January 14, 2022

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Attn: Ms. N. Marconi
Acting Registrar

Dear Ms. Marconi:

Re: **EB-2021-0307**

The Electricity Distributors Association (EDA) represents electricity local distribution companies (LDCs), the face of Ontario's electricity sector to the customer. Our members strive to meet and exceed their customers' expectation for reliable distribution service and for the delivery of power and energy of an appropriate quality. It doesn't matter what may cause an outage or a change in power quality; customers' first action is to contact their distributor to learn about when service will either be restored or returned to normal levels.

Our response to the letter of November 30 is divided into two parts. Our general comments on reliability can be found below. Our comments and feedback on the potential issues and the questions identified in the OEB's November 30 letter are provided in Attachment A.

Regarding reliability, the OEB's LDC scorecards and its yearbooks show that LDCs consistently achieve excellent results. The sector's achievements, as measured by the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI), demonstrate that, on an unadjusted basis, customers are interrupted twice a year for a total of about 4.5 hours. As there are 8,760 hours in a year, this means that the electricity consumers served by LDCs experience **99.95% reliability**. When the data is adjusted to remove loss of upstream supply and the effects of major events, this value improves to **99.98% reliability**.

Using the data that the OEB publishes, we are unable to identify a reliability problem that needs to be explored – let alone remedied. We look forward to the OEB sharing the data and analysis that sustains the need to address reliability and utility accountability, with greater transparency and through the OEB's rate setting processes, as well as to learning the OEB's perspective on the cost effectiveness of LDCs further improving on their achieved levels of reliability. Once we receive greater clarity on the OEB's desired level of reliability, we look forward to discussing with OEB staff the potential cost impact to customers and whether this initiative is in the customers' best interest.

Moreover, per Minister Smith's recently issued mandate letter, the OEB has several significant deliverables to manage and objectives to achieve in the coming fiscal year. We do not see any alignment between the mandate letter and this reliability initiative. Therefore, with the potential long-term impact

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to customers to enhance a grid that is already very reliable, and with many other immediate objectives for the OEB to manage, we question if this is the optimal time to embark on this initiative.
Thank you for the opportunity to comment on this OEB initiative, we look forward to the next steps. If you have any questions or require anything further, please do not hesitate to contact Kathi Farmer, the EDA's Senior Regulatory Affairs Advisor at kfarmer@eda-on.ca or at 416.659.1546.

Sincerely,

Teresa Sarkesian
President and Chief Executive Officer

ATTACHMENT A

The EDA's comments below are offered without an understanding of the context or concern that prompted the OEB to commence this review.

The OEB's November 30, 2021 letter sets out the issues identified by OEB staff. Our members provide required data to the OEB. We seek to understand whether the OEB needs additional data (e.g., greater granularity) to improve their understanding or to address some of the findings of their analysis. Should the OEB require additional information for either of these purposes, we seek assurance from the OEB the data requested will be 'fit for purpose' and that it can be demonstrated to be cost effective. These observations apply to both data on outages and data on power quality.

Below are the EDA's responses to the OEB's questions that were provided in its November 30, 2021 letter.

OEB question: Do stakeholders have a view on the approach, including prioritization, to addressing the identified issues? What is the best approach to develop solutions to the issues identified? What issues or concerns can be addressed in parallel and what issues or concerns shall be tackled in sequence?

EDA response: The EDA proposes that the OEB's approach to seeking information be:
transparent, whether it deals with the cost effectiveness of improving reliability and power quality or the customer's need for greater reliability or how issues are to be sequenced/prioritized
be provided in context, e.g., to make it clear that costs will be incurred to obtain information.

OEB question: Do stakeholders have any specific concerns or issues that have not been identified?

EDA response: The EDA's first concern is to understand the problem(s) to be solved, or the issue(s) to be addressed. The historic data does not demonstrate a reliability problem. We also seek to learn which aspects of power quality the OEB is concerned with and how they were identified.

We reviewed the consultation materials carefully and did not find any reference to whether there is a need for, or expectation of, homogeneous levels of reliability and quality, or, if different customers have differing needs.

Below are the EDA's responses to the OEB's "Questions for Stakeholders Consideration" that were provided in Appendix A to the OEB's November 30, 2021 letter.

<u>Utility Accountability</u>

The EDA needs further information that we trust is available to the OEB and has been used to support identifying the need for this initiative. We wish to review the OEB's data on:

- the coincidence of loss of supply outages
- the causes of loss of upstream supply
- the most significant causes of outages attributed to major events, especially the qualitative data that clearly sets out the sequence of events that resulted in an outage.

Diagnostic data will assist the OEB and LDCs in understanding how to attribute responsibility for an outage or interruption. While we are optimistic that data on the LDC's ability to restore service may be useful to the OEB's analysis, we note that it is implicitly reflected in SAIDI data.
The OEB's cause codes may be invoked simultaneously; for instance, extreme weather may result in multiple tree contacts. LDCs will benefit by knowing if the OEB seeks the immediate cause of the outage (in this example, tree contacts) or the underlying driver of the outage (in this example, an extreme weather event that caused several trees to collapse, some of which came into contact with the LDC's lines). As well, the OEB's reporting requirements may result in conflicting reports; for instance, if a transmitter experiences an outage on one phase and continues to serve with the two other phases, the transmitter will not report Loss of Supply but the LDC served by the phase that is interrupted will report Loss of Supply. The clarity of the OEB's descriptions of the data to be provided should be reviewed, as LDCs need the ability to report that an outage's cause is unknown.

While the OEB's letter focuses on service interruptions, it could have probed the question of whether LDCs have appropriately hardened their systems for foreseeable extreme conditions.

We propose that the OEB communicate whether reliability is a problem, and then review how distributors propose to resolve the matter in their respective customers' best interest.

Monitor Utility Performance

The EDA seeks to first learn how the OEB intends to use SAIDI and SAIFI data. With this information and perspective, it will be possible to analyze whether existing and proposed data requirements are 'fit for purpose'.

We understand the goal of benchmarking to be the identification of superior and inferior performers. We do not have any ability to test the OEB's assertion that SAIDI and SAIFI data specific to the LDC's service area is not suitable for benchmarking purposes. We question whether it will be valuable for the OEB to group LDCs according to prevailing weather patterns, operating conditions, asset condition, prevalence of undergrounding, customer density and so on. We question whether data enhancements (e.g., sampling to acquire data on travel time to reach the site, time required to trouble shooting the cause of the outage) may be helpful.

Consistent reporting supports comparability, whereas diagnostic data provides insight. If distributors are interpreting "Major Event" differently or inconsistently reporting outage causes, as OEB staff suggests, we suggest that the RRR be reviewed for whether it provides appropriate direction to distributors that aligns with the intended use of the data. Our members point out that other organizations, like the Canadian Electricity Association and the Institute of Electrical and Electronics Engineers, have significant experience with using cause codes and Major Event data. We suggest that the OEB leverage this experience.

Data on momentary interruptions are not reported to the OEB as contributing to either SAIDI or SAIFI. Momentaries do not affect customers uniformly; what is a nuisance momentary interruption for one customer may, for another customer who uses sophisticated and sensitive equipment, result in lost production of hours or even days. Customers who are impacted by momentary interruptions may take steps on their own to mitigate their impact (e.g., during the design phase of their facility). It will be instructive to understand whether a momentary is the consequence of the LDC's system protection gear operating as designed to avoid prolonged outages to most customers. LDCs anticipate that, as the

number of connected generators and distributed energy resources increases - especially those that use inverters - the duration of momentaries may increase to provide appropriate protection to these devices. We suggest that the OEB seek information about the customer class or the group of customers who are most adversely affected by momentary interruptions and then seek to understand the LDC's investment in service restoration automation (e.g., reclosers). Appropriate data will focus the OEB in understanding how specific customers are affected versus all the customers served, and will enhance the OEB's understanding of how LDCs use momentary data when planning and making capital budgeting decisions.

Customer Specific Reliability

The EDA seeks to learn more about this proposal including:

- what metrics the OEB would use
- whether 'Worst Performing Feeder' data is adequate
- how the OEB proposes to prioritize the customers that are to be the subject of customer specific reliability metrics
- how the OEB proposes to relate or link the customer's reliability level to the state of the delivery infrastructure serving the customer
- whether monitoring reliability at the customer level requires the LDC to invest in system modelling
- the OEB's perspective on the LDC investing in devices that will enhance the provision of reliable power of an appropriate quality
- What the OEB means by 'consequences' and what would trigger or cause the OEB to deploy 'consequences'.

To be clear, addressing these matters may result in the LDC incurring costs that are not recovered through currently authorized rates. If the OEB contemplates addressing any of these issues, LDCs will need to understand whether additional costs to achieve enhanced levels of data and reporting will be expected to be prudent and/or cost effective, and how any additional costs will be treated for rate making purposes.

Utility Planning

The EDA seeks to learn the OEB's perspective on the industry's methods and analytical tools for assessing the adequacy of reliability levels. Reliability displays diminishing returns. LDCs have limited amounts of capital to invest in their systems and they invest capital to be able to serve all customers safely and reliably. We look forward to learning the OEB's perspective on how LDCs are to invest in and maintain resilient infrastructure that accounts for customers' need and expectation for reliability in a decarbonizing economy and LDCs' need to prepare for an anticipated increased frequency of extreme weather events due to climate change.