



S&C ELECTRIC CANADA LTD.
Excellence Through Innovation

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Registrar,
Ontario Energy Board,
2300 Yonge Street,
27th floor Toronto, ON

14 April 2022

Dear Registrar,

Expression of Interest to Take Part in the OEB's Reliability and Power Quality Review (RPQR) Working Group - EB-2021-0307

S&C Electric Canada Ltd. welcomes the OEB's letter setting out the overall objectives for the RPQR regulatory framework and the focus of the initial phase of the work. We are very interested in taking part in this working group and consider that we have extensive relevant experience to share. We bring a unique international perspective and as part of the group's work, we can add significant value to the discussions.

S&C specializes in the switching, protection, and control of electric power systems. Our solutions are an essential part of the electrical grid that brings power to homes and businesses. We push the boundaries of reliability improvement by reducing the duration of power outages from hours to seconds — or to no outage at all. We are designing systems to withstand the impacts of time and nature to help keep the lights on for customers during major weather events.

Our Regulatory Affairs team has extensive experience discussing reliability, resilience, and power quality issues in industry and regulatory settings. Both myself and Grant McEachran have led the development of the regulatory arrangements for reliability for electricity distribution in Britain while working for Ofgem and have been participants in Ofgem's Safety, Reliability and Resilience working group for the RIIO-ED2 PBR arrangements. This has included discussions on areas such as reliability reporting, benchmarking, exclusions for severe weather events, momentaries, and guaranteed standards for individual customers relating to reliability. We would be happy to share our learnings from this work.

We have been researching reliability and resilience in Canada as well as various other jurisdictions globally, and we have delivered presentations and written papers on these topics. Our paper on *Moving Beyond Average Reliability Metrics*¹ discusses changing expectations for reliability and the need to focus more on customer-centric metrics, which aligns with one of OEB's areas of focus on customer-specific reliability.

I led the sub-group focusing on reliability, resilience, and asset risk, as an ongoing member of Scottish and Southern's Electricity Network Customer Engagement group (CEG) for RIIO-ED2 which discussed all aspects of the utility's proposals for investment to achieve improvements in SAIFI, SAIDI and proposals for worst served and vulnerable customers.

¹ <https://www.sandc.com/globalassets/sac-electric/documents/sharepoint/documents---all-documents/technical-paper-100-t128.pdf?dt=637309315749384549>

As a manufacturer focusing on reliability and resilience solutions, we also have significant technical engineering skills within our company with we can draw upon to consider issues being discussed.

I propose myself as a potential member of the group and Grant McEachran as an alternate for dates when I'm unavailable. I've attached a copy of both our biographies as an Annex to this letter.

We look forwards to hearing from you. Please do not hesitate to contact me if you have any queries.

Kind Regards,



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Director – Regulatory Affairs

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Chris Watts, Ph.D.

Director – Regulatory Affairs



PROFILE

Chris Watts is Director - Regulatory Affairs in the Sales Enablement department of S&C Electric Company, with 20 years of experience of regulatory affairs in the energy industry. His responsibilities include leading S&C's Regulatory Affairs team, ongoing participation in regulatory affairs such as discussions with regulators, influencing the development of policy, providing evidence to industry consultations and developing business cases for S&C solutions. He tracks ongoing developments in electricity distribution such as the transition to electricity distribution system operator (DSO roles) and developments in policy and regulatory frameworks in the UK and internationally such as the transition to Performance Based Regulation (PBR) frameworks.

Prior to joining S&C, he worked for 16 years for the British energy regulator, Ofgem, on policy development and leading key workstreams as part of their performance-based price control reviews. His experience includes developing Ofgem's methodology for cost assessment, leading the approach to the Network Output Metrics (the precursor to the NARM), cost benchmarking including econometric analysis and setting cost allowances for all British energy network companies, development of output metrics and incentive design. Chris led the work developing the Total Expenditure (Totex) incentives for Ofgem and worked on the introduction of their reliability incentives from 2000-2002 and all the subsequent iterations of those incentives. He led key workstreams on all the RIIO-1 price control reviews for Ofgem. For the last 3 years he has worked as an S&C consultant to Ofgem on the RIIO-1 and 2 price controls focused on the RIIO-1 NOMs and RIIO-2 NARM. He is an experienced regulatory economist and has presented at numerous conferences both in the UK and overseas on price control regulation, reliability incentives, incentive design and cost benchmarking. He has applied econometric analysis as part of policy development.

SELECT PROJECT EXPERIENCE

- 2018 - 2020: Ofgem, UK, Development of asset management incentives for asset health, criticality and risk for RIIO-1, development of the NARM arrangements and Funding Adjustment and Penalty Mechanism for RIIO-2
- 2016-2017: Development of business cases for S&C solutions as part of its UK Innovation Team
- 2013-2016: Ofgem, UK, Senior Adviser and Regulatory Expert – led cost and output assessment for the RIIO-ED1 price controls including Totex and disaggregated benchmarking work including econometric analysis
- 2011-2013: Ofgem, Associate Partner, Cost and Outputs – led large multi-disciplinary team working on cost assessment and output and cost incentive design and implementation for electricity and gas distribution and transmission as part of the RIIO price controls

EDUCATION/AFFILIATIONS

EDUCATION

- Ph.D. in Economics, University of Southampton, UK, 2000
- M.Sc. with Distinction in Economics, University of Southampton, UK, 1996
- M.A. in Philosophy, Politics and Economics, University of Oxford, UK, 1998

PROFESSIONAL AFFILIATIONS

- Member of the Institute of Asset Management
- Council of European Economic Regulators – Former Member of the Quality of Supply/Reliability Working group

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Canadian
Electricity
Association

Association
canadienne
de l'électricité



WOMEN in
RENEWABLE ENERGY




Grant McEachran

Regulatory Affairs Director



PROFILE

Grant McEachran is a Regulatory Affairs Director in the Sales Enablement department of S&C Electric Company, with 22 years of experience of regulation in the energy industry. His responsibilities include participating in regulatory affairs in a range of jurisdictions through discussions with regulators and utilities, contributing to the development of policy, providing evidence to industry consultations and engaging in thought leadership in areas such as the energy transition and the future of Performance Based Regulation.

Prior to joining S&C, Grant worked for 19 years for the British energy regulator, Ofgem, on policy development and leading a range of key workstreams in relation to both core regulation as well as competition policy. One of the principal areas Grant led was the development and implementation of all major policy aspects of the original RIIO framework which ultimately determined the output and incentive framework for the transmission and distribution network companies. The other areas he has worked on include the process that removed controls from the energy retail sector in Great Britain, transmission charging policy, developing arrangements to support the roll out of smart meters and in supporting the British Government in developing methodologies for the cost assessment of large generation new build to support its decarbonisation objectives. Grant also previously worked as an Economist for the Commerce Commission in New Zealand with a primary focus on setting price paths for the Electricity Distribution Businesses.

Grant is an experienced regulatory economist. He has worked with a wide range of stakeholders across a range of jurisdictions and presented at numerous conferences in the UK and overseas on price control regulation. He has a strong grounding in a range of analytical tools including econometrics to support cost assessment and incentive setting.

SELECT PROJECT EXPERIENCE

- 2020-Present: S&C Electric Company – providing policy support to Ofgem in respect of asset management incentives for asset health, criticality and risk.
- 2015-2019: Ofgem, UK, Head of RIIO Electricity Distribution – led the team in all aspects of its work relating to monitoring and performance reporting including its asset management practices and the formulation and rebasing of the Network Output Measures, a key precursor to NARM policy.
- 2014-2015: Ofgem, UK, Head of Smarter Markets – led the project to remove barriers to the roll-out of smart meters including designing and implementing the policy relating to facilitating smarter markets.
- 2009-2013: Ofgem, UK, Head of RIIO-T1 – led the development and implementation of policy for Great Britain's core energy price control regulatory framework – RIIO.
- 2008-2009: Ofgem, Senior Manager – led all aspect of transmission policy, including the development and implementation of the procedures for responding to the financial distress of network companies.
- 2007-2008: Commerce Commission, New Zealand – economics lead in setting the default price-quality path applied to the electricity distribution businesses, including lead on econometric analysis for benchmarking.

EDUCATION/AFFILIATIONS

EDUCATION

- Post Graduate Diploma of Education, University of Glasgow, UK, 2014
- M.A. in Economics and Politics, University of Glasgow, UK, 1998

PROFESSIONAL AFFILIATIONS

- Government Economic Service (GES) – 1999-2020
- Council of European Economic Regulators – Former Member of both the Retail Market Functioning Task Force and the Cross Border Trade Task Force

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