

# Impacts of COVID Emergency Conditions on the Electricity Sector: “Actions Taken & Lessons Learned”

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SIXTEENTH ANNUAL CANADIAN  
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OPERATIONAL RESPONSE.



REGULATORY RESPONSE



FINANCIAL RESPONSE.

# Brantford Power Inc. 2019-2022

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- Located approximately an hour west of Toronto - just over 40,000 customers.
- Over 500km of distribution line and an urban customer base.
- Period of accelerated growth and unprecedented system access investment.
- Time of significant transformational activity for Brantford Power Inc.
- Constructed and ultimately moved into a new facility January 1, 2021.
- Rate rebasing with Ontario Energy Board September 2021
- Ongoing planning and executing merger with neighboring utility 2020-22





# Brantford Power Inc. 2019-2022

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The utility in general responded well:

- Applied Health and Safety principles
- Accelerated use of technology
- Adjusted workforce planning
- Increase tolerance for flexibility
- Heightened customer focus
- Commitment to internal/external communication
- Continuous communication with medical officials and local emergency command operations.



# Operational Response

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Minimal interruption to essential service provision as a result of a dedicated team. Comprehensive adjustments throughout the last two years including:

- scheduling of essential work only during peak COVID caseload intervals;
- leasing separate facility to promote distancing;
- mandatory prescreening from home using online application;
- PPE sourcing and implementation of mask protocols
- short-term lease of additional fleet to enable distancing in the field;
- room capacity limitations; reformatted operations tailgate meetings
- staggered start shifts;
- work space modification to extend height of work cubicles or providing individual work space where possible;
- work from home (WFH) when applicable;
- enhanced facility cleaning protocol
- new approach to procurement – supply chain issues persist and are accelerating in 2022

# Operational Response

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## Customer Impacts

- The utility maintained its capital plan to connect customers; complete system inspection/asset management and do planned system upgrades to keep the system updated.
- All essential work was completed and if resources were scarce due to COVID we explored the viability of utilizing contractors to ensure the system was kept current.
- Comprehensive customer outreach ie. facilitating support programs; scripting for call center agents and online messaging.

## Employee Impacts

- Formal absence rates unrelated to COVID actually went down - however we realized a drop in workforce efficiency related to extended isolation time periods required for positive cases and/or close contacts.
- Did realize an increase in mental health issues; people dealing with personal circumstances and anxiety.
- Communication was important and linking COVID with safety and the company having a statutory responsibility to provide a safe work galvanized a common purpose between labor and management.
- Some issues sparked labor/management friction which peaked around vaccination mandates in the workplace.

# Operational Response

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## Organization Culture Impact

- Overall sense of resilience and toughness for those that persevered.
- Utilities demonstrated themselves as being more responsive and agile than originally perceived.
- Effect of the “big quit” is unknown today but these new revelations brought about by technology and new confidence could translate into a migration in the future as the world opens up.
- Appetite for continued workplace flexibility is ongoing.
- Exposure to skilled labor shortage magnified.

# Financial and Regulatory Response

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Exposed financial risk rarely, if ever, contemplated before. “Chicken Little” needs more respect.

- The issues of dealing with potential large scale bankruptcies; assessing business risk; evaluating cash position are a part of running any business but never to the degree that LDCs were forced to manage in 2020 -2022.
- As a reminder LDCs of all sizes in Ontario issue the bill for all of the electricity supply chain including generation and transmission. Managing this pass through relationship has been a normal course of business and has managed without issue.....until the pandemic.
- The possibility of mass bankruptcies and the ability for LDCs to cover its obligation of close to 80% of the stranded balances to the IESO revealed an exposure.
- Utilities were forced to adopt a financially responsible and restrained posture. Limiting hires and eliminating all discretionary investment.





# Financial and Regulatory Response

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There were regulatory challenges.

- Lack of clear direction left utilities having to do what they thought “the right thing” was under time pressure but at the same time unclear about the impact it could have on the utility itself in the future.
- LDC were forced to implement and undo and then re-implement rate changes multiple times during the various stages of the pandemic.

The pandemic has raised new questions for regulators – all of us – to consider.

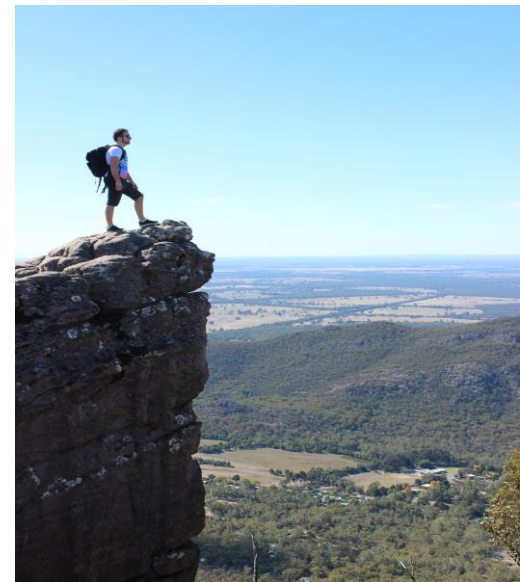
- What are the boundaries for the utility able to capture and recover the costs incurred to keep the lights and essential services maintained on and keep employees safe?
- Regulators should have mechanisms in place to quickly respond so that utilities can make timely; prudent and effective decision under duress and do so consistently across the affected area.

# Financial and Regulatory Response

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The reality is that this pandemic was an intense stress test for the whole sector just like the rest of the world

- Fortunately the pandemic did not trigger a cataclysmic circumstance for the electrical system but it did make us look over the cliff's edge at how far a fall we could have if things were to get worse.
- Business as usual does not apply anymore.....to anyone.



# Lessons Learned

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## Ideas to contemplate before the next one.

1. The evidence is in. Utilities are more resilient; nimble and creative (without compromise to safety; reliability or cost effectiveness) than we thought. So the regulator could incent those that continue to demonstrate those characteristics.
2. Develop even more robust contingency plans. No one is exempt so we need to plan for that worse case scenario.
3. Reassess supply chain dynamics. Geography matters.
4. Build in regulatory mechanisms to accelerate the pace of system automation; foster innovation and flexibility.
5. Proactively design DVA accounts to capture extraordinary costs linked with extended declared states of emergency with clear guidance to improve response to such circumstances should the ever reoccur.
6. The preservation of a viable utility sector is one of the mandates of the regulator. So what is **essential** really? Need to answer that question..

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Thank you



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