



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

February 13, 2025

## EB-2024-0126 Transmission Connections Review Pollution Probe Comments on Proposed Changes to the Transmission System Code

Dear Ms. Marconi:

Pollution Probe received the notice dated January 27, 2025 requesting comments on the proposed amendments to the *Transmission System Code* (TSC), which are focused on facilitating the connection of energy storage to a transmitter's system. As noted, energy storage is increasingly playing an important role in Ontario's electricity system. An effective Energy Transition requires enabling Distributed Energy Resources (DERs) including energy storage connected to both the transmission and distribution systems. We commend the OEB for advancing TSC updates to enable the implementation of modern energy solutions that align with the Energy Transition. Using standard form of connection agreements helps make the process efficient and consistent. In the case where a customer still requires a unique approach, the exemption process that the OEB has been using still remains an option. Using the regular review and stakeholder process leveraged by the OEB is helping to ensure that the TSC remains current and supports current and future DER opportunities.

The proposed amendments in this Notice are consistent with those made to include energy storage in the Distribution System Code (DSC) in 2022. Similar to DSC reviews iniated by the OEB, there is an interrelationship between many of the OEB requirements and assessing individual elements from a distribution and transmission perspective enhances the ability to achieve the desired outcomes (e.g. increased efficiency, enhance distributed generation and storage, enhance resilience and flexibility, reducing grid carbon intensity, etc.).

Pollution Probe agrees that the proposed amendments will make the connection process for storage facilities comparable to that of load and generation facilities and more efficient and predictable, by alleviating the need for a transmitter to seek an exemption from the OEB. Overall, Pollution Probe supports the proposed changes to the TSC, including:

- Providing new definitions for "storage facility" and "storage customer"
- Recognizing a storage customer as a transmission connection customer
- Setting out the cost responsibility of a storage customer



- Additional amendments for alignment with the above amendments
- Adding a standardized form of connection agreement for a storage customer to Appendix 1 of the TSC (as version C).

The TSC is an important document, but it is important to remember the connection and interaction with other parts of the planning and regulation framework such as Regional Planning, Leave to Construct Requirements and other related guidance or requirements. Related issues have been assessed through initiatives such as the Regional Planning Process Advisory Group (RPPAG) <sup>1</sup> where specific recommendations were identified for improvements and further alignment<sup>2</sup>. The Integrated Regional Planning process includes both distribution (core of net demand forecast) and transmission planning and solutions, including DERs (systemwide and behind the meter). This process is being enhanced gradually to more effectively include DERs in the net demand and supply solutions. Alignment and consistent tracking of energy storage will enable the OEB to track tangible implementation of energy storage in alignment with OEB intended outcomes.

It is important to note that energy storage is typically designed to take energy during low demand periods and make it available at times of high demand. This is a net benefit to the system and aligns with the principles included in the OEB's recent Benefit-Cost Analysis (BCA) Framework . Removing barriers and encouraging energy storage is a strategic objective aligned with Provincial policy. Unlocking the full benefits available from energy storage will require complimentary initiatives to be undertaken, such as increased energy storage (and related DER) planning in the Regional Planning process and long-term incentive programs that encourage attracting energy storage that provides capacity and net benefits across the system.

As previously noted by Pollution Probe, a proactive and coordinated approach is essential to enable the cost-effective solutions available and in alignment with the Energy Transition. The provincial government's Powering Ontario's Growth report states that electricity demand is expected to increase over the coming decades, driven by economic growth and increased electrification. The Electrification and Energy Transition Panel's Ontario's Clean Energy Opportunity report noted that a key factor in attracting investment and enabling economic growth is timely access to electricity. Energy storage solutions are a relevant component of existing and future facility investment (integrated with a facility or stand-alone). The modern approach to system planning is not just the build out of transmission infrastructure that is important, but enabling the shift in planning to a distributed model vs. the old school central generation approach that has been in place for a century. Recognition of energy storage advancements through the proposed TSC changes is helpful in highlighting their importance. Broader systematic barriers still exist that put energy storage at a disadvantage against traditional wires solutions. Competencies across the sector have been maturing, but more is

<sup>&</sup>lt;sup>1</sup> Regional Planning Process Advisory Group (RPPAG) | Ontario Energy Board (oeb.ca)

<sup>&</sup>lt;sup>2</sup> E.g. Regional Planning Process Advisory Group (RPPAG) - Load Forecast Guideline for Ontario (oeb.ca)





needed to ensure that energy storage (and related DER) solutions are elevated as a critical requirement when demand planning is undertaken.

Communication of the TSC changes (once adopted) will be important, including the benefits of using a common streamlined approach rather than the exemption approach. Industry stakeholders including utilities have visibility into this initiative and have participated in the stakeholder sessions that arrived at the recommendations. The OEB notes that transmitters will need to update their connection procedures and websites to include storage customer as a new type of customer. This is a standard and reasonable communication approach. It is also recommended that the OEB and stakeholders promote the updates to prospective customers that either currently provide energy services to the transmission system, or may provide energy storage in the future. Highlighting the support for energy storage (and related DERs) helps stakeholders, industry and investors know that a coordinated approach is being taken to advance opportunities for these solution in Ontario. A very good message for everyone.

Thank you for the opportunity to provide comments and please reach out should you have any questions.

Respectfully submitted on behalf of Pollution Probe.

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