

February 13, 2024

BY EMAIL & RESS

Ms. Nancy Marconi – Registrar
Ontario Energy Board
2300 Yonge St, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Marconi:

Re: **EB-2019-0207**

The Electricity Distributors Association (“EDA”) represents approximately 50 publicly and privately owned local distribution companies (“LDC”) the part of our electricity system closest to customers. Publicly and privately owned LDCs deliver electricity to over 5.4 million residential, commercial, industrial, and institutional customers—powering every community in the province. The sector owns more than \$30 billion in electricity system infrastructure and invests more than \$2.5 billion annually in the electricity grid to meet system needs while providing safe and reliable electricity. That is the Power of Local Hydro.

The EDA supports the Ontario Energy Board’s (OEB) proposed amendments to the Distribution System Code (DSC) that are set out in the January 29, 2024 Notice of Proposal to Amend a Code. Our position on the proposed amendments is set out further below.

Re: **Refunding Capacity Allocation Deposits**

We supported the OEB’s March 7, 2023 amendments to the DSC that eliminated Capacity Allocation Deposits, which took effect June 7, 2023. By parity of reasoning, our members support these proposed amendments. While it is our understanding that no member has any unrefunded Capacity Allocation Deposit(s), we trust that, if an unrefunded Capacity Allocation Deposit is discovered, the OEB will support that LDC in taking prompt and timely action to refund the amount. If it is not possible for the LDC to return a Capacity Allocation Deposit (e.g., if the party has been legally dissolved or wound up), we anticipate that the LDC will be able to engage with the OEB to identify and implement appropriate actions.

Re: **Flexible Hosting Capacity Arrangements**

Our members were encouraged by both the OEB’s proposed amendment and its enabling, permissive approach. They support the proposed amendment on an ‘in principle’ basis and anticipate that, if made, it will result in LDCs declining to connect fewer DERs and other devices.

As Flexible Hosting will be a new practice for many LDCs in Ontario, they expect to experience a variety of issues and to learn much from them. We seek confirmation of certain preliminary matters including that Flexible Hosting is to be provided using existing infrastructure only, on a first-come-first-served basis and that the LDC will be permitted to specify the period of time that it will provide Flexible Hosting services.

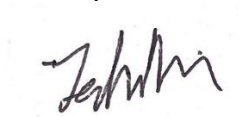
LDCs will need to assess whether to provide Flexible Hosting through system automation (e.g., Distributed Energy Resource Management Systems, Advanced Distribution Management Systems) or through an agreement. Regardless of the approach, many LDCs will need additional specialized resources to support providing Flexible Hosting (e.g., ability to perform live load flow analysis) as well as additional infrastructure (e.g., communications, SCADA, infrastructure that supports system visibility, 'alarm' infrastructure that will alert the LDC of an impending undesirable outcome).

All parties will benefit from clear regulatory policy of the treatment of these new/incremental costs (e.g., whether they are to be recorded in a deferral account, whether they will be treated as connection costs or common use costs). All parties will also benefit from regulatory guidance on the treatment of costs that are incurred prospectively rather than incurred reactively.

We look forward to LDCs sharing their lessons learned on how to provide Flexible Hosting (e.g., how to manage Flexible Hosting arrangements when unplanned outages occur, whether and how host LDCs need to coordinate with embedded LDCs, and vice versa, where one or both provides Flexible Hosting, how to manage shared transformer stations that are used to provide Flexible Hosting, how to appropriately keep existing Connection Impact Assessments up to date for the provision of Flexible Hosting). As operationalizing, implementing and providing Flexible Hosting is expected to identify regulatory issues, we and our members look forward to working collaboratively with the OEB to clarify, scope and address them on a timely basis.

Thank you again for the opportunity to comment on these proposed amendments to the DSC. If you have any questions or require clarification of any of these comments, please do not hesitate to contact Kathi Farmer at kfarmer@eda-on.ca or at 647.348.3216.

Sincerely,



Ted Wigdor
Vice President
Policy, Government & Corporate Affairs