



CDEA/ACRT

Canadian District Energy Association
Association Canadienne des Réseaux Thermiques

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March 1, 2012

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
27th floor, 2300 Yonge St.
Toronto, Ontario, M4P 1E4

**Re: Ontario Energy Board - Renewed Regulatory Framework for Electricity
(EB-2010-0377 and EB-2010-0379)**

Dear Ms Walli,

I am writing to request late approval of participation status in this policy proceeding.

The Canadian District Energy Association (CDEA) is a non-profit industry association representing over 85 member utilities, government agencies, building owners, consulting engineers, suppliers, developers, bankers and investors who share a common interest in promoting the growth of district energy in Canada.

Many Ontario municipalities have expressed interest in developing more robust long-term energy plans to serve existing and new communities. The CDEA believes that small scale combined heat and power (CHP) generation facilities, tied to thermal systems, can make a significant contribution to meeting community energy needs in an economic and energy efficient manner. The opportunity of building small scale CHP systems to support community energy-electricity and thermal-needs has been recognized and encouraged by the Ontario Power Authority's (OPA) Combined Heat and Power Standard Offer Program (CHPSOP), in which many CDEA members are participants.

We recognize that the RRFE is a policy proceeding and not a hearing with interventions. We believe that the CDEA members have a major interest in this policy proceeding. Our members are interested in distribution system level matters which are most immediately germane to community, campus and institutional energy needs and District Energy systems. Specifically, the terms under which electricity generation connection capacity is developed for small scale CHP units attached to thermal district energy distribution grids, and the procedures for responding to connection requests can make the difference between such a generation project being viable or non-viable.

CDEA expects to be primarily engaged in the "*Distribution network investment planning*" component of the co-ordinated consultation initiative (EB-2010-0377), but may also become active in the component titled "*Defining and measuring performance of electricity distributors and transmitters*" (EB-2010-0379).

CDEA submits that it should be eligible for costs on the following grounds:

- (a) CDEA Represents Ontario Distributed Generators in this Proceeding:
Currently the total industrial CHP capacity in Ontario is estimated to be about 2000 MW (6% of installed generation capacity). We believe that CHPSOP and future OPA programs could accelerate this number will rise in the future. Members of the CDEA are participating in the latest OPA CHPSOP program, and others have small scale generation facilities already operating.



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(b) CDEA represents local distributed Generators:

Given trends in provincial population growth, future electricity supply procurement will need to be driven by system need—maintaining reliability and operability—in targeted urban and electricity system constrained areas—more than to meet increasing overall electricity demand. We applaud the OEB's focus in the distribution-connected facilities, and the distribution enabling infrastructure, for distributed generation and storage facilities.

(c) CDEA is working with several Ontario municipalities, associations and energy providers:

Many of CDEA's members are too small to participate individually in a meaningful way in this proceeding. Thus the CDEA's participation facilitates the involvement of such members, will ensure that the Board has before it a comprehensive representation in this proceeding from the community energy industry.

(d) Proper CDEA Participation Requires Intervenor Funding: CDEA, like other trade associations such as the Association of Power Producers of Ontario (APPRO), Association of Major Power Consumers in Ontario (AMPCO) and the Industrial Gas Users Association (IGUA), does not have independent funding sufficient to support well rounded participation. Unlike these other associations, the member base-and the sector- is relatively small and as such is underfunded. This makes intervenor funding all the more relevant in order to ensure adequate representation of small scale distributed generators.

The above is not an exhaustive list of CDEA's interest in this proceeding. There may be other issues of interest to CDEA that arise or develop during the proceeding. CDEA seeks at all times to retain and reflect the perspective of the generation industry as a whole, and to present a balanced view of policy issues affecting the electricity industry and the public at large in Ontario.

Although the Board's Practice Direction on Cost Awards states that generators are normally among the parties not eligible for costs (section 3.05(b), CDEA submits that, for the above-noted reasons, including the nature of the issues in this proceeding and their importance to generators, the Board make an exception to the general rule that electricity generators are not eligible for costs. The CDEA is essentially asking for the Board to exercise its discretion in the same manner as it did in respect of several recent electricity and natural gas proceedings that had unique impacts on power generators.

We would be happy to provide further information related to this request and look forward to your response.

Yours sincerely,

Mary Ellen Richardson
President

Cc Bruce Ander, Chairman of the Board, CDEA