



Lakeland Holding Ltd.

Proposed amendment of Ontario Regulation 679/21: Community Net Metering

For the attention of: Ministry of Energy

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Streamlining and clarifying net metering regulatory requirements

Proposal:

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Lakeland Holding Ltd. fully supports streamlining and clarifying net metering regulatory requirements. We also recommend further changes to enable more community net metering projects by allowing Front-of-the-Meter Scenarios where both the generation and the load to be offset are on the same distribution feeder.

Background and Context:

Lakeland Holding Ltd./Bracebridge Generation Ltd., Project:

Lakeland Holding and the Town of Parry Sound entered a Memorandum of Understanding (MOU) to turn the town into a net zero community. The goal is that the town generates enough electricity to offset the entire usage of all the town's assets (town hall, arena, water treatment plants, streetlights). Transmission Station (TS) constraints have been identified in this region.

The Town of Parry Sound had a vision to become a net-zero community in 2018, working alongside Lakeland Holding Ltd. and its subsidiary companies Bracebridge Generation Ltd. and Lakeland Power Distribution Ltd. At this time, the IESO submitted the Long- Term Energy Plan (LTEP) that identified a capacity constraint on the Parry Sound Transmission Station, which meant:

- Limited ability to grow the community and attract new businesses or expand operations of current businesses.
- With no TS upgrade planned at that time by the provincial transmitter for at least ten years, any power utility customers would be required to pay a substantial portion of the upgrade costs, estimated at over \$30 million.

Taking into consideration the vision of becoming a net-zero community and the concern relating to the Parry Sound TS, the Town of Parry Sound and Bracebridge Generation

investigated options to reduce the constraint from the customer side, thus enabling the much-needed capacity for new development.

Working closely with the Town of Parry Sound, due diligence was performed to identify potential locations for a solar array, one of which was the Town of Parry Sound's closed landfill site at 57 MacFarlane Street, Parry Sound. After completing all required environmental criteria, the first solar location was confirmed. During this time period the proposed amendment of Ontario Regulation 541/05: Net Metering, or a new regulation to be made under the OEB Act, 1998 was revoked.

Despite the revoked proposal, the Town of Parry Sound and Bracebridge Generation stayed committed to fulfilling the vision of this net-zero community and continued discussions, established further partnerships and evolved the project to become project SPEEDIER.

www.speedier.ca

After completion of the project build, the new regulation O. Reg. 679/21: COMMUNITY NET METERING PROJECTS was introduced. This could have provided an opportunity for realizing community net-metering for the municipality; however, this regulation was limited to the West5 project only.

Challenge

The Town of Parry Sound owns two adjacent properties, the wastewater treatment plant and the closed landfill. The solar facility is constructed on the landfill to offset the load of the wastewater treatment plant some 400m away. Both locations are on the same distribution feeder.

Because the proposed amendment of Ontario Regulation 541/05: Net Metering, or a new regulation to be made under the OEB Act, 1998 was revoked, Bracebridge Generation looked at several options to connect this project under the current net metering regulations:

- Build a line and interconnect behind the meter at the wastewater treatment plant – this proposal was found to not be cost effective and would jeopardize the project completion;
- The line dead ends, so ownership can be passed to the Town for metering before their loads. This would involve the local LDC selling a portion of its assets to the Town or the generator which would result in extra costs for the project. The line would now have to meet ESA OESC guidelines. The generator and/or Town would have to maintain this high voltage line going forward.

When O. Reg. 679/21: COMMUNITY NET METERING PROJECTS was introduced, we were hopeful there would be an opportunity for Lakeland and the Town of Parry Sound to participate.

Unfortunately, this new regulation was limited to a very specific project configuration, which the SPEEDIER project was not built to. This means no community net metering contract has been established, resulting in unrealized energy savings and carbon emission reductions for the municipality.

Streamlining and clarifying net metering regulatory requirements

Lakeland Holding agrees with the current proposed amendments to streamline and clarify net metering requirements. However, we also recommend further changes to enable more community net metering projects. Specifically, we are asking that Community Net Metering be allowed in Front-of-the-Meter Scenarios where both the generation and the load to be offset are on the same distribution feeder. This change will help drive sustainable development, climate resiliency and greening of municipal operations.

Additionally, Lakeland can create a model for other stakeholders, such as Ontario Farmers, who would benefit from community net metering when direct connection from generation to load is not practical. This would inform future policy development and demonstrate how the billing and metering is simple and can work when limited to the same distribution feeder. Lakeland can lead the way with our SPEEDIER project.

This above proposed amendment to the O. Reg. 679/21: COMMUNITY NET METERING PROJECTS will foster significant financial and environmental benefits for municipalities and business in Ontario driving economic growth and prosperity.

Summary

The Town of Parry Sound's net-zero community and Lakeland Holding's federally funded project SPEEDIER are key projects that could be utilized and provide learning on methods to demonstrate how the proposed net metering framework could work.

Lakeland Holding and the Town of Parry Sound's vision encompasses the requirements set forth within the proposed amendment of Ontario Regulation 679/21.

- Electricity utilities enter into a net metering arrangement with the customer leading the community net metering demonstration project;
- The customer who leads the community net metering demonstration project can use more than one meter to manage generation and loads within the community, and generation credits are transferrable between these meter billing accounts;

- Billing of sub-metered customers within the community is in accordance with Ontario's Energy Consumer Protection Act, 2010, the Unit Sub-Metering Code, and any other applicable codes and rules;
- Limited participation in the demonstration (e.g., total number of projects; capacity limits for individual projects and/or all projects);
- Reporting requirements to measure performance, strengthening the information being collected from other projects;
- Net metering agreements that describe the roles, responsibilities, and obligations between the utility and lead community net metering customer; and
- Compliance with all applicable electricity codes and rules in Ontario.

With minimal delay, the existing SPEEDIER solar assets could start community net metering with the Town of Parry Sound. This would provide immediate data on the regulatory impact resulting from the proposed amendment to the regulation by reviewing potential costs to electricity utilities and other stakeholders.

If you require clarification or further details, please do not hesitate to reach out to me.

Kind regards,



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