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## OEB to Continue Its Responding to Distributed Energy Resources (DERs) Consultation

By Devyn Noonan

On December 16, 2020 and January 18, 2021, the Ontario Energy Board (OEB) issued letters about the publication of expert reports from London Economics Inc LLC (LEI) and ICF on the future of Distributed Energy Resources (DER) projects in Ontario. The reports emanate from the OEB's ongoing consultations designed to evaluate how the electricity sector in Ontario should respond to DERs (explained in our previous post).

The December 16 letter highlights the publication of five LEI reports commissioned in September 2020. One of these reports - *COVID-19 Impact on Distributed Energy Resources* (the LEI Report) - is relevant to the DER consultations.

The LEI Report concludes that in the short term, the pandemic will depress certain factors driving DER adoption due to consumers' increased desire for cost savings and decreased willingness to pay for environmental benefits in the current financial climate. However, it also indicates that COVID-19 will increase certain drivers of DER adoption, including consumers' desire for reliable power supplies and energy independence. Over the long term, the LEI Report concludes that the factors depressing DER deployment will largely fade (with the possible exception of certain recently-adopted Ontario government incentives), but drivers of adoption will remain strong.

In the December 16 letter, the OEB stresses the importance of continuing the DERs consultation, notwithstanding the conditions dampening demand, as the timing is opportune to undertake policy work anticipating and supporting innovation in the sector.

With the January 18 letter, the OEB posted a DER Impact Study that was prepared by ICF (the ICF Report).

The ICF Report forecasts the adoption of distributed generation and storage in Ontario over the next 10 years, and identifies potential signposts for the timing of regulatory responses. More particularly, it concludes that increases in solar and storage adoption will have impacts on energy processes, operations and planning, and markets. However, those impacts will vary with and depend on the degree of the adoption of the relevant technologies. The ICF Report makes a series of recommendations as to how to develop a flexible regulatory response framework tailored to this unknown future.

The January 18 letter sets the stage for the next steps in the Responding to DERs consultation. The letter invites stakeholders to participate in a virtual meeting on February 3, 2021, during which the LEI Report and the ICF Report will be discussed. An agenda will be sent in advance of the meeting.

Following the meeting, stakeholders will be invited to submit written comments on the findings and recommendations made in the LEI and ICF Reports, including by discussing the implications of these studies on the focus areas and next steps in the ongoing DER consultations. Comments are due by February 17, 2021.

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