

January 26, 2022

By EMAIL & RESS

Ms. Nancy Marconi - Registrar
Ontario Energy Board
2300 Yonge St, Suite 2700
P.O Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Marconi:

Re: Notice of Proposal to Amend the Distribution System Code to facilitate Distributed Energy Resources (EB-2019-0207)

Thank you for the opportunity to provide input to the Ontario Energy Board's (OEB's) proposed amendments to the Distribution System Code (DSC) to facilitate the connection of distributed energy resources (DERs). The Electricity Distributors Association (EDA) represents Ontario's local distribution companies (LDCs), the part of our electricity system closest to customers. Ontario's LDCs are tasked with safely and reliably distributing electricity on an ongoing basis and provided at an appropriate level of quality.

The growing adoption and innovation of DERs requires LDCs to continually explore new ways to optimally plan and efficiently operate and maintain the distribution system. For this reason, and to facilitate innovation as directed by the Minister of Energy's letter of directive on October 21, 2022, to the OEB, we welcome the OEB's initiative to amend the DSC to make meaningful changes to promote innovation in the sector.

LDCs are actively engaged in responding to requests to connect innovative and emerging technologies from a range of proponents. Modernizing the connection process to include these innovative and emerging technologies will ensure that:

- the appropriate technical information is collected,
- the necessary analysis is performed,
- the appropriate analysis and assessments are completed prior to granting connection, and
- proponents have access to the information they require and that all affected stakeholders understand the LDC's processes.

The OEB's acceptance of the working group's latest recommendations align with the EDA's 2019 paper on "[Connection Devices: A best practice guide for standardizing distributed energy resource connections](#)" (Connecting Devices), which includes eliminating the exemptions from a distributor's capacity allocation process, deposits and revising the connection deposit refund process and timeline. We view these proposed amendments as a positive development in the process for connecting DERs.

These are our comments on OEB staff's three proposed amendments set out in the letter issued on January 5th, 2022, as well as additional opportunities which we believe should also be reviewed.

1) Eliminate the "Capacity Allocation Exempt Small Embedded Generation Facility" exemption:

The EDA is supportive of the proposed changes to eliminate the exemption for capacity allocation exempt small-embedded generation facilities and agrees that these changes remove barriers which the previous DSC contained. These changes align with the EDA's original recommendation from its "Connecting Devices" paper which also supported identifying the different connections and process streams that LDCs' connection processes may need to address. It was our original proposal that connection requests could be fast-tracked by developing a connection process stream, and, depending on the type of connection, potential opportunities to advance specific capacity connections could be investigated based on connection size (e.g., <50kW, location within the distribution systems, the availability of connection capability, the presence or absence of other traits).

In its proposal the OEB states that many distribution facilities in the province currently have sufficient available capacity to accommodate some of these DER projects. As LDCs interpret the impact of this amendment to revoke this exemption, it now allows LDCs to manage their DER connection projects on a feeder or station basis for planning purposes. We encourage the OEB to continue the development of connection methods to facilitate innovation as more information is gathered on various DERs. It is prudent to review various process streams and their impacts to assess the impact of innovation on reliability and grant LDCs autonomy to plan their networks based on various connection processes.

The EDA proposes that the OEB and working group also consider expanding definitions within the DER connection in the future as more experience is gained throughout this process. The types and functions of DERs have evolved over the past decade as innovative and emerging technologies have been commercialized. Definitions of different DER types within the connection processes, as well as a distributor's Conditions of Service, should be updated to reflect this evolution. Robust definitions will support the implementation of appropriate connection policy and identify and assess responsibilities or reasonable timelines for distributors appropriately.

2) Eliminate Capacity Allocation Deposits:

The EDA is largely supportive of removing a capacity allocation deposit of the embedded generation facilities within 60 days of notice which across the province presented an obstacle and backlog to connecting DERs over 10 kW. The elimination of this step in the connection process will benefit the customers by both reducing distributor administrative burden particularly as DER connections increase in the future, reduce the time for processing applicants' forms, and not requiring customers to incur costs related to the deposits in addition to project development costs.

However, an area of concern for LDCs is with the removal of the capacity allocation deposit. There continues to be a risk of processing applications which are not fully committed to the continuation in a project and is considered an administrative burden on the LDC. The EDA seeks additional formal direction from the OEB to protect LDCs' financial risk to perform these

assessments or a mechanism by which LDCs could recover lost costs in the event of any issues with applicants.

We also have concerns that, following this amendment, there will be a potential influx of DER applications and a continually higher volume of applications to manage. As these applications are received, there is a re-evaluation process that occurs based on capacity system planning. We request that the OEB formally address their distributor expectations for these steps, and the timeframe during the transition from previous DSC rules and the new proposed DSC amendments coming into force. While this does not need to be addressed as a formal standard, LDCs seek OEB guidance to provide a consistent approach across the province. We request that the OEB provide LDCs with a set of clear and standard communications for current customers to execute current deposit returns and communicate DSC changes to applicants. This should include a clear timeline and deadline for returning currently held capacity allocation deposits.

3) Proposals to revise Connection Cost Deposit Refund Process & Timeline:

The EDA supports the working group opinion expressed during consultation of this amendment that, in practice, the timing of actual refunds can vary for a variety of reasons, including gathering financial support, invoicing and payment deadlines, net-payment agreements, and invoice review that could result in the challenging of charges and credits. We support the development of a standard approach for written notice of completion, preliminary connection cost reports, and prescribed time periods.

However, we suggest that the approach also include a flexible communication procedure that permits any deviation from the standard approach. To provide the customers with greater clarity, certainty and a realistic sense of business rules, the DSC amendments should also include a methodology by which the LDC is able to realistically notify the applicant should unforeseen delays or cost increases occur that result in an adjustment to the standard connection process.

Other Items: Enhance communication and better support customers to reduce uncertainty of connection

As proposed in EDA's Connecting Devices paper, we urge the working group and the OEB to consider **enhanced coordination and collaboration of interconnection standard updates**, and to make these process updates more widely available to the public. Customers could access geographical connection capability maps, summary of different connection process streams, access overviews of the connection process, and an OEB sample of compliant information submissions to prepare for application of connections in lieu of a financial deposit.

We also encourage the working group and OEB to **perform regular updates to the connection standards** as more information is gathered during the increased connection period. These recommendations will support efficiency within the connection process and facilitate the correct level of innovation by removing a cost in the development of DERs and red tape.

Lastly, during the connection process, customers are typically unaware of the activities being undertaken either by the LDC or interconnected parties (e.g., upstream LDCs, transmitter, and the IESO) or both. In many instances, the customer has no way to access this information. Limited status updates for customers leaves them 'in the dark' with respect to how the connection process is

proceeding, and specifically, whether any party has encountered issues that may cause a delay. While customers are generally advised to limit investment activities until the completion of the connection assessment process, the connection of DERs is a complex undertaking that requires the coordination of many different activities and entities. For these reasons, we encourage **enhancing connection process updates**. Status updates on the progress of the connection assessment could provide insights to our customers that they can use to manage their workflows which may be impacted by any delays in the connection process.

Overall, the objective of enhancing connection process updates is to be responsive to the needs of the customer and the LDC, including recognizing that the connection process is part of a larger undertaking in delivering DER projects.

Thank you once again for the opportunity to comment on these proposed amendments to the DSC to facilitate connection of distributed energy resources. We look forward to partnering with the OEB and IESO on this project and offering valuable LDC feedback through the DER working group. Should you have any questions on this submission or require clarification, please do not hesitate to contact Brittany Ashby, Senior Regulatory Affairs Advisor, at bashby@eda-on.ca or at 416.886.4420.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Wigdor', is written over a light grey circular stamp.

Ted Wigdor
Vice President, Policy, Government & Corporate Affairs