

**Ontario Energy Board**

Rachel Anderson and Andrew Brinn

Strategic Policy Advisors

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September 2, 2022.

Dear Rachel and Andrew,

The Atmospheric Fund (TAF) is a regional environmental agency working towards a net-zero future. We appreciate the opportunity to comment on this matter. **We strongly support the OEB's efforts to address issues related to the distribution of Distributed Energy Resources (DER's).** TAF supports and echoes Environmental Defence's recommendations, summarized below, in response to the discussion questions the OEB posed to stakeholders.

DER's provide an opportunity to lower energy bills for customers across Ontario. This is particularly important since Ontario will require an increase in new generation capacity in the coming years. The IESO's DER Potential Study found that DER's can be a cost-effective solution for meeting transmission and distribution needs in Ontario over the coming decade.

Implementing DER's will require adjustments to remove barriers that are currently in place. Current mechanisms disincentivize DER's, even when they would be beneficial to customers. Moreover, utilities are hesitant to implement DER's without a standardized benefits-cost-analysis in place for DER solutions.

**Recommendations**

1. **Prioritizing immediate guidance for utilities.** We recommend the OEB take a two-stage approach, where the first stage is to provide immediate guidance to enable utilities to include DER's in their five-year distribution system plans. Without immediate guidance, utilities may fail to sufficiently include DER's in their plans, leading to a major missed opportunity for this decade. In the second stage, the OEB could provide more detailed and complex guidance.
2. **Implementing a benefit-cost analysis (BCA) framework.** We recommend the OEB adopt the total resource cost test (TRC) as a of the benefit-cost analysis (BCA) framework. This is well-trusted test used widely across North America and it would provide the guidance that utilities urgently need to understand which costs and benefits to consider. After the initial work, the OEB could re-evaluate the test and consider any adjustments that are necessary.
3. **Removing disincentives for NWAs.** We recommend the OEB adopt a mechanism for ensuring utilities take a neutral position between traditional capital investments and O&M spending on NWAs. We also recommend implementing incentives to make NWAs as

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profitable as traditional infrastructure investments, otherwise utilities will not choose NWAs over traditional solutions.

- 4. Planning for DER adoption.** We recommend requiring distributors to consider and implement steps they can take to avoid electricity system constraints. Capacity constraints prevent customers from implementing DERs that could lower their energy bills. Additionally, the restrictions in place prevent the implementation of cost-effective DERs that could lower overall customer energy bills by reducing costs from distribution, transmission, and generation.

Overall, the OEB has a major opportunity to implement DERs, which have the potential to lower energy bills across the province. Doing so will include removing barriers and disincentives to implementing NWAs. TAF strongly support the OEB's consideration of DER implementation, and we fully support Environmental Defence's recommendations, as summarized above.

Sincerely,

Evan Wiseman

Senior Climate Policy Manager  
The Atmospheric Fund

## About the Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.