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September 2, 2022

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
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Dear Ms. Marconi,

**RE: Report of the Framework for Energy Innovation Working Group to the OEB
Comments of Energy Probe**

In its letter of July 6, 2022, the OEB invited comments from interested parties on the Report of the Framework for Energy Innovation Working Group to the Ontario Energy Board. The original deadline for comments was August 17, 2022, which was subsequently extended to September 2, 2022. The OEB indicated that it would be assisted on specific topics set out in its letter. The following are the comments of Energy Probe Research Foundation (Energy Probe) on the topics.

General

1. What is the relative priority of the issues and next steps identified by the FEIWG?

Energy Probe Comments

Energy Probe has reviewed the issues and next steps identified by the FEI Working Group. Energy Probe supports further work on the following two issues.

- *Provide Further Guidance on the Role of Distributors and the Expectations of Them.*
- *Establish an Initial Framework and Template for Benefit Cost Analysis.*

Energy Probe believes that the following issues are not necessary or appropriate and there should be no further work on them.

- *Actively Engage in the Broader Energy Sector Policy Development Activities.*

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- *Remove DER Disincentives including Cost Recovery Uncertainties.*
- *Establish an Initial DER Incentives Policy including Testing Possible Incentive Structures.*
- *Establish an Initial Policy for the Sharing of Information between LDCs, DER Providers, and Customers to support distribution planning and operations.*
- *Develop Regulatory Reporting Requirements for DERs, including RRR Filings, Applications, and other OEB Reporting.*

Developing a BCA Framework

2. What is the appropriate scope of a BCA Framework? In other words, should a narrow or broad set of benefits and costs be considered with respect to deployment of DERs as alternatives to traditional solutions to meet electricity distribution system needs?

Energy Probe Comments

Electricity distributors charge their ratepayers for services billed at rates approved by the OEB. The benefits are the quantity, quality, and reliability of electricity service. The costs are rates that ratepayers pay. How a distributor provides electricity service does not matter to its ratepayers if it is provided at a reasonable cost in the quantity, quality and with reliability that ratepayers need. Energy Probe believes that the BCA framework should be from the perspective of the ratepayers of the electricity distributor seeking OEB approval for its proposed rates and not from the perspective of society at large.

Developing and implementing utility incentives

3. How might the OEB remove disincentives for utilities to adopt DER solutions?

Energy Probe Comments

Energy Probe is not convinced that there are disincentives for utilities to adopt DER solutions that can provide low-cost electricity service with quantity, quality and reliability needed by utility customers. If there are disincentives for utilities to adopt DERs these must be for DERs that are high cost and can not reliably provide utility customers with electricity service with needed quantity, quality and reliability.

4. Is providing incentives to distributors to facilitate adoption of DER solutions (i.e., non-wires alternatives) appropriate? Under what circumstances?

Energy Probe Comments

The question assumes that all DERs are preferable to wires solutions. Energy Probe disagrees with that assumption. There are cases where a DER would be a more costly alternative or would not be able to meet customer needs. Energy Probe believes that providing incentives for DERs

would not be appropriate because it could result in sub-optimal solutions from ratepayers' perspective.

5. If incentives are appropriate, how should the OEB select/develop the form of incentive that should be available? a) Are there options the Incentive Subgroup did not identify that should be considered?

Energy Probe Comments

Energy Probe believes that incentives for DERs are not appropriate.

Ensuring distribution planning is informed by DER adoption

6. What should the OEB consider when setting expectations to ensure distributors appropriately consider DER adoption when planning and operating their systems (e.g., industry guidance, additional filing requirements for Distribution System Plans, new requirements for reporting and sharing information)?

Energy Probe Comments

Energy Probe believes that no additional guidance is needed. Electricity Distributors are aware of costs and benefits of DERs and can consider them in Distribution System Plans where appropriate without OEB guidance.

Respectfully submitted on behalf of Energy Probe by

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cc. Patricia Adams (Energy Probe)

