

# OEB Updates on DER Integration work

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## OEB/IESO Joint Engagement on DER Integration

November 23, 2022

# OEB Policy Initiatives

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1. Framework for Energy Innovation (FEI) Next Steps
2. EV Integration
3. DER Connections Review
4. Energy Transition Roadmap
5. Regional Planning Process Review (RPPR)

# Framework for Energy Innovation (FEI) Overview

## Consultation Objectives:

Facilitate DER adoption, in ways that enhance value for customers

Clarify regulatory treatment of innovative solutions

## Workstreams:

DER Usage  
(distributor use of third-party DERs as NWA)

DER Integration  
(DER adoption factored into distribution planning)



# FEI Working Group Recommendations

OEB's Terms  
of Reference

## DER Usage

“support utilities’ use of DERs they do not own, as alternatives to traditional solutions, to meet distribution system needs”

1. Establish an initial framework and template for Benefit Cost Analysis.
2. Remove DER disincentives including cost recovery uncertainties.
3. Establish an initial DER incentives policy including testing possible incentive structures.

FEI Working Group  
Recommendations

## DER Integration

“ensure that utilities’ planning is appropriately informed by DER penetration and forecasts”

4. Establish an initial policy for sharing information between LDCs, DER providers, and customers to support distribution planning and operations.
5. Develop regulatory reporting requirements for DERs, including RRR filings, applications, and other OEB reporting.

## Subsequent Priorities

“identifying and suggesting relative priority of subsequent issues and areas of focus to be addressed”

# Stakeholder Comments on FEI Working Group Report

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Stakeholders expressed a range of views, but some common themes emerged, including broad agreement that the OEB should:

- Clarify its expectations of distributors with respect to DER use and integration
- Develop a broadly-scoped BCA Framework, as well as mechanisms to allocate costs to beneficiaries
- Remove disincentives to distributor use of third party DERs as NWAs and may consider testing incentives to support adoption of these solutions
- Facilitate appropriate sharing of DER information between distributors, DER solution providers, and customers

# Electric Vehicle Integration

## Background

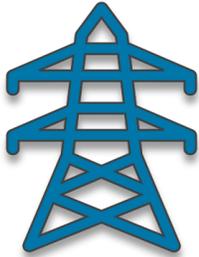
The sector expects increased adoption of electric vehicles (EVs) as part of the energy transition. This increased adoption will place additional pressure on electricity utilities to connect new charging stations and serve increased demand. Consistent with the November 2021 Mandate Letter, the OEB is committed to ongoing collaboration with government and industry.

## Objective

To facilitate the **efficient integration of EVs** and ensure that regulatory guidance and requirements remain current as EV adoption increases and technologies evolve.

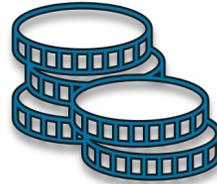
# Electric Vehicle Integration: Approach

## Enabling Infrastructure



Identify regulatory guidance distributors may benefit from.

## Delivery Costs



Study of Delivery Costs, focusing on Demand Charges.

## Connections

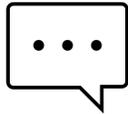


Continued review of technical and process improvements for EV connections.

# Electric Vehicle Integration: Next Steps

Fall / Winter 2022

Early 2023



Conduct survey of LDCs and EV Charging Service Providers and assess areas that may benefit from additional regulatory guidance or action.



Conduct Study of Delivery Costs, with a focus on Demand Charges.

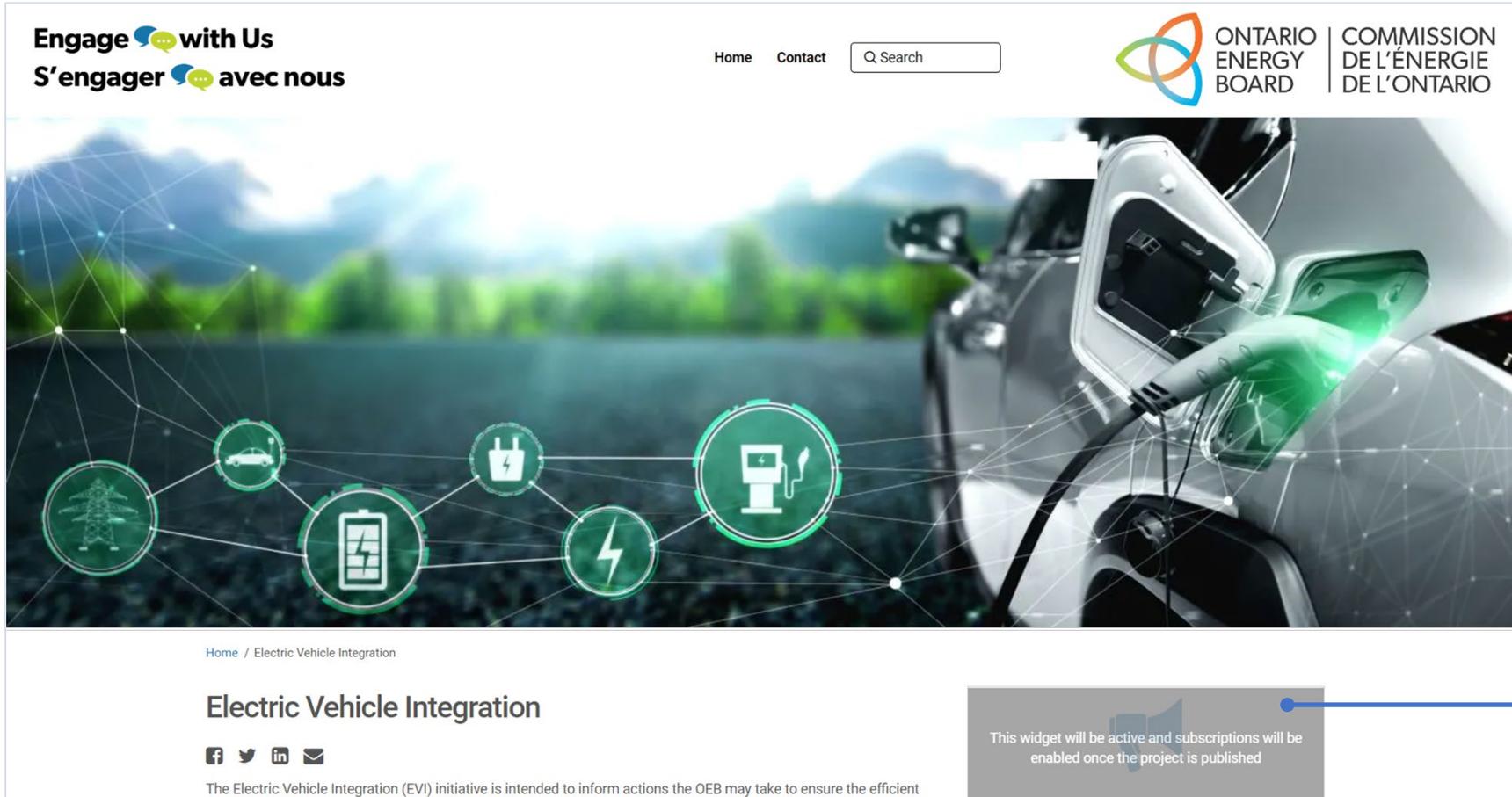


Establish Issues List for EV Connections



Identify technical and process optimizations for EV connections

# Electric Vehicle Integration: Engage with Us



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## Electric Vehicle Integration

The Electric Vehicle Integration (EVI) initiative is intended to inform actions the OEB may take to ensure the efficient

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# DER Connections Review

## Background

DER Connections Review consultation was established in 2019 to identify regulatory **barriers** for DER adoption and **opportunities** to streamline the connection of DERs.

Working Group is comprised of distributors, developers, industry associations, and other stakeholder groups. Working Group sets its own priorities and makes recommendations that may result in DSC amendments or other changes to requirements.

## Objectives

**Standardize** definitions and rules for connecting DERs.

**Improve clarity** with respect to application of rules to all DERs.

Ensure **process efficiency** through streamlining of activities, where possible.

Identify issues and opportunities related to **EV connections**.

# DER Connections Review: Updates Since Spring 2022

## DSC Amendments (October 2022)

- DSC Amendments to facilitate DER connections came into force October 1
- OEB staff worked with LDCs to support implementation of new requirements that standardize and streamline connection process

## DER Compliance Monitoring Framework

- OEB staff preparing a framework to ensure compliance with new DSC requirements

## Risk Framework

- Developed revised templates to provide earlier indication of connection complexity to DER applicants
- Forms are expected to be finalized in 2022 and rolled out in 2023

## Tranche 4 Recommendations

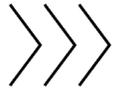
- WG recommendations:
  - RRR
  - Capacity Deposits
  - Capacity Allocation Exemptions
  - Connection Deposit Refund Timelines
- Industry expressed desire for continued work under a new Tranche 5

# DER Connections Review: Next Steps

2022



Continue to develop recommendations based on the issues identified related to EVs, including those solutions that may benefit the connection of DERs more broadly.



Process recommendations from Tranche 4.



Continue development of revised preliminary consultation forms under the Risk Framework.

2023



Implement accepted recommendations, through modifications to DSC, DERCP, and RRR, as appropriate.



Consider roll out of new forms developed under the Risk Framework.

# OEB Energy Transition initiative

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The goal of this initiative is to clarify the OEB's role in supporting the energy transition and to ensure that our work is aligned with the priorities of our stakeholders.



The Energy Transition is underway and the OEB is already undertaking important work in response

The OEB wants to know what issues related to Energy Transition and Innovation we should focus on next



The OEB will prioritize new work in an ***Energy Transition Roadmap*** and its next Business Plan



# OEB Energy Transition Page

## Energy Transition

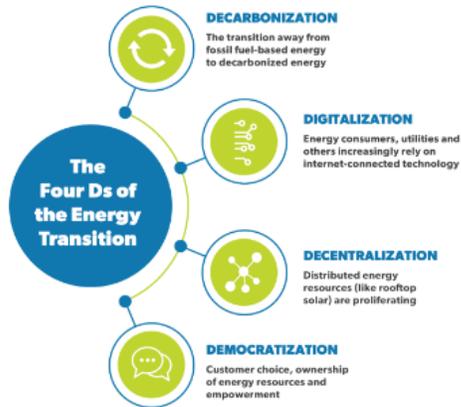


**The OEB is committed to delivering public value in a changing energy sector**

What is the energy transition and why does it matter?

The energy transition is a global shift away from using fossil fuels (like oil, gasoline and coal) to a more sustainable, renewable energy future that includes more innovation and customer choice. The OEB has launched an initiative mapping out what its priorities should be in response to sector feedback. We've heard a desire for the OEB to set clear expectations for utilities, for planning, for grid investment supporting electrification and for business models enabling the utility of tomorrow.

The energy transition can be thought of in relation to the "Four Ds" - decarbonization, digitalization, decentralization and democratization.



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**What's Coming Next**

- September 19 - Poll Open**
- October 13**  
OEB Policy Day
- November**  
Prioritize Policy Issues
- November/December**  
Develop new Business Plan
- May 7-10 2023**  
OEB hosts CAMPUT 2023  
<http://www.camput.org/events/>

**We're Listening**

**Rachele Levin**  
Energy Transition Lead  
Ontario Energy Board



Email [Rachele.Levin@oeb.ca](mailto:Rachele.Levin@oeb.ca)

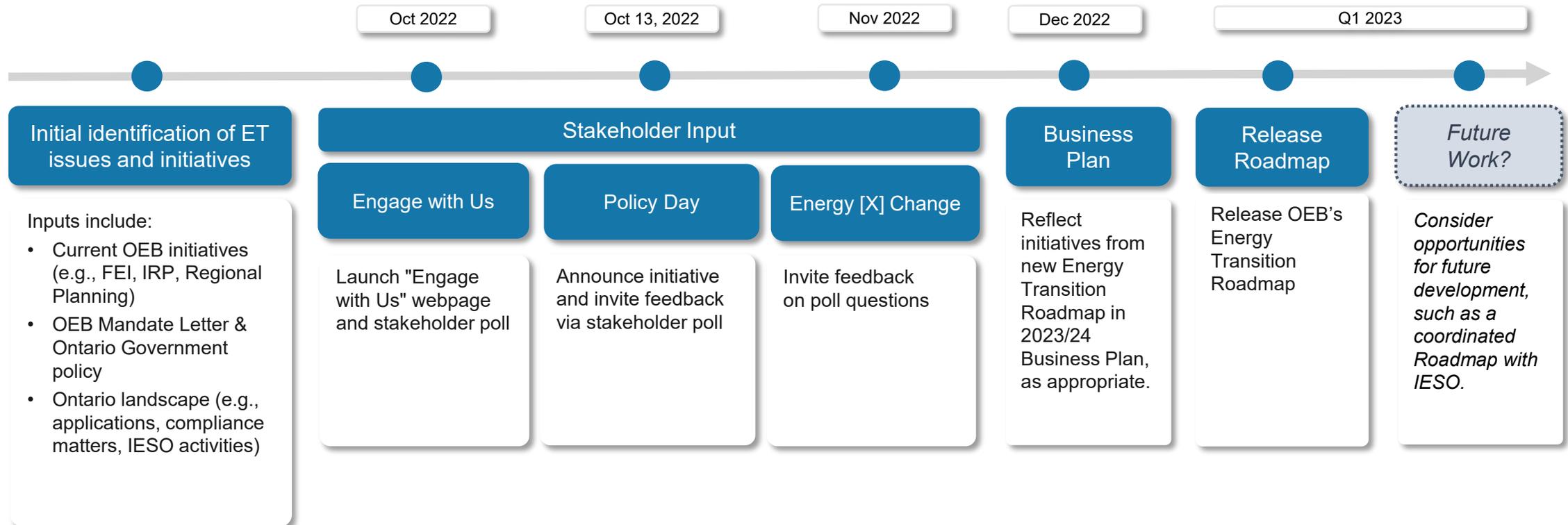
**Share information**

'One-stop shop' for stakeholders to learn about the energy transition and the OEB's work to support the transition.

**Collect feedback via stakeholder poll**

Stakeholders provided input regarding their priorities to inform the development of the Energy Transition Roadmap.

# Energy Transition Timeline



# OEB RPPR\*: Consultation Overview

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- On December 10, 2020, the [OEB initiated a consultation process](#) to undertake a review of the regional planning process. The primary purpose of this review is to improve the efficiency and effectiveness of the current process, which was originally instituted by the OEB in 2013 to ensure optimal investments
- The OEB re-established its Regional Planning Process Advisory Group (RPPAG) to assist the OEB in this review
  - The RPPAG is comprised of LDCs, Hydro One, the IESO and other stakeholders representing DER / Non-Wire developers, municipalities, consumers and a natural gas utility
- The RPPAG provided its [Report to the OEB](#), which included recommendations for the OEB's consideration, that are intended to improve the current regional planning process

\*RPPR: Regional Planning Process Review

# OEB RPPR\*: Consultation Update

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- The OEB issued a [letter](#) with its response to the RPPAG's recommendations and an **implementation plan** in relation to those that require the OEB to take action. The OEB also **endorsed** the recommendations that require RPPAG action
- The OEB has implemented a number of recommendations including:
  - **Update to CDM Guidelines** – expanded scope to include **transmission infrastructure deferral** (i.e., no longer limited to distribution)
  - [New Bulletin](#) – clarifies a local community may choose an alternative solution to the solution identified through a distribution / regional planning process to meet a need, based on **local preference** (e.g., DER, rather than wires)
- The RPPAG also produced a [Load Forecast Guideline](#) for LDCs, Hydro One and the IESO to use in order to ensure **greater consistency** in preparing load forecasts for the purpose of identifying needs across Ontario – DERs are one of the sensitivity drivers

\*RPPR: Regional Planning Process Review

# Thank You

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