of the trade-off customers are willing to accept for an increase in reliability and power quality.

Thank you for considering ENWIN's comments, and please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

ENWIN Utilities Ltd.

Claire Bebbington
Director, Regulatory Affairs
4545 Rhodes Drive
P.O. Box 1625, Station A
Windsor, ON N8W 5T1
519.817.0971
cbebbington@enwin.com