



**CoEnergy**



## **Ottawa Sub-Region 2019 Integrated Regional Resource Plan (IRRP) Engagement Webinar #2**

The Ottawa Renewable Energy Co-operative (OREC) and Co-Energy Ontario Co-operative are pleased to respond to the presentation on the Ottawa Sub-Region 2019 IRRP on November 13, 2019.

The Ottawa Renewable Energy Co-operative Inc. (OREC or the Co-operative) is a for-profit co-operative created to develop and operate renewable energy projects in Eastern Ontario, producing electricity to sell to the Ontario grid and electricity users, and enabling individual residents of Eastern Ontario to jointly finance, own, and earn a reasonable return from those renewable energy generation projects.

CoEnergy Ontario Co-operative Inc. (CoEnergy) provides low carbon and other clean energy products and services to its members and the community, including efficient equipment, solar PV, heat pumps, electric vehicles, and power storage. CoEnergy is a multi-class co-op with two classes of membership – consumer and community members. Consumer members use the Co-op's energy services. Community members own and manage the Co-op's assets.

OREC and CoEnergy are examples of how cooperatives can both generate and distribute wealth in local communities.

### **General Comments**

1. We are pleased to see that non wires options are being seriously considered to help meet the growth in electricity demand in central Ottawa and specifically to meet more immediate demand growth in Kanata Stittsville. We believe that this focus on non wires would also contribute to delaying the need for extensive wires options in the other two target areas of the IRRP.
2. OREC and CoEnergy are ready to partner with the IRRP Working Group in developing business models for the delivery of non wires options, especially those that can target priority areas like Kanata Stittsville against the backdrop of Provincial and Federal policies and programs that apply to the whole region – one of the challenges identified in the presentation. We feel that energy cooperatives like ours are ideally suited to do this using our community financed leasing and ownership business models.
3. We feel very strongly that the 2019 IRRP should be an integral part of the City of Ottawa's Energy Evolution strategy. The timing is perfect as the draft report will go to council this winter. Energy Evolution will be a blueprint for the future of energy in the Ottawa region including meeting electricity demand. We strongly encourage the two initiatives to work on common goals and proposals in 2020.

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## **Responses to the specific questions asked in the current engagement**

### **Information needs to be considered in these recommendations**

1. The cost, reliability, and firm delivered capacity of non-wires options will depend on the business models used to deliver them. For example, if the LDC installs its own distributed generation and power storage, the full cost would be borne by the LDC and passed on to all customers. On the other hand, if the LDC provided free connection and billing, or some other incentive for locally financed net metered solar capacity and storage, the cost to the LDC would be lower and there would be an investment opportunity for the community which would be repaid in the form of savings. This would effectively treat distributed generation and storage in the same way as efficiency and demand management options.

To use these innovative business models, Ottawa Hydro will be able to use the experience gained from its MIGEN pilot as well as the experience of local energy co-operatives such as OREC and CoEnergy who have close to 10 years experience in community financing.

Single entity virtual net metering with storage should also be considered as a business model for non-wires options.

It is therefore important that these business model options be reviewed as part of financial analysis of options before the final recommendations in the IRRP because the results will affect the comparison with other options.

2. The costs of non-wires options, especially power storage and smart grid management software are falling rapidly. This also needs to be taken into account in the comparative analysis of these options.
3. It would also be very useful for participants in the engagement process to see the financial analyses of options before the final recommendations are made. It was not clear in the November 13 presentation how the non-wires options were costed. As noted above, the costs and the firm potential of these options depend on the business models used to deliver them.
4. Before finalizing the IRRP, the Working Group should liaise with the City of Ottawa Energy Evolution team to develop common strategies around electricity supply and demand. The 2019 IRRP recommendations should be the first stage of the long-term electricity sector transition strategy laid out in Energy Evolution.
5. Electrification of heating and transportation are going to accelerate both provincially and in the Ottawa sub-region, yet this is not reflected in the current IRRP. The IRRP should include a more specific analysis on this new demand over the next 5 years – aligned with projections by independent experts and in Energy Evolution.

### **Community feedback to proposed recommendations**

1. We support the recommendation to use non-wires options to meet growing demand in Kanata Stittsville. We believe experience will show that these options will be able to meet

demand in a much more efficient way than making large infrastructure investments. As noted above it would be useful to see the analysis that led to this recommendation.

2. We understand the challenge of delivering non-wires options in a targeted way to meet growing demand in different parts of the City when provincial (and federal) policies and programs also address these options. We believe that by using innovative business models such as community ownership and partnerships, and by working with community organizations and businesses in the specific areas targeted, the desired objectives can be achieved. We are ready to participate in the design and implementation of these delivery models. OREC and CoEnergy are each working on projects in the Stittsville Kanata South areas that would directly assist the local non-wires options. OREC is developing a solar net-metered project on the CECCE school at 5315 Abbot (Paul-Demarais High School). CoEnergy is also investigating a 'single entity virtual Net-Metering' solution for the Eileen Talman housing cooperative as part of a comprehensive set of energy conservation actions for the facility. In both cases, OREC and CoEnergy will be working with the respective school board and housing cooperative communities to facilitate energy conservation and general energy awareness. These initiatives could be easily replicated as part of a wider non-wires implementation plan.
3. We also understand the reticence to use non-wires options in the other two areas covered by the IRRP. However, we strongly recommend that these options also be implemented alongside the proposed infrastructure investments in these areas. This could defer major infrastructure expenditures.
4. We support the undertaking of an Addendum Plan to evaluate the longer-term role of non-wires options in the Ottawa sub-Region. This should be carried out in partnership with delivery agents (such as OREC and CoEnergy) so that definitive costs and firm potential can be estimated.

How can the IRRP Working Group continue engage with the community as these recommendations are implemented

1. It would be useful for the IRRP Working Group to engage with community and delivery partners at a working level before finalizing the IRRP – particularly in the Kanata Stittsville area where targeted non-wires options are planned. Local community associations, councilors, and business groups will be able develop the most suitable locations and delivery methods in the area. Potential delivery partners such as energy co-ops and trades will be able to identify the best business models to use.

This will result in firmer estimates of the cost of non-wires options and capacity that can be met with these options.

This approach, along with the continuing experience from the MIGEN project will serve as a model for the delivery of non-wires options across the City.

2. Similarly, it is important for the Working Group to include delivery partners and the City of Ottawa in the work on the proposed Addendum plan. This will both align the role of non-wires options with Energy Evolution and ensure that all delivery options for non-wires options are included.
3. OREC and CoEnergy would be pleased to participate in the finalizing and implementation of the recommendations in the Ottawa 2019 IRRP.

#### **Summary of Proposals from OREC/CoEnergy**

- i. It would be useful for stakeholders to see the financial costing and potential analysis that led to the recommendations on non-wires options.
- ii. The business models that could be used to deliver non-wires solutions should be evaluated before the final IRRP recommendations are made, as these delivery models determine the cost and firm potential of non-wires options and therefore their comparison with other resources.
- iii. We feel that energy cooperatives like OREC and CoEnergy are ideally suited to deliver non-wires options using our community financed leasing and ownership business models. We also believe that by using innovative business models such as community ownership and virtual net metering, and by working with community organizations and businesses in the specific areas targeted, non-wires options can be selectively applied in target areas.
- iv. We recommend that non wires options should also be considered in all three target areas identified in the IRRP to defer some of the proposed major infrastructure investments.
- v. The 2019 IRRP recommendations should be the first stage of the long-term transition strategy for the Ottawa electricity sector laid out in Energy Evolution. We strongly encourage the two initiatives to work on common goals and proposals in 2020.
- vi. The IRRP should include a more specific analysis on new demand from electrification of heat and transport over the next 5 years – aligned with projections by independent experts and in Energy Evolution.
- vii. We support the undertaking of an Addendum Plan to evaluate the longer-term role of non-wires options in the Ottawa sub-Region. This should be carried out in partnership with the City of Ottawa and non-wires delivery agents so that definitive costs and firm potential can be estimated.
- viii. The costs of non-wires options, especially power storage and smart grid management software are falling rapidly. This needs to be taken into account in the analysis of these options.

- ix. It is very important for the IRRP Working Group to engage at a working level with local community associations, councilors, business groups community, and delivery partners before finalizing the IRRP – particularly in the Kanata Stittsville area where targeted non-wires options are planned.
- x. OREC and CoEnergy would be pleased to participate in the finalizing and implementation of the recommendations in the Ottawa 2019 IRRP.