



December 13, 2024

Ministry of Energy and Electrification
77 Grenville St.,
10th Floor;
Toronto, ON

Re: Comments to IEP – RESCo Energy Inc.

RESCo Energy Inc. is based in Mississauga ON, employing 50 people in engineering, project management, and field services (electricians and technicians). RESCo has been installing solar and batteries for behind-the-meter commercial and industrial projects for 18 years.

The MoEE along with the IESO have identified a significant need for new generation resources to come online in the Province of Ontario in the near term. Responsibly, the siting of these resources need to respect municipal interests, indigenous values, and preserve highly productive agricultural lands. Not all major projects will be able to be located near the large load centres of the province resulting in significant transmission requirements, system losses, and new investments.

LT2- Procurements

Projects that are located in, or adjacent to, significant load areas, municipally zoned for generation, on non-agricultural land, and associated with significant existing manufacturing plants should be recognized as providing additional value to the Province. These projects, are likely to be 10-15% the size of some of the larger proposed applicants into the procurements and will not achieve the same cost efficiencies as a result. Recognition of the specific value of these projects through priority points would serve to help level the field in the procurement and encourage assets to submit that are fundamentally supportive of the local loads, municipalities and respect indigenous and agricultural values.

Recommendation: Priority Points be awarded for projects in LT2 that are located close to provincial load centres.

Distribution Connected Assets

The distribution system hosts most of the loads, yet is underutilized in offsetting those loads with on-site generation and storage. This is primarily a factor of cost, grid capacity, and mismatched loads to available rooftop space for generation. For example, dry warehouses use very little power but have large roof areas available for generation, where many larger users have little to no room for on-site generation (hospitals, MURBs, office towers). For many landlords, lease agreement terms, limit the ability to commit long term capital. The ability for bilateral commercial agreements between electricity users on the distribution system allows for a market to develop to help offset loads. As this is entirely private, there is no cost or impact to the rate base, and requires no IESO controls or settlement.

Recommendation: Allow for bilateral agreements for energy generation on the distribution system. Allow these to settle at or near retail rates.



Grid Constraints

LDCs in the Ontario are required to get capital expenditures approved as part of their rate filings. These rate filings don't necessarily allow for anticipated needs and are generally more reactive than proactive. As a result, the infrastructure on much of the distribution system is approaching its limit to enable additional generation yet is being required to support significant new loads. Alleviating these constraints will significantly help the growth of generating and storage assets to better optimize the distribution infrastructure.

Recommendation: Allow LDCs to invest to alleviate constrained feeders, thereby enabling private sector investment, consumer choice, and limiting electricity price volatility for distribution connected customers.

Balancing Behaviour and Costs

The OEB has done significant work on developing and opt-in rate structure for Class B customers. However, the objective of the exercise was to better shape GA charges. Modifying the objective to also encourage additional generation and storage would further entice private sector capital to deploy distribution connected generation and storage.

Recommendation: Continue to evolve price signals to enable the development of distribution connected assets.

Conclusion

RESCo Energy is highly supportive of the Ministry's leadership and direction on enabling generation and storage across the province. We encourage the Ministry to recognize the near term value of smaller asset classes – 100k-30MW, that can be quickly designed, permitted, constructed and brought on line in support of the electricity needs of Ontarians.

Contact

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