FW: Net Metering package

From: "Greenberg, Martha (CAB)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=greenberg, martha (cab)3ff">
To: "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Date: Thu, 26 Jan 2017 13:12:46 -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); REG-11273 (ENERGY) - Net Metering - Communications Plan.pdf (483.28 kB); REG-11273 (ENERGY) - Net Metering - Reg Comparison Chart.pdf (302.13 kB); REG-11273 (ENERGY) - Net Metering - Reg2016.0480.e10TK.PDF (156.06 kB)

FYI – here is package on net metering

From: Chochla, Megan (CAB)
Sent: January-26-17 1:10 PM
To: Moore, Karen (CAB); Foster, Robert (CAB)
Cc: Greenberg, Martha (CAB); Johnston, John (CAB); Wittman, Nancy (CAB)
Subject: Net Metering package

Karen, Rob,

Here is the Net Metering package that was requested at the SoC briefing, I believe our DM and Gillian were looking for this - ENERGY's submission, the CO note, and some additional QsAs.

Happy to answer any follow up questions, Megan

Has ENERGY received any questions/comments from First Nations or Indigenous groups about the Net Metering program?

- There was a great deal of interest regarding net metering at ENERGY's Long-term Energy Plan (LTEP) Indigenous engagement sessions held across the province in the fall of 2016 and in early 2017.
- Participants including Chiefs, Councillors, Elders, economic development staff, Political-Territorial Organization representatives, business leaders and community members saw net metering as a potential way to help off-set high bills and promote energy independence.
- Concerns were raised regarding the ability of First Nations to participate in net metering programs due to housing conditions on reserve, e.g., can rooftops support solar panels and restrictions with their local distribution companies associated with local capacity constraints on the distribution/transmission systems.

What is the plan for Net Metering and Indigenous Engagement?

- ENERGY is engaging with First Nation and Métis communities and organizations to seek input on further updates to the net metering program, including enabling community or virtual net metering.
- Indigenous community representatives and organization were invited to participate in the net metering webinar held by the Ministry of Energy on January 12, 2017. This included Chiefs of Ontario, Métis Nation of Ontario, Political Territorial organizations as well as key individuals who attended the Indigenous LTEP sessions who expressed interest in net metering in their communities.
- Moving forward, ENERGY will organize a targeted meeting with Hydro One Remote to discuss potential application of third-party ownership and virtual net metering models in communities served by Hydro One Remote and to identify key issues
- ENERGY will work with IESO to engage the Aboriginal Energy Working Group, a group the IESO

established to provide feedback on various energy initiatives, which ENERGY has engaged in the past (i.e., LTEP Indigenous engagement).

What is the rationale for 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.

Timing delay - 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.