

Ms. Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

June 14, 2023

Electric Vehicle Integration (EVI) Initiative (EB-2023-0071)
Pollution Probe Comments

Dear Ms. Marconi:

The OEB letter dated May 31, 2023 for the above-noted consultation requested comments from stakeholders by June 14, 2023. Pollution Probe commends the OEB for soliciting broad stakeholder input and also for coordinating the May 24, 2023 Stakeholder Meeting to discuss issues and share input. Pollution Probe was a participant at the May 24th session and found the open discussion very constructive and useful. Facilitating collaborative open discussion is important for unlocking innovation and level-setting across industry stakeholders. This is especially true for difficult issues that require change from the status quo.

Pollution Probe supports the Minister of Energy (Ministry) and Ontario Energy Board (OEB) efforts in support of efficient integration of Electric Vehicles (EVs) into the electricity system. Migration to EVs (commercial and residential) has already been significant in Ontario and will continue at a steady pace in support of Net Zero emission objectives, market trends and consumer/business choice. Preparing now is essential to succeed in the future as the pace of change accelerates which will likely occur at a faster pace with commercial fleets than non-commercial due to the economic benefits. Without modern, detailed regulatory planning and execution, EVs can pose a challenge. With proper modern detailed regulatory planning and execution, EVs and related infrastructure is an opportunity to reduce consumer costs while enabling the Energy Transition.

Long-term certainty is a core requirement to enable meaningful change, stakeholder alignment and related system integration benefits. This is a core factor in jurisdictions that have successfully implemented innovative energy policy in alignment with the ongoing Energy Transition. Gradually introducing well planned changes that integrate with a broader transparent Provincial energy plan will lead to stable change and customer behavior. Pollution Probe supports a transparent long-term plan to align policy, infrastructure, stakeholders and resources to efficiently achieve the desired Energy Transition outcomes, including those related to EV Integration.

EVs and related infrastructure have the potential to be a cost-effective Distributed Energy Resource (DER) when designed and operated in a coordinated and efficient manner. Battery storage and charging off-peak utilizes infrastructure more adequately, and incenting bi-directional charging infrastructure lays the foundation for unlocking additional benefits. Pollution Probe research indicates vehicle-to-everything (V2X) technology applications are gaining traction across North America. Business customers can play an even larger role in DER solutions integrated with EVs charging, given the higher electricity use (increasing) and potential benefits for managing on-peak load. Everything that the Ministry and OEB considers in relation to EV Integration should be designed to maximize long-term system/consumer benefits, not just short-term objectives. Short term instruments that fluctuate in the long term are less effective and do not contribute to a stable Energy Transition.

Another challenge is overcoming the existing Ontario utility and regulatory paradigm that is premised on a unidirectional grid that under-serves new clean technologies such as EVs and undervalues the benefits and potential of DERs, including EVs and related infrastructure. A successful Energy Transition will require a paradigm shift to a more open, flexible approach that does not treat DERs as barriers and additional costs, but as sources of demand response and cost-effective resources. Currently a large number of embedded system planners (in utilities and Provincial entities) don't endorse the benefits of DERs and cling to the centralized production model of the past. This is contrary to consumer choice and maximizing the benefits of non-utility assets across Ontario. It is no secret that the current approach incents over-building of utility capital assets when other cost-effective options exist. If this paradigm shift fails to occur, it will limit the ability for EV Integration to occur in a cost-effective manner. More is needed.

Moving off-peak or leveraging complimentary DER options (including non-coincident charging) is not just an EV issue. EVs are only one technology linked to consumer/business energy use. The same messages and approaches that are needed to integrate EVs effectively are exactly the same for other technologies. A broader policy framework could help shift broader behaviour and load shift to off-peak across a variety of uses. Implementing this in a comprehensive manner to consumers/businesses will have the greatest impact. Consistency across Ontario is also key. It will be impossible to implement effective approaches in a siloed manner by LDC or service territory. Also, customers move and utilities merge, which further reinforces the need for a consistent approach. Pollution Probe sees potential to use the off-peak rate approach for a much larger set of opportunities than EVs alone. For example, incenting battery storage or rooftop solar could also benefit from the same type of incentives for demand management. If done correctly, distributed energy has the ability to increase reliability and reduce large scale impacts related to increasing climate events. Consumers/businesses and communities are willing to step up to the challenges if the Ministry and OEB sets out a comprehensive integrated approach that rewards specific consumer/business behaviors and investments. Policy development and action in alignment with community/municipal energy planning (see OEB RPPAG report as a reference) across Ontario creates a stronger integrated system that support economic development and climate policy. Pollution Probe has already seen this starting to happen in Ontario municipalities and more integrated support is needed across all policy levers.

Without proper education and incentives, existing consumer/business behavior will follow the current pattern where charging can result in incremental peak demand. The recent optional enhanced time of use (TOU) rate is one example of a regulatory tool to help incent demand-shifting away from peak periods to lower demand periods. It is also important to recognize that technology and energy use is changing and will be different in the future than it is today (e.g. load profiles will change and can be influenced by today's policy decisions). Designing regulatory approaches that meet today's needs but not tomorrows will result in system failure.

Respectfully submitted on behalf of Pollution Probe.



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