

# Feedback Form

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## OEB-IESO Joint Engagement – November 23, 2022

### Feedback Provided by:

Name: Kaleb Ruch

Title: Director, Energy Policy & Government Relations (secondment)

Organization: Toronto Hydro-Electric System Limited

Email: [REDACTED]

Date: December 14, 2022

## Specific Questions for Comment/Feedback

Topic	Feedback
<p>Would the Joint Study of DER Incentives research be valuable to the sector/stakeholders?</p>	<p>Yes, a joint study that explores DER Incentives holistically would be valuable for the sector and its stakeholders.</p> <p>Toronto Hydro commends the OEB and IESO for undertaking this initiative, and notes, two other important cross cutting issues, namely the <i>evolution of distribution-level activities and services</i> and <i>DERs as non-wires alternatives</i> will be integral components to holistic DER policy-making.</p>
<p>Do you agree with the objectives presented on the Joint Study of DER Incentives? Would you propose any additional objectives?</p>	<p>Toronto Hydro supports the OEB/IESO's objectives as listed.</p> <p>Toronto Hydro suggests that in the context of evaluating DERs as Non-Wires Alternatives, the IESO and OEB should apply learnings from projects already in existence, including Toronto Hydro's Local Demand Response initiatives at Cecil TS and progress on its Grid Innovation Fund ("GIF") Dual Participation Pilot.</p> <p>Toronto Hydro further suggests that applying learnings from the DER Potential Study should be considered in this research study.</p>
<p>What research questions do you suggest the OEB and IESO should pursue under the Joint Study of DER Incentives?</p>	<p>Toronto Hydro recommends that the research project document the full slate of DER incentives (prices, programs, procurements) and map each of them to the specific element of the DER "value stack" that they address (e.g., ISO, utility, customer). This will assist the IESO and OEB to identify instances of incentives working at cross/complementary purposes, and where there may be incentive "gaps." For instance, the FEI Working Group discussed at length the role of incentives for DERs as Non-Wires Alternatives.</p>

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<p>In the context of the Joint Study of DER Incentives, what DER incentives (e.g. price, program, procurement approaches) do you think work well? Are there specific circumstances under which they work well? What incentives do not work well?</p>	<p>Historically, the design and implementation of DER incentives (prices, programs and procurements) have not adequately considered locational opportunities or constraints on the distribution system. The value of DERs to the distribution system can vary considerably, depending on the station (or sometimes the bus) that they connect to. It can range from significantly positive where there is a planned Non-Wires Alternative opportunity, to significantly negative when capital investment would be required to offer sufficient hosting capacity. Incorporating locational value into the design of DER incentives will be essential for improving their overall efficiency.</p>
<p>Finally, was today's session useful? How can we improve the next session?</p>	

## General Comments/Feedback

Toronto Hydro commends the OEB and the IESO's commitment to sector evolution and modernization, including the direct actions to coordinate DER policy across both organizations.

As the electricity sector embarks upon the energy transition, DERs will be relied upon to do more to serve Ontario's energy needs as they are adopted in greater numbers. In addition to incentives, investments in grid modernization will be an essential enabler of further DER penetration and efficiently harness their attributes for the full "value stack." Toronto Hydro is primed to be an important partner for the OEB and the IESO in this energy transition, and looks forward to working with both organizations in the future to help deliver greater value to ratepayers through their connection to the grid.

Toronto Hydro appreciates the opportunity to provide these comments and is pleased to speak more directly on any or all parts of its submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Kaleb Ruch", written over a horizontal line.

**Kaleb Ruch**

Director, Energy Policy & Government Relations (secondment)  
Toronto Hydro-Electric System Limited

KR/dn