

Elson Advocacy

January 26, 2023

BY RESS AND EMAIL

Nancy Marconi

Registrar

Ontario Energy Board

2300 Yonge Street, Suite 2700, P.O. Box 2319

Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

Re: EB-2019-0207 - Distributed Energy Resources Connections Review Initiative

I am writing on behalf of Environmental Defence to provide comments on the Notice of Proposal to Amend a Code dated January 5, 2023. We strongly support and commend the OEB's efforts to improve connections processes relating to distributed energy resources. With respect to the connection deposit refund timeline amendments, we request additional wording to indicate that the deposits be due "as soon as possible and no later than" the relevant time period. For example, where the time period is 180 days, the deposit would be due "as soon as possible and no later than 180 days after providing its permission to operate, where the distributor is not an embedded distributor."

The above wording was expressly agreed on by all participants in the subgroup that developed the recommendation regarding the connection deposit refund timeline. I have attached the official notes from that meeting, which state as follows:

There was discussion related to modifying the proposal wording to say "as soon as possible and no later than 180 days" so that there remains flexibility to provide the excess deposit refund sooner, and some indication that the distributor should provide the excess deposit refund in a timely manner. This would also pre-empt a potential criticism that this recommendation represents a step backwards from the existing requirement in the DSC (although there was recognition that this would not actually be a step backwards). Hydro One expressed support for the "as soon as possible and no later than" formulation.

...

As a summary of areas of agreement, the Subgroup noted:

- a. Agreement to adopt language of "as soon as possible and no later than 180 days" in the context of the final refund timeline.

After this decision was made, the "as soon as possible" proviso was contained in the wording presented to and approved by the group in subsequent meetings.

The “as soon as possible” wording is important for the following reasons:

1. Without the “as soon as possible” proviso, there will be some who interpret the full applicable time period (e.g. 180 days) as the target service standard. When there is a specific deadline, there is a natural tendency to use the entire period. However, there will be situations where a refund can be provided more expeditiously. The “as soon as possible” proviso could help in some situations to get refunds to customers faster.
2. Without the “as soon as possible” proviso, the new rule could be interpreted as a step backwards from the previous rule. The previous rule required a refund to be paid at the time of connection. Although this was not followed, having those words in the DSC could have allowed a customer to escalate the issue of a late refund to the OEB. With the new time periods, that is no longer available for many months.
3. The time periods account for and allow for a number of contingencies that will not arise in every situation. In other words, the time periods are longer than necessary for many situations in order to be achievable in all or almost all situations. The periods are in a sense a lowest common denominator. The “as soon as possible” proviso will help to compensate for this.

Thank you for the opportunity to make these comments.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Kent Elson', written in a cursive style.

Kent Elson

Encl.



Meeting Notes

DERs Connection Review (EB-2019-0207)
Process Subgroup Meeting
Tranche 4, Meeting 4

Meeting Date: August 3, 2022

Time: 1:00pm – 4:00pm

Location: Ontario Energy Board
via MS Teams

Attendees:

Andrew Houston	Alectra
Iain Jarvis	BOMA
Suzette Mills	Enbridge Gas Inc.
Kent Elson	Environmental Defense
Jie Han	Fortis
Jason Savulak	Hydro One Networks Inc. (HONI)
Greg Sheil	London Hydro
Michael Brophy	Pollution Probe
Larry Herod	STEM/Enel X
Dennis Li	Toronto Hydro
Raj Pattani Jason Craig Natasha Gocool	Ontario Energy Board

These notes summarize the information provided during the working group meeting and key points of the issues presented in the published materials.

Meeting Summary

These notes are for Working Group/Subgroup purposes only and do not represent the view of the OEB.

1. Land Acknowledgement

- a. OEB staff presented a Land Acknowledgement.

2. OEB Staff Update and Plan for Tranche 4

- a. OEB staff provided a recap of discussions from the July 28th meeting.
- b. OEB staff provided a recap of anticipated timelines leading into the August Working Group meeting.

3. Process Subgroup Topic 4: CAE for Small Generators

- a. Jason S. (Hydro One) presented the proposal to remove the CAE designation in the DSC.
- b. There was limited discussion and broad support for the proposal.
- c. **Recommendation:** The Subgroup agreed to make this proposal to the Working Group, and agreed that the lead would work with OEB staff to present the proposal in a templated format for the presentation to the Working Group.

4. Process Subgroup Topic 5: Capacity Deposits

- a. Larry H. (Stem & Enel X) presented the proposal to remove the requirement for capacity deposits.
- b. There was continued discussion related to the potential lack of effectiveness of capacity deposits in preventing non-viable projects from occupying capacity, given the time of the CIA and CCA.
- c. The Subgroup discussed that there remained broad support within the Subgroup for the removal of capacity deposits, and that it felt it to be of value to move forward with that recommendation, even though it may, at a later date, wish to address the question of queue squatting through other means.
- d. There was discussion about the possible occupation of capacity by large projects, to the detriment of smaller projects; it was explained that this comment was provided for discussion but not meant to halt progress on the present recommendation.
- e. **Recommendation:** The Subgroup agreed to recommend to the Working Group that the capacity deposit provisions in the DSC be removed, as presented in the proposal. The Subgroup confirmed it wished to move forward with this proposal even if a future solution may be sought to deter the occupation of capacity by non-viable projects.

5. Process Subgroup Topic 3: Connection Deposit Refund Timelines

- a. Jason S. (Hydro One) and Larry H. (Stem & Enel X) led the discussion.
- b. The conceptual proposal was recapped and included:
 - a. A preliminary cost report provided a certain number of days after connection.
 - b. A partial refund of the excess deposit provided a cert number of days after connection, where the excess deposit refund was anticipated to be in excess of \$100,000.
 - c. A full refund of the excess deposit provided 180 days after connection.

- c. Concerns were raised related to coordination time when multiple utilities are involved in a connection.
- d. There was discussion that Developers did not see the partial refund as the main benefit of the proposal.
- e. There was discussion related to whether 180 days was too long for the full excess deposit refund. Hydro One indicated a shorter period would be challenging to consider trailing costs and close-out.
- f. There was discussion related to modifying the proposal wording to say “as soon as possible and no later than 180 days” so that there remains flexibility to provide the excess deposit refund sooner, and some indication that the distributor should provide the excess deposit refund in a timely manner. This would also pre-empt a potential criticism that this recommendation represents a step backwards from the existing requirement in the DSC (although there was recognition that this would not actually be a step backwards). Hydro One expressed support for the “as soon as possible and no later than” formulation.
- g. There was discussion related to the practices for defining and documenting authorization to generate, and comments that the definition of “time = 0” should be in such a way that if the LDC were to be flexible in allowing a facility to generate with some works remaining for the connection (on an exception basis), it would not be penalized in terms of being held to a 180 day timeline after that time of connection.
- h. There was discussion related to renaming the “preliminary final” cost report as a “preliminary” cost report or something similar, for clarity.
- i. There was a request to include the “interest on deposit” topic as an area for discussion at the next Subgroup meeting.
- j. Two members representing the Developer community indicated the partial refund was too much trouble, and the main benefits that should be pursued are the preliminary cost report and the certainty on excess deposit refund timelines.
- k. As a summary of areas of agreement, the Subgroup noted:
 - a. Agreement to adopt language of “as soon as possible and no later than 180 days” in the context of the final refund timeline.
 - b. Agreement to rename the “preliminary final cost report” to “preliminary cost report”.
 - c. Agreement to revisit whether a partial refund was worthwhile.
- l. The Subgroup agreed to revisit this subject in the next meeting, considering the following questions:
 - a. Question for Developers
 - i. Is the partial refund worthwhile? (As a subset, is a partial refund of only the connecting distributor’s portion worthwhile?)
 - b. Question for Transmitter and any Host Distributors:
 - i. How fast can you provide inputs to the downstream utility for their preparation of the preliminary cost report?

- ii. How fast can you provide payment of partial refund to downstream utility?
- c. Question for all Distributors:
 - i. How much time do you need to prepare preliminary cost report once input received from upstream utility?
 - ii. How much time do you need to process payment of refund to customer once you have received payment from upstream utility?
 - iii. Is there benefit to make this applicable only to the connecting distributor?

6. Process Subgroup Topic 1: RRR

- a. Larry H. (Stem & Enel X) and Andrew H. (Alectra) led discussions.
- b. RRR on Type of DER
 - a. There was discussion about what LDCs would rely upon for the data, and general understanding it would be the information on DERs as they follow the process of the DERCP, and that if there are customers connecting DER without informing the utility, that would be a question of customer education rather than a drawback for the RRR proposal.
 - b. There was broad support for the revised RRR proposal.
- c. RRR on Rate Class of Net Metered Customers
 - a. The Subgroup confirmed support for the proposal (to decline to provide a new recommendation) as presented.
- d. RRR on Percent of Customers on Restricted Feeders
 - a. The Subgroup decided to recommend that this topic be reserved for a future meeting, where the issue could be explored in the context of both RRR and non-RRR proposals. The Subgroup agreed for the rationale to be provided in revised fashion by Environmental Defence, for review by the leads and inclusion in the report back to the Working Group.
- e. RRR on Installed DER Capacity
 - a. The Subgroup supported the proposal (to decline to provide a new recommendation) as presented.
- f. **Recommendation:** The Subgroup would move forward with the revised RRR proposal, with the addition of new text on the rationale for the “percent of customers on restricted feeders” item.

7. Next Steps

- f. Co-leads to present to the Working Group those proposals that have been finalized.

Next Meeting: August 25, 2022

Proposed Changes

- 6.2.18F (a) If, following the connection of an embedded generation facility to the distributor's distribution system, the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the actual costs allocated to the applicant and related to connecting the generation facility to the distributor's distribution system, the distributor shall ~~at the time of connection~~ refund to the applicant the total amount by which the connection cost deposit exceeded the actual costs ~~related to~~ of connecting the embedded generation facility as soon as possible and:
 - i) no later than 180 days after the distributor has provided authorization for the facility to generate; or,
 - ii) where the distributor is embedded within a host distributor's system, no later than 210 days after the distributor has provided authorization for the facility to generate.
- (b) Where the distributor has provided authorization for an embedded generation facility to generate ~~or~~ before the full connection scope of work has been completed, the distributor shall specify the scope of work items that need to be completed before the full connection scope of work is deemed fully complete.
- (c) Where the distributor has provided authorization for an embedded generation facility to generate before the full scope of work has been completed, the provisions in 6.2.18F shall continue to apply provided that the full connection scope of work is completed within 90 days of the authorization to generate being provided. If the connection scope of work is completed more than 90 days after the authorization to generate is provided, the distributor shall refund the applicant the total amount by which the connection cost deposit exceeded the actual costs of connecting the embedded generation facility:
 - i) no later than 90 days from the date that the connection scope of work was fully completed; or,
 - ii) where the distributor is embedded within a host distributor's system, no later than 120 days from the date that the connection scope of work was fully completed.
- 6.2.22A Following the connection of an embedded generation facility to the distributor's distribution system and after the distributor has provided authorization for the facility to generate, the distributor shall provide a preliminary connection cost report to the applicant no later than 60 days after the distributor has provided authorization for the generation facility to generate. The preliminary connection cost report shall specify the total actual costs incurred related to the connection of the embedded generation facility, including the costs incurred of any work required to be performed by a host-distributor or transmitter, as of the date that the facility was authorized to generate.

1. Connection Cost True-Up Process

- Amend Section 6.2.18F of the DSC as follows:

6.2.18F (a) If, following the connection of an embedded generation facility to the distributor's distribution system, the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the **actual** costs allocated to the applicant ~~and related to of~~ connecting the generation facility to the distributor's distribution system, the distributor shall ~~at the time of connection~~ refund ~~to~~ the applicant the **total** amount by which the connection cost deposit exceeded the **actual** costs ~~related to of~~ connecting the embedded generation facility **as soon as possible and no later than 180 days after the distributor has provided authorization for the facility to generate.**

Proposed Revisions to DSC s. 6.2*

- 6.2.18F (a) If, following the connection of an embedded generation facility to the distributor's distribution system, the distributor determines that the amount of the connection cost deposit provided by the applicant exceeded the actual costs allocated to the applicant ~~and related to~~ connecting the generation facility to the distributor's distribution system, the distributor shall ~~at the time of connection~~ refund ~~to~~ the applicant the total amount by which the connection cost deposit exceeded the actual costs ~~related to~~ of connecting the embedded generation facility as soon as possible and:
- i) no later than 180 days after the distributor has provided authorization for the facility to generate; or,
 - ii) where the distributor is embedded within a host distributor's system, no later than 210 days after the distributor has provided authorization for the facility to generate.
- (b) Where the distributor has provided authorization for an embedded generation facility to generate before the full connection scope of work has been completed, the distributor shall specify the scope of work items that need to be completed before the connection scope of work is deemed fully complete.
- (c) Where the distributor has provided authorization for an embedded generation facility to generate before the full scope of work has been completed, the provisions in 6.2.18F shall continue to apply provided that the full connection scope of work is completed within 90 days of the authorization to generate being provided. If the connection scope of work is completed more than 90 days after the authorization to generate is provided, the distributor shall refund the applicant the total amount by which the connection cost deposit exceeded the actual costs of connecting the embedded generation facility as soon as possible and:
- i) no later than 90 days from the date that the connection scope of work was fully completed; or,
 - ii) where the distributor is embedded within a host distributor's system, no later than 120 days from the date that the connection scope of work was fully completed.
- 6.2.22A Following the connection of an embedded generation facility to the distributor's distribution system and after the distributor has provided authorization for the facility to generate, the distributor shall provide a preliminary connection cost report to the applicant no later than 60 days after the distributor has provided authorization for the generation facility to generate. The preliminary connection cost report shall specify the total actual costs incurred related to the connection of the embedded generation facility, including the costs incurred of any work required to be performed by a host-distributor or transmitter, as of the date that the facility was authorized to generate.

* Language presented would be expected to be worked through OEB Staff for refinement prior to presentation to the OEB and prior to issuance of a Notice of Proposal to Amend the DSC.