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May 11, 2010

BY EMAIL & BY COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2008-0346**

**Development of Demand Side Management Guidelines – Gas Distributors  
Energy Probe – Questions to Concentric Energy Advisors**

Pursuant to the letter from the Board dated May 5, 2010, please find attached questions from Energy Probe Research Foundation (Energy Probe) for Concentric Energy Advisors (CEA). An electronic copy of this communication in PDF format is being forwarded to your attention.

Should you have any questions or require additional information, please contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc. Norm Rubin, Consultant to Energy Probe (By email)

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**REVIEW OF DEMAND SIDE MANAGEMENT FRAMEWORK  
FOR  
NATURAL GAS DISTRIBUTORS**

**EB-2008-0346**

**ENERGY PROBE QUESTIONS TO CONCENTRIC ENERGY ADVISORS**

**Question # 1**

**Pp. 51-55 & passim: In your estimates of the values of greenhouse gas emissions in dollars per ton -- those used in other jurisdictions and those recommended for use in Ontario -- please clarify whether the values are stated in dollars per ton of carbon dioxide emitted, or per ton of carbon emitted as carbon dioxide.**

**Question # 2**

**Is Centric aware of any jurisdictions that consider the climate-forcing impact of avoided (or increased) fugitive emissions of methane as a result of DSM programs? Do the authors recommend such consideration for Ontario?**

**Question # 3**

**PPT slides of April 29, esp. slide 31: In the discussion on April 29, we understood Jim Coyne to express general support for per-customer reduction in gas consumption (without attribution to DSM programs) as a metric for DSM performance and incentive payments -- with the stated caveat that it might make more sense after the establishment of a specific government goal for reduction in emissions or consumption. Please confirm or amend this understanding.**

#### **Question # 4**

**Passim, esp. pp. 68-69: A number of Concentric's recommendations appear to change the incentive structure for LDC DSM programs in fundamental ways, which may create unintended consequences. Please explain how Ontario would assume that free ridership is offset by spillover, without creating an unintended incentive for an LDC to "chase" Free Riders.**

#### **Question # 5**

**P. 69: Similarly, please explain how Concentric would apportion incentive payments based on DSM dollars spent (e.g., when attributing benefits of joint programs), without creating an unintended incentive for an LDC to maximize DSM spending rather than leverage or cost-effectiveness.**

#### **Question # 6**

***Ibid:* Can Concentric see a constructive role for LDC activity in inexpensively magnifying the participation rate, or cost-effectiveness, of DSM programs funded by others -- e.g., helping to ensure that all eligible LDC customers participate in government-funded DSM programs? If so, does Concentric have a preferred mechanism for attaching a financial incentive to such an activity?**

#### **Question # 7**

**“Evidence Regarding Reduction in Gas Usage”, pp. 106ff, including Table 23: Please provide the time-scale of the <1% savings estimates provided. Were these savings produced over the course of one year? Are all the data for the same year, and if so, which year?**

**Question # 8**

***Ibid*, and p. 26, first bullet point, "The average American home uses one third less natural gas than it did a quarter century ago.": According to our math, that 25-year national-average reduction in domestic gas consumption has averaged a bit over 1.6% per year. Has Concentric discovered any data indicating whether the reduction has been increasing or decreasing in the years since DSM programs were implemented, or in jurisdictions in which DSM programs have been implemented?**