



January 13, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Re: Hydro One Networks Inc.
2011-2014 Board-Approved Conservation and Demand Management Programs
Submission of AMPCO's Interrogatories
Board File No. EB-2010-0332

Dear Ms. Walli:

In accordance with Procedural Order No. 1 dated December 21, 2010, attached please find AMPCO's interrogatories in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

(ORIGINAL SIGNED BY)

Adam White
President
Association of Major Power Consumers in Ontario

Copies to: Hydro One Networks Inc.
Intervenors

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1 **1. Reference: Exhibit B, Tab 1, Schedule 1, Page 2, Figure 1**

2
3 Please reproduce Figure 1 to show the breakdown in Peak Savings (kW) and Annual Energy
4 Savings (MWh) between the OPA-Contracted CDM Programs and the Board-Approved CDM
5 Programs.
6

7 **2. Reference: Exhibit B, Tab 1, Schedule 1, Page 2, Figure 2**

8
9 Please reproduce Figure 2 to show the breakdown between the OPA-Contracted CDM
10 Programs and the Board-Approved CDM Programs.
11

12 **3. Reference: Exhibit B, Tab 1, Schedule 1, Page 3**

13
14 The evidence indicates that Hydro One has a number of potential Board-Approved CDM
15 programs that are currently under development including the Residential Voltage
16 Reduction, Electric Thermal Storage, Home Energy Retrofit and Compressed Air programs.
17

18 Please provide a description of each of these programs including objective, customer groups
19 targeted, expenditures to date, forecasted spending, timelines and how Hydro One will
20 determine when to file an application for these programs.
21

22 **4. Reference: Exhibit B, Tab 1, Schedule 2, Page 2**

23
24 Hydro One's evidence indicates that customer surveys were conducted to gain a better
25 understanding of Hydro One customer perspectives on CDM. "The results of these surveys
26 provided insight into what energy efficiency measures have already been undertaken by
27 customers, what measures they are planning to undertake in the future, and what type of
28 CDM programs would be of interest to them".
29

30 a) Please provide a copy of the survey instrument.

31
32 b) Please provide details of the customer survey methodology, i.e., how it was conducted,
33 when the survey took place, the number of customers that were targeted, the number of
34 responses.
35

36 c) Please provide the cross tabs with details of the results of the survey.
37

38 d) Please provide the insight gained by Hydro One on the energy efficiency measures that
39 have already been undertaken by customers, the measures they are planning to undertake
40 in the future, and the type of CDM programs that would be of interest to customers.
41

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1 **5. Reference: Exhibit B, Tab 1, Schedule 2, Page 2**

2
3 The evidence indicates that a third party consultant was retained to prepare an analysis of
4 CDM potential in Hydro One's service territory.

5
6 a) Please provide a copy of the consultant's report and the Terms of Reference.

7
8 b) What was the cost of the consultant's study?

9
10 c) Did Hydro One conduct any additional analysis such as market research, focus groups,
11 one-on-one interviews with customers to gain a better understanding of their perspectives
12 on CDM. If yes, please provide study details and results.

13
14 **6. Reference: Exhibit B, Tab 1, Schedule 2, Page 2**

15
16 The consultant's analysis indicates that approximately 71% of Hydro One's target can be
17 achieved through OPA-Contracted Programs. Hydro One proposes that 80% of its CDM
18 target will be achieved through OPA-Contracted programs.

19
20 Please explain how Hydro One arrived at 80%.

21
22 **7. Reference: Exhibit B, Tab 1, Schedule 2, Page 3**

23
24 The evidence indicates that "Hydro One has extensive experience in developing and
25 implementing and delivering CDM initiatives.Hydro One brought over 25 CDM
26 programs/initiatives to over one million customers across all sectors".

27
28 a) Please provide the actual results for each of the 25 CDM programs by year from the year
29 of inception to present including spending, customer types, number of participants, annual
30 MWh savings, annual MW savings.

31
32 b) Please comment on Hydro One's success rate in forecasting TRC ratios based on the
33 results for past CDM programs?

34
35 **8. Reference: Exhibit B, Tab 1, Schedule 2, Page 4**

36
37 The evidence indicates that "During the program design stage, Hydro One considered
38 opportunities to maximize administrative efficiencies and synergies (e.g. working with gas
39 distributors, electricity distributors, social service agencies, joint RFP, deployment delivery).
40 Therefore, all current Board-Approved CDM programs in this Application have the flexibility
41 built in to allow uptake by distributors and other agencies.

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Please indicate where these opportunities have been incorporated in each of the Board-Approved CDM programs and how they work.

9. Reference: Exhibit B, Tab 1, Schedule 2, Page 6

Hydro One indicates that "The amounts for each OPA-Contracted initiative were derived by applying the estimated percentage of Hydro One participation to the total OPA provincial budget.

a) What is the total OPA provincial budget?

b) What is the OPA's budget for residential CDM programs, Commercial CDM programs and Industrial programs for each of the years 2011 to 2014?

c) Please provide the estimated percentages of Hydro One's participation referred to above by year?

10. Reference: Exhibit B, Tab 1, Schedule 2, Page 9

Hydro One indicates. "The \$181 is based on the OPA's projected budget for all three CDM programs. The total budget has been divided between the costs for which the LDCs are responsible (60% Consumer, 88% Commercial, 88% Industrial) and those for which the OPA is responsible (40% Consumer, 12% Commercial, 12% Industrial). The LDC portion is then expressed on a \$/kW basis. These rates were then applied to the projected savings which Hydro One expects to achieve in all three programs. This produces a budget of \$166 million.

Please provide the calculation underlying the figures shown in Figure 3 (Exhibit B, Tab 1, schedule 2, Page 8).

11. Reference: Exhibit B, Tab 1, Schedule 2, Page 9

The \$15 million budget for low income is based on Hydro One's percentage of the number of customers in the Province.

Please provide the number of customers in the Province and Hydro One's percentage of the number of customers in the Province.

12. Reference: Exhibit B, Tab 1, Schedule 2, Page 10

"Hydro One has reviewed a range of programs as potential OEB-Approved programs. Based

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1 on an extensive review of potential programs, Hydro One has prioritized the six programs
2 that appear in Figure 4 for OEB approval.

3
4 Please provide a summary of the programs Hydro One reviewed and the criteria used to
5 prioritize the programs.

6
7 **13. Reference: Exhibit B, Tab 1, Schedule 2, Page 11**

8
9 The evidence indicates that “The MW and GWh estimates are based on past programs’
10 EM&V (e.g. Double Return) and data from third party consultants”.

11
12 Please provide the EM&V reports with detailed results and data from third party consultants
13 and show how the data was used to arrive at the MW and GWh estimates.

14
15 **14. Reference: Exhibit B, Tab 1, Schedule 2, Page 11**

16
17 The evidence indicates that “Hydro One has also worked with other distributors and gas
18 companies in order to maximize program efficiencies. Joint delivery of Board Approved
19 Programs by CLD members can generate cost efficiencies for CLD members”.

20
21 Do the current budgets reflect joint delivery of Board Approved CDM programs by CLD
22 members?

23 i) If yes, please explain and quantify the savings?

24 ii) If no, please explain if and how Hydro One proposes to delivery programs jointly and
25 indicate the programs impacted.

26
27 **15. Reference: Exhibit B, Tab 1, Schedule 2, Page 13**

28
29 Figure 5 (Board-Approved CDM Programs (Annual Results and Budget)) provides an
30 overview of the total annual MW and MWh savings and the projected cost budgets.

31
32 Please reproduce the Table showing the annual savings and budget by customer type as
33 reflected in the six Board-Approved Initiatives.

34
35 **16. Reference: Exhibit B, Tab 1, Schedule 2, Page 24**

36
37 Hydro One indicates that they “currently have over 20,000 First Nations and Métis
38 customers in its service territory, and they consume about 1.5% of the total electricity
39 delivered”.

40

[illegible]

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21. Please complete the following Table.

Initiative Name	Projected Budget (\$)	Salary Costs including Benefits (\$)	Non-Salary Costs (\$)
Total			

Initiative #1 – Community Education

22. Please complete the following Table.

Initiative 1: Community Education								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on forecast)
Total								

*Participation Rate

23. **Reference: Exhibit C, Tab 1, Schedule 2, Page 3**

Hydro One indicates that “The delivery of the initiative will rely on a community events partner to help represent Hydro One at local community events throughout the Province.”

How many community event partners will there be in total?

24. **Reference: Exhibit C, Tab 1, Schedule 2, Page 3**

“This program relies on face-to-face interactions with customers, which has proven to be successful in changing social norms and influencing customer behaviour of Hydro One customers”.

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Please provide the data/results that Hydro One relies upon to make the above statement.

25. Reference: Exhibit C, Tab 1, Schedule 2, Page 4

The evidence states Hydro One currently “participates in a variety of annual community events”.

a) Please provide a summary of the annual community events that Hydro One participates in including type of event, number per year, location, customer attendance by event, and a list of the programs and tools discussed at each event.

26. Reference: Exhibit C, Tab 1, Schedule 2, Page 5

One of the Initiative elements is to distribute conservation literature on ways to save energy and money.

Does the conservation literature currently exist or will it be developed as part of this Initiative?

27. Reference: Exhibit C, Tab 1, Schedule 2, Page 6

The evidence states that Hydro One has used the OPA’s Measures and Assumptions Lists to calculate the peak demand reduction and energy consumption reduction for the 2011 to 2014 period.

Please provide a description of the OPA’s Measures and Assumptions Lists and how they are used.

Initiative # 2 - Neighbourhood Benchmarking Program

28. Please complete the following Table:

Initiative 2: Neighbourhood Benchmarking								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on forecast)
Total								

* Participation Rate

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1 **29. Reference: Exhibit C, Tab 1, Schedule 2, Page 14**

2
3 "It is important to note that this Initiative is based on a similar social marketing concept which
4 contributed to the success of our provincial recycling Initiative, i.e. Blue Box Program.

5
6 Please describe this social marketing concept and how it has been applied to this Initiative.
7

8 **30. Reference: Exhibit C, Tab 1, Schedule 2, Page 16**
9

10 He evidence states that "The specific, personalized insights provided allow customers to make
11 informed decisions regarding their energy use and prompts them to take action and conserve
12 energy".
13

14 a) Please explain how this motivates action.
15

16 b) Are incentives being offered by Hydro One to prompt action? If yes, please describe.
17

18 **31. Reference: Exhibit C, Tab 1, Schedule 2, Page 17**
19

20 The amount of projected reduction in peak electricity demand (MW) shown in the table for each
21 of the years 2011 to 2014 shows that the peak reduction is expected to be achieved in 2012.
22

23 Please explain.
24

25 **32. Reference: Exhibit C, Tab 1, Schedule 2, Pages 17 to 18**
26

27 Hydro One estimates that the projected budget is \$3,150,000. The redacted budget on Page 18
28 of the evidence shows a line item for Incentives.
29

30 Please provide additional information on any incentives available under this program.
31
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Initiative # 3 – Monitoring and Targeting initiative

33. Please complete the following Table:

Initiative 3: Monitoring and Targeting								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on forecast)
Total								

* Participation Rate

Initiative #4 – Small Commercial Energy Management and Load Control

34. Please complete the following Table:

Initiative 4: Small Commercial Energy Management and Load Control								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on forecast)
Total								

* Participation Rate

35. Reference: Exhibit C, Tab 1, Schedule 2, Page 36

The evidence indicates that rigorous system acceptance testing will be performed on the selected system.

Please indicate the party responsible for the acceptance testing.

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36. **Reference: Exhibit C, Tab 1, Schedule 2, Page 36**

Hydro One indicates that, "Unlike the OPA Residential Demand Response, the proposed Initiative covers the monthly fee required to allow customers to have access to the full use of the EMS system that is installed in their premises.

How much is the monthly fee?

Initiative # 5 – Municipal and Hospital Energy Efficiency Performance

37. Please complete the following Table:

Initiative 4: Small Commercial Energy Management and Load Control								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on forecast)
Municipalities								
Hospitals								
Total								

*Participation Rate

38. **Reference: Exhibit C, Tab 1, Schedule 2, Page 46**

The evidence indicates that Hydro One services, or shares services, in 82% of the municipalities and approximately 35% of hospitals across Ontario.

Please indicate the total number of municipalities and hospitals across Ontario.

39. **Reference: Exhibit C, Tab 1, Schedule 2, Page 47**

The evidence indicates that a CDM Specialist is one of the Initiative Elements.

Please confirm that this a new position at Hydro One.

i) If yes, please indicate the proposed salary including benefits.

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Initiative # 6 – Double Return Plus

40. Please complete the following Table:

Initiative 6: Double Return Plus								
Customer Type	Total # in Hydro One Service Area	Program Target Market -# of customers	Total Forecasted # of Participants by end of 2014	% of Target Market *	Projected Budget (\$)	Projected Reduction in Peak Demand (kW)	Projected Program \$/kW Reduction in demand	Projected Program \$/customer (based on participation forecast)
Commercial								
Industrial								
Total								

*Participation Rate

41. Reference: Exhibit B, Tab 1, Schedule 2, Page 11, Figure 4

Figure 4 lists the TRC ratios for each of the six Board Approved Programs. The TRC ratio for the Double Return Plus Initiative has the highest projected TRC (11.3) of all of the Initiatives and will contribute 21 (42.8%) of the 49 MW demand reduction target, 52 GWh (29%) of the 179 GWh consumption reduction target, yet only \$4.1 million (13%) of the \$32 million in funding.

a) Has Hydro One considered increasing the funding for this Program in order to achieve greater savings in energy and peak reduction?

i) If yes, please explain.

ii) If no, why not?

b) Please provide any TRC and PAC analyses that Hydro One performed for this Program that examined different funding and incentive parameters.

42. Reference: Exhibit C, Tab 1, Schedule 2, Page 59

The evidence indicates that “The Initiative will also offer free expert on-site visits to identify specific opportunities in customers’ facilities focusing on loads associated with industrial processes, motors, lighting, compressed air, and electro-technologies”.

Please confirm that a 3rd Party Vendor will perform the free on-site visits.