

Feedback Form

Clean Energy Credits – April 21, 2022

Feedback Provided by:

Name: Brittany J. Ashby

Title: Senior Regulatory Affairs Advisor

Organization: Electricity Distributors Association

Email: [REDACTED]

Date: May 5, 2022

Following the April 21, 2022 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by **May 5, 2022.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Registry Design Features

Topic	Feedback
Are there any registry features missing from the proposed list, either basic requirements or future functionality?	<p>Other registry features that would be beneficial in the establishment of the design features for CEC could be</p> <ol style="list-style-type: none"><li data-bbox="792 310 1524 464">(1) The definition of legal units of measure and the consideration of kW, kVa, and kVar and load offset (net behind the meter) totalization, energy storage, and loss compensation.<li data-bbox="792 470 1524 581">(2) Clarity on the transfer of data. For example: IESO directly reading meters, LDC owned meters, Green Button, Measurement Canada<li data-bbox="792 588 1524 699">(3) Financial transactions should be transparent as to whether it is going back to the electricity system or elsewhere.<li data-bbox="792 705 1524 816">(4) Clear, transparent, and defensible (certified) carbon emissions calculation for ratepayers to use as a tool.<li data-bbox="792 823 1524 934">(5) Primary goal of CEC offerings should also include wording to support the reduction of Green House Gases.

CEC Product Offering Options

Topic	Feedback
Has IESO identified the right set of CEC product offerings? Are there any missing?	<p>More consideration for net metering customers participating in the product offering need to be examined. Customers who participate in net metering also have contributed their investments in green energy and will likely want similar access to the product offerings and benefits of clean energy. Additionally, adding Electric Vehicle charging to the list of eligible ways to generate CECs.</p>

Topic	Feedback
<p>Are there benefits/challenges to any of the proposed CEC product offerings that have not been covered?</p>	<p>There are benefits of product Free Unbundled CEC Product Distribution (Option 1a); Existing EAs have already been paid for by all ratepayers and have been embedded in contract costs, and this would be essentially getting customers to pay again for what they've already paid for. The product offerings should have customers only pay for the additional/incremental generation and new investment, not for what is already existing. (Option 1a) Free Unbundled EA Distribution, as presented, gives existing customers a credit so 90% of their electricity is emissions free. While there will not be a large pool of new EAs for customers that want to have 100% emissions free to choose from. This will consequently drive the price of EAs up to a point where it will incent new low carbon generation, which should be the desired result. If the existing EAs are sold and are purchased by interested customers, it is expected the existing emission factors from the grid increase for the remainder of the customers. Challenges of the proposed CEC product offering that have not been covered are:</p> <ol style="list-style-type: none"> (1) The carbon implications are for domestic industry that doesn't buy the credits. (2) (Option 1b); Residual supply mix impacts for existing customers that do not purchase CECs. Ontario customers have been paying the substantial cost of achieving the existing pre-CEC supply mix via the GA for a long time. (Option 1c); If the GA was reduced for PPA purchases, careful design is required to avoid shifting GA costs to customers that do not enter into PPAs (Option 3a). (3) Potential for conflict of interest in the sales and administering of CEC.

Topic	Feedback
<p>Which CEC option(s) works best for your company? For Ontario?</p>	<p>As proposed but not yet defined the default bundled CEC option whereby ratepayer calculations of carbon emissions footprint include the carbon supply mix. Customers are likely to prefer a status quo unless there is a clear benefit otherwise.</p>

CEC Customer Preferences Survey

Topic	Feedback
What are the most relevant findings from the CEC customer survey?	LDCs are the face of the electricity industry to the end customers there is a need to clearly communicate the value of the CECs to the ratepayer. Customers will expect LDCs to help navigate the CEC product offerings to make the process simple. Customers will also need direction regarding how to calculate their own carbon emission footprints in the future when they consider participating in the CEC product offerings. Consider an online calculator for estimates.

General Comments/Feedback

Simplicity and transparency need to be a guiding principle in communicating the value of CEC offerings to customers. Immediate consideration should be given to how incremental costs to the administrators of the CEC registry are to be incurred and recovered. Also, the future intention of the regulator to allow additional costs for LDCs themselves to purchase CECs for their operations needs to be considered. LDCs should have the ability to put together their own platforms to achieve CEC trading, provided they meet the requirements of the provincial program. Consideration of efficiency can also be given to leveraging existing provincial investments that have gone into programs such as Alectra's Grid Exchange platform. The Grid Exchange platform could potentially serve as "the Ontario platform" for buying, selling, trading, etc. of CECs, rather than creating a new platform from scratch.