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On Sep 27, 2017, at 10:33 AM, Rosemarie Leclair <Rosemarie.Leclair@oeb.ca> wrote:

Just so you know... I'm going through speech now and editing etc. Sarah will send you what I have to date. I will be getting back to it st lunch time

Sent from my iPhone

On Sep 27, 2017, at 10:03 AM, Viive Sawler <Viive.Sawler@oeb.ca> wrote:

Aleck,

Re " your note to me on page 13 of your revised draft, below is a cut a paste from the BP of the two items that Rose referenced during our conversation yesterday which I believe were *optimal decision making and evolution of the sector*. Kyla is working on the formatting the one slide.

Under key programs and activities of the strategic direction, *Enhancing Utility Performance*:

Future of the sector: Assess the need for regulatory reforms which **encourage optimal investment decisions** and support the evolution of the sector (including any reforms that may be needed in the pricing of network services, infrastructure planning, incentives for distributors and transmitters, and other features of the Renewed Regulatory Framework).

FY 2017/18 " Develop a preliminary set of options and roadmap for any regulatory reforms needed to address the implications of technological innovation in the Ontario energy sector.

FY 2018/19 " Develop implementation plan for any regulatory reforms, including adjustments to the Renewed Regulatory Framework, as appropriate.

FY 2019/20 - Implement regulatory reforms, including adjustments to the Renewed Regulatory Framework, as appropriate.

The section on *Technology and Innovation*, speaks to the pace of change underway in the sector and the key consideration this has been given in a number of OEB initiatives:

Electricity Sector

The **pace of technological change underway in the electricity sector** has been well canvassed in a growing body of literature from academic institutions, think tanks, industry associations, and regulatory agencies. For instance:

" Improvements in the cost and performance of distributed energy resources, including solar photovoltaic systems, may accelerate the

adoption of such technologies and create new opportunities for on-site generation.

• New uses for electricity – including electric vehicles – could increase demands on the power system.

• Both grid-connected and distributed storage technologies may also achieve a breakthrough in the near term that promotes broader adoption.

• The development of microgrids, incorporating distributed energy and storage resources, may enable customers, groups of customers or communities to “island” themselves within or from the larger power grid.

• New information and communication technologies give system operators new capabilities for the management of networks, generation and loads.

These developments are already a key consideration in a number of OEB initiatives, including the ongoing assessment of possible changes to the Regulated Price Plan for low-volume customers, the implementation of “smarter” distribution rates for low-volume customers, the initiative to develop “smarter” distribution rates and related charges for larger volume customers, and increased oversight of cybersecurity measures in the distribution sector.

These issues are by no means unique to Ontario. Regulators in other jurisdictions, such as California, Minnesota and, perhaps most importantly, New York are addressing similar issues. A common theme among regulators is the need to remain focused on the position of the consumer. In the case of Ontario, the OEB Chair has emphasized that when “considering how to best address the evolution of the sector and the future role of the utility, we want to stay true to our values and make sure the customer stays as the focus”.

From: Aleck Dadson [<mailto:aleck@kindredstrategies.ca>]

Sent: Tuesday, September 26, 2017 6:38 PM

To: Rosemarie Leclair <Rosemarie.Leclair@oeb.ca>; Viive Sawler <Viive.Sawler@oeb.ca>

Cc: Mary Anne Aldred <MaryAnne.Aldred@oeb.ca>

Subject: OEN speech

Here is a redraft based on our discussion today.

You will note several points in brackets and bold:

1. there are two points upfront to be considered and completed - I can complete the one about renewables - but please see the question about adding a reference to OPG (Darlington refurb?)

2. There are several sentences highlighted towards the back end - question is whether to delete or leave in.

By my calculation, this is almost exactly 30 minutes.

Viive -= I will send you an email re the slides.

Regards

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