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January 21, 2022

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

Dear Ms. Long:

Re: Distributed Energy Resources (DER) Connections Review
Ontario Energy Board File Number: EB-2021-0117

On December 20, 2021, the Ontario Energy Board ("OEB") issued a Notice of Revised Proposal to Amend the Distribution System Code ("DSC") regarding the connection of distributed energy resources ("DERs") to local electricity distribution systems. The proposed amendments reflect earlier stakeholder comments and working group input and are intended to improve connection timelines and provide clarity and consistency in the process for connecting a DER. Toronto Hydro-Electric System Limited ("Toronto Hydro") continues to support the OEB's effort in streamlining and improving the DER connection process, and offers the following brief additional comments for the OEB's consideration.

Storage Facility Capital Contribution Calculations

The implication of the dual nature of storage facilities, combined with the newly proposed section 6.2.1A of the DSC, is that distributors should determine cost responsibility for the connection of storage facilities with reference to all provisions relating to both generation and load facilities. The newly proposed section 6.2.31 emphasizes this approach by confirming that Chapter 3 applies to all generation facilities, including storage facilities, connecting to a distributor's distribution system.

Toronto Hydro understands that in practical terms this approach would require a distributor to calculate the capital contribution payable by a customer for a system expansion by jointly applying sections 3.2.4 and 3.2.5 of the DSC, namely: 1) incorporating the present value of the project revenue for distribution services in respect of the storage facility's charging function while also 2) assuming projected revenue and avoided costs in respect of the storage facility's discharging (generation) function to be zero. Doing so would require a distributor to make certain assumptions with respect to the relative proportions of a

storage facility's load and generation functions (e.g. in terms of daily or monthly charging/discharging frequency, cumulative consumption or generation within a billing period, peak demand or generation capacity, etc). While Toronto Hydro believes that it and most distributors can individually develop models to reasonably determine the appropriate cost allocation for storage facilities with appropriate information from DER proponents, the concern is that different distributors are likely to develop different models, leading to potentially significant variance in methodologies and resulting cost allocation outcomes across utilities. To mitigate this risk, Toronto Hydro would recommend the OEB open up this topic for further discussion at the DER Connections Review Working Group.

Connection Impact Assessment Timelines

The OEB has revised section 6.2.13 to include an additional 15 days to address situations where concurrent Connection Impact Assessments are required to be completed by distributors, in addition to the 60 or 90 days, as applicable, available to perform the assessments themselves. While Toronto Hydro supports the parallel review process as between the host and embedded distributors, it remains concerned that the timeline does not consider or allow for any time to review and consolidate both assessments and submit them back to the customer. This is particularly the case if the host distributor does not provide the results of their assessment until the deadline, leaving the embedded distributor no time to consolidate or address any issues should the two assessments be misaligned in their conclusions. In essence, the current framework has not allotted any time for a necessary step in the process, risking both the quality of the service provided to the customer and distributors' compliance with the timelines. Permitting a short period for the consolidation and review of the assessments of an additional 5 days would resolve this concern, while still maintaining a considerable overall processing time improvement over the status quo.

Review Process for DER Connection Procedures ("DERCP")

As part of this consultation, the OEB has proposed to transfer a number of operational details related to connection procedures from the DSC into the DERCP. While the DERCP allows for a more flexible process for any future revisions, as the OEB notes it "does not form part of the DSC and is not subject to the requirements of section 70.2 of the Act" which govern similar engagement on proposed code changes such as this one. The OEB has acknowledged previous stakeholder comments urging continued stakeholder engagement for any future revisions to the DERCP, and committed to "initially use the DER Connections Review Working Group to solicit feedback". Toronto Hydro would urge that such an engagement process for future DERCP revisions be formalized on a more permanent basis. For

transparency, it may be beneficial for it to be noted within the DERCP itself, along with the intent to perform periodic reviews of the DERCP in the interest of continuous improvement.

Toronto Hydro asks that all future correspondence on this matter be directed to the email address: regulatoryaffairs@torontohydro.com.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Kaleb Ruch', written over a horizontal line.

Kaleb Ruch
Manager, Government Relations
Toronto Hydro-Electric System Limited

KR/jl