



28 May 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

RE: EB-2012-0246 Policy Review of Micro-Embedded Generation Connection Issues
Response to the Board letter dated May 15, 2012

In response to the recent announcement of a consultation process regarding a policy review of micro-embedded generator connection issues, PURE Energies wishes to express its interest in these matters. PURE Energies (PURE) has retained Jim MacDougall, President of Compass Renewable Energy Consulting Inc. to represent PURE's interests in this consultation process.

PURE is probably the largest rooftop solar PV installer of micro-generation systems in Ontario. To date, PURE has installed over **300** generation systems in over **30** LDC service territories across Ontario.

PURE offers initial consultation, design, installation, connection and system financing to homeowners and makes participation in the province's microFIT program and the overall process accessible to homeowners.

1) Offer to Connect process;

In general the Offer to Connect process works well. The main issue is that there are often challenges at the LDC level where an LDC does not have much experience in this area, and the information to customers is inconsistent or inaccurate. Problems in the Offer to Connect process have decreased over time as LDCs have gained experience in working through a number of customers making connection requests.

The one repeating issue with the OTC process is the amount of time that it takes to get one issued. Frequently, LDC's take much longer than 60 days to have one issued. This will be a problem for microFIT 2.0 as there are time limitations that would be in effect for getting an Application Approval.



In this regard, as per section 6.2.6 of the “DSC”, the distributor is required to make or refuse an offer to connect within 15 days if the applicant is located at an existing customer connection; however, this timeline hasn’t been met. Just recently, Hydro One Networks applied for a 6 month exemption from this timelines due to the volume of applications. This fact reflects the reality that in addition to Hydro One, other LDCs are not meeting their regulatory responsibilities when it comes to issuing offers to connect in a prompt manner.

2) Use of the standard form Connection Agreement in the DSC (Appendix E);

In order for a company to operate in Ontario’s fragmented electricity sector, it is critical that the OEB maintain standardization in the connection of micro-generation facilities, in particular in regard to the standard form of Connection Agreement between the LDC and the generation customer. The current version that forms part of the DSC is adequate and covers the critical areas such as the Technical Requirements, Liabilities, Compensation and Billing, Termination and Assignment. In particular, section (3) Liabilities, which is describe in a clear and simply language, providing a straightforward guidance for players in the industry. .

PURE’s experience and challenges with the standard form of Connection Agreement for micro-generation only arise when LDCs choose to make material changes to the requirements of the prescribed form of Connection Agreement, and alter the process, documentation requirements or even fundamental terms of the DSC’s Connection Agreement. The unilateral decision by LDCs to make such changes result in delays in customer connections, add costs to the installers and micro-generation system providers and create unneeded complexity to what needs to be a standardized process.

3) Appropriateness of timelines in the DSC (sections 6.2.6 and 6.2.7) for micro-embedded generators – Offer to Connect and Connections;

The timelines that are currently contained in the DSC are reasonable for the micro-generation installer to plan for its installation and connection work. In fact, the current timelines could be twice as long as currently prescribed without adversely impacting the business activities of the installer, or the expectations of the generation customer.

4) Experience with the Monthly Service Charge (established in EB-2009-0326);

The level of the monthly service charges to the micro-generation customer is reasonable and appears to reasonably reflect the costs of administration of the customer by the LDC. In PURE’s experience, the times when incremental customer service or incremental demands on the LDC’s support services is required by the installer or by the generation customer, are when the standardization that is currently prescribed by the DSC is not followed.



Delays in providing Offers to Connect, delays in scheduling disconnections and reconnection to the existing electricity service, delays in installing generation meters and delays in administration of microFIT contract payments to customers all create the need for intervention by both installers, as well as the end customers. These interventions of course increase the costs to all parties, unnecessarily, and create negative customer experiences.

At this time, with only limited experience in some LDC service territories in connecting micro-generation facilities, it would be premature to consider any additional customer service support costs in the standardized Monthly Service Charges that have been established by the Board.

5) Variability of Connection Charges;

In order for a company to operate in Ontario's fragmented electricity sector, it is critical that the OEB maintain standardization in the connection of micro-generation facilities. This is particularly true for connection charges, which can represent a material percentage of the overall project cost for a small rooftop PV project.

PURE's experience with LDCs has seen variations in connection costs from \$0 to \$300 to \$800 to \$1700. This range of costs makes it difficult if not impossible to develop standardized pricing packages for customers, again making business operations more expensive that they would otherwise need to be.

The OEB should develop a standardized connection charge for all LDCs across Ontario to the benefit of the end use generation customer and to further reduces costs of program administration for installers, and thus allow for lower microFIT contract rates to the benefit of all consumers in Ontario.

In the development of a standardized connection charge that reflects a reasonable average of costs incurred by LDCs in making micro-generator connections, the Board should consider the cost recovery mechanism for such charges. For example, if a standard charge of \$350 were determined, then LDCs could recover such costs through the standard Monthly Service Charge (item 4. in this consultation). An increase to the monthly service charge of \$2 would represent \$24 per year or \$480 over the 20 year term of the microFIT contract.

This approach would create a financial incentive and reward for LDCs by making some of the costs of micro-generator connection recoverable over time, and thus form part of the LDC's rate base.

This would be a first step in the Board's development of generation rates

6) Cost responsibility in relation to upstream infrastructure upgrades to a transmitter or host distributor.



PURE is aware of the logistical challenges that are posed by the interpretation of the current language in the TSC and the DSC, and the difficulty that this creates in developing a methodology for reasonable cost allocation to micro-generation customers.

PURE does not have any specific comments or solutions to make on this complex matter at this time, however would welcome the opportunity through the consultation process to provide input.

PURE welcomes the opportunity to continue to participate in this important consultation initiative and would be pleased to provide more first hand experience in micro-generation connections in Ontario.

No cost award is sought for our participation.
Yours truly,

Chris Stern, Vice President
PURE Energies

Jim MacDougall, President
Compass Renewable Energy Consulting Inc.
On behalf of PURE Energies