FW: Net Metering additional info

From: "Greenberg, Martha (CAB)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=greenberg, martha (cab)3ff">
To: "Hall, Dianne (CAB)" <dianne.hall@ontario.ca>
Date: Wed, 25 Jan 2017 16:13:28 -0500
Attachments: REG-11273_ID48042_LRC_Committee_Note Jan 24 final.docx (52.4 kB); REG-11273 (ENERGY) - Net Metering - Approval Form.pdf (318.42 kB); LRC net metering - QAs - 20170113 - to DMO.DOCX (49.98 kB)

Hi,

Could you please print this email and the attachments out for me?

thanks

From: Chochla, Megan (CAB)
Sent: January-25-17 4:09 PM
To: Greenberg, Martha (CAB)
Cc: Moore, Karen (CAB); Johnston, John (CAB)
Subject: Net Metering additional info

Martha, here's some additional info on net metering. ENERGY's submission, the CO note, and ENERGY's QsAs are attached. The QsAs are fairly detailed and geared towards the renewables industry – they are bootleg and strictly back pocket (and I hope you don't need them!).

Re First Nations – I have asked ENERGY whether they have received any questions/comments/feedback from First Nations or Indigenous groups.

- The proposed changes would not alter the current exemption of remote and First Nations distributors from offering the regulated net metering program. These communities may develop and offer their own net metering programs. Hydro One Remotes, which serves 21 remote communities, currently offers its own program to allow renewable generation to connect to its distribution systems, which is tailored to the technical considerations and needs of the communities it serves.

Re the MOF consequential amendments -

- *The proposed amendments to the Debt Retirement Charge (DRC) Regulation would sustain the exemption, in place since 2005, for all net metered generators from having to pay DRC on the portion of self-generated electricity that they self-consume.*
- *The current round of amendments to the Net Metering Regulation includes the proposal to remove the 500 kilowatt capacity limit. If the DRC exemption is not extended for net metered generation facilities above 500 kW in O. Reg. 493/01, in addition to increased metering costs to customers, distributors would need to update their Customer Information Systems and billing systems in order to charge DRC for net metered customers, which would introduce costs and take time (Hydro One estimates six to eight months).*
- *The DRC will be removed from all customers' bills by April 1, 2018, and therefore the costs and effort associated with these changes would be made without long-term benefit.*
- *While the DRC is in place, all net metering customers continue to pay DRC on the electricity they consume from the electricity grid.*

<u>Re the timing delay -</u> The Ministry of Energy consulted in summer and fall 2015 and posted the proposal on the Environmental and Regulatory Registries in August 2016. Why was there a delay between the posting and the proposal?

- *While ENERGY invited feedback on all program aspects during Summer and Fall 2015 consultations, the consultations were weighted towards soliciting feedback on two compensation options: maintaining volumetric electricity rates or moving to a new "Value of Renewables Tariff." A decision on compensation was needed before the Ministry could make recommendations on program design elements (such as credit carryover period, treatment of energy storage).*

- *From November 2015 to early March 2016, ENERGY reviewed stakeholder written submissions, and engaged with the Net Metering Advisory Working Group – including separately seeking advice and input from the Independent Electricity System Operator and Ontario Energy Board – to develop a recommendation on compensation. In March 2016, the Ministry decided to continue the practice of compensating generators at volumetric electricity rates.*

- *During April and May 2016, the Ministry worked to develop recommendations for each program design element, including credit carryover period, eligible sizing, treatment of energy storage, and cancellation terms.*

- *On June 13, 2016, a new Minister was appointed to the Ministry of Energy. ENERGY staff worked to brief the new Minister on net metering in June, and in late July 2016 received the Minister's approval to post the proposed amendments to Net Metering Regulation, which were then posted to the Environmental and Regulatory registries on August 19, 2016 for a 48-day comment period.*