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Ms. Rachel Thompson  
Ministry of Energy, Northern Development and Mines; Strategic Network and Agency Policy Division  
77 Grenville Street, 6<sup>th</sup> Floor  
Toronto, ON M7A 2C1  
Rachel.thompson3@ontario.ca

**Re: Ontario's Long-Term Energy Planning Framework (ERO 019-3007)**

Ontario's long-term energy planning ("LTEP") framework was designed to meet goals and objectives including, but not limited to: the cost-effectiveness and reliability of energy supply, capacity, transmission and distribution, the prioritization of measures related to the conservation of energy or the management of energy demand, and the use of cleaner energy sources and innovative and emerging technologies, to name a few. In the past, the planning and development of these goals and objectives have largely been guided by the Government, the Independent Electricity System Operator ("IESO"), and the Ontario Energy Board ("OEB").

The Ministry of Energy, Northern Development and Mines is currently soliciting feedback on how to refocus Ontario's long-term energy planning framework to increase effectiveness, transparency and accountability of energy decision-making in Ontario, and ultimately help achieve the above-mentioned goals and objectives. As part of the review of the LTEP framework, a list of guiding questions has been circulated amongst interested parties for participation and analysis. To begin, one of the guiding questions states, *"what respective roles should each of the Government, IESO, and OEB hold in energy decision-making and long-term planning?"* While each of these parties continue to hold a significant role in the energy decision making process, it is thought that the future of energy planning should also include the expertise and knowledge of Local Distribution Companies ("LDCs"). LDCs play a pivotal role in the energy industry, especially as it relates to reliability of energy supply, capacity and distribution, conservation of energy and energy management, and the use of cleaner energy sources and innovative and emerging technologies. LDCs should be given a significant role in the discussion of long-term planning and decision-making of the energy industry, as they are uniquely positioned with extensive data on consumer usage trends, system capacity, and distribution needs, as well as possess a clear understanding of what is expected/needed to transform from a typical poles-and-wires company to a transformative utility model to meet end use customer needs. LDCs are the closest point of contact to the consumer, and therefore, have a firm understanding of the local needs of its consumer base, and how those needs may translate on a larger scale (regional to provincial-level). As such, we are confident that a collaborative approach between all cohorts can help achieve the government's energy planning goals.



Decisions in long-term energy planning directly affect LDCs and sometimes inhibit their ability to make pro-active choices as it relates to conservation and electrification. From a “boots-on-the-ground perspective”, LDCs understand and acknowledge what is needed for the widespread adoption of conservation and electrification; however, are limited in their capacity to expand these notions due to regulatory constraints. To help remove these barriers and limitations, it is suggested that the long-term energy plan focus on decentralizing the energy system and enabling LDCs to participate in additional activities from its traditional responsibilities of energy distribution. Decentralizing the energy system will permit LDCs to fully participate in conservation and electrification programs, which will ultimately help meet the goals and objectives of conservation and energy demand management, and the use of cleaner energy sources and innovative and emerging technologies in Ontario.

The overarching goals and objectives in a renewed planning framework should embody customer focus, customer choice, and openness and transparency. As the world continues its path to decarbonization, customer demands will continue to evolve from a traditional energy market to more of a transactional energy market. While the IESO and OEB should unequivocally continue to play their robust roles in such things as supply-and-demand considerations, regulatory oversight, and risk / scenario analysis, it may be beneficial to empower LDCs in a larger capacity to meet the needs of customers as it relates to conservation and electrification. For instance, LDCs previously played a major role in providing conservation programs to small and large businesses and residential customers through the provincial Conservation and Demand Management Framework programs since 2011. The majority of LDCs in Ontario were successful in meeting their given targets of energy savings. Essex Powerlines was assigned a target of 31.43 GWh to conserve within our service territories and exceeded this 6-year conservation target, achieving 119% almost 2 years ahead of the program end date and with \$2.34 million of funding remaining. In the latest conservation framework, the program was off-boarded from LDCs in 2019 and assumed by the IESO to manage. The realignment of conservation and demand management programs from LDCs to the IESO is just one example of how boundaries have been incongruously overruled. As the first point of contact with consumers, LDCs should have full reigns and ability to market and deploy conservation and demand management programs to its customer base. Not only does it make sense from a load capacity perspective, but LDCs also have strong relationships with small-to-medium and large size customers in their given service territories and have a better understanding of the wants and needs of these customers and how to appropriately meet and exceed these needs. LDCs have gained a level of trust with the consumer that will dissipate if constraints (regulatory or otherwise) continue to be barriers to evolving needs.



In addition, the Government of Canada has announced ambitious goals of a 2030 emissions target of 511 Mt CO<sub>2</sub>eq with key initiatives to support clean electricity generation, greener buildings and communities, the electrification of transportation and nature-based climate solutions. To meet both the provincial and federal government goals and objectives of customer focus and the use of cleaner energy technology, it is suggested that legislation for virtual net metering (“VNM”) and 3<sup>rd</sup> party ownership of net metering systems be revived in a regional format. Transactive energy markets will be the future of energy, and as such, a new matrix is needed to allow prosumers to participate seamlessly and effectively. Both the federal and provincial government have been making significant investments in clean energy and electrification over the past decade to help reduce carbon emissions and provide economic stimulus; however, there are still many advancements needed to help reach and exceed these goals. Through revived legislation for 3<sup>rd</sup> party ownership of net metering systems and VNM, some of the barriers to participate in the clean energy market will be mitigated. Virtual net metering presents an opportunity for prosumers to participate in the clean energy market through a bill crediting system. Moreover, legislation for VNM and net metering in the form of community solar could help all levels of government obtain their 2030 emissions target goals while providing customer choice through conservation. LDCs are cognizant of how VNM and third party owned net metering could enable customer choice and provide carbon reductions ultimately while providing cost savings. Limiting legislation combined with restrictive regulations have obstructed LDCs’ abilities to provide this level of conservation and demand management to interested parties. For example, LDCs can position participating municipalities to expand energy conservation systems and lead to significant GHG emissions reduction planning through virtual net metering arrangements hosted on brownfield sites. Former industrial sites that are now deemed as brownfield have no major use or input for municipalities. Using such sites to host the development of a solar PV facility (subject to further geotechnical and engineering due diligence) could turn a non-productive site into a clean energy site with positive financial impacts. Ultimately, removing the red tape and providing regional level legislation to approve third party net-metering ownership and virtual net-metering arrangements can have a major impact on conservation and demand management goals and objectives, as well as provide clear customer focus by giving them increased customer choice.

Lastly, the regulation of LDCs by the Ontario Energy Board sometimes casts constraints on LDCs and impedes them from making the best possible decisions based on the wants and needs of its multiple stakeholders. For instance, the Cost of Service Application process is a tedious process that extensively utilizes LDCs time, money, and resources with no merit. A typical Cost of Service application could cost an LDC over \$190,000 and use up an entire year of a high-end resource to complete once every 4 to 5 years. The final product is a 5,000-page document in which the OEB reviews to either approve or reject the results, with penalties for any deviations from the filing requirements. While the intent of this letter is certainly not to dispute the need for a Cost of Service application, but instead the intent is to raise awareness of the exhaustive process that is the current practice and to search of one that is



equally effective, more modern, and more efficient. One such way to reduce the amount of time, stress and resources surrounding cost of service applications is to make the process results-oriented and/or performance-based. For instance, an LDC that meets and exceeds the standard requirements on a day-to-day basis may qualify for a streamlined filing requirement. If LDCs have inherently good results year-over-year with respect to key performance metrics, they should qualify to bypass portions of the tedious reporting process and extensive use of its resources. As such, a results-oriented COS application process would still allow for decision making that is in the best interest of their stakeholders -- ultimately achieving the goal of fair and just rates.

Overall, each of the Government, the IESO, the OEB and the LDCs have an important role in energy decision-making and long-term planning. LDCs should be granted the opportunity to participate in a larger capacity in the planning and development of the long-term energy framework, as they are also a major contributor and stakeholder in the evolving energy market. By having all the aforementioned parties collaborate and contribute their knowledge and expertise towards energy-decision making and economic development, issues of larger public interest, such as GHG emissions, promotion of electrification, and support of emerging technologies to name a few, can, and will be, effectively managed.

Thank you for the opportunity to provide input on how to refocus Ontario's long-term energy planning framework. If you have questions on the content of this submission, please contact John Avdoulos, President & CEO, Essex Power Corporation, at [javdoulos@essexpower.ca](mailto:javdoulos@essexpower.ca) or 226-252-6257.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Avdoulos', is positioned below the word 'Sincerely,'.

**John Avdoulos**

President & CEO,  
Essex Power Corporation

Cc: Joe Barile, General Manager, Essex Powerlines Corporation