



OSEA

ONTARIO SUSTAINABLE ENERGY ASSOCIATION

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October 11, 2006

Kirsten Walli
Board Secretary, Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4
By e-mail: boardsec@oeb.gov.on.ca

Re: EB-2006-0226 Proposed Amendments to the Distribution System Code and the Retail Settlement Code

Dear Ms. Walli,

The Ontario Sustainable Energy Association is pleased to have the opportunity to provide comments regarding the above-noted notice of proposal to amend the Distribution System Code and Retail Settlement Code.

The Ontario Sustainable Energy Association (OSEA) is a member based organization with over 30 member organizations across the province. Our members are community based organizations and co-operative businesses throughout Ontario who are developing local renewable energy solutions to help facilitate the transition to a sustainable energy economy in Ontario. These projects range from 10MW wind parks to residential solar co-operatives, to on farm biogas digestors. There is growing interest and investment in opportunities for Ontarians to participate in local renewable energy generation projects. OSEA welcomes the Standard Offer Program and appreciates the OEB's efforts to make amendments to the DSC and RSC that will help Ontario take advantage of the growing opportunity of distributed and community based renewable energy generation.

OSEA recognizes that the government has taken important steps in the implementation of the Standard Offer Program towards encouraging and supporting the development of smaller, distributed, renewable energy generation across the province, and that this shift requires codes and regulations that encourage equitable treatment of many varied generators and adequate resources for local distribution companies. As LDCs, generators, the OPA and the OEB gain experience with the new Standard Offer Program and the development of more distributed generation in Ontario we suggest ongoing review of the relevant codes and regulations to help ensure the success of the SOP and the development of distributed renewable energy generation.

OSEA supports the change to metering requirements for embedded generation facilities to reflect the different characteristics and need for appropriately scaled requirements for smaller generation projects.

Regarding Queuing:

OSEA strongly agrees with the Ontario Energy Board (OEB) proposal of 'first come-first served' resource allocation to assess connection applications. OSEA recommends:

- A project is placed in a queue for distribution capacity with the receipt of payment for a CIA.
- The subsequent queue process should be based on meeting milestones through payments for fees such as engineering studies and Connection Cost Estimates.
- Extra time required by the LDC to provide the appropriate invoice/estimate should not reduce the time available to the generator to make a milestone payment.
- The time frame from receipt of CIA to signing a CCRA should reflect the development timeframe for different technologies and be not less than 2 years.

The queue should reflect:

- Clear time frames and milestones for the LDCs and the generators.
- Equitable treatment of generators, taking into account a wide variety of proponent, project size and technology.
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Many smaller businesses perform significant project development and undertake significant risk prior to acquiring the financing to sign a CCRA. Therefore, the CCRA would be signed at a later stage of development than many projects by larger proponents. Where the CCRA is the only trigger to obtain queue position or some level of certainty regarding available distribution capacity, smaller business would be at a disadvantage. OSEA recognizes that this concern should be balanced with the need to provide milestones and opportunities to refresh the queue to ensure only those projects that are truly advancing maintain queue position.

OSEA requests that the term "differs in a material respect" be carefully defined if it removes an application from the queue/cancels a CIA. Because of the differences in electrical configuration between turbine models and the name plate rating differences, the CIA initial data may change once a final turbine is selected. Due to the current market conditions for wind turbines, it is not possible three years prior to construction - at the stage when a CIA application is submitted - to guarantee which model will be installed.

While it was not part of the amendments posted, for future consideration OSEA encourages the OEB to consider mechanisms to facilitate quicker and more robust distribution system upgrades. Cost sharing could provide incentives for more distributed energy capacity, improve system reliability and improve the efficiency and efficacy of system upgrades.

Once again, OSEA appreciates the opportunity to provide comment to the proposed amendments to the distribution system code and the retail settlement code. Fair access to grid capacity is a cornerstone to a successful SOP and we look forward to continuing to support the OEB's efforts to ensure a successful SOP.

Sincerely;

Melinda Zytaruk
General Manager
Ontario Sustainable Energy Association

