



Via ERO Online Submission

December 15, 2023

Ministry of Energy, Energy Supply Policy Division
7th floor, 77 Grenville Street
Toronto, ON
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Canada

Attn: Mathew Peltier

Subject: Ontario Regulation 429/04 Amendments Related to the Treatment of Corporate Power Purchase Agreements (23-ENDM035)

Portage Power ("Portage") is Ontario's largest municipally-owned producer of green power, and operates 130 MW of renewable generation capacity, consisting of hydroelectric, solar and landfill gas facilities. Enviri Energy Solutions ("Enviri") is an energy solutions provider to municipalities, commercial and industrial clients, governments and utilities across Eastern Ontario. Both are subsidiaries of Hydro Ottawa Holding Inc. Portage and Enviri appreciate the opportunity to submit feedback on the Ministry of Energy's ("Ministry") proposed amendments to [O. Reg. 429/04, Adjustments Under Section 25.33 of the Electricity Act, 1998](#), related to the treatment of corporate power purchase agreements.

Portage and Enviri are generally supportive of the provincial government's proposed amendments that aim to support the growth of new clean generation in the province by allowing Industrial Conservation Initiative ("ICI") participants to offset their facility's demand in the top five peak hours of a base period through power purchase agreements ("PPAs") with renewable generation facilities that are not connected behind the facility's meter.

Portage and Enviri offer the following comments and questions related to the proposed regulatory amendments:

Eligibility:

- Will qualifying participants (both customers and generators) be eligible if they are embedded, or will the framework only apply to transmission-connected wholesale market participants?
- If embedded customers are eligible to participate, will there be a requirement for participants to be transmission-connected?
 - Portage and Enviri note that if restricting eligibility to transmission-connected customers only, there is little opportunity for many participants to take part in the framework. As a result, we would recommend that embedded customers are eligible to participate. We understand the Ministry may be taking a measured approach to start. If this is the case, we would encourage a broader range of customers to be contemplated in the near future. Portage and Enviri furthermore note that virtual net metering has been in place in other jurisdictions for a number of years (e.g. New York State). We are supportive of implementing similar regulatory structures in Ontario.



- If eligibility is not restricted to transmission-connected wholesale market participants, will currently embedded customers be required to invest in wholesale metering equipment should they wish to become wholesale market participants in order to participate in the framework?
 - Portage and Enviri note that in some cases upgrading metering could be a significant cost and a barrier and disincentive to participate.
- Portage and Enviri support the inclusion of battery storage in eligible technologies.

Administration:

- To streamline processes and minimize costs, Portage and Enviri suggest that there be efforts made to limit administrative costs and any additional expenses for participants.

Carbon Credits:

- Would participants be able to retain carbon credits?
- Would carbon credits be sold separately from PPA and Global Adjustment agreements?

Portage and Enviri appreciate the opportunity to offer feedback on the Ministry's proposal, enabling eligible ICI participants to diminish their peak demand factors by offsetting their demand during the top five demand hours of a designated base period through specific eligible renewable generation contracted under a PPA. After the release of the Powering Ontario's Growth plan earlier this year, the province is gearing up to acquire new clean electricity resources to address the escalating energy demands. Portage and Enviri underscore their fundamental agreement that the incorporation of PPAs would enhance the market by encouraging heightened engagement from both buyers and sellers, thereby augmenting market liquidity.

Sincerely,

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