

ONTARIO ENERGY BOARD DISTRIBUTION SYSTEM OPERATOR CONSULTATION

(EB-2025-0060)

Ontario Association of Physical Plant Administrators

Stakeholder Consultation

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OEB DSO Consultation (EB-2025-0060)

OAPPA is a not-for-profit organization whose membership includes the physical plant administrators for provincially-assisted universities.

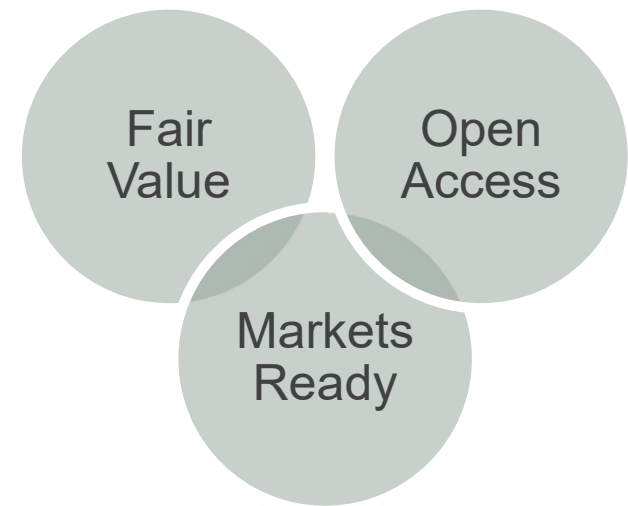
- Members use an estimated 1.1 TWh of electricity (2023). Demand is expected to grow as Ontario's campuses de-carbonize.
- Members are connected to 23 of the ~ 60 LDCs, and the IESO.
- Members are owners and operators of cogeneration facilities and various other resources that are considered Distributed Energy Resources (DER).
- Members are implementing ambitious plans to reduce greenhouse gas emissions, which rely heavily on a clean, efficient, affordable, and reliable electricity system, which includes DERs.
- DER are important tools in the universities' plans to de-carbonize and OAPPA seeks a DSO model that provides fair value and equal-access opportunities for those resources, regardless of their connection points.



Governing Principles in DSO Design

OAPPA supports a simplified DSO implementation plan, provided:

- **The simplified elements are to promote early implementation and do not constrain evolution to more sophisticated models.**
- **Markets are implemented where feasible**
 - Overcome the “knowledge monopoly” in bilateral negotiations
 - Assist the DER provider to realize fair value.
- **Strive for equal access**
 - Minimize DER assets stranded due to lack of DSO capability
- **Strive for optimal scope**
 - Optimal DSO boundaries may transcend municipal boundaries
 - Allow for scale and scope benefits
- **Remain agnostic on technology**



DSO Policy Option Comments

DSOs inevitably will need to be legally separate from the distributors, and arm's length DSOs should eventually be permitted.

- If this were a requirement from the start, it would impair the timely implementation of DSO services. OAPPA supports simplified models enable a quick start.
- Not all distributors will have the organizational capacity to develop DSO capabilities. Contracting for DSO services is a necessary option to avoid stranding DERs.
- Changing legislation and regulation is cumbersome. However, its necessary, so just do it and since it will take time, get started now.

DER resources should have access to both IESO and DSO programs/markets

- Resource should be able to seek its highest value use
- Conflicting IESO/DSO demands for the resource can be resolved in a way to maximize the use of the resource

DSO Policy Option Comments

Programs/rule-based mechanisms are imperfect and will result in underutilization of resources and loss of system benefits. Evolve toward market mechanisms where feasible.

- One-size-fits-all compensation unlikely to be optimal – either too high or too low.
- Large, unique resources require flexible approaches. Even in an early phase of adoption where rule- or program-based models prevail, bilateral agreements for novel or unique solutions need to be an option.
- OAPPA members are actively participating in market mechanisms like the IESO Capacity Auction.

The DSO role should not involve intermediating DER participation in wholesale market

- Commercial DER aggregation options already exist.

