



Proposed amendment of Ontario Regulation 541/05: Net Metering

For the attention of : Ministry of Energy, Northern Development and Mines  
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## **Proposed amendment of Ontario Regulation 541/05: Net Metering – Proposal:**

### **Proposal:**

ERO number: 019-2531  
Notice type: Regulation  
Act: Ontario Energy Board, 1998  
Notice stage: Proposal  
Proposal posted: October 8, 2020  
Comment period: October 8, 2020 - November 22, 2020 (45 days)  
Posted by: Ministry of Energy, Northern Development and Mines

### **Lakeland Holding Ltd. group of companies fully supports the proposed amendment of the Ontario Regulation 541/05: Net Metering**

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### **Background and Context:**

#### **Lakeland Holding / Bracebridge Generation Ltd. Project:**

Lakeland Holding and the Town of Parry Sound entered a Memorandum of Understanding (MOU) to turn the town into a net zero community. The goal is that the town generates enough electricity to offset the entire usage of all the town's assets (town hall, arena, water treatment plants, streetlights). Transmission Station (TS) constraints have been identified in this region.

The Town of Parry Sound had a vision to become a net-zero community in 2018, working alongside Lakeland Holding Ltd. and its subsidiary companies Bracebridge Generation Ltd. and Lakeland Power Distribution Ltd. At this time, the IESO submitted the Long- Term Energy Plan (LTEP) that identified a capacity constraint on the Parry Sound Transmission Station, which meant:

- Limited ability to grow the community and attract new businesses or expand operations of current businesses.
- With no TS upgrade planned by the provincial transmitter for at least ten years, any power utility customers would be required to pay a substantial portion of the upgrade costs. If the transmitter includes the station in the upgrade plan, this would likely result in increased rates for all provincial customers, with an estimated cost of over \$30 million.

Taking into consideration the vision of becoming a net-zero community and the concern relating to the Parry Sound TS, the Town of Parry Sound and Bracebridge Generation investigated options to reduce the constraint from the customer side, thus enabling the much-needed capacity for new development.

Working closely with the Town of Parry Sound, due diligence was performed to identify potential locations for a solar array, one of which was the Town of Parry Sound's closed landfill site at 57 MacFarlane Street, Parry Sound. After completing all required environmental criteria, the first solar location was confirmed. During this time period the proposed amendment of Ontario Regulation 541/05: Net Metering, or a new regulation to be made under the OEB Act, 1998 was revoked.

Despite the revoked proposal, the Town of Parry Sound and Bracebridge Generation stayed committed to fulfilling the vision of this net-zero community and continued discussions, established further partnerships and evolved the project to become project SPEEDIER.

[www.speedier.ca](http://www.speedier.ca)

## Expanded Project Objective

The objective of this project is to modernize the Town of Parry Sound's electricity grid to facilitate the shift towards a net-zero smart community. This is an opportunity to leverage existing initiatives by using advanced grid modelling and system planning tools as well as a Distributed Energy Resource Management System (DERMS) for increased visibility and control.

### Project Summary:

1. Installation of Distributed Energy Resources (500kW Solar and 1,257kW Battery Energy Storage System), owned by Bracebridge Generation on land leased from the Town of Parry Sound.
2. Installation of Internet of Things Demand Response Devices (Level II and III EV Chargers, Hot Water Tank controllers, Residential Battery Energy Storage systems)
3. Design and operation of a Seamless Microgrid located in Parry Sound on the MS3-F1 Feeder:
  - When the grid is down, an "island" will be created and can potentially power 165 customers;
  - All microgrid functions are controlled by the DERMS platform;
  - During the microgrid design, it was identified that the project should consider a seamless microgrid. Fibre communication to the microgrid enhances the project by providing greater reliability of signals during events;
  - Fibre installation has provided upgraded infrastructure available to the public in an area that was previously underserved.

## Challenge

The Town of Parry Sound owns two adjacent properties, the wastewater treatment plant and the closed landfill. The solar facility is constructed on the landfill to offset the load of the wastewater treatment plant some 400m away. Both locations are on the same electrical feeder.

Because the proposed amendment of Ontario Regulation 541/05: Net Metering, or a new regulation to be made under the OEB Act, 1998 was revoked, Bracebridge Generation looked at several options to connect this project under the current net metering regulations:

- Build a line and interconnect behind the meter at the wastewater treatment plant – this proposal was found to not be cost effective and would jeopardize the project completion;
- The line dead ends, so ownership can be passed to the Town for metering before their loads. This would involve the local LDC selling a portion of its assets to the Town or the generator which would result in extra costs to the project. The line would now have to meet ESA OESC guidelines. The generator and/or Town would have to maintain this high voltage line going forward.

## Summary

The Town of Parry Sound's net-zero community and Lakeland Holding's project SPEEDIER are key projects that could be utilized and provide learning on methods to demonstrate how the proposed net metering framework could work. Please find below examples:

- Test integrating generation and other DER resources in the Town of Parry Sound;
- Demonstrate the need to remove regulatory barriers and enable business opportunities and spur innovation;
- Demonstrate energy solutions to provide benefits to customers and address grid issues (by controlling assets, designing a seamless microgrid etc.);
- Demonstrate on a smaller scale how integrating DERs could defer costly upgrades to aging infrastructure;
- Analyzing how enabling net metering demonstration projects could provide the Town of Parry Sound and other communities / municipalities with lower costs and meet their sustainability vision (net-zero community).

Lakeland Holding and the Town of Parry Sound's vision encompasses the requirements set forth within the proposed amendment of Ontario Regulation 541/05:

- Electricity utilities enter into a net metering arrangement with the customer leading the community net metering demonstration project;
- The customer who leads the community net metering demonstration project can use more than one meter to manage generation and loads within the community, and generation credits are transferrable between these meter billing accounts;

- Behind the meter renewable generation, and potentially energy storage, are part of the community electrical system serving customers within the community;
- Billing of sub-metered customers within the community is in accordance with Ontario's Energy Consumer Protection Act, 2010, the Unit Sub-Metering Code, and any other applicable codes and rules;
  - *We would like to learn more on the possibilities through this type of metering solution. Please point us in the direction of the utilities requesting for these amendments.*
- Limited participation in the demonstration (e.g., total number of projects; capacity limits for individual projects and/or all projects);
- Reporting requirements to measure performance;
- Net metering agreements that describe the roles, responsibilities, and obligations between the utility and lead community net metering customer; and
- Compliance with all applicable electricity codes and rules in Ontario.

In addition, this project could conduct an analysis of regulatory impact resulting from the proposed amendment to the regulation by reviewing potential costs to electricity utilities and other stakeholders.

The SPEEDIER Project PowerPoint is available upon request. It has not been uploaded to the comment portal due to the confidential nature of components of the project.

We would like to confirm that the project described herein is applicable and will not be precluded from participating in the proposed community net metering amendment. Looking forward to working with the ministry through the more detailed process, as we gain knowledge and key information through project SPEEDIER.

If you require clarification or further details, please do not hesitate in reaching out to me.

Kind regards,



Vince Kulchycki

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