

Grid Defection

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Back pocket grid defection piece cut out of note:

Full grid defection, however, would require not only reduced costs for solar, but also reduced costs for energy storage (as solar does not produce electricity at all times). Until cost effective residential storage can be deployed to customers, grid defection remains an unlikely outcome of solar grid parity. Additionally, most customers lack sufficient roof space or property to install enough solar generation to meet all of their energy demand.

Further, the Ministry's proposed amendments to the net metering framework would help reduce the risk of grid defection as customers are required to be connected to the grid in order to net meter and receive credits for their exported generation. Remaining connected to the grid in order to net meter would help ensure net metered electricity customers continue to pay their fair share of fixed system costs (ex. distribution system costs and the forthcoming Clean Energy Adjustment (CEA) provided for under the Ontario Fair Hydro Plan Act, 2017). While the Ministry currently anticipates that levels of grid defection to be very low in the future, if unanticipated levels of grid defection occur, Ontario may wish to consider addressing the situation through future regulatory amendment to safeguard CEA payments.

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