

December 14, 2022

Sent Via RESS and Email
registrar@oeb.ca

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

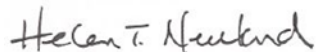
Dear Ms. Marconi,

Re: **Letter from Brooklin Landowners Group Inc.**
Application of Elexicon Energy Inc. ("Elexicon") for Approval of 2023 Distribution Rates
("Application")
Board Proceeding No.: EB-2022-0024

Please see attached letter from the Brooklin Landowners Group Inc. seeking leave of the Board to provide written responses or supplement written responses of Elexicon, to the interrogatories provided within the letter's attachment.

Kind regards,

Dentons Canada LLP



Helen T. Newland
Partner

HTN/kw

Attachment 1: Letter to OEB re Intention to Respond to Intervenor Questions with Attachment

cc: John Vellone, BLG
Birgit Armstrong, OEB
Intervenors to EB-2022-0024

December 14, 2022

**Sent Via RESS and Email
Registrar@oeb.ca**

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

Re: Application of Elexicon Energy Inc. (“Elexicon”) for Approval of 2023 Distribution Rates (“Application”); Brooklin Landowners Group Inc. Board Proceeding No.: EB-2022-0024

We act for the Brooklin Landowners Group Inc. (“**Brooklin**”), an Intervenor in this proceeding. The Sustainable Brooklin Project, described in Elexicon’s Application, pertains to the community of North Brooklin in Elexicon’s Whitby Rate Zone. The North Brooklin subdivisions will be directly or indirectly electrically connected to the new Brooklin Line proposed to be constructed by Elexicon.

The Brooklin landowners/developers have committed to installing electric vehicle charging and distributed energy resource (“**DER**”) enabling features in all new homes that they construct in North Brooklin, including rough-ins and conduits for solar panels and battery storage equipment, for a total investment of private capital of \$25.2 million over a 20-year period. This investment is contingent on the Ontario Energy Board (“**Board**” or “**OEB**”) approving Elexicon’s requests for approval of Incremental Capital Module (“**ICM**”) funding for the Brooklin Line and an exemption from section 3.2 of the *Distribution System Code* (“**DSC**”).

Interrogatories filed by OEB Staff and Intervenors in this proceeding included questions about Brooklin’s current and future plans for the development of North Brooklin, its commitment to install DER-enabling features in newly constructed houses in North Brooklin and whether and how a decision by the OEB not to approve ICM funding for the Brooklin Line and an exemption from section 3.2 of the DSC would affect this commitment and, more generally, the development of the North Brooklin community. Understandably, Elexicon did not possess the information required to respond to many of these questions. Nevertheless, Brooklin is of the view that the record on these issues is incomplete and that the OEB and Intervenors require and deserve answers to these important questions in order to make informed decisions on Elexicon’s application for ICM funding for the Brooklin Line and a DSC exemption.

By this letter, Brooklin seeks the leave of the Board to: (i) provide written responses or supplement the written responses of Elexicon, to the interrogatories listed in **Attachment 1** and (ii) make a Brooklin representative available at the Technical Conference on January 12, 2023 to answer follow-up questions

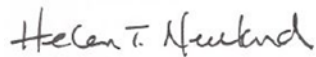
LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► Eric Silwamba, Jalasi and Linyama ► Durham Jones & Pinegar ► LEAD Advogados ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

from OEB Staff and Intervenors. Should leave be granted, Brooklin would be able to file its responses by January, 9, 2023, along with the credentials of the Brooklin representative who can speak to such responses at the Technical Conference on January 12, 2023. In the result, the Board's procedural schedule will not be adversely affected by granting Brooklin's request.

We have spoken with counsel for Elexicon and understand that Elexicon does not object to Brooklin's request regarding the interrogatories.

Kind regards,

Dentons Canada LLP



Helen T. Newland
Partner

HTN/ak

Attachment 1: List of Interrogatories to be Addressed by Brooklin

Cc.: John Vellone, BLG
Birgit Armstrong, OEB
Intervenors to EB-2022-0024

OEB ICM Application
Elexicon Energy Inc. Case Number EB-2022-0024
Interrogatory Questions to be Addressed by Brooklin

Comments From:	Page	Responses From:
1.0 Ontario Energy Board	2	Elexicon Energy (Applicant)
2.0 Environmental Defence	7	
3.0 Consumers Council of Canada	8	
4.0 Coalition of Concerned Manufacturers and Business of Canada	10	
5.0 Power Workers' Union	N/A	
6.0 Vulnerable Energy Consumers Coalition	13	
7.0 School Energy Coalition	14	

#	1.0 OEB Interrogatories	Response
1.1 OEB Staff IR Consolidation <i>Dated September 29, 2022</i>		
1-Staff-12 Incremental Capital Module – Sustainable Brooklin North Brooklin Development Feeder Expansion - Feeders Ref 1: Appendix B-2 – Sustainable Brooklin Business Case Ref 2: EB-2021-0015 – Distribution System Plan – A3 – Feeder Expansion Ref 3: EB-2021-0015 – Distribution System Plan – Figure 5.3-9 Municipal Station in the Whitby Area Elexicon Energy stated that the first phase of this project requires Elexicon Energy to construct two new 27.6kV feeders connecting the North Brooklin development to Whitby TS. It is anticipated that the Brooklin Developers will construct 10,000 energy-efficient homes in the North Brooklin area over the next 20 years. The Brooklin Developers are proposing to build 700 DER/EV-ready homes per year for the next 20 years.		
1.	a) Please provide any additional information Elexicon Energy has for future phases for this development and Elexicon Energy’s future system plans for the Brooklin area.	a) Elexicon has no detailed additional information on future phases of the North Brooklin development beyond that provided in its application and evidence.
2.	c) With recent economic developments, has this affected Brooklin Developers' forecast to construct 700 DER/EV-ready homes per year? Please provide any communications between Elexicon Energy and the developer on updated load forecasts. Figure 1 in reference 1 shows the location of Whitby TS and the two feeders proposed to supply the Brooklin area.	c) Elexicon has not received any notification of change to the Brooklin Developer’s current forecast of construction in North Brooklin.
3.	d) Please add to the figure the approximate boundary of the subdivisions proposed by the Brooklin Developers along with the phase and year the subdivision is anticipated to be constructed.	d) Elexicon is awaiting a revised construction schedule from the Brooklin Developer’s. The most recent plan provided to Elexicon is included as Attachment 1 to this response.
4.	e) Based on the notes attached in the figure it appears that there is an existing pole line for portions of these two new feeders. Please highlight sections that are rebuilds of the existing line and sections that are greenfield. For the green field sections please provide the distribution map of feeders in the surrounding area.	e) The final detailed design for the Sustainable Brooklin project is being developed at this time. Elexicon expects that its final design will identify sections that are rebuilds of any existing line and sections that are greenfield.
1-Staff-15 North Brooklin Development Feeder Expansion – New TS Ref 1: Appendix B-2 – Sustainable Brooklin Business Case One of the alternatives considered and rejected was to build a new TS. Elexicon Energy stated that Whitby TS has a 90MW LTR and to construct a new TS it would take a minimum of 5 years.		
5.	c) When was Elexicon Energy first aware of the Brooklin Developers’ plans for the North Brooklin subdivision development?	c) Initial consultations with the North Brooklin Developers began in 2020, and as further described in Section 5.2.2.3 of the Elexicon’s Distribution System Plan filed April 1, 2021 (the “DSP”) the

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#	1.0 OEB Interrogatories	Response
		consultations were ongoing at that time and the scope of the project was still subject to change. Commencement of earnest discussions narrowing the scope of the project with the North Brooklin Developers began in Q4, 2021.
<p>1-Staff-17 North Brooklin Development Feeder Expansion – Capital Contribution Ref 1: Appendix B-2 – Sustainable Brooklin Business Case Ref 2: Elexicon Energy Energy’s Condition of Service Elexicon Energy stated that the Brooklin Developers would no longer be willing to commit to investing in building DER and EV-ready homes in North Brooklin if they were required to pay a capital contribution. Elexicon Energy also stated that if the Brooklin Developers do not install a DER and EV-ready home they would be required to pay a capital contribution of \$2,260 per home.</p>		
6.	b) Please provide the calculation for the \$2,260 capital contribution per home, including all assumptions upon which the calculation is based.	b) \$2,260 is the estimated cost per home for the installation of rough-ins to enable DER-and-EVready homes, as provided by the Brooklin Developers. A breakdown of this cost is provided in the answer to Staff-18 part a). Understanding the complexity of managing dynamic capital contribution calculations in a growing development area over the course of twenty years, Elexicon proposes that this amount or a similar amount be prescribed as the standard capital contribution required in the event a developer of a new residential unit has failed to construct a DER-and-EVready home. No contractual agreements are in place between Elexicon and the developers
7.	c) Elexicon Energy stated that the Brooklin Developers would commit through a binding agreement or conditions in related regulatory approvals. Please provide all communications, including any binding agreement, discussed with the Brooklin Developers.	c) No contract or binding agreement has been signed. Elexicon proposes that an agreement be executed prior to beginning work to connect a customer, which is to include the commitment to build DER-and-EV-ready homes in exchange for eligibility for exemption to section 3.2. of the Distribution System Code if approved by the OEB. Elexicon has requested that the OEB’s Decision and Order in this proceeding would require as a condition of approval that Elexicon’s agreement for developers in the affected area include this provision.
8.	d) How can Elexicon Energy be certain that the cost of installing DER/EV-ready homes will not be passed to the future homeowners (i.e., included in the cost of the home)? Please explain why it would be reasonable for Elexicon Energy ratepayers to subsidize the cost of capital contributions to the Brooklin Developers.	d) Elexicon Energy cannot be certain that the cost of installing DER/EV-ready homes will not be passed to the future homeowners.
9.	e) In the event that Brooklin Developers are required to provide a capital contribution to Elexicon Energy, does Elexicon Energy have any information as to whether the DER/EV rough-ins will be provided an optional upgrade?	e) No, Elexicon Energy does not have any information as to whether the DER/EV rough-ins will be provided as an optional upgrade.
10.	f) Please state if construction of the subdivision has commenced and confirm that Elexicon Energy expects to energize the project in Q3 of 2023.	f) It is Elexicon Energy’s understanding that no construction of the homes has commenced, but land permits have been obtained. Elexicon Energy can confirm that the Brooklin Developers expect the two new 27.6kV lines to be energized in Q3 of 2023.
<p>1-Staff-18 North Brooklin Development Feeder Expansion – Capital Contribution Ref 1: Appendix B-2 – Sustainable Brooklin Business Case pp. 4 and 11</p>		

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#	1.0 OEB Interrogatories	Response
<p>Ellexicon Energy noted that the Developer estimated a cost of \$23M to install standard rough-ins.</p>		
11.	<p>a) Please provide a breakdown of the \$23M between rough-ins for rooftop solar, battery storage, and EV charging.</p>	<p>a) Ellexicon obtained an estimate of the average cost of planned and in-scope rough-ins to be \$2,260 per home from the North Brooklin developers. Ellexicon anticipates that the precise cost per home will vary based on the characteristics of the home in question. Ellexicon does not have a separation of these largely similar costs across the technologies listed.</p>
12.	<p>b) Please provide the developer's cost for the rough-ins per home.</p>	<p>b) The developers provided Ellexicon with an estimate of the cost for the rough-ins per home of \$2,260. It is Ellexicon's understanding that the several developers obtained quotes directly from their trades and then used those different quotes in order to inform their estimate.</p>
13.	<p>c) Please state if developers are required or incented to provide these DER/EV rough-ins for new construction under any other regulatory instruments (e.g. Ontario building code etc.).</p>	<p>c) No. There are currently no requirements for developers to provide DER/EV rough-ins for new construction in Ontario. To Ellexicon's knowledge, developers are not incented to provide DER/EV rough-ins.</p>
<p>1-Staff-19 METSCO Load Forecast Ref 1: Appendix B-4 METSCO Ellexicon Energy 2022-2041 Peak Load Forecast, p. 29 In reference 1, it states that based on the load forecast the 27.6kV and 44kV systems for Brooklin are expected to reach capacity constraints in either 2031 or 2037, depending if the load could be balanced between the 27.6kV and 44kV systems.</p>		
14.	<p>e) Please provide the expected scope of work and costs for rooftop solar, 50-50 mixed infrastructure, and rooftop solar with battery energy storage system (i.e., number of solar panels, number of batteries, and auxiliary equipment).</p>	<p>e) Installations of rooftop solar and battery energy storage systems would be owned and paid for by the homeowner. Ellexicon has not prepared a detailed forecast of these costs.</p>
<p>1-Staff-20 Distribution System Code Exemption North Brooklin Development Feeder Expansion – Exemption from s. 3.2 of the Distribution System Code</p>		
15.	<p>If the exemption from section 3.2 of the DSC is granted and the Brooklin Landowners Group Inc. is not required to make capital contributions, please provide the following: a) Does this provide an economic advantage to the members of the Brooklin Landowners Group Inc. relative to developers that are not members and may be building or planning to build developments elsewhere in Ellexicon Energy's service territory, or even elsewhere in Ontario? If not, please explain why not?</p>	<p>a) The economics of the innovative Sustainable Brooklin project have Brooklin Landowner's Group ("Brooklin Developers") committing to spend approximately \$23 million to \$30 million in return for approval of the requested DSC exemption. This expenditure is an equivalent expenditure to the cost of the infrastructure to extend the electricity grid to North Brooklin. Further, the Brooklin Line does not represent the full assets and costs required to serve development in the region; representing only the upstream investment required to bring capacity to the region (i.e. it does not include standard subdivision and connection assets). While a definitive determination cannot be made without a comparison of specific developments, Ellexicon does not believe the economic outcomes of the Sustainable Brooklin/ DSC exemption materially alter the economic circumstances of affected developers relative to others.</p>
<p>1-Staff-22 Leveraging Private Capital Ref. 1: Appendix B Incremental Capital Module: Whitby Smart Grid & Sustainable Brooklin, p. 10 of 56</p>		

#	1.0 OEB Interrogatories	Response
16.	<p>On page 10, Elexicon Energy states that “the commitment by the Developers to invest approximately \$30.4 million over a 20-year period in DER and EV-enabling infrastructure in newly constructed homes in North Brooklin will lower barriers to entry for customers wishing to install DER and EV infrastructure in their newly purchased homes. ICM funding for the Sustainable Brooklin Project will guarantee this investment of private sector capital.”</p> <p>a) To whom and in what form have the Brooklin Developers made the referenced “commitment”?</p>	<p>a) The Brooklin Developers have made the commitment to Elexicon, and by extension to the OEB as per Elexicon’s pre-filed evidence.¹ Elexicon has, in-turn, requested a condition of the OEB’s approval of the DSC Exemption be that Elexicon be ordered to ensure that all developers that may stand to benefit from the Brooklin Line would construct DER and EV ready homes or buildings, failing which the property owner would be required to pay an appropriate capital contribution equal to \$2,260 per home.</p> <p>¹Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin, Page 25 of 56</p>
17.	<p>b) Please explain exactly how Elexicon’s funding of the project will “guarantee” the Brooklin Developers’ investment.</p>	<p>c) Please see Elexicon Energy’s response to STAFF-21 parts a) and b</p>
18.	<p>c) Please indicate whether it is Elexicon’s expectation that the expenditure of \$2,260 per home, described as the Developers’ “capital contribution” and “investment” on p. 8 and p. 44 of Appendix B respectively, will not be recouped by the Developers from the sale proceeds of each home.</p>	<p>f) The reference to the Developers’ “capital contribution” at page 8 of Appendix B is different from the reference to the Developers “investment” on page 44 of Appendix B. The Developers “investment” refers to their commitment to install solar PV rough-ins, EV rough-ins and a battery energy storage system rough in at an estimated cost of \$2,260 per home. By contrast, the “capital contribution” refers to remedy Elexicon has proposed should the Developer fail to deliver on their proposed investment by way of the condition that is more fully described in Staff-21. Elexicon has no authority to set out or enforce a sale price of the DER and EV ready homes that the Brooklin Developers will construct in North Brooklin. Elexicon believes that an OEB approval of a DSC exemption will foster the Brooklin Developers to inform prospective purchasers of the homes about its DER and EV readiness, and the approximate \$2,260 per home investment.</p>
<p>1-Staff-24 Customer-Specific Benefits Ref. 1: Appendix B, s, 4.1.2. Sustainable Brooklin, pp. 41-50 of 56 “Elexicon Energy identified 4 alternatives with respect to the Sustainable Brooklin Project: 1. Extend feeders from Whitby TS DESN 1 to serve the North Brooklin area, with funding through this ICM, and with the WSG enabling DER integration capability (preferred); 2. Proceed with system enhancement by extending the feeders from Whitby TS DESN 1 to serve the North Brooklin area with developers paying a capital contribution as per the DSC, with the extension of the duration of capital contribution period from 5 years to 15 years....”</p>		
19.	<p>f) Given the “parameters of DER and EV-ready homes” described on p. 46 of Appendix B, and Elexicon Energy’s statement on p. 47 of the same document that “Absent the DSC Exemption, ... the Developers would no longer be willing to commit to invest in building DER and EV ready homes across all of North Brooklin”, please provide the basis of the statement and confirm Staff’s understanding that this means the Developers will build homes in North Brooklin that will NOT include: • “two spare breaker slots” that could be used for a DER • “sufficient space on the wall next to the circuit panel” to install solar controls and an inverter” • “room on the wall for the [EV] charger”, and • “appropriate room in the circuit panel for a breaker” that could be used for an EV charger On page 46, Elexicon Energy states that where “the roof size</p>	<p>f) Elexicon is not privy to the exact assets that would not be installed. It is Elexicon’s understanding that if a DSC exemption is not allowed, the Developers would not install the DER and EV roughins</p>

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#	1.0 OEB Interrogatories	Response
	and orientation is suitable, developers will offer customers the option to purchase and install solar panels and related inverter and controls.”	
20.	g) Please confirm Elexicon Energy’s understanding that not all of the homes the Developers will build in North Brooklin will be suitable for solar panels.	g) Elexicon’s understanding is that some homes may not have roof orientation which would logically facilitate solar panel installation.
21.	h) Please provide any information that Elexicon Energy has as to the percentage of the 10,000 to 11,200 homes in North Brooklin that will not be suitable for solar panels.	h) See response part g.
22.	i) Please confirm that where a home is not suitable for solar panels, the home will not be made ‘DER-ready’ by the Brooklin Developers and whether those homeowners will receive a discount for their home not being made ‘DER-ready’?	i) The Developers have indicated that all homes will be DER and EV-ready. This may in some circumstances not include solar rough-ins, however battery and EV rough-ins would continue to be included. Elexicon is not involved in the sale price of homes, whether they include some or all of the specific rough-ins contemplated.
1-Staff-25 Ref. 1: Appendix B-2 Sustainable Brooklin Business Case, p. 4 of 37		
23.	<p>On page 4, Elexicon Energy refers to “the fairness principle”, and states that this principle “justifies this quid-pro-quo treatment to exempt the Brooklin Developers from paying a capital contribution to construct the Sustainable Brooklin project”.</p> <p>a) Please explain what Elexicon means by “the fairness principle” and indicate who and under what circumstances this principle should be applied.</p>	<p>Please see section 5.3. Fairness Issues Raised with Respect to the Brooklin Line¹ for submissions regarding the fairness principle and to whom it applies. In summary, there are two areas fairness brought forward to Elexicon by the Brooklin Landowners Group: a purported inconsistency between the Distribution System Code and the Transmission System Code with respect to TS cost recovery in comparison to other significant upstream distribution investments (such as the Brooklin Line), and the circumstance in which first-movers pay all required capital contributions for the Brooklin Line while customers connected after 5 years avoid contributions</p> <p>¹Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin, Page 49 of 56</p>
1-Staff-26 Ref. 1: Appendix B-2 Sustainable Brooklin Business Case, p. 5 of 37		
24.	<p>On page 5, Elexicon Energy states that over the next twenty years, “the Brooklin Developers have plans to provide affordable and energy-efficient homes to approximately 10,000 homes in a new residential community in the North Brooklin area.”</p> <p>a) On what basis does Elexicon Energy believe it can rely on the Brooklin Developers’ plans? For example, has Elexicon Energy confirmed that the Brooklin Developers have the required the necessary permitting to continuously build homes in the above-mentioned area for 20 years at the rate described?</p>	<p>a) The Brooklin Developers are not unlike any other developers with whom Elexicon has to work. Elexicon has a legal obligation to connect new customers pursuant to the terms of its distribution license, and when new property developers are proposing major new developments Elexicon routinely works with those developers to ensure the local distribution system has sufficient capacity available. In this context, the Brooklin developers have produced plans for the building of, on average, 700 DER and EV-ready homes for the next 20 years. It is Elexicon’s understanding the Brooklin Developers submitted such plans to the town council to obtain the relevant permitting. Elexicon also notes that the expedient development of additional residences is consistent with the policies of both the Region of Durham and the Government of Ontario, as described in Appendix B, page 21.</p>

#	2.0 Environmental Defence Interrogatories	Response
2.1 Interrogatories of Environmental Defence <i>Dated September 29, 2022</i>		
Interrogatory # 1-ED-2 Reference: Appendix B – Incremental Capital Module Whitby Smart Grid & Sustainable Brooklin		
25.	(a) Per page 47: “Homeowners that are not able to purchase DER-and-EV-Ready homes are forced to undergo expensive retrofits to accommodate the installation of Solar PV, battery storage, or electric vehicle charging infrastructure.” Please provide a rough estimate of the number of customers that will avoid those retrofits, the approximate cost of those retrofits, and the total savings (over 20 years). We understand that this will involve significant uncertainty – please provide caveats and or a range of outcomes if that assists in addressing the uncertainty.	a) Elexicon’s rough estimate of the minimum number of customers that would avoid costly retrofits is 700+ per year for 16 years. This estimate represents the Brooklin Landowner’s Group’s projected annual new home construction in North Brooklin. Elexicon does not have home retrofit costs or the total savings. Elexicon does not have a cost estimate for building retrofits to accommodate solar PV, battery storage or electric vehicle charging. Elexicon is not active in the building retrofit market. The only estimates which Elexicon has available are the costs to rough-in for the new builds provided by the Brooklin Developers included at Figure 2 of Appendix B of the Application.
Interrogatory # 1-ED-4 Reference: Appendix B-2 Sustainable Brooklin Business Case		
26.	(c) Per page 14: “Where the roof size and orientation are suitable, the Brooklin Developers will offer customers the option to purchase and install solar panels and related inverter and controls.” What percent of homes will have a roof size and orientation suitable for solar? Is Elexicon willing to seek a specific commitment that developments will be designed such that, say, 95% of homes have a roof that is suitable for solar in order to maximize the benefits of this project?	c) Elexicon would not support the proposed commitment as outlined in the question, understanding that developers and the municipality must balance numerous constraints in designing and approving a development (e.g. natural environmental characteristics, transportation conduits), and a generic commitment uninformed by the specifics of the development may inadvertently negatively impact other important outcomes for the municipality (e.g., environmental protection, density targets, project timelines).
27.	(e) What recourse does Elexicon have if a developer declines to fulfil one of the specific undertakings described on page 14-15? Are those undertakings contained in a formal agreement? If yes, please provide a copy.	e) Elexicon has requested a condition of approval in its Application (Appendix B at page 8), which, if approved by the OEB, would be enforced by Elexicon by way of a yet to be drafted commercial agreement with all developers in the North Brooklin territory. Elexicon will utilize all remedies included within the agreement and the OEB’s decision and order should a developer decline to fulfill any of the conditions of approval.

#	3.0 Consumers Council of Canada Interrogatories	Response
3.1 Interrogatories of Consumers Council of Canada		
CCC-3 Appendix B, p. 7		
28.	Please provide a list of the developers included in the Brooklin Landowners Group Inc. Please explain how Elexicon determined which developers would be participants in the Sustainable Brooklin Project. Will other developers within Elexicon’s franchise area have access to the same conditions? If not, why not? Please quantify the financial benefit each of those chosen developers is receiving from the project and who is providing that benefit (ratepayers, shareholders, NRCan?)	<p>Please see Attachment 1 of the letter of intervention for the Brooklin Landowner’s Group to find a list of developers included within Brooklin Landowner’s Group.</p> <p>Elexicon has requested a condition of the OEB’s approval of the Distribution System Code exemption be that all developers that may stand to benefit from the Brooklin Line construct DER and EV ready homes or buildings. This condition would apply to all developers in the area affected, regardless of whether or not they are members of the Brooklin Landowner’s Group. Elexicon did not determine or select developers who would be participants in the Sustainable Brooklin Project, nor did Elexicon have a hand in determining what developers would or could join the Brooklin Landowners Group.</p> <p>The Brooklin Developers have committed to incur a cost estimated at \$2,260 per DER and EV constructed home, and they forecast to build between 10,000 and 11,200 homes, resulting in a total financial investment of approximately \$20MM to \$30MM. The total estimated cost of the Brooklin Line is \$26.6MM. In Elexicon’s assessment, it is uncertain whether there would be a financial benefit to developers, and to which developers it would accrue.</p>
CCC-4 Appendix B, pp. 7/8 The evidence states that Elexicon will provide capacity to a group of residential developers represented by the Brooklin Landowners Group Inc. (BLGI)		
29.	c) Please provide a list of all of the participating developers and the number of homes each developer will construct in Brooklin.	c) See response CCMBC-2 part b for a list of all members of BLGI. Elexicon does not have information on the number of homes each specific developer will construct in Brooklin.
CCC-7 Appendix B, p. 10		
30.	“The commitment by the Developers to invest approximately \$30.4 million over a 20-year period in DER and EV-enabling infrastructure in newly constructed homes in North Brooklin will lower barriers to entry for customers wishing to install DER and EV infrastructure in their newly purchased homes. ICM funding for the Sustainable Brooklin Project will guarantee this investment of private sector capital.” a) Please explain how the \$30.4 million was calculated;	a) As per Figure 2 in Appendix B p. 45, \$30.4 million is calculated based on the developers’ cost estimate of \$2,260 per home multiplied by a high-unit estimate of 11,217, and a 20% increase to account for future increases in material costs and inflation.
31.	b) Please explain why developers would not invest in DER and EV-enabling in the absence of the ICM funding	b) Section 5 of Appendix B, “Distribution System Code Exemption Request” details the reasons for why the Brooklin Developers would not invest in DER-and-EV enabling homes absent OEB approval of an exemption to the Distribution System Code.
CCC-13 Appendix B, p. 25		

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#	3.0 Consumers Council of Canada Interrogatories	Response
32.	b) Please confirm that the cost of the Sustainable Brooklin Project (\$26.6 million) will be to prepare between 10,000 and 11,200 homes for DERs, but there is no guarantee the homeowners will incorporate DERs into the new homes.	b) Not confirmed. The cost of the Sustainable Brooklin Project (\$26.6 million) relates to the cost to construct two new 27.6 kV feeders connecting the North Brooklin development to Whitby TS DESN 1. The cost of building the DER-and EV-ready homes will be funded by developers.
CCC-18 Appendix B, p. 47		
33.	<p>“Absent the DSC exemption, the Developers would otherwise be required to pay a capital contribution for construction of the Brooklin Line and the Developers would no longer be willing to commit to invest in building DER and EV ready homes across all of North Brooklin.”</p> <p>a) Please provide evidence to support this claim;</p>	*missing from IR Response*
34.	b) Why would the Developers not be willing to pay a portion of the capital contribution?	*missing from IR Response*
35.	c) Did Elexicon pursue a sharing arrangement – whereby the Developers paid a portion of the capital contribution? If not, why not? Why is “all or nothing” necessarily appropriate?	*missing from IR Response*

#	4.0 Coalition of Concerned Manufacturers and Business of Canada (CCMBC) Interrogatories	Response
4.1 Interrogatories of CCMBC <i>Dated September 29, 2022</i>		
CCMBC-2 Reference: Page 44 Preamble: “The Sustainable Brooklin Project involves Elexicon providing capacity to a group of residential developers represented by the Brooklin Landowners Group Inc. (the “Developers”), who will in turn construct new homes in Brooklin, ON with DER enabling features such as rough-ins for solar panels, battery storage and EVs.”		
36.	e) Is there a signed agreement or contract regarding the provision of “capacity” between Elexicon Energy Inc. and the Brooklin Landowners Group Inc. If the answer is yes, please file a copy of the agreement. If the answer is no, please explain why not.	e) No there isn’t a signed agreement or contract regarding the provision of “capacity” between Elexicon Energy Inc. and the Brooklin Landowners Group Inc. Elexicon requires OEB approval of both the ICM request and DSC exemption, together with understanding any conditions the OEB may impose, prior to making any contractual commitments or otherwise with the Brooklin Developers.
CCMBC-5 Reference: Appendix B, page 8 Preamble:” Should a developer fail to deliver on the construction of DER-and-EVReady homes or buildings, that developer or property owner will be required to pay an appropriate capital contribution to Elexicon in support of the Brooklin Line. The amount of the capital contribution would be approximately \$2,260 per home or building before Elexicon supplies power (Source Brooklin Landowners Group Inc). With respect to nonresidential customers, Elexicon would apply the standard requirements of the DSC to calculate a capital contribution commensurate with the capacity required for the customer in question.”		
37.	a) The quoted text indicates that the \$2,260 capital contribution per home or building was calculated by the Brooklin Landowners Group. Does Elexicon agree with that estimate and adopt it as its own? If the answer is yes, is that amount the approximate estimate of making a home DER-and-EV ready? If the answer is no, please explain why not and provide the correct estimate per home.	a) Elexicon accepts the Brooklin Landowner’s Group (“Brooklin Developers”) cost estimate of \$2,260 to construct a DER and EV ready home. To the best of Elexicon’s knowledge the cost estimate seems reasonable.
CCMBC-10 Reference: Appendix B, page 44 Preamble: “Absent the DSC Exemption, the Developers are concerned that construction of both the Brooklin Line and new homes in North Brooklin area will be delayed by several years while the Developers raise financing for the capital contribution. In order to address these concerns, Elexicon and the Developers created the innovative Sustainable Brooklin Project to meet the needs, preferences, and goals of customers, the OEB, the Ministry of Energy, Developers and Elexicon. In exchange, the Developers are willing to construct DER-and-EV-Ready homes in the North Brooklin community (as set out in section 2.3.2). The estimated incremental cost per home for the Sustainable Brooklin Project is \$2,260; resulting in an expected investment from the Developers of \$20 to \$30.4MM over the course of 20 years.”		
38.	e) Considering that the incremental cost to make a home “DER-and-EV-Ready” is only \$2,260 why does Elexicon believe that the Developers would not be able to recover the cost from Sustainable Brooklin home buyers and should instead recover it from current Elexicon ratepayers using ICM funding?	e) Elexicon has been informed that absent the Sustainable Brooklin Project and its quid-proquo, the homes built in North Brooklin will not be built DER-and-EV-ready. This is the driver behind Elexicon’s Sustainable Brooklin proposal, as further elaborated on in Elexicon’s application and evidence. Elexicon is not a subject matter expert in the costing and valuation of residential real estate, and thus has no basis for a definitive position on developers’ ability to recover costs incurred when selling completed housing units.
CCMBC-11		

#	4.0 Coalition of Concerned Manufacturers and Business of Canada (CCMBC) Interrogatories	Response
Reference: Appendix B, Page 49 Preamble: “The Developers have raised a concern of inconsistency between the DSC and the TSC. In assessing available alternatives to meet growth needs in the North Brooklin area. Elexicon assessed the construction of a potential (hypothetical) new TS (“Brooklin TS”). Construction of a Brooklin TS was dismissed on evaluation as an imprudent investment.”		
39.	a) Did the Developers express their concern about inconsistency between the DSC and the TSC in writing? If the answer is yes, please file copies of all correspondence including e-mails between the Developers and Elexicon about the inconsistency? If the answer is no, when, and how was Elexicon made aware of the inconsistency?	a) The Brooklin Developers expressed their concern verbally during discussions with Elexicon regarding the application of the DSC and the capital contribution required to construct the infrastructure that would extend distribution capacity to North Brooklin.
CCMBC-20 Reference: Appendix B-2, Sustainable Brooklin Business Case, page 15 Preamble: “Investments made by the Brooklin Developers to create a DER and EVready community will incur capital costs on their part, for which recovery at the time of home sale is highly uncertain. Given the high and increasing cost of residential development and construction, the Brooklin Developers would be otherwise unlikely to assume the business risk of constructing DER and EV-ready homes in North Brooklin. This outcome is highly sub-optimal, as the costs and challenges of DER and EV retrofits are significantly greater than inclusion of these technologies at the design and construction phases. All else equal, failing to incorporate these technologies into frontend development will result in a community of North Brooklin that has low or average levels of DER and EV uptake.”		
40.	a) Does Elexicon believe that DER and EV ready homes would not be more attractive to home buyers and that they would be unwilling pay \$2,260 more for such homes? Please discuss.	a) Elexicon is not a subject matter expert in the costing and valuation of residential real estate, and thus has no basis for a definitive position on whether such homes would be more attractive to home buyers. However, this of itself is a contributing reason Elexicon has proposed the Sustainable Brooklin project. Elexicon’s proposal will ensure that the new home will be built DER-and EV-ready in the immediate future, regardless of whether market demand for such homes is immediate. To the degree a first new home owner does not install DERs or an EV charging station, a subsequent home owner can make such an investment at arguably the same cost. The subsequent home owner will not have to overcome the economic barrier of having a costly retrofit to make the home DER and EV ready.
41.	b) Why does Elexicon believe that Brooklin Developers would be unlikely to assume the business risk of constructing DER and EV ready homes at the additional cost of only \$2,260 per home?	b) To the best of Elexicon’s knowledge and information, the developers in question in this area will not build DER-and-EV-ready homes carte blanche absent approval of the Sustainable Brooklin Project and associated DSC exemption.
42.	c) Have the Developers discussed the market risk of constructing DER and EV ready homes with Elexicon? If the answer is yes, please file copies of all correspondence including e-mails between the Developers and Elexicon regarding such market risk. If the answer is no, please confirm that Elexicon has no experience in the assessment of real estate market risk.	c) No. Elexicon is not a subject matter expert in the costing and valuation of residential real estate, nor market risk in these areas.
43.	d) Is it fair for Elexicon customers in other service areas to be forced to subsidize the construction of DER and EV ready homes in Brooklin while they must pay higher costs to have their own homes made DER and EV ready? Please explain your answer.	d) As noted in section 5.1 Facilitating Innovation and DER-EV Uptake ¹ , the Sustainable Brooklin Project seeks to enable greater uptake of DERs in a geographically targeted region in order to credibly explore deferral of material investments in the 2030’s. Elexicon requires time to assess the approach to system planning, which may prove to yield beneficial outcomes well beyond a single, targeted deferral in the long term.

ATTACHMENT 1

#	4.0 Coalition of Concerned Manufacturers and Business of Canada (CCMBC) Interrogatories	Response
		¹ Appendix B Incremental Capital Module: Whitby Smart Grid & Sustainable Brooklin, Page 46 of 5612

#	6.0 Vulnerable Energy Consumers Coalition (VECC) Interrogatories	Response
6.1 Interrogatories of VECC <i>John Lawford, Dated September 29, 2022</i>		
VECC-16 Ref: 2023 Incentive Rate-Making Application P44 The Sustainable Brooklin Project involves Elexicon providing capacity to a group of residential developers represented by the Brooklin Landowners Group Inc. (the “Developers”), who will in turn construct new homes in Brooklin, ON with DER enabling features such as rough-ins for solar panels, battery storage and EVs. Ref: Appendix B-6 Letters of Support for ICM Application The July 19, 2022 letter from the Region of Durham states: “On behalf of the Brooklin North Landowners Group (“BNLG”), the Region of Durham is providing this letter of support for the joint Incremental Capital Module (“ICM”) application submitted to the Ontario Energy Board (OEB) by Elexicon Energy and BNLG. Ref: Appendix B-6 Letters of Support for ICM Application July 18, 2022 email from the Town of Whitby states “On behalf of the North Brooklin Landowner’s Group Inc. (“BLGI”), The Town of Whitby is pleased to provide this letter of support for the joint Incremental Capital Module (“ICM”) applications to the Ontario Energy Board (OEB) by Elexicon Energy and BLGI. It is estimated the capital contribution by BLGI and Elexicon Energy may be the largest in Ontario history for any residential development and we are delighted to give our full support to the ICM application.”		
44.	b) Please explain the relationship between Brooklin North Landowners Group and the Region of Durham.	b) Elexicon has no direct knowledge of, nor any comment on, this relationship (if one exists).
45.	c) Please explain the relationship between Brooklin North Landowners Group and the Town of Whitby.	c) Beyond coordination work done between Elexicon, North Brooklin Developers and the Town of Whitby relating to the design and routing of the Brooklin Line, Elexicon has no direct knowledge of, nor any comment on, this relationship.
46.	d) Please provide any documents that govern the relationship between Brooklin North Landowners Group and: Elexicon, the Region of Durham and the Town of Whitby.	d) Elexicon has not entered into any governing documents or agreements with the Brooklin North Landowners Group on an individual or multi-party basis (i.e. including Region of Durham and/or the Town of Whitby).

#	7.0 School Energy Coalition Interrogatories	Response
7.1 Interrogatories of SEC Jay Shepherd		
SEC-21		
47.	Elexicon states that the WSG ICM project is critical in enabling functionality of the SB project. If the OEB does not approve the SB project, would Elexicon still move ahead with the WSG project?	Yes. The Whitby Smart Grid will substantially modernize the WRZ grid and bring about material benefits for customers. The value of the Whitby Smart Grid will however be enhanced via approval of Elexicon’s application as filed, as the technologies installed will facilitate the Sustainable Brooklin Project, greater proliferation of DERs, and the potential for deferral of material infrastructure investments among other benefits.