

November 22, 2020

Submitted electronically to:

Matthew Edwards
Senior Policy Advisor
Ministry of Energy, Northern Development and Mines
Conservation and Energy Efficiency Branch
77 Grenville St., 5th Floor
Toronto, ON M7A 2C1

Dear Mr. Edwards,

**Re: ERO Number 019-2531
Changes to Ontario's Net Metering Regulation to Support Community-Based
Energy Systems**

The Coalition of Large Distributors (CLD) is writing on behalf of the following member organizations: Alectra Utilities Corporation, Elexicon Energy Inc., Hydro One Networks Inc., Hydro Ottawa Limited, and Toronto Hydro-Electric System Limited. We are writing with respect to the government's proposing amendments to Ontario's net metering regulation that allow for demonstration of community net metering (CNM) projects.

The Ministry of Energy, Northern Development and Mines (ENDM) is seeking input on a proposal for community net metering demonstration projects.

The CLD notes that while the ERO posting contains plain language descriptions of the proposed changes, it does not contain any draft regulatory language for the proposal. The absence of draft regulatory language, and the details such language would provide, makes it difficult for stakeholders to provide substantive comments on regulatory proposals, especially when dealing with a matter as technical and complex as community net metering.

For example:

- How would a "community" be defined and what are the eligibility requirements within this definition?
- How would consumers be protected under CNM agreements? The proposed regulations would benefit from adding clarity regarding the principle of customer protection given that USMP rates are not currently regulated.
- How will issues of cost shifting and/or cross-subsidization through the under recovery of Global Adjustment be addressed?

As a result of the above, the CLD strongly recommends that ENDM consult extensively with LDCs on such details prior to making final regulatory amendments. The CLD believes that the Ministry's timelines to finalize proposals for January would not allow for the requisite engagement, and that



expediency should not come at the expense of evaluating the merits of various elements of a prospective regulatory framework.

In addition, the CLD notes that the Ontario Energy Board currently has an open consultation on Responding to DERs,¹ as does the Independent Electricity System Operator.² The CLD believes that, should pilot programs proceed at some point, these should be integrated with these other initiatives to ensure that a CNM framework does not work at cross purposes to those processes.

Should the Ministry decide to proceed with pilots at some point, the CLD notes that there is varying interest in these opportunities from different groups within our services territories due to the unique challenges of serving some of these communities. To that end, the CLD suggest that the demonstration projects should be few, small, and less complex and represent various regions (i.e. distributors) to appropriately study and assess impacts in different community settings.

If you have any questions with respect to the above, please contact the undersigned.

Sincerely,



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¹ <https://www.oeb.ca/industry/policy-initiatives-and-consultations/responding-distributed-energy-resources-ders>

² <http://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/Innovation-and-Sector-Evolution-White-Paper-Series>