



By EMAIL and RESS

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Our File: EB20220024

Ontario Energy Board
2300 Yonge Street
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Toronto, Ontario
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Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2022-0024 – Elexicon – SEC Hearing Submissions

We are counsel for the School Energy Coalition. This letter is sent pursuant to Procedural Order #3 with respect to the form of hearing for this proceeding.

SEC believes that the ICM issues raised should be dealt with by way of an oral hearing, preferably in person rather than virtual.

Background

This proceeding is dealing with two essentially unrelated capital projects comprising three ICM requests (one project covering two rate zones).

SEC has not intervened in this proceeding with respect to the first ICM project, a 27.6kV feeder line into North Brooklin to provide power to an area of new developments. We have no comments on that project or the manner of adjudication with respect to that project.

Whitby Smart Grid, on which we have intervened, is part of a larger project to modernize the Elexicon grid and prepare for broader uptake of distributed energy resources. It has some similarities to the ICM project recently approved for PUC Distribution, including VVO, Distribution Automation (including FLISR), and ADMS. It is planned to go into service in 2025, and the ADMS component is relying on a substantial federal government contribution.

SEC has in the past supported grid modernization initiatives, while remaining acutely conscious of the cost. Cost is particularly important for this kind of project, since many other LDCs will be actively considering similar projects over the short and medium term.

These projects dwarf the normal capital spending of the Applicant. The cost is high.

Method of Adjudication

SEC believes that an oral hearing is necessary in this case, for three reasons.

First is the sheer size of the projects. In the Technical Conference, it was demonstrated that schools in Whitby, for example, will see their distribution charges increase by 23% just as a result of these ICMS, and two other planned incremental increases (a Z factor and a DER Enabling Program) will pile on top of that. Other ratepayers will have similar impacts.

These projects are a big deal for customers.

Note that this is only the first step. Elexicon plans to implement a Grid of the Future throughout their service territories. A lot of capital spending will be involved, and customers will be concerned not just with cost/benefit analysis, but also with pacing.

This may be a good idea, either now or in the future. However, it doesn't matter how much better the Mercedes might be, if you simply can't afford it. This presents the OEB with difficult tradeoffs between what is a good idea, and what is affordable.

Second, there are undoubtedly a number of other LDCs watching this proceeding, assessing whether they should also come in to the OEB for material rate increases to modernize their grids. There is considerable value added where the OEB considers issues like this – with generic impacts - in the public forum.

In addition, because the issues have potentially such broad application it will be useful for many in the sector to be able to monitor the hearing and actually watch the debate unfold. They will gain value just from the debate.

Third, the OEB will be aware from seeing the transcripts of the technical conference that the record is not yet complete. Questions have been raised, but not all of them have been answered. Although for other parties this may be most obvious with respect to the proposed line to North Brooklin, the costs, benefits, and timing of the Whitby Smart Grid also remain less than clear after detailed questioning in the technical conference.

An oral hearing is needed to complete the evidentiary record so that the OEB can make the best possible decision.

For these three reasons – size, broad impact, and incomplete record – SEC believes that the ratepayers should legitimately hope that the OEB Commissioners bring the utility executives before them to justify their proposals.

Some debates should play out in public, not just in written submissions by those in the know.

In-Person vs. Virtual

Most OEB “activities” have moved to virtual, and there is no schedule to revert to traditional approaches. Not everyone agrees.

However, that is a debate for another place. In this case, the situation is a little different, and the various disadvantages of virtual are exacerbated.

For example, unlike many other cases, there are intervenors on all sides of each issue, ranging from those strongly in support, like PWU, to those strongly opposed, like CCMBBC, and a

number in various positions in the middle. In addition, for a number of them, including SEC, it will only be as the record is completed during the hearing that their positions will solidify.

That range of perspectives already means that limitations on who you can see on the screen at any given time are a problem. If the screen only shows the reactions of the panel members and some or all of the witnesses, you miss the actual debate happening in the room.

People communicate by many methods other than words.

This is not just optics. This is basically about procedural fairness. When there are multiple parties with quite disparate (and nuanced) points of view, being unable to see them as you are debating tens of millions of dollars of ratepayer-funded spending is unfair. It means judging how you should proceed with a cross-examination is much more difficult, particularly given that good cross-examination is so much about reading the impact of the responses on others. It means submissions on issues of relevance and procedure are compromised, because you can't see those with whom you are debating those issues (in addition, of course, to addressing the adjudicators). It means interactions between other parties allied on issues, in whole or in part, are missed.

SEC therefore submits that this oral hearing should be in-person, in Toronto. Elexicon is close by, and the representatives of all parties can easily attend an in-person hearing. No-one will be subjected to significant travel or location costs because the hearing is in person.

An in-person hearing would also be a public signal by the OEB that it treats high impact rate issues, particularly those with broader implications in the sector, with the attention and focus they deserve.

Conclusion

For the reasons set out above, SEC submits that the OEB should hold an oral hearing on this Application, and should hold it in-person, in Toronto. SEC believes that it should not take longer than two hearing days.

All of which is respectfully submitted.

Yours very truly,

Shepherd Rubenstein Professional Corporation



Jay Shepherd

cc: Brian McKay, SEC (by email)
Interested Parties (by email)