



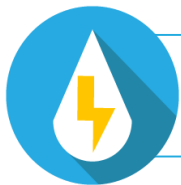
EB-2018-0287/0288 Stakeholder Session: Utility Remuneration and Responding to DERs

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Brenda MacDonald, VP Regulatory Affairs
Jack Simpson, Director Business Development

ONTARIO **POWER**
GENERATION

OPG's Role in Ontario's Electricity Market and Grid Reliability



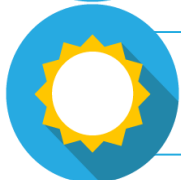
66 Hydroelectric Stations



2 Nuclear Stations



2 Thermal Stations



1 Solar Facility

OPG's Ancillary Services are required to maintain the reliability of the IESO controlled grid. OPG is the primary supplier of:

- Black start capability
- Reactive support/voltage control
- Regulation service
- Operating reserve

DER Snapshot: Gull Bay Micro Grid

Solar + Storage

- OPG recently completed a solar + storage micro grid to help Gull Bay First Nation reduce its dependency on diesel-based generation. The project is currently in the process of being assigned to OPG's First Nations partner.



OPG's Initial Comments

Transparent and level playing field

Clear processes and rules enable innovation

Encourage collaboration where appropriate

Commitment to competition

Remove disincentives to innovative solutions

Fair remuneration for the right solution

Encourage innovative use of utility assets

Participation in broader electricity market

Encourage market-based solutions and customer choice

Open access to information is critical

Adopt a market-based approach to distribution capital planning

Coordination between OEB and IESO

IESO leads resource planning

OEB leads licensing and regulatory framework

Shared responsibility to enable DER market participation

Simplified Regulation

Sandbox could enable innovative solutions for customers

Look for opportunities to streamline reviews and shorten decision making

OBJECTIVE: PRODUCE A DER MARKETPLACE OPERATING IN A TRANSPARENT AND LEVEL PLAYING FIELD

ISSUE: CURRENT DER MARKET NOT STRUCTURED TO DRIVE CUSTOMER BENEFIT

Commitment to Competition

Open Access and Sharing of Information

Fair Remuneration for the Right Solution

- OEB-regulated entities to participate in the DER market through independent affiliates
- More comprehensive regional planning which considers DERs at a granular geographical and system level to initiate procurement processes
- DER connection standards are in place and enforced

OBJECTIVE: OEB ESTABLISHES PROCESSES & STANDARDS TO ENSURE EFFICIENT DER CONNECTIONS & MARKET EXPANSION

ISSUE: CURRENT ENVIRONMENT LACKS PROCESSES AND STANDARDS WHICH LIMITS EXPANSION

Encouraging Innovative use of Regulated Assets

Clear Processes and Rules

- Regulated entities should be encouraged to innovate and optimize use of existing assets
- IESO planning processes can focus on DERs through better integration of system plans
- Cost of like connections should not vary significantly across the Province
- One process for technical connection and financial evaluation of DER connection

Summary

Coordination
between OEB &
IESO

Do not expand
regulated
monopolies'
scope

Information
transparency to
drive market
participation

Regulatory
Framework:
Simplification