#### ONTARIO ENERGY BOARD

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (the "**Act**");

**AND IN THE MATTER OF** an Application by Toronto Hydro-Electric System Limited ("**Toronto Hydro**") to the Ontario Energy Board for an order or orders approving or setting just and reasonable distribution rates and other charges, effective January 1, 2025 to December 31, 2029.

#### EB-2023-0195

# NOTICE OF INTERVENTION

#### OF

#### DISTRIBUTED RESOURCE COALITION

(DRC)

January 5, 2024

# A. Application for Intervenor Status

 The Distributed Resource Coalition ("DRC") hereby requests intervenor status in the matter of the application of Toronto Hydro for order or orders approving or setting just and reasonable distribution rates and other charges, effective January 1, 2025 to December 31, 2029, as set out in Toronto Hydro's application filed November 17, 2023 (the "Application"). This notice of intervention is filed pursuant to Rule 22 of the Board's *Rules of Practice and Procedure*.

### B. DRC and Its Interest in the Proceeding

### **Distributed Resource Coalition**

- 2. DRC is a group of electricity customers and consumers, consisting of end-use residential customers, non-profit organizations, and owners' associations. DRC's members are directly affected by and interested in: (i) optimizing existing energy assets; (ii) efficiently facilitating the integration of existing and innovative distributed energy resources ("DERs"), including electric vehicles ("EVs"), to achieve customer and grid solutions; and (iii) providing input on direct customer needs and local distribution company opportunities relating to EVs. DRC's members for this proceeding include, subject to further update, the Electric Vehicle Society ("EVS") and Plug'n Drive ("PnD").
- 3. EVS represents over 1,000 end-use, largely residential, individual EV electricity customers. EVS has 12 local chapters of electricity rate-paying customers in Ontario, many of whom live in Toronto Hydro's service territory. EVS's mandate is to consolidate, represent and advocate for the interests of its members on matters related to DERs, transactive energy, innovation and electrification of transportation. EVS is governed to ensure that individual ratepayers are informed, consulted, and can independently raise their needs and preferences on matters of direct and substantial interest with the leaders of their local EVS chapters, and all such needs and preferences are communicated to and through the President of EVS. Those customer needs and preferences are aggregated and conveyed to jointly formulate DRC positions through the President of EVS through regular DRC reflects the public interest in electrified transportation DER matters; it does not assume or suppose it. Further information on EVS, its more than 1,000 individual residential rate-

paying members, and its programs and activities may be found on its website at <u>www.evsociety.ca</u>.

4. PnD is the authoritative convener of current and future EV customers and acts to provide access to facts and information to electricity and EV customers on electricity and electric mobility issues and choices. PnD works with each and all of electricity/EV customers, vehicle manufacturers, governments, and utilities to ensure that all are afforded the best available information in order to make fact-based plans and choices. PnD regularly surveys, and/or collects aggregated information from, the thousands of rate-paying customers that come to it through its programs and activities, website (www.plugndrive.ca, through which further detailed information on its programs and activities may be found), and/or Discovery Centre with their questions, needs, and preferences related to electrified transportation DERs. Those customer needs and preferences are aggregated and conveyed to jointly formulate DRC positions through the President and CEO of PnD through regular DRC teleconference meetings where decisions are recorded and confirmed.

### **DRC's Interest in the Proceeding**

- 5. DRC has a direct and substantial interest in the proceeding in that its members are directly affected by the rates, services, activities, and investments being proposed in the Application.
- 6. DRC anticipates that its intervention will focus on testing evidence and providing argument with respect to the following issues where its members maintain an active and ongoing interest:
  - (a) whether Toronto Hydro's proposed investments and asset management strategy reflect the increasing and changing demands that new forms of distribution, DERs and EVs, as well as electrification more generally, will entail;
  - (b) whether Toronto Hydro's forecasts for increased DER and EV adoption are accurate and reliable;
  - whether Toronto Hydro has adequately considered lower-cost and/or more effective alternatives that may be better positioned to meet future demands as the use of EVs increases;

- (d) whether Toronto Hydro's proposed approach facilitates or hampers a future transition to increased electrification and what consequences the approach entails for the future viability, effectiveness, reliability, and cost-effectiveness of services;
- (e) whether Toronto Hydro's proposed investment approach preserves optionality in energy transition scenarios where DER and EV adoption proceeds or is capable of proceeding at a more accelerated pace;
- (f) whether Toronto Hydro has adequately considered how the availability of EVs as storage centres might influence the need or lack thereof for existing distribution approaches;
- (g) whether Toronto Hydro has sufficiently addressed challenges relating to bidirectional energy flow, as well as safety and reliability more generally, relating to the adoption of EVs and DERs;
- (h) whether Toronto Hydro's plan includes optimal provision for smart grid capabilities and other new infrastructure investments;
- whether Toronto Hydro has adequately considered the integration and impact of DERs and EVs in general as well as specifically on rate design, load forecasting, customer engagement, data collection, and cybersecurity; and
- (j) such other issues as may arise and may be relevant to DRC and its members.
- 7. Toronto Hydro's Application makes clear that the issues that DRC proposes to address, as well as questions arising from the rapidly increasing use of EVs and DERs more generally, will play a significant role in this proceeding. For example:
  - (a) Toronto Hydro identifies four capital investment priorities. One of these pillars is entitled "Growth and City Electrification" and expressly includes investments necessary to respond to the increased use and integration of DERs as part of efforts to build the capacity to serve a growing and electrified local economy.<sup>1</sup>
  - (b) The Application includes several key areas that focus on questions of how to integrate DERs. Toronto Hydro anticipates that by the end of the decade there will be 4,400 DER connection points, representing a total installed capacity of 517 MW, which is an increase of 67% compared with 2022.
  - (c) Toronto Hydro recognizes that these increases will result in challenges that the company must address. For example, the Application includes sections that:

<sup>&</sup>lt;sup>1</sup> "Necessary investments to connect customers (including DERs) and build the capacity to serve a growing and electrified local economy."

- (i) recognize the challenges of bi-directional energy flow within a grid that was not built for this form of supply and demand;
- (ii) assert that DERs give rise to increased safety and reliability concerns;
- (iii) identify a need for smart grid capabilities and other new infrastructure investments (including an Advanced Distribution Management System) to mitigate safety and reliability risks;
- (iv) identify a need to anticipate and mitigate cybersecurity threats that will increase in relation to DERs and the smart grids of the future.
- (d) Toronto Hydro's plan also recognizes that DERs will mean changes to customer engagement. This includes measures to facilitate connections and better track and analyze data.
- 8. Toronto Hydro's plans relating to EVs and DERs take place within the larger context of Ontario's energy transition and potential electrification pathways, which feature prominently in the Application and are highly relevant to the issues relating to EV and DER adoption that DRC proposes to address in its intervention. For example:
  - (a) The Application emphasizes that the energy transition is underway and will lead to a doubling of the demand for electricity over the coming decades. Toronto Hydro highlights that it must prepare its grid now in a way that meets growing customer demand and provides greater choice for energy use. It cites EVs, solar panels, home energy storage, heat pumps and electric water boilers as driving increasing customer demand and expectations for outcomes.
  - (b) Toronto Hydro's plan anticipates a 23% increase in demand over the 2025-2029 investment period, driven in part by assumptions relating to the increased adoption of EVs. It also references the city's Electric Vehicle Strategy, which targets having 30% of all vehicles electric by 2030, driving an increased need for charging infrastructure.
  - (c) Nevertheless, the Application recognizes that Ontario's future energy pathways remain uncertain, dependent in part on choices that customers and policymakers will make. Its investment plan responds to this uncertainty with a "measured but proactive" approach, which introduces questions of whether Toronto Hydro's proposed approach includes adequate preparation for scenarios where EV and DER adoption proceeds more rapidly, especially in circumstances where Toronto Hydro acknowledges that many investments require long lead time.
- 9. More generally, Toronto Hydro's evidence and proposals on topics such as rate design, load forecasting, and customer engagement carry implications for current and future users

of DERs and EVs in general, since the decisions that Toronto Hydro takes today will affect the viability of the options available to transition to these new approaches going forward.

- 10. DRC was recently approved as an intervenor in the Board's generic hearing to consider various issues related to Ontario's Uniform Transmission Rates (EB-2022-0325). DRC was also an active, Board-approved intervenor in Elexicon Energy's application for incremental capital funding in the Veridian and Whitby rate zones (EB-2022-0024), Alectra's recent application for Incremental Capital Module funding (EB-2022-0013), as well as Alectra's electricity distribution rate proceeding (EB-2019-0018), which included a 10-year distribution system plan. DRC was an active intervenor in Hydro One Network Inc.'s 2023-2027 joint distribution and transmission rate application (EB-2021-0110). DRC was also an active intervenor in the Toronto Hydro custom incentive rate proceeding (EB-2018-0165), providing the Board with expert evidence on the impact of electrified mobility on the matters at issue in order to inform its decision-making and set just and reasonable rates for a fiveyear time period. Further, DRC was an active participant in cost of service rate proceedings of Burlington Hydro Inc. (EB-2020-0007), Oshawa Power and Utilities' (EB-2020-0048), Niagara Peninsula Energy Inc. (EB-2020-0040), and Halton Hills Hydro Inc. (EB-2020-0026), as well as Hydro Ottawa's custom incentive rate proceeding (EB-2019-0261), and the Board's Utility Remuneration and Responding to DERs consultation (EB-2018-0287 / EB-2018-0288).
- 11. DRC hopes to provide the Board with the currently absent, unique perspective of EV residential customers, as well as EV-related non-profit organizations, owners, and developers, each of which may be materially affected by the outcome of this proceeding.

### C. <u>Nature and Scope of DRC's Intended Participation</u>

12. DRC intends to be an active participant in this proceeding and will act responsibly to coordinate with other intervenors where common issues may arise and be otherwise addressed. DRC otherwise intends to participate actively in order to test evidence in accordance with the stipulated processes and timelines, participate fully, and provide argument should the Board's procedures provide for same. It reserves the right to adduce evidence should the Board's procedures provide for same.

# D. <u>Costs</u>

- 13. DRC is, in accordance with s. 3.03(a) of the Board's *Practice Direction on Cost Awards* (the "Practice Direction"), eligible to seek an award of costs as DRC is a party that primarily represents the direct interests of consumers (residential customers) in relation to services that are regulated by the Board. DRC is also eligible to seek an award of costs in accordance with s. 3.03(b) of the Practice Direction, as DRC represents organizations that have a policy interest in electricity conservation and demand management, implementation of a smart grid in Ontario, promotion of the use of electricity from renewable energy sources, each of which are components of the Board's mandate and relevant to the proceeding. The Board has granted DRC cost eligibility in several Board proceedings, including each of the proceedings referred to above in paragraph 8.
- 14. DRC therefore requests cost eligibility in this proceeding as its comments will serve an important and unique interest and policy perspective relevant to the Board's mandate, which has heretofore not been represented or heard.

### E. <u>DRC's Representatives</u>

15. DRC hereby requests that further communications with respect to this proceeding be sent to the following:

### **Electric Vehicle Society**

265 Crawford Street Orillia, ON L3V 1J9

Attention:Devin ArthurTelephone:705-507-9227Email:Devin.Arthur@EVSociety.ca

AND TO ITS COUNSEL

#### **Resilient LLP**

Bay Adelaide Centre 333 Bay Street, Suite 625 Toronto, ON M5H 2R2

Attention:	Nicholas Daube
Tel:	416-768-8341
Email:	nicholas@resilientllp.com

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 5<sup>th</sup> day of January, 2024.

Nicholas Daube Resilient LLP Counsel for DRC