By RESS

August 25, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
PO Box 2319
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Marconi:

Re: Stakeholder Meeting on Non-RPP Class B Pilot Program Ontario Energy Board File No. EB-2022-0079

Hydro Ottawa Limited ("Hydro Ottawa") appreciates the opportunity to submit comments on the OEB Non-RPP Class B Pilot Program as set out in the presentation materials on July 28th, 2022.

Hydro Ottawa is a licensed electricity distributor serving approximately 346,000 customers in the City of Ottawa and the Village of Casselman. Hydro Ottawa remains committed to delivering value across the customer experience by providing reliable, safe and responsive services to its customers.

Hydro Ottawa is supportive of implementing programs that allow customers to better manage their electricity costs and better reflect the customers' cost to the system. Hydro Ottawa would like to highlight several of the OEB's discussion points and their respective questions asked to their stakeholders:

Objectives

1. What additional objectives, if any, would you like to see as part of the Non-RPP Class B Pilot Program?

   Testing whether the pilot project encourages load shifting sufficiently to address distribution grid constraints. Testing whether a new rate structure could make electrification more feasible, and thereby encourage Greenhouse Gas ("GHG") reduction measures.

2. Do the objectives of the Non-RPP Class B Pilot Program need to be considered from any other perspectives?

   The presentation could expand on customer objectives relating to energy transition and electrification. For example, the pilot program could make electrification more feasible for Class B customers.

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Implementation Process

3. What, if any, modifications would you make to the proposed delivery model for the Non-RPP Class B Pilot Program?

   No comment at this time.

4. What are the barriers and risks to implementing the Non-RPP Class B Pilot Program as presented?

   There is currently no system in place for automation. Cost benefit analysis of multiple LDC being involved with potentially small participation.

   Switching between programs can be time intensive for utilities to manage. Customers will need to understand if they can exit pilot programs or switch between them. The OEB should consider if pilot programs can be properly assessed if switching occurs.

Pilot Design

5. What level & type of guidance would you like from the OEB regarding the design of the pilots?

   It would be beneficial for the OEB to provide specific detailed guidelines and rules, as well as the anticipated outcomes in which to measure success.

6. In your opinion, which price plan would offer the greatest benefit to Non-RPP Class B consumers?

   No comment at this time. However, understanding the potential impacts and rate plan will be key for customers to obtain and appreciate the benefits.

7. What criteria should be considered when evaluating a proposed pilot design?

   Consideration should be given to the effectiveness of the time frame, sample and size, as well as the measures of success.

Timeline

8. What is a reasonable timeline for the Non-RPP Class B Pilot Program?

   No comment at this time.

9. What do you see as the greatest risk to the timelines?

   Given the nature of a pilot being short-term, participants may be risk adverse to investments with long-term paybacks. As a result, actual potential saving of pilot projects may not be achieved and the

pilot could be undervalued. It is suggested that participants are surveyed on what investments they would have considered but did not as a result of the pilot being short-term.

In addition, participants may achieve benefits through temporary measures that are not sustainable over the longer term. Reporting on how participants achieved savings could help mitigate this risk.

Roles & Responsibilities

10. What other entities, if any, may have a role to play in the Non-RPP Class B Pilot Program?

    At the distributor level, the billing system service provider and bill presentment provider would, at a minimum, have a role to play.

11. Who are the potential proponents?

    Commercial customers looking to:

    - Manage their global adjustment costs,
    - Electrify or otherwise increase their load,
    - Add storage,
    - Add onsite generation, or
    - Other methods of reducing demand during peak times.

12. What are the barriers to participation for Non-RPP Class B consumers?

    Understanding of rate structures. Staff to manage electricity demand. Customers may not participate as the pilots are short-term and may not seem worthwhile, or choose to let others work through the pilot phase. They may also be preoccupied with pandemic recovery and/or related uncertainties. Time and resource constraints could also be a factor.

    The biggest benefit from this program would likely be when new equipment, either fuel switching existing processes, or adding generation or storage equipment. However, given the short-term nature of the pilot, customers may be reluctant to make such investments.

13. In your opinion, what role do LDCs need to play in a Non-RPP Class B pricing pilot?

    Promoting the program and educating the customer through various platforms.

    LDCs will also need to help customers who may be eligible for Class A status understand what each option is (i.e. Class A vs. Class B dynamic pricing) will mean for the specific case.

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Funding

14. What would you estimate it would cost to implement a pilot under this program, including the cost associated with bill savings?

    Hydro Ottawa can not supply this information at this time.

15. What aspects of the pilot costs would you like to see covered?

    In order to gain the most LDC participation, all LDC related costs should be recovered, regardless of materiality thresholds. This allows LDC to focus on the benefits of the pilot project to all provincial customers without weighting the uncertainty of recovering prudently incurred costs. In addition, it reduces the need of LDCs to make tradeoffs, which includes, potentially reducing planned services provided to customers.

    Customer implementation costs directly related to the pilot should be recovered, for example any required reporting costs. The project could contemplate the use of energy managers to help the success of the projects and provide learning to future participants. However, if this is contemplated through the pilot programs, requirements should be met. Such as, shared benefit of the pilot savings to cover the costs of the managers, targeted demand savings in constraint areas which support through the IESO CDM initiatives.

16. What resources (staff, capital for equipment) would pilot participants need to provide in order to achieve savings from participating in the pilot?

    Materials explaining the pilot rate design and examples of load shapes that would achieve different levels of benefits. In addition, load shapes that would not benefit from any proposed rate design.

Example Non-RPP Class B Price Designs

17. Which of the pricing plans examples would you most like to see tested?

    Hydro Ottawa can not comment on this at this time.

18. Which of the example pricing plans do you think would be of the greatest benefit to Non-RPP Class B consumers? To the electricity system? Why?

    Enhanced Time of Use would benefit a larger demographic of customers who are able to participate because the shifting of load is gradual rather than managing a one or two hour peak.

    For customers who are installing storage/generation equipment, however, a shorter peak window will be easier to manage. If a key driver is GHG reduction, having a shorter peak window will allow for longer periods operating electrical heating equipment.

19. What other price plans or pricing elements should be considered for a pilot?

    Price plans that target customers who have generally flat load shapes. Customers with relatively flat load shapes are efficient for all grid levels. Historically these customers have socialized the Global Adjustment costs of customers with peaky load shapes. A rate plan should be developed that considers the actual costs of these customers on the grid and encourages load shapes that are efficient and stable in their use of the grid as well as encourages an even flatter load shape.

Hydro Ottawa appreciates this opportunity to provide comments and looks forward to continued collaboration and partnership with the OEB on this initiative.

Sincerely,

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