

# FEI Working Group Report to the OEB

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Presentation to the DER Connections Working Group  
October 4, 2022

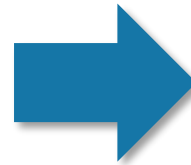
# FEI Consultation Overview

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## Objectives

Facilitate adoption of DERs in ways that enhance value for energy consumers.

Clarify regulatory treatment of innovative technologies and approaches.



## Priority Workstreams

### DER Usage

Support utilities' use of DERs they do not own as alternatives to traditional solutions to meet distribution system needs.

### DER Integration

Ensure that utilities' planning is appropriately informed by DER penetration and forecasts.

# Summary of FEIWG Recommendations

## DER Usage

*“support utilities’ use of DERs they do not own, as alternatives to traditional solutions, to meet distribution system needs”*

1. Establish an initial framework and template for Benefit Cost Analysis.
2. Remove DER disincentives including cost recovery uncertainties.
3. Establish an initial DER incentives policy including testing possible incentive structures.

## DER Integration

*“ensure that utilities’ planning is appropriately informed by DER penetration and forecasts”*

4. Establish an initial policy for sharing information between LDCs, DER providers, and customers to support distribution planning and operations.
5. Develop regulatory reporting requirements for DERs, including RRR filings, applications, and other OEB reporting.

## Subsequent Priorities

*“identifying and suggesting relative priority of subsequent issues and areas of focus to be addressed”*

6. Provide guidance on the role of distributors and OEB’s expectations.
7. Actively engage in the broader energy sector policy development activities.

# DER Integration

## Subgroup Task

Identify information distributors require regarding existing DERs to effectively operate and make future system plans.

## Context for Information Requirements

Cost-effective DER integration is needed to:

- Accommodate DERs being adopted (e.g., EV chargers, DERs participating in IESO markets, net-metering, etc.)
- Enable use of DERs as NWAs to meet distribution system needs

Greater collection and sharing of information, on its own, is not sufficient to enable cost-effective DER integration.

**The subgroup recommended the OEB clarify its expectations of distributors regarding DER integration, as well as consider what guidance may be needed to enable distributors to use DERs as NWAs and support integration of gas and electricity planning.**

## Identifying Information Needed

**Why:** Distributors need information about DERs to understand how the system will be used, evolve planning and operations, and identify NWAs.

**What:** Distributors need forecasts of DER adoption and DER usage data (akin to monitoring load profiles to understand system impacts and operational considerations).

**How:** When establishing new reporting/filing requirements OEB should consider cost-benefit, cybersecurity, standardization, etc..

## Information for NWAs

To enable NWAs, **market relevant information (i.e., price, quantity, term, and location)** must be exchanged between distributors and third-party DER providers or customers.

Distributors require information about DER availability to factor these solutions into their system plans. The market requires information about distributors' needs so solutions can be offered.

# DER Integration Recommended Next Steps

## Next Steps for Collecting and Making Use of DER Information

- Clarify OEB's expectations of distributors for DER integration.
- Assess whether existing rules for collection and use of personal information are sufficient as new DER data is collected.
- Require regulated entities to share results of DER-related pilots.

## Next Steps Related to Other FEIWG Subgroups

- Consider regulatory mechanisms needed to enable distributors to compensate DERs for services provided to the distribution system.
- Develop common indicators (e.g., for capacity, load and reliability) to identify opportunities for NAWs.
- Develop a distribution data catalogue to support transparency and maximize the use of data already collected.

## Next Steps Related to Out-of-Scope Issues

- Consider approaches to mitigate natural gas and electricity planning silos and enhance coordination to optimize asset use and cost-effectively achieve decarbonization goals.
- To inform distributors' decisions about DER integration, determine how the cost of DER integration and enabling investments will be allocated.