



# Meeting Notes

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DERs Connection Review (EB-2019-0207)

Working Group Meeting

Tranche 4, Meeting 1

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**Meeting Date:** August 22, 2022

**Time:** 1:00 pm –4:00 pm

**Location:** Ontario Energy Board  
via MS Teams

Attendees:

Bob Braletic	Alectra Utilities Inc.
Andrew Houston	Alectra Utilities Inc.
Paul Luukkonen	Customized Energy Solutions Ltd.
Tatjana Dinic	Electrical Safety
Kathryn Farmer	Electricity Distributors Association
Kent Elson	Elson Advocacy
Thomas (Tom) Ladanyi	Energy Probe
Ryan Boudreau	Hydro One Networks Inc.
Jason Savulak	Hydro One Networks Inc.
Adnan Akhtar	Hydro One Networks Inc.
Raed Abdullah	Hydro Ottawa
Greg Sheil	London Hydro
Neryed Ragbar	Ministry of Energy
Kevin Ho	Ontario Power Generation
Michael Brophy	Pollution Probe (PP)
Nishant Gehani	BBA
Larry Herod	Stem Energy Canada ULC & Enel X
Marc Brouillette	Strategic Policy Economics
Benson Lo	Toronto Hydro-Electric System Ltd.
Jordan Hoogendam	Zon Renewables

*These notes are for the Working Group purposes only and do not represent the view of the OEB.*

Brian Hewson Helen Guo Raj Pattani Jason Craig Stephen Cain Ara Jaff	Ontario Energy Board (OEB) Staff
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*These notes summarize the information provided during the working group meeting and key points of the issues presented in the published materials.*

### Summary of Recommendations, Report Backs, and Action Items

1. The Working Group recommends that existing requirements in Reporting & Record Keeping Requirements (RRR) s. 2.1.14 be amended to collect additional information related to the type of DER, as follows:

A distributor shall provide, annually by April 30, the following net metering and embedded generation information for the preceding calendar year (*material changes underlined*):

- a) For net metered generators:
  - i. Number of generators by renewable energy source;
  - ii. Total installed capacity (kW) by renewable energy source; and
  - iii. Total installed capacity (kW) of storage devices used by net metered generators by renewable energy source;
- b) For embedded generation facilities excluding net metered generators:
  - iv. Number of generators by facility type (solar, wind, water, biomass, fossil fuel, exporting storage, non-exporting storage, other);
  - v. Total installed capacity (kW) by facility type (solar, wind, water, biomass, fossil fuel, exporting storage, non-exporting storage, other);

A distributor association noted that the OEB may consider alternative means of collecting this information, outside of RRR, if it wished to avoid adding additional RRR. The distributor association also expressed that, although it did not oppose the recommendation from the Working Group, the RRR recommendation appeared to be in anticipation of a future need rather than to address a current need; other Working Group members indicated that they felt the RRR recommendation was responsive to present industry needs.

2. The Working Group acknowledged the Process Subgroup’s report back that it does not recommend a RRR requirement related to reporting of the type of net metered customers, since this can be obtained through other avenues and may not be needed on a recurring basis.
3. The Working Group acknowledged the Process Subgroup’s report back that it does not see a need to recommend an additional RRR requirement on “installed capacity of DER” since this is captured in RRR section 2.1.14.

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4. The Working Group recommends the removal of the “Capacity Allocation Exempt” designation in the DSC. The Working Group noted that this may require changes in utility’s Conditions of Service and fee schedules for Connection Impact Assessments (CIAs).
5. The Working Group recommends the removal of the DSC requirement for the distributor to collect a capacity deposit from a DER applicant. A distributor noted that, while it supported the recommended removal, its support was based on the understanding that other related provisions that deter “queue squatting” are not at the same time being proposed to be removed.
6. The Working Group endorsed the issues list established by the Technical Subgroup for un-directional EV charger connection issues, which included the following:
  - a. Related to Data:
    - i. Utilities may not have visibility on all EV deployments in a given area.
  - b. Related to Connection Costs:
    - i. Utility-side costs required to enable panel upgrades (e.g. to 200 amps) needed for EV chargers may raise fairness and cost allocation issues, result in unnecessary transaction costs, and may be applied differently between utilities.
    - ii. There may be opportunities to have EV energy management e.g., load control to avoid service upgrades.
7. The Working Group endorsed a bi-directional EV charger connection issues list amendment from the Technical Subgroup that, when reviewing issues associated with the micro threshold for DERs, it may also consider whether there should be separate limits for exporting and non-exporting portions of a DER installation.
8. The Working Group acknowledges the areas of exploration proposed by the Technical Subgroup and supports the Technical Subgroup’s request to pursue them further.
9. The Working Group acknowledges the progress update related to the Risk Framework, including the development of the draft Preliminary Consultation Information Request and Preliminary Consultation Report templates.

## Meeting Summary

### 1. Land Acknowledgement

- OEB staff presented a Land Acknowledgement.

### 2. Staff Update

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- OEB staff reviewed the status of proposals within each topic area and presented an agenda for today's Tranche 4 Meeting 1. It was noted that the "FEI Update" agenda item would be deferred to a future meeting due to a scheduling conflict.
- OEB staff presented a timeline for the balance of Working Group meetings, with the intent to complete proposals by Tranche 4 Meeting 2 and have a wider discussion on consultation priorities in Tranche 4 Meeting 3.

### **3. Transfer Trip Update by Hydro One**

- Adnan A. (Hydro One) presented Hydro One's findings and plans related to alternatives to transfer trip, which may be permitted under certain conditions.

### **4. Reporting and Record Keeping Requirements (RRR) Proposals**

- Industry Co-Leads Andrew H. (Alectra) and Larry H. (Stem & Enel X) presented the Subgroup's proposals and report backs related to RRR proposals.
- RRR on Type of DER
  - The recommendation was to revise RRR for non-net metered DER to include breakout by DER type.
  - This revision will allow for a better understanding of all types of DER on the system.
  - A distributor association expressed that, although it did not oppose the recommendation from the Working Group, the RRR recommendation appeared to be in anticipation of a future need rather than to address a current need; other Working Group members indicated that they felt the RRR recommendation was responsive to present industry needs.
  - There was broad support for moving forward with the recommendation, with the Electricity Distributors Association noting that while it was not opposed to the proposal, it did wish to note that the Board may consider non-RRR means to obtain this information.
- RRR on Percent of Customers on Restricted Feeders
  - This subject was not discussed due to time constraints and will be revisited in future meetings.
- RRR on Type of Net Metered Customers
  - No further action will be taken with regard to the rate class of net metered customers not being reported in RRR, as the Working Group accepted the view of the Subgroup that there are better-suited means to obtaining this information (i.e., interrogatories) and this information may not be needed on a recurring basis.
- RRR on Total MW Capacity of DER
  - No further action will be taken on the topic as the Working Group accepted the view of the Subgroup that the MW of DER in a service territory can be calculated through the existing RRR.

## 5. Capacity Allocation Exemption Proposal

- Industry Lead Jason S. (Hydro One) presented the Process Subgroup proposal.
- Proposal was to remove the capacity allocation exemption (CAE) designation and associated requirements from the Distribution System Code (DSC). CAE was established in 2009 so that smaller embedded generation facilities would not be required to follow a distributor's normal capacity allocation process.
- The Subgroup reported that the context in which the CAE was established has changed and is no longer appropriate as there are higher DER penetration levels and an increase in smaller generation facility applications.
- The Subgroup reported that the proposal would improve simplicity and practicality by having all projects greater than 10kW follow the same process for capacity allocation and would align with anticipated growth in smaller connections.
- The Working Group supported the proposal.

## 6. Capacity Deposits

- Industry Lead Larry H. (Stem & Enel X) presented the Process Subgroup proposal.
- Proposal was to remove the capacity deposit requirement entirely.
- In the current DSC, all projects (soon to be exporting projects only, once the March 2022 amendments come into force) that do not hold an IESO contract that itself contains provisions for a security deposit, are required to pay a capacity deposit of \$20k/MW at the time of connection cost agreement (CCA) signing, and after 15 months a further deposit is required if the project is not already connected.
- It was noted that the capacity deposit requirement may not achieve the intended effect, and other investments, including the payment of the connection cost deposit and engineering to support project development, would serve as indicators of the intent of a DER applicant to proceed with a connection.
- The proposal was supported by Working Group members, however Hydro One noted that it was supporting the proposal with the understanding that other mechanisms in the DSC related to means to prevent "queue squatting" (for example sunset clauses) would remain.

## 7. EV Issues List for Uni-Directional Chargers

- Co-Leads Kent E. (Environmental Defence), Jordan H. (Zon Engineering), and Adnan A. (Hydro One) presented the Technical Subgroup's issues list.
- The uni-directional issues list contained the following items:
  - Related to Data:
    - Utilities may not have visibility on all EV deployments in a given area.
  - Related to Connection Costs:
    - Utility-side costs required to enable panel upgrades (e.g. to 200 amps) needed for EV chargers may raise fairness and cost allocation issues, result in unnecessary transaction costs, and may be applied

differently between utilities.

- There may be opportunities to have EV energy management e.g., load control to avoid service upgrades.
- The issues list was detailed in an accompanying memo and slide deck.
- The issues list was endorsed by the Working Group.

## **8. EV Issues List for Bi-Directional Chargers and Areas of Exploration**

- Co-Leads Kent E. (Environmental Defence), Jordan H. (Zon Engineering), and Adnan A. (Hydro One) presented an amendment to the Technical Subgroup's bi-directional EV connections issues list from Tranche 3.
- The issues list was amended to reflect a desire to consider whether there may be separate kW limits for exporting and non-exporting projects, when determining whether a project is in the "micro" category of DERs. The amended issues list was endorsed by the Working Group.
- Co-Leads presented areas of exploration the Technical Subgroup wished to pursue further. The areas of exploration were endorsed by the Working Group.
- Concerns were raised relative to the process implications of recommendations that may develop within the Technical Subgroup. It was agreed that, once the Technical Subgroup formed a recommendation, the issue may then be referred to the Process Subgroup to identify impacts on connection processes.
- Concerns were raised by a Working Group member related to timelines for the development of proposals, now that the issues list has been established. OEB staff indicated that the Tranche 4 objective of establishing an EV issues list for uni-directional connections has been met during this meeting, and that final recommendations on solutions to identified issues are not contemplated within Tranche 4, although they can be presented if they are finalized within Tranche 4. It was discussed that EV-related recommendations would be expected to continue to be explored in Tranche 5. The Working Group member reiterated a concern that Tranche 5 timelines should permit adequate time to develop and consider solutions.

## **9. Risk Framework Update**

- Industry Co-Leads Nishant G. (BBA), Larry H. (Stem & Enel X), and Bob B. (Alectra) presented an update on the Technical Subgroup's work on the Risk Framework.
- The co-leads summarized conclusions from the prior meeting, including the agreement to proceed with a staged approach, with the first stage being focused on providing an early indication of connection complexity to DER applicants.
- The co-leads explained that the main output of the Risk Framework, as it stood today, would be captured within a revised Preliminary Consultation Report (PCR) template which the Risk Framework Small Group has developed (together with a corresponding, revised Preliminary Consultation Information Request template also under development).

- The co-leads presented an overview of the revised forms. The co-leads explained that the revised PCR template would allow for reporting of capacity constraints, as well as likely connection complexity, in order to enable an applicant to have a better understanding of the anticipated feasibility of a connection.
- The co-leads presented its initial thinking related to an accompanying informational guide, with that guide intended to explain elements of the Risk Framework.
- There was concern related to whether the forms were of too high a level of detail. The co-leads explained that the level of effort was a consideration and that the PCR template contents were developed using LDC, developer, and other stakeholder input.
- The Working Group was supportive of continuing work to develop the PCR.

## 10. Open Discussion

- Concerns were raised about the multiplicity of DERs on the grid and the potential that it may have a negative impact on power quality and reliability. It was explained that there is a separate RPQR consultation that is looking at broader reliability issues.
- Clarification was sought related to next steps and timelines for DSC Amendments or changes in RRR.
  - For DSC Amendments, if needed, the OEB would need to go through a formal process to propose Amendments, receive written comments, and revise or finalize the Amendments. This process was followed for the March 2022 Amendments, which were originally proposed in August 2021.
  - For RRR, recommendations from the Working Group would go through RRR Stewardship and ultimately be reviewed by the Delegated Authority. In terms of timelines, it is anticipated that, if the Working Group's recommendations were accepted, then: i) informational guidance would be provided to distributors informing them of the new RRR requirements, and ii) OEB RRR systems would be updated to allow for reporting of new RRR data in spring 2024, for the 2023 reporting year.

## 11. Next Steps

- OEB staff would document the recommendations of the Working Group in meeting minutes.
- The Subgroups would continue reviewing the balance of their recommendations.
- The Working Group would reconvene on October 4<sup>th</sup> to review further recommendations, and to have a wider discussion on future priorities.

**Next Meeting:** October 4<sup>th</sup> 2022