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Attn: Ontario Energy Board

Re: Comments on TOU APP for Class B Non-RPP Customers EB-2022-0079

We attended and reviewed the OEB Dynamic Pricing Options meeting and presentation, which we found very well set out and useful.

Our understanding is that the OEB seeks feedback and stakeholder thoughts. We are setting out a few reactions below. Information on our firm and context is provided in Appendix C. GCS is highly active in managing and evolving power loads and site planning with multiple Class B non-RPP consumers in Ontario.

We offer to have a meeting or video call if a direct discussion of these thoughts is helpful to the OEB staff.

General Response to the OEB:

1. We support a policy direction towards introducing more dynamic pricing signals in the Class B payor system.
2. We support the “opt-in” nature of these proposed changes.
3. We support TOU over RTP, based on its simplicity and certainty, which we see as supporting consumer uptake. We view that APPs such as RTP could be reviewed at a later stage of rate structure evolution.

Detailed Response to the OEB:

1. We would recommend that the proposed On-Peak rate brackets should be widened in duration, by 3 hours earlier in the summer period, reflecting underlying Ontario system-wide demand. These hours of Ontario system demand are consistently

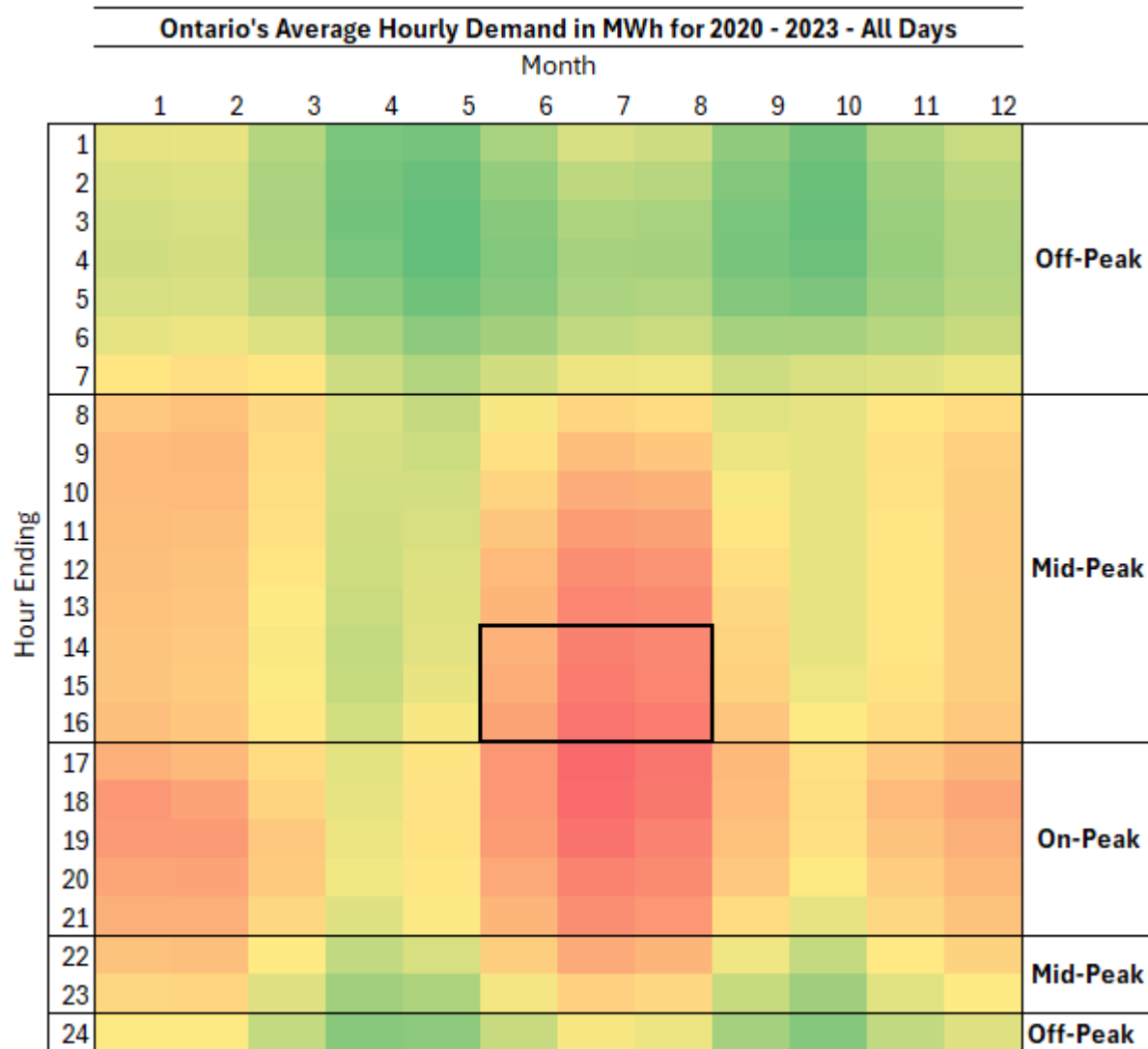
higher than all On-Peak winter hours, for example. Please see the illustrative attached Ontario system “heat map” within Appendix A, and reference to an OEB report from March 2022 commenting on associated “improved price signals” within Appendix B.

2. We recommend that the proposed SUMMER On-Peak rate, MID PEAK, and OFF-PEAK rates should be increased in polarity (higher ON-PEAK, MID-PEAK, and lower OFF-PEAK rates) to provide a less muted price signal to interested payors. The bottom line, savings from shifting consumption as set out in the presentation, while positive, will not model out to significant inducements in actual savings for many rate payors.
3. We believe that muted signals risk a limited impact. Many of our Class B counterparties have other demands for their focus and internal initiatives.
4. We propose that a bi-seasonal TOU GA rate structure could be considered. If so, lower On-Peak rates in the Winter versus Summer would support costing and better align with actual system demand patterns.

Response Regarding DERs:

We understand that DER uptake is not necessarily the principal focus of the present OEB review. However, we wish to offer our thoughts:

1. The Class B rate adjustments illustrated by the OEB paper are not likely to incent any DER investment. For example, the net impacts act to reduce, not improve, the economics of rooftop solar.
2. We believe that an APP tailored to incent DER adoption is a compelling alternative in the short to medium term. For example, customers could opt-in to an APP on COD of new on-site capacity over the next 1 – 5 years).
3. Such an APP could be used to incent private behind-the-meter investment in DER capacity, and not impact the vast majority of rate payors, or payment flows in the system. Other markets have utilized such APPs which have proven effective in reducing grid consumption at times of peak demand. Please refer to California’s PG&E Option E Tariff rates, as an example.



The diagram above illustrates, with bolded borders, a recommended shift in On-Peak hours to include three earlier hours in the summer. This change will significantly increase the coincidence between peak Ontario grid demand, peak solar production, and peak electricity rates, undoubtedly driving the adoption of solar DERs.

“Demand during these peak demand periods tends to be higher in the summer compared to other seasons. As such, there may be value in considering increasing On-Peak prices in the summer months and decreasing On-Peak prices in other months to provide improved price signals that reflect these demand patterns over the course of the year.”

Ontario Energy Board, 2022, pp. 49–49, *Report to the Minister of Energy Design of an Optional Enhanced Time-of-Use Price*.

<https://www.oeb.ca/sites/default/files/Report-Design-of-an-Optional-Enhanced-Time-of-Use-Price-20220331.pdf>



GCS Summary:

Great Circle Solar Management Corporation (“GCS”) is a specialized and independent provider of comprehensive solar management and operational services to leading institutional investors, with \$3.2 billion in operating assets under management in Ontario. This portfolio includes 25+ utility scale ground mount facilities (10 MW+), and 100+ commercial and industrial rooftop systems in sizes ranging up to 1 MW. The firm also manages 33 MWs of operational distributed energy resources and energy storage.

Our focus is on delivering an integrated platform of financial, operational, technical, and regulatory support for long-term solar asset optimization and return realization.

Active since 2010, the firm enjoys a rare continuity of direct development, operational, regulatory, compliance, and administrative experience in North America.

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