FW: Fair Hydro Plan & Power Resiliency & Safety in MURBs

From:	"Teliszewsky, Andrew (ENERGY)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
To:	"Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Riggs, Matt (ENERGY)" <matt.riggs@ontario.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Date:	Mon, 08 Jan 2018 12:14:08 -0500
Attachments:	Magnolia Generation Case Study The Grange.pdf (1.18 MB); Minister Thibeault Letter.pdf (107.68 kB)

From: James Kennedy [mailto:jkennedy@magnoliaenergy.ca]
Sent: January-08-18 11:13 AM
To: Thibeault, Glenn (ENERGY); Teliszewsky, Andrew (ENERGY); Isla, Xochitl (ENERGY); Whittington, Matt (ENERGY)
Subject: Fair Hydro Plan & Power Resiliency & Safety in MURBs

Dear Minister Thibeault

Thank you for responding to our invitation recognizing The Grange, managed by Crossbridge Condominium Services as the 1st Multi-Res building to meet the city of Toronto's new "Sustained Occupancy" Guideline for multi-residential buildings . The Grange's *Combined Heat & emergency Power (CHeP)* provides energy resiliency and safety to the residents for zero upfront capital, in return for a 20 year PPA at the prevailing market rates to make it cost neutral. As a result of the Fair Hydro Plan however, we have been notified by the OEB as per the note below that The Grange will not qualify for the 8% rebate, thus penalizing the board for an earlier decision.

In this regard, Toronto Community Housing (TCH) will also get penalized. TCH was mandated to change their end-of-life diesel backup power systems with larger capacity natural gas in response to the 2013 ice storm and frequent power outages. The objective was to have backup power for both "*emergency-life safety*" and *"Sustained Occupancy"*. TCH signed an agreement with Magnolia Generation to design, build, own, operate and maintain *CHeP* Systems into their buildings as a way to save over $1,000,000+ per building, with cumulative savings of $150,000,000 across their buildings.

We are asking for your help to find a solution for our customers because our behind-the-meter CHeP Systems are a capital-free means to provide backup power for both "*emergency-life safety*" and *"Sustained Occupancy"* with a clean energy solution that has a net GHG reduction of 4.5 tons annually. Please direct us how we can rectify this oversight.

James Kennedy
Magnolia Generation
Www.magnoliagenerationinc.ca
Jkennedy@magnoliaenergy.ca
Cell. 647-267-1871
1-844-500-MAGNOLIA

From: Industry Relations [mailto:IndustryRelations@oeb.ca]
Sent: January 3, 2018 10:57 AM
To: James Kennedy
Subject: OEB FILE No. IRE-2017-1194 - OREC (8% Rebate) - All - RESPONSE

Dear James Kennedy,

This is our response to the enquiry you submitted to Industry Relations.

This is in response to your further e-mail of Friday Dec. 29th. In this e-mail you expressed concern over the fact that your clients may be penalized by the way the 8% OREC rebate is applied.

The way the OREC rebate is applied is dictated by legislation. OEB staff can only apply the law as it is written. The IESO and THESL simply follow the OEB's guidance.

As mentioned in our previous e-mail, the OREC rebate does not apply to behind-the-meter generation. It is possible that customers who use behind-the-meter generation, already pay costs that are less than what they would pay if they bought electricity from the regulated gird/local distributor and receive the 8% rebate. If not, they are free to purchase all their electricity supply from the grid.

The OREC legislation was written and developed by the Ministry of Energy. Any concerns you have about the type of electricity supply that qualifies for the rebate, should be brought to the Ministry's attention.

Thank you for your enquiry. I hope you find this information helpful.

Regards,
Industry Relations

The response to this enquiry represents the views of Ontario Energy Board (OEB) staff. It is not offered as and does not constitute legal advice or legal opinions, and may not reflect official OEB-approved policy or guidance on reporting, scorecard and other policy matters. This response may not be used as evidence in proceedings with the OEB.