



Electricity Distributors Association



Value through Innovation: Local Distribution Companies of the Future

Todd Wilcox, EDA Chair

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www.eda-on.ca

A little bit about us

- The Electricity Distribution Association represents the interests of 63 of Ontario's local distribution companies or LDCs, who deliver the lion's share of power to 5 million homes, businesses and public institutions
- The sector employs 10,000 people directly, holds \$19 billion in assets and contributes hundreds of millions annually to both municipal and provincial revenues
- More than 100 Ontario municipalities own shares in Ontario electricity utilities
- LDCs annually return approximately \$350 million in dividends, taxes, and other sources to municipalities across the sector
- For us, the future is now and its about distributed generation

EDA's LDC of the Future Project

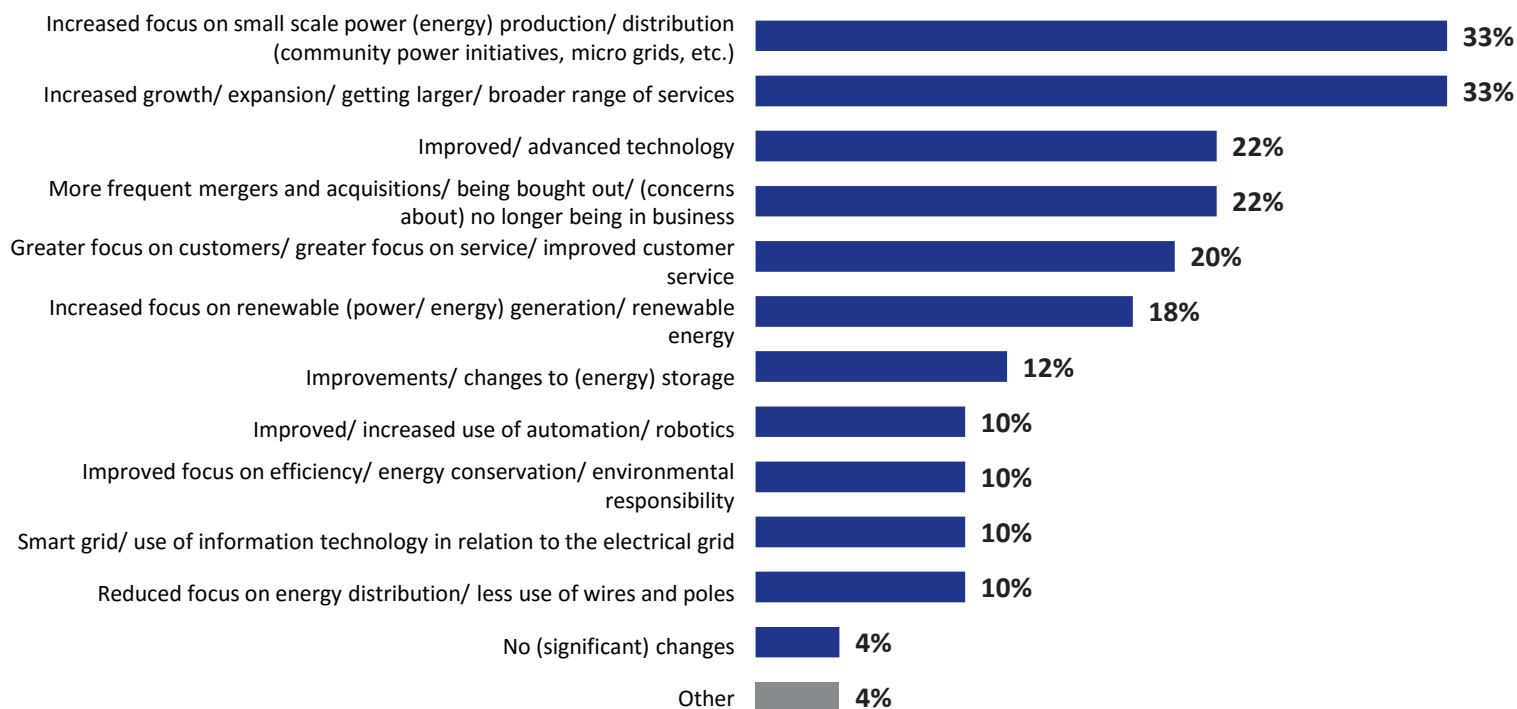
- Executive interviews of CEOs with an 80% participation rate
- Results pointed to the degree of interest our members had in expanding the scope and scale of their business and their preferred means of achieving this expansion
- Looked at barriers to success
- Gauged LDC interest in working with each other to achieve mutual benefits
- Will be used in developing a vision paper – expected later this year, that will also include ways in which LDCs can successfully adapt and innovate while continuing to serve customers' evolving energy needs

Innovation as the way Forward

- LDC leaders say that their LDC is ‘extremely well prepared to meet the challenges and opportunities of the future.’
- LDCs agree that innovation is their driving principle and that the ‘LDCs of the future’ will need to be high-tech and innovative.
- Most LDCs think that the way of the future is expanded scope to grow their business; shared service models and joint ventures with other LDCs are of most interest to those looking to expand.

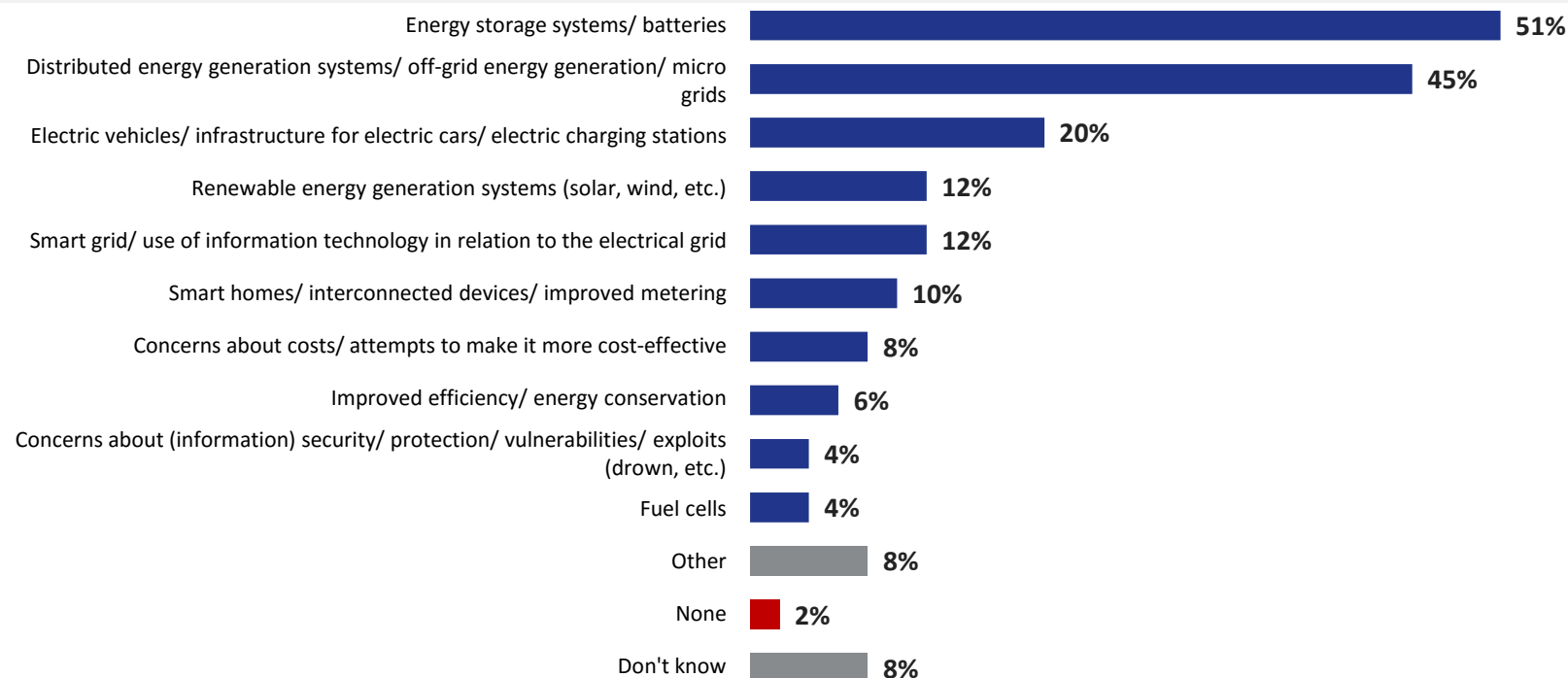
What is the LDC vision for the future of the sector?

LDCs see their companies more focused on small scale energy production and distribution, thanks to investment in improved and advanced technology.



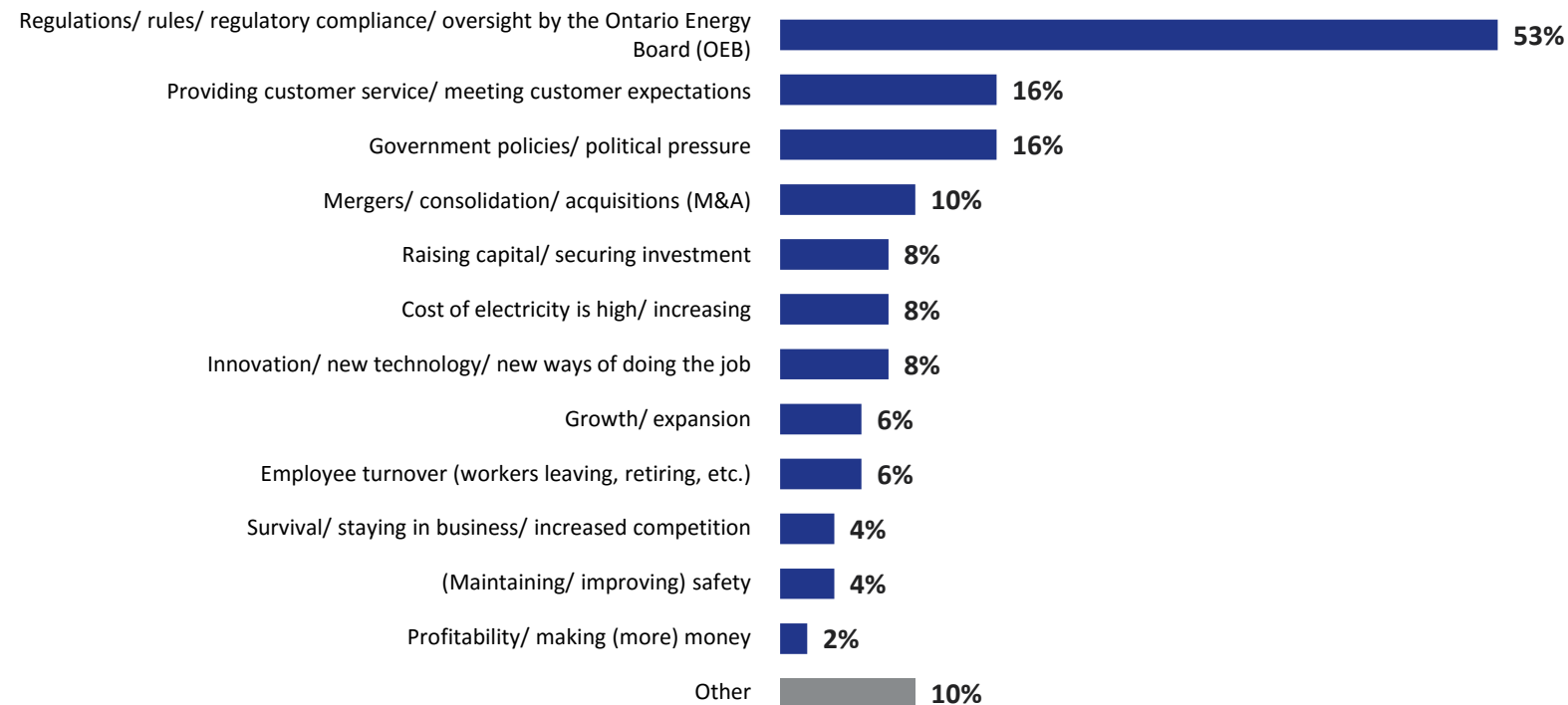
What will be the transformative technologies?

LDCs cite energy storage systems/batteries as a new and emerging technology that would be transformative for distributors. Nearly as many mention micro grids and other off-grid energy generation. Electric vehicles and the infrastructure for them round out the top three.



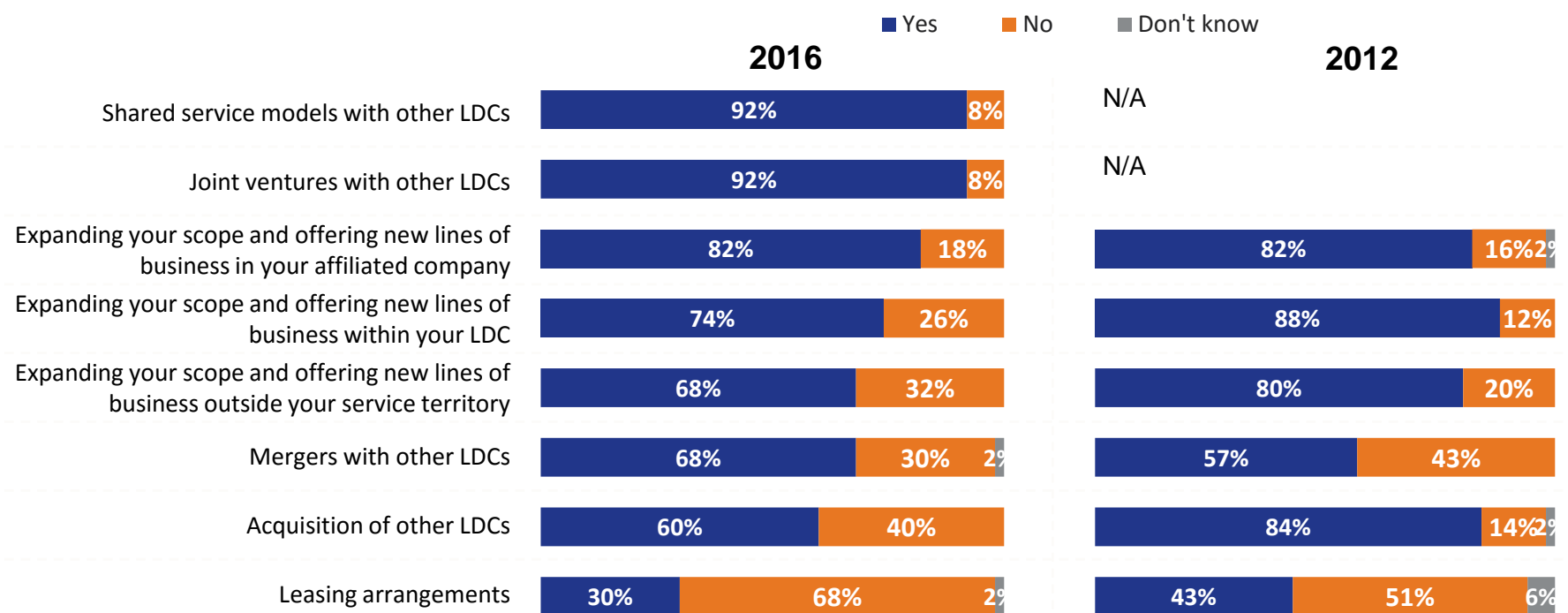
What are the challenges facing LDCs?

Regulatory compliance is the most cited challenge facing LDCs in the next 5 years, followed closely by government policies/political pressure. Many also see meeting customer expectations as an important challenge.



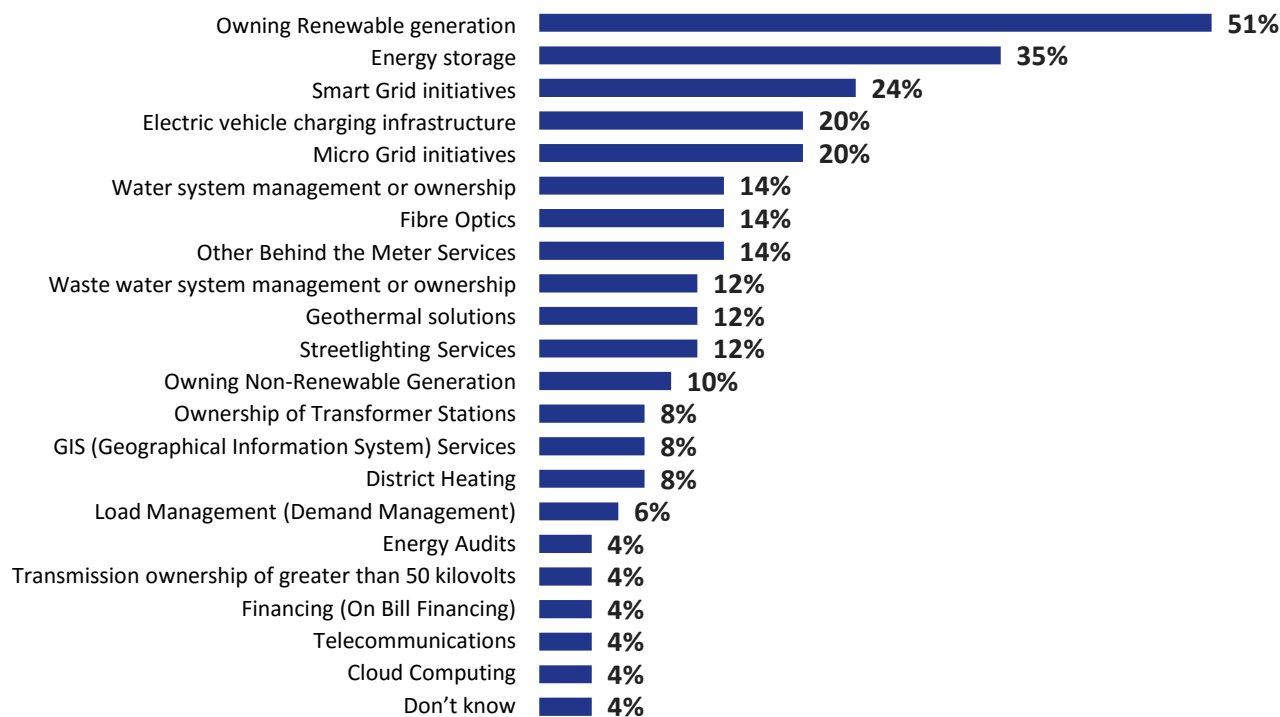
In what ways are LDCs interested in growing their business?

Most LDCs feel shared service models and joint ventures are the most interesting potential means of business growth.



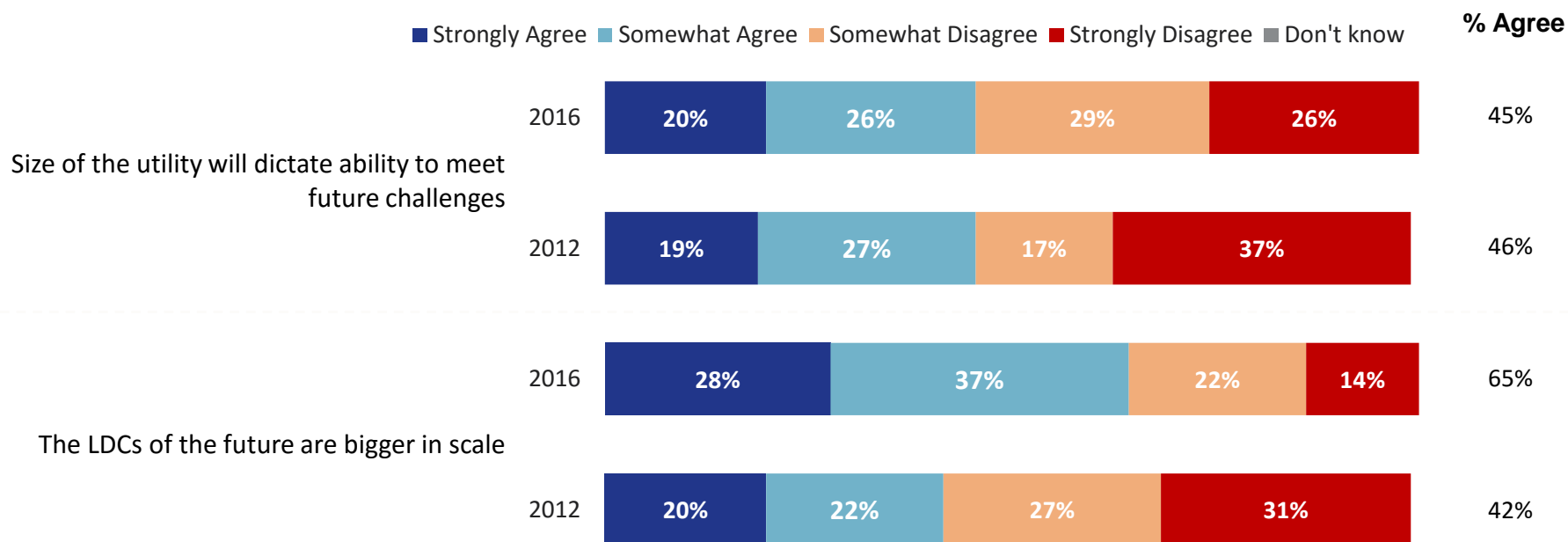
What are LDCs priority areas to expand services?

LDCs were most likely to choose owning renewable generation, energy storage and smart grid initiatives, followed by e-vehicle infrastructure and micro-grid initiatives.



What are the attitudes towards expansion of scale?

There is more consensus in 2016 that the LDCs of the future will be bigger in scale. However, opinion remains divided as to whether the size of the utility will dictate its ability to meet future challenges.



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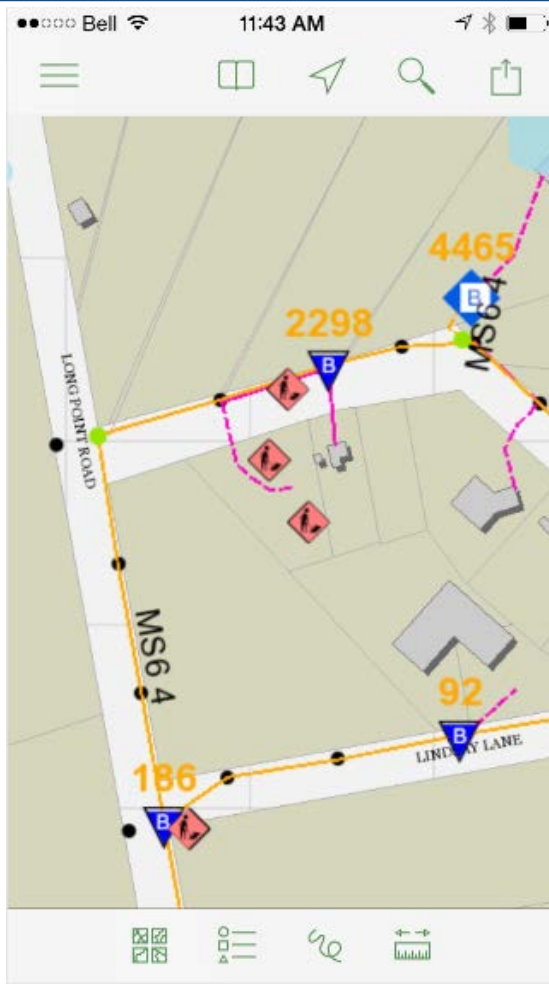
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Trailblazing Collaborations



Oakville Hydro, Milton Hydro, and Halton Hills Hydro

Regional Health and Safety Partnership



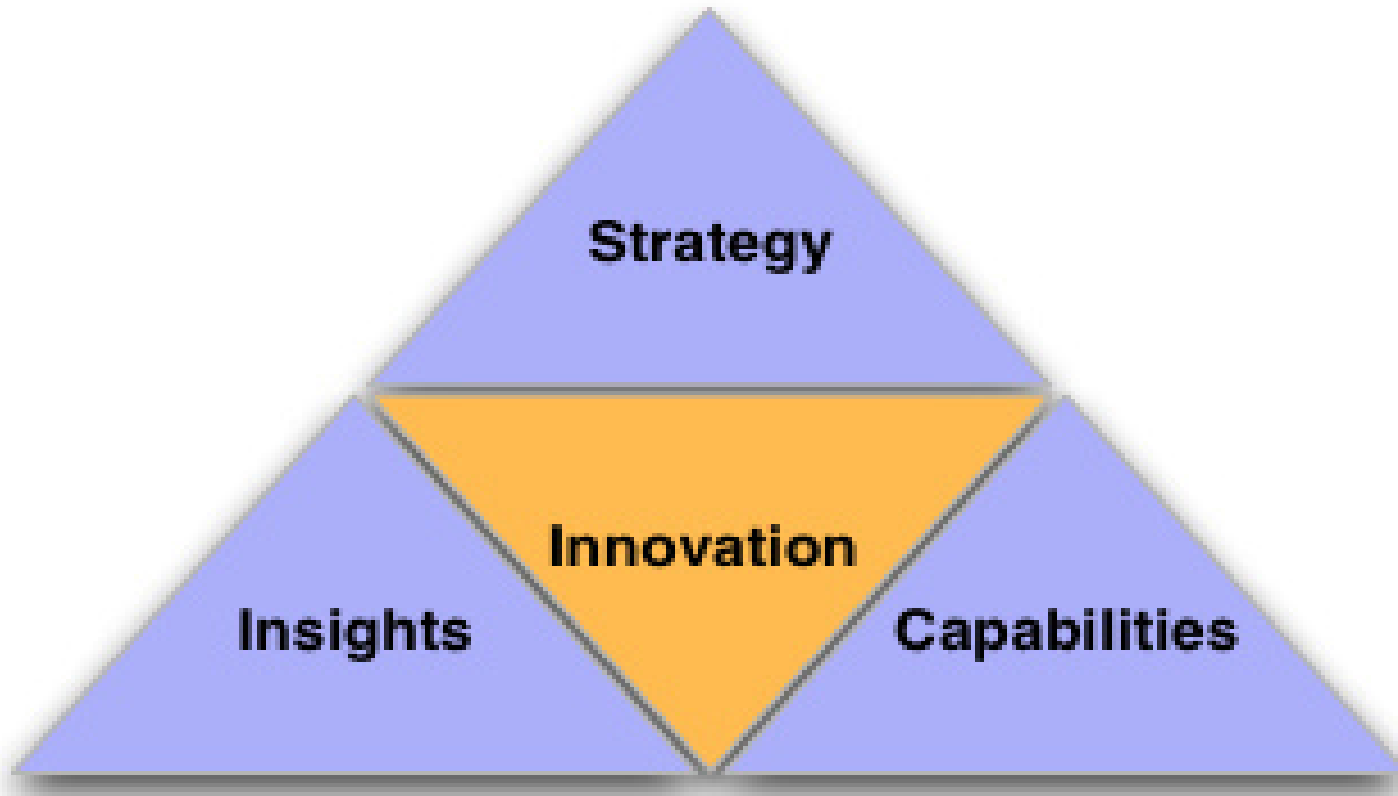
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