

Feedback Form

OEB-IESO Joint Engagement – November 23, 2022

Feedback Provided by:

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Specific Questions for Comment/Feedback

Topic	Feedback
<p>Would the Joint Study of DER Incentives research be valuable to the sector/stakeholders?</p>	<p>Hydro One is supportive of the study and notes that the value of the study will depend on the scope of incentives and work considered.</p> <p>Hydro One recommends that in addition to IESO and OEB incentives, the study also consider government-driven incentives (e.g., net metering, renewable energy credits, Industrial Conservation Initiative, etc.) and LDC-driven DER incentives. In addition, Hydro One recommends the study consider the current regulatory frameworks (i.e., OEB codes, IESO market rules, legislation, and regulation, etc.) to ensure that incentives can appropriately flow from LDCs and IESO to DERs provide system value.</p> <p>The study should also consider how to assess if the DERs incented are cost-effective. For example, if DER capacity was required but the connection is complicated and costly, some of these costs could fit under the Renewable Energy Initiative (REI) and would therefore be paid by all Ontario ratepayers. However, there should be a check to ensure that ratepayers aren't footing the bill for DERs that can't be connected in a cost-effective way.</p>
<p>Do you agree with the objectives presented on the Joint Study of DER Incentives? Would you propose any additional objectives?</p>	<p>Hydro One recommends adding the following to the objectives:</p> <p><u>Objective 1:</u> Create a better understanding of how financial incentives for DERs function individually and collectively, including the supporting regulatory frameworks, to ensure that different incentives aren't working to cross purposes and are achieving the most efficient outcomes for energy customers.</p> <p><u>Objective 3:</u> Apply learnings to related IESO and OEB programs and policies that are under development, as well as to inform future LDC-driven DER programs/incentives.</p>

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<p>What research questions do you suggest the OEB and IESO should pursue under the Joint Study of DER Incentives?</p>	<p>In addition to identifying DER incentives across the full value chain DERs could participate in (i.e., distribution, transmission, and generation benefits) and considering the regulatory framework, Hydro One recommends the study map out the policy landscape related to DERs to identify any gaps. This would provide a more complete view of both existing DER-related incentives, and initiatives that would be creating new incentives. Specifically, we suggest the following research question”</p> <ul style="list-style-type: none"> - What are the ongoing DER-related policy initiatives at the OEB, IESO and government and the questions each is looking to answer? What gaps exist?
<p>In the context of the Joint Study of DER Incentives, what DER incentives (e.g. price, program, procurement approaches) do you think work well? Are there specific circumstances under which they work well? What incentives do not work well?</p>	<p>Hydro One does not have specific comments at this time.</p> <p>Hydro One recommends that the OEB and IESO share the list of DER incentives identified in the study for feedback. Once this is shared, stakeholders will be in a better position to provide comments on the completeness of the list as well as how each incentive is working. LDCs will be able to provide their expertise on how incentives are working for the LDCs and our customers.</p>
<p>Finally, was today’s session useful? How can we improve the next session?</p>	<p>Thank you for the ongoing commitment to transparency. It is useful to understand the broader plans and perspective of DER-related policy.</p>

General Comments/Feedback

Hydro One is supportive of the proposed study and strongly encourages the OEB and IESO to involve LDCs in the process, including to provide input and feedback on the list of DER-related incentives (as noted in comments above). LDCs have expertise in the impacts of DER-related incentives on the distribution system and for our customers that should be leveraged to ensure the study provides maximum value to the sector.

In the future DERs will become an increasingly important tool for customers, LDCs and the IESO to meet the needs of the energy transition, and as such to ensure the ongoing usefulness of the study it should consider the full scope of use cases as well as current and future incentives. Further, the full picture is required to ensure that current and future DER incentives do not work at cross purposes to achieve customer, LDC, IESO and OEB objectives.

Slide 5 of the Joint Engagement Update presentation provides a recap of the OEB and IESO’s goals for DER integration. Hydro One is supportive of these goals but believes that the slide does not provide a complete picture. The IESO’s goal relates to bulk system grid benefits DERs can provide within their mandate, where the OEB’s goal focuses on value to consumers. Hydro One suggests that the OEB goals be expanded to better reflect the OEB’s full mandate and role in the sector:

“To facilitate DER deployment and integration into LDC planning and operations to maximize the value of DERs to the distribution system as well as facilitate customer and adoption of DERs for their own benefit that enhances overall value to energy consumers.”

Hydro One appreciates that the OEB and IESO are seeking feedback early in the design of the study and recommends that the fully study design be shared for input prior to commencing the study. This will ensure that the study approach is fully informed by the expertise of LDCs, DER providers and customers, and provide necessary transparency as to the timelines and opportunities for input throughout the process.