ONTARIO ENERGY ASSOCIATION

Distributed Energy Resources Connections Review: EB-2019-0207

September 16, 2019

To shape our energy future for a stronger Ontario.

Ontario Energy Association

ABOUT

The Ontario Energy Association (OEA) is the credible and trusted voice of the energy sector. We earn our reputation by being an integral and influential part of energy policy development and decision making in Ontario. We represent Ontario's energy leaders that span the full diversity of the energy industry.

OEA takes a grassroots approach to policy development by combining thorough evidence based research with executive interviews and member polling. This unique approach ensures our policies are not only grounded in rigorous research, but represent the views of the majority of our members. This sound policy foundation allows us to advocate directly with government decision makers to tackle issues of strategic importance to our members.

Together, we are working to build a stronger energy future for Ontario.

The recommendations contained in OEA papers represent the advice of the OEA as an organization. They are not meant to represent the positions or opinions of individual OEA members, OEA Board members, or their organizations. The OEA has a broad range of members, and there may not always be a 100 percent consensus on all positions and recommendations. Accordingly, the positions and opinions of members and their organizations may not be reflected in this report.

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INTRODUCTION

The Ontario Energy Association (OEA) commends the Ontario Energy Board (OEB) for initiating a review of the requirements related to the connection of distributed energy resources (DERs) by licensed electricity distributors (DER Connections Review). The OEA welcomes the opportunity to provide input to this consultation.

On August 13, 2019 the OEB issued a letter commencing this review. The purpose of this initiative is to identify any barriers to the connection of DERs, focusing on connection of electricity generation and storage facilities connected to the distribution system, either in front or behind the distributor's meter.

In its letter, the OEB stated that it was "aware that several industry organizations have been undertaking work on some of the identified issues, particularly technical requirements. In order to gain the benefit of these ongoing discussions, OEB staff will invite these groups to provide information on their work to date to support development of recommendations."

The OEA has been undertaking such work with its members and welcomes the opportunity to share with the OEB a summary of our work to date as well as provide some comments on the proposed approach of the review.

The OEA looks forward to participating in future consultations related to the OEB's initiatives related to DERs.

SUBMISSIONS

A. Proposed Approach of the Review

The OEB's letter identified a series of issues and questions for stakeholders to provide comments on. The letter also states that the DER Connections Review initiative will be coordinated with the broader Responding to Distributed Energy Resources consultation (EB-2018-0288).

The OEA submits that OEB should make clear how the DER Connections Review and the Responding to DERs initiatives will be coordinated to ensure consistency, regulatory efficiency, and avoid unintentionally working at cross-purposes.

Further, although the OEA, through its Interconnection Working Group (described below), has identified issues relating to the connection process of specific types of DERs, the OEA suggests that greater context and relevant data regarding what is driving the OEB's broad DER Connections Review is required for all stakeholders and the working group(s) the OEB establishes to understand precisely what the issues are and what solutions should be pursued.

For example, the OEB should clearly define and provide evidence on the problem(s) it has identified related to DER connections, anticipated costs and benefits from changes related to the issues identified, and allow stakeholders to respond to this information, including, but not limited to:

- Has the OEB identified that all DER connections are experiencing similar delays?
- What are the specific sets of customers (residential, commercial, industrial) and/or technologies (CHP vs. solar vs. storage) experiencing delays?
- Are delays related to the size (kW capacity) of the project or other factors?
- What specific timeframes, cost responsibility for connections, and/or technical requirements have stakeholders and/or OEB staff identified as requiring greater clarity?
- Is it the OEB's objective of this initiative to clarify the connection process, or to clarify and accelerate the connection process?

B. Interconnection Working Group Summary

Beginning in the spring of 2019 the OEA undertook to create a working group of its members, including LDC participants and Hydro One , to examine, identify, and develop a report regarding opportunities to shorten the connection timeframe, specifically for non-injecting behind-the-meter (BTM) storage projects. The working group is ongoing and expects to complete its report during the Fall 2019.

The working group is made up of representatives from the following organizations:

1. Alectra;
2. Elexicon;
3. Enel X;
4. Hydro One;
5. Hydro Ottawa;
6. NRStor;
7. Rodan;
8. Stem; and
9. Toronto Hydro

The group identified the following five areas for discussion with respect to the connection process:

1. Application process
2. Connection Impact Assessment (CIA)
3. Connection Cost Agreement (CCA)
4. Construction/Commissioning
5. Connection /operating agreement (including Permission to Operate)

The working group determined that the first three areas be the primary focus.

In the course of discussing ways to accelerate the application and connection process in Ontario, the working group discussed the feasibility of adopting a process similar to the California Rule 21 "Fast Track" process.[1] After exhaustive discussion, the working group concluded by consensus that the most productive use of the group's time would be to focus on improving the current Ontario process rather than focusing on adopting a Rule 21 type process.

The group came to this conclusion based on market structure and policy differences between California and Ontario, such as:

- Ontario's Industrial Conservation Initiative (ICI) program is driving larger BTM projects (projects are typically a ~500kW minimum, seeking to displace 100% of load during peak hours) compared to California (typically 25% load displacement is the goal of a project)
- California is largely served by integrated utilities compared to the many LDCs and distribution-transmission separation in Ontario, introducing multiple interactions and information interactions when connecting projects

Since this time the group has focused on discussing the potential for improvements in the Ontario connection process. For example, shortening CIA and Connection and Cost Recovery Agreement (CCRA) timeframes. Through this discussion the group examined the minimum information requirements necessary for Hydro One to

[1] https://www.cpuc.ca.gov/Rule21/

conduct their CIA concurrently with the host LDC conducting its own CIA, rather than a sequential process. This has the potential to provide significant time savings in the connection process. The group has also discussed how information hand-offs between LDCs and Hydro One can be improved.

The group has also reviewed common application issues and/or errors (i.e., Form B) submitted by project proponents that delay application processing by Hydro One and LDCs, including (but not limited to) inaccurate facility coordinates, unreadable single-line diagrams (SLDs) and SLD revision by applicants. This led the group to discuss ways to improve application quality (e.g., higher quality SLD scans).

Finally, the group reviewed in detail Hydro One's Form B to identify:

(1) opportunities to improve documentation/clarity on how to complete an application;
(2) opportunities to introduce greater automation into the application form; and,
(3) streamline applications by identifying information fields in the forms that are not applicable for non-injecting BTM storage projects. This was a fruitful discussion and is expected to result in some streamlining changes to Hydro One's form. The group is currently reviewing the forms of the other LDC members in a similar fashion.

It is important to note that the items discussed by the Working Group are unlikely to require any amendments to the OEB's Distribution System Code. Also, while the group's work has focused exclusively on BTM non-injecting storage projects, some of the potential improvements discussed could be applied to the connection process for other projects, so that the connection process does not favour any specific type of connection and/or technology.

Future meetings of the group will examine:

(1) LDC Form B application form – opportunities to improve documentation and clarity;
(2) Construction/Commissioning; and,
(3) Connection/Operating Agreement (including Permission to Operate).

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Let's unravel complex energy challenges, together.