

Elson Advocacy

March 16, 2023

BY EMAIL AND RESS

Nancy Marconi
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700, P.O. Box 2319
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

**Re: EB-2022-0028 – EPCOR Electricity Distribution Ontario Inc.
Cost of Service Application**

I am writing to provide submissions on behalf of Environmental Defence (“ED”) regarding EPCOR Electricity Distribution Ontario Inc.’s (“EPCOR”) Cost of Service Application.

These submissions focus solely on EPCOR’s proposed capital expenditures described in the Distribution System Plan as System Service investments and, in particular, those that EPCOR had identified as DER-enabling.¹ Environmental Defence strongly supports these investments as they would provide many benefits while saving customers money down the road.² ED is concerned that these investments may be at risk if the capital budget envelope that the OEB ultimately approves is significantly lower than that requested by EPCOR.

The DER-enabling System Service investments proposed by EPCOR would have a number of benefits for customers. For example, these investments would increase reliability for customers, increase safety for workers and improve the visibility of the system, all of which lower operating costs for customers.³ Greater system visibility also facilitates greater DER and electric vehicle penetration.⁴ This would ensure that inter-connection of DERs is not unnecessarily restricted,⁵ which means that those customers who so chose can use DERs to lower their overall energy bills and all customers would gain from the system-wide benefits of DERs.⁶ These investments would also help to avoid overbuilding the system, which would save money to all customers in the future.⁷ In sum, the proposed investments would enable EPCOR to modernize its grid while also

¹ IRR-ED-4. Specifically, these projects are: (1) ArcPro GIS upgrade and UN Migration; (2) SCADA upgrades at Stayner MS, Thornbury MS and Collingwood MS7; (3) Fault Line Indicators; and (4) SCADA controlled switches.

² Final Transcript, Vol 1, Feb 14 2023, at page 118, lns 15-19.

³ Final Transcript, Vol 1, Feb 14 2023, at page 117, 9-18 & page 119, lns 13-24.

⁴ Final Transcript, Vol 1, Feb 14 2023, at page 117, lns 9-18.

⁵ Final Transcript, Vol 1, Feb 14 2023, at page 117, lns 19-27.

⁶ Final Transcript, Vol 1, Feb 14 2023, at page 117, ln 28 & page 118, lns 1-9.

⁷ Final Transcript, Vol 1, Feb 14 2023, at page 118, lns 15-19.

saving customers money by lowering current operating costs and avoiding unnecessary future capital costs.

ED is concerned that if EPCOR's capital budget is significantly reduced, EPCOR may not be able to proceed with some or all of these important investments during this DSP period. It is our understanding that some intervenors may be advocating for a reduction in EPCOR's capital budget. ED understands the pressure to save customers money. However, simply cutting costs may ultimately cost customers more if costs are cut in the wrong places. If these projects are postponed due to budget limitations, customers may end up paying more later.

Environmental Defence believes that it is in the best interests of EPCOR's customers that the System Service investments proceed as proposed. While ED takes no position on what EPCOR's overall capital envelope should be, we do believe that if EPCOR cannot proceed with these investments, it will harm the quality and reliability of service for EPCOR's customers and eventually lead to increases in their overall bills.

Accordingly, Environmental Defence respectfully requests that the OEB direct EPCOR to proceed with these important investments even if the approved capital budget is less than that proposed by EPCOR in its application.

Yours truly,

A handwritten signature in cursive script, appearing to read "Amanda Montgomery".

Amanda Montgomery