

Ontario Energy Board
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October 18, 2019

Attn: Board Secretary

**Re: Board File Number: EB-2018-0287/0288
Utility Remuneration and Responding to Distributed Energy Resources (DERs)**

On behalf of the Canadian Solar Industries Association (CanSIA), I am pleased to provide the attached comments in respect of the Board's staff letter dated September 26, 2019 which established a written comment phase following the September Stakeholder Meeting ("the written comment phase letter").

CanSIA and its members are very supportive of this undertaking which will have significant impacts on customers who choose to adopt solar PV and other DERs such as energy storage. CanSIA has developed this submission in consultation with the members of Nexus - a strategic project founded by CanSIA and operating in collaboration with the Canadian Wind Energy Association (CanWEA) that focuses on customer adoption of energy management technologies and enabling broader uptake of renewable energy.

Overall, CanSIA is very pleased to have had the opportunity to participate in the OEB's stakeholder meeting. We commend the OEB on taking these first steps to engage proactively with stakeholders prior to firmly establishing the scope and priorities of these policy initiatives. Consistent with the written comment phase letter, this submission focuses on our views of what objectives, specific problems or issues that should be addressed and guiding principles for each initiative.

First, with respect to overarching principles, CanSIA emphasizes the need to ensure customer protection, including protection of customers who have made investments in DERs that may be impacted by changes that may be implemented in response to these policy initiatives. In addition, CanSIA supports the principles of competition, ensuring that changes are understandable and addressable by customers, encouraging energy efficiency and recognizing broader system-wide benefits of DERs.

Second, with respect to objectives, we believe it is appropriate to adopt a customer-centric approach. The OEB should ensure coordination amongst the industry stakeholders and ultimately strive to achieve clear investment signals to customers and DER solution providers.

During the DER Panel session on the second day of the Stakeholder Meeting, CanSIA presented Table 1 below. While stakeholders provided a range of feedback, we believe the following structure remains appropriate for the OEB’s consideration. In recognition of the discussion with stakeholders acknowledging that change will take time and should be planned to avoid unintended consequences, we offer the following additional clarification and insights with respect to prioritization.

Table 1. CanSIA's proposed topics by OEB initiative

Responding to DERs	Utility Remuneration
Distribution System Planning (e.g., DER integration and optimization, etc.)	Continued evolution of remuneration frameworks (e.g. shared savings mechanisms, performance incentive mechanisms, etc.)
DER connections, hosting capacity and information sharing	Costs allocations, pricing and rate design
Coordination at the transmission-distribution interface	Non-wires alternatives (NWA) sourcing (e.g., treatment of capex/opex, procurement practices, etc.)

Since it is impractical to consider all the above initiatives at once, CanSIA offers the following prioritization for consideration:

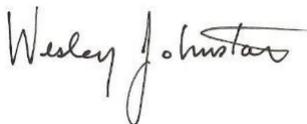
- 1) **DER connections, hosting capacity and information sharing (RDER)** – as OEB has initiated a separate policy initiative on DER connections (EB-2019-0207), we recommend as a first step that this initiative be conducted as a priority with the results feeding into other consultation processes.
- 2) **Cost allocation, pricing and rate design (UR)** – given that customer decisions to adopt DERs will be in part driven by cost allocation, pricing and rate design, it is logical for the OEB to prioritize this discussion to provide clarity to customers. This should be closely coordinated with the Ministry of Energy, Northern Development and Mines, particularly as it relates to potential next phases of their consultation of industrial electricity pricing.
- 3) **Distribution System Planning (RDER)** – as emphasized by CanSIA’s panel presentation, improving planning in the context of increased customer adoption of DERs, as well as the

ability to leverage both existing customer-owned DERs and utility-planned DERs to meet system needs, is a foundational step. Outputs from improved distribution system plans should drive the distributors procurement practices.

- 4) **Continued evolution of remuneration frameworks (UR) & NWA sourcing (UR)** – given the potential for overlap, CanSIA recommends that the remuneration frameworks be considered in parallel with a discussion on competitive NWA sourcing. For example, how can barriers for the use of cost-effective NWAs be removed and incorporated into distribution system planning? It is logical that this discussion would include the procurement practices of distributors. Therefore, as discussed by several stakeholders during the Stakeholder Meeting, it may be necessary to review the Affiliate Relationship Code, as it relates to ensuring fair and competitive procurement of NWAs.
- 5) **Coordination at the transmission-distribution interface (RDER)** – as uptake of DERs increases, the OEB should engage distributors, transmitters and the Independent Electricity System Operator (IESO) in a review of the coordination that is required at different levels of the electricity grid. For example, what information should distributors share with the IESO (e.g., from planning phases through to real-time operations)? Or, how much visibility of the distribution system is required? CanSIA recognizes that the IESO has initiated several consultations related to DER integration in IESO administered markets, therefore we recommend that such consultations continue with increased coordination with the OEB.

Thank you for your consideration of these comments. We recognize that there is a range of priorities identified from different sectors and participants, however, CanSIA asserts that the above sequencing is logical given the potential scope of this consultation. We look forward to the next steps of this important policy initiative.

Sincerely,



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