Canadian Condominium Institute – Toronto and Area Chapter
705 – 1 Eglinton Ave. Toronto, ON M4P 3A1

March 24, 2022

Ministry of Energy
Hearst Block, 900 Bay St., Toronto, ON M7A 2E1

Re: Draft Proposed Changes to Enable a New Voluntary Enhanced Time-of-Use Rate Including Consideration of a New Ultra-Low Overnight Price

On behalf of the Canadian Condominium Institute, Ontario Caucus, thank you for considering the comments and feedback set out below in response to the Ministry's request for stakeholder input in relation to the draft proposed changes to enable a new voluntary enhanced time-of-use rate including consideration of a new ultra-low overnight price.

The Canadian Condominium Institute is a national member association dealing exclusively with condominium issues affecting all of the participants in the condominium community. The chapters throughout the country provide practical comparisons to the different provincial condo acts and allow us to work with various levels of governments for better reforms as gained from practical experience. We have eight Chapters in Ontario, which make up the CCI Ontario Caucus:

1) CCI-Eastern Ontario Chapter
2) CCI-Golden Horseshoe Chapter
3) CCI-Grand River Chapter
4) CCI-Huronia Chapter
5) CCI-London & Area Chapter
6) CCI-Northwestern Ontario Chapter
7) CCI-Toronto and Area Chapter
8) CCI-Windsor-Essex County Chapter

These chapters represent the voices of owners of over 280,000 paid member condominium units in the Province of Ontario. That is about 30% of all condominiums in the province of Ontario today. Our members also include condominium industry stakeholders throughout the province.

Our committee has reviewed the Ministry's draft proposed amendments and we enclose our responses to the questions asked by the Ministry for consideration.

Yours very truly,

Mr. Warren Kleiner, B.A., LL.B.,
Canadian Condominium Institute – Toronto and Area Chapter, Board Member
Submitted on behalf of the Canadian Condominium Institute Ontario Caucus

Questions for Consideration

The OEB will be consulting with stakeholders in February 2022 on specific proposed price design(s). This Registry consultation seeks more general input on the consideration of alternative price options. The consultation also seeks input on opportunities to address other electricity-sector barriers, as identified by the TEC, that could facilitate the further adoption of EVs. Specifically, the ministry is seeking input on the following questions:

System and environmental perspective of optional rate

To what extent could a new optional province-wide enhanced TOU pricing plan help shift RPP electricity demand to lower-demand, overnight periods for activities such as EV charging?

- CCI estimates that the average condominium corporation could shift 10% of its usage to lower-demand times, if an enhanced TOU price plan was available - dependent on the prices, of course.
- EV electricity consumption in condominiums is still low. This is a combination of a low number of EVs in condominiums currently, and perhaps the smaller distances traveled by EV owners that live in condominiums.
- It's important to know that if the option of an enhanced TOU price plan is selected, that enhanced pricing will be applied to all electricity being consumed on that particular LDC account. Specific to EV charging, it is CCI's view that it does not make sense to have a dedicated LDC account for EV charging in a single family home nor a condominium - the consumption for charging an EV will be lumped together with other usage on that LDC account. This would be the case if the condominium is metered by an LDC, a USMP, or is bulk metered.

How might an increased electricity price during periods of high demand (e.g. weekday afternoons/evening) and a lower electricity price during periods of low demand (e.g. overnight) help to integrate new sources of electricity demand, such as EV charging, into the distribution system? What impact might it have?

- A low overnight rate will encourage EV adoption, but if the overnight price is low enough, a condominium would consider implementing established energy storage technologies such as batteries and phase-change materials to shift base loads even if there are no EVs being charged at the building.

- A condominium has a good opportunity to consider shifting demand because each building has a sizable, predictable baseload. Most condominiums are cooled via chillers, so the building has a demand peak that occurs in the summer. It is CCI's view that the current TOU pricing does not provide enough of an incentive to consider sacrificing comfort (less cooling during peak times) for financial savings.

How might government, its agencies and partners make use of the best available information, for example consumption data and EV ownership figures, to understand and forecast charging demand and profiles to inform a new rate design that ensures full cost recovery?

- If the new rate design ensures full cost recovery for the commodity, it will not be successful in condominiums because shifting consumption significantly, which is the point of the enhanced rate, will increase Demand charges for a condominium, which will very likely negate any financial benefit of the shift.
- To provide more detail - most of the Demand charge paid in condominiums (they are virtually all over 50 kW) are based on peak demand - not when that peak demand occurs. So, if a condominium adopted a strategy of shifting their consumption to overnight, that condominium would very likely see their Demand charge increase.
- Thus, we believe the enhanced TOU rates should incorporate the likelihood of a condominium seeing increased Demand charges when they shifted demand.
- Further, the enhanced TOU rates should incorporate the likely financial benefits to the province of shifting demand. Said another way, the TOU should not seek to ensure full cost recovery if the province can offset capital for the transmission network, or decrease the Global Adjustment by reducing the need to export excess electricity at very low prices.

How might an increased electricity price during periods of high demand and a lower electricity price during periods of lower demand help to remove barriers to households or small businesses in adopting EVs or other clean technologies? What impact might it have?

- If an enhanced TOU would consider the likely increase in Demand charges that a shift would create, then we can see condominiums adopting technologies and strategies to shift approximately 10% of their consumption to overnight periods, which is significant for the province.
- We do not see an enhanced TOU impacting the adoption of EVs very much in condominiums because the cost of the electricity is relatively low vs the cost of the infrastructure required to provide charging capability in a condominium owner's parking spot.

What factors would be important to encourage consumers to opt into the new optional enhanced TOU rate plan?

- The enhanced TOU plan would have to be financially advantageous enough to overcome the likely increase in Demand charges.
- Firm commitment to this enhanced plan would be needed to overcome the natural hesitancy for a condominium to spend capital on a technology with the potential for a 3-4 year simple payback.

Additional electricity sector opportunities

On November 15, 2021, the Minister of Energy wrote to the OEB to provide a new mandate letter. In this letter the Minister noted the expected increased adoption of EVs in the coming years and requested the OEB to "take steps to facilitate their efficient integration into the provincial electricity system, including providing guidance to Local Distribution Companies (LDCs) on system investments to prepare for EV adoption." With this in mind,

How could LDC connection processes be improved for at-home and/or commercial charging infrastructure?

- While not specific to LDC connection processes, the Nov 15, 2021 mandate letter is not consistent with infrastructure decisions being made today - It is our understanding that buildings being built today have the capacity to provide EV charging in only 20% of the parking spots.
- While sophisticated power sharing strategies and increased public charging outlets help increase a building's capacity to charge a higher percentage of EVs, the trend towards EVs with larger batteries has the potential to limit EV adoption to a relatively low number strictly because of the building's electrical capacity.
- Considering how the LDCs fit into all this, holding LDCs accountable to follow the Ministry's direction will be critical to the success of an enhanced TOU plan. As an example, some LDCs are unable to accommodate options that should be available to customers today (TOU vs Tiered vs HOEP+GA).
- When LDCs are developing or replacing infrastructure, the same should take into account current and future needs related to EV charging and all new and replaced infrastructure should accordingly be engineered and designed to effect a sustainable system that has sufficient capacity to service future demand from the anticipated increase in the use of EVs. This could also be seen as bringing market value to end users.

How can government better facilitate information sharing between LDCs and future EV users so LDCs can make appropriate infrastructure investments and be prepared to meet needs?

- The role of LDCs should be made more transparent to the public. Further, LDCs should be proactively soliciting ideas and concerns from users, including EV users, to identify needs and future expectations. This data could be summarized and shared with users. The LDCs should be required to proactively address how the electrical system needs to be improved and/or upgraded. In addition, CCI recommends that consultation with other government stakeholders on these recommendations should be sought to ensure that all perspectives are considered.

How could distribution costs for larger customers billed on a demand basis be changed to support activities such as EV charging? How could this be accomplished while mitigating any impact to other electricity customers?

- CCI is happy to see there is consideration for customers billed on demand.
- In lieu of requiring a change in how distribution costs are billed, CCI recommends considering structuring the enhanced TOU so that it does not generate full recovery. In other words, discount the enhanced TOU to account for higher demand charges that condominiums will likely see when they actively switch consumption to overnight periods.

How could LDCs effectively invest in their infrastructure to support EV adoption in the province ahead of demand materialization? What role could non-wires alternatives play in such investments?

How could residential net-metering arrangements (i.e., rooftop solar and battery storage) support residential EV charging, reduce electricity bills and reduce the need for distribution infrastructure?

- Condominiums are limited in their application on rooftop solar.
- Battery storage (or any kind of other energy storage) would help support the adoption of an enhanced TOU, and it would reduce the need for distribution infrastructure.
- To that end, the policy needs to offer more than net-metering for a customer who is billed for distribution on a demand basis. Consider offering a prescribed incentive based on the size of the energy storage device to offset the capital cost of the storage device.