

envirocentre.ca

110 Laurier Avenue West ouest, Ottawa, Ontario K1P 1J1 ☎ 613-580-2582
📠 613-580-2494 GST TPS # 8888 09 779 RT 0001 📧 envirocentre@ottawa.ca

Ms. Kirsten Walli, Secretary
Ontario Energy Board
2300 Yonge Street
Toronto, ON M4P 1E4

1 October 2009

Dear Ms. Walli:

Re: EB-2009-0096

ENVIROCENTRE INTERROGATORIES
HYDRO ONE NETWORKS INC.
2010/2011 ELECTRICITY DISTRIBUTION RATES

The attached two-page document describes additional information and material, which we believe is relevant to the above captioned hearing and is thus being requested of the Applicant.

Yours truly,

original signed by

Dr. Dana Silk
General Manager

ENVIROCENTRE INTERROGATORIES
HYDRO ONE NETWORKS INC.
2010/2011 ELECTRICITY DISTRIBUTION RATES

2 October 2009

1. The Green Energy and Green Economy Act (GEGEA) requires the Ontario Energy Board to assess licensed distributors to fund Conservation and Demand Management (CDM) and renewable energy programs but, relying on “past Distribution hearings”, the Applicant maintains that CDM costs are “not part of the costs before the Board in this proceeding”.¹ Does the Applicant believe the GEGEA is a break with the past or does the Applicant believe it can continue business as usual when it comes to CDM and renewable programs?
2. Does the Applicant believe that CDM programs funded by the Ontario Power Authority (OPA) or the Global Adjustment Mechanism (GAM) are not subject to Board scrutiny or does it support the acknowledgement in its Green Energy Plan (GEP) that “the Board is still mandated to approve funding for CDM programs”? (Page 32, GEP)
3. Can the Applicant explain why its need to start the new work proposed in its GEP to meet the demands of renewable generation² is greater than its need to start the new work proposed in its GEP to meet the demands of CDM?
4. The Applicant appears to believe that it would be “prudent and responsible” to postpone new investments in CDM until it receives specific targets. Is the Applicant prepared to start investing now in building capacity to meet the targets that the GEGEA allows for, that the Government of Ontario has called for, and that the Applicant plans for in 2012? (Page 1, GEP)
5. Can the Applicant provide empirical evidence showing the results of its experience with the “full suite of core OPA CDM programs and some customer programs”, notably the actual – not projected – kWh and demand savings achieved since 2004 by the Great Refrigerator Roundup, ERIP, PeakSaver, and the Power Saving Blitz? (Page 31, GEP)
6. Can the Applicant explain how limiting its role to simply providing its “customers with information and tools that allow them greater understanding and control over their electricity consumption” will help it achieve the goals of the GEGEA? (Page 11, GEP)
7. Does the Applicant have any evidence indicating that the installation of fixed CDM measures, including Smart Grid compliant appliance and weatherization programs, can achieve better results than programs based simply on behavioral change?
8. Is the Applicant concerned about a potential tripling of rate-based CDM charges in 2012 and does it believe that capacity to deliver such programs can be tripled within one year? (Page 1, GEP)

¹ Letter of September 18, 2009 from Susan Frank, Hydro One Networks Inc., to the Board.

² op. cit.

9. The GEGEA requires the Board to assess licensed distributors to fund CDM and renewable energy programs aimed at specific income sectors of Ontario. How does the Applicant's GEP respond to this requirement *vis-à-vis* low-income consumers?
10. The Applicant acknowledges that if its existing CDM programs are recovered through its rates, they are estimated to increase by 2% in 2010 and that the impact on bills is estimated to be 0.7%. Could the Applicant confirm this would mean that a customer paying \$100 a month could expect to pay about \$0.70 more a month for CDM programs?
11. Could the Applicant provide evidence on the average monthly amount being paid by electricity customers through rates to fund CDM programs in other parts of North America or would it agree that most rate-based CDM programs require customers to pay an average of \$3.00 to \$5.00 more a month through a specific charge on their bills?
12. The Applicant believes that its "necessary, used, and useful" Smart Grid investments are appropriate costs to be included in its rate base. Does the Applicant attribute the same qualities to its annual investments of \$20 million in CDM and, if so, how does it justify not requiring its customers to pay through their rates for these benefits? (Page 27, GEP)
13. Can the Applicant provide evidence on the potential of expanding its Owen Sound Smart Zone pilot to more of its customers, and of expanding it to include capital investments in Smart Grid compliant appliances in the social housing properties that it serves? (Page 29, GEP)
14. The Applicant is not planning any capital investments in CDM from 2010 to 2014. Does this mean that the Applicant sees no role for decentralized capital investments in the homes and businesses of its customers that would reduce the inefficiencies of distributing electricity from centralized sources or is the Applicant reluctant to have such investments allocated to its rates? (Page 1, GEP)
15. Is the Applicant aware of any decentralized CDM capital investment programs of other utilities in North America and, if so, can the Applicant provide evidence on the nature and size of such programs?
16. The Applicant distributes electricity to about 1.3 million customers across Ontario and is seeking approval of at least \$20 million for its CDM programs in 2010. Nova Scotia Power distributes electricity to about 483,000 customers across Nova Scotia and is seeking approval of \$23 million for its CDM programs in 2010. How does the Applicant explain this difference?
17. The Applicant's GEP assumes that the OPA will continue to coordinate and fund CDM programs through the GAM but acknowledges that it may be required to fund CDM programs through its rates. Would the Applicant prefer to design its own CDM programs and does it believe that other organizations have more capacity and credibility to deliver such programs to its customers?