



EB-2011-0011

IN THE MATTER OF the Ontario Energy Board Act 1998, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Toronto Hydro-Electric System Limited Inc. for an Order or Orders granting approval of initiatives and amounts related to the Conservation and Demand Management Code;

**PROCEDURAL ORDER NO. 1 and
COST ELIGIBILITY DECISION**

Toronto Hydro-Electric System Limited ("Toronto Hydro") filed an application with the Ontario Energy Board (the "Board"), dated January 10, 2011 seeking an order granting approval of funding for nine individual conservation and demand management ("CDM") programs.

The Board assigned file number EB-2011-0011 to this application.

The application has been filed pursuant to the Board's CDM Code that was issued on September 16, 2010. The CDM Code was developed by the Board in response to a Directive from the Minister of Energy dated March 31, 2010.

The programs for which Toronto Hydro seeks approval of are:

- Business Outreach and Education;
- Commercial Energy Management and Load Control;
- Commercial, Institutional and Small Industrial Monitoring and Targeting;
- Community Outreach and Education Initiative;
- Flat Rate Water Heater Conversion and Demand Response;
- Greening Greater Toronto Commercial Building Energy Initiative;

- Hydronic System Balancing Program;
- In Store Engagement and Education Initiative; and,
- Multi-Unit Residential Demand Response.

Toronto Hydro seeks approval for a total of \$56.3 million. If approved, the CDM programs will be funded by all provincial ratepayers through the Global Adjustment Mechanism, which is a part of the “commodity” line item on a standard residential bill.

On January 24, 2011 the Board issued its Notice of Application. The Notice of Application notified interested parties that cost awards would be available to eligible parties in relation to their participation in this proceeding, and informed parties to include the grounds for their cost awards eligibility in their intervention requests.

Draft Issues List

The draft issues list that has been provided in Appendix A has been prepared for discussion purposes to help frame both interrogatories and submissions from parties on Toronto Hydro’s application. The Board is of the view that an issues list will help frame the scope of review that the Board will conduct in this proceeding. Parties will be able to provide their written submissions on the draft issues list as noted below.

Decision on Cost Eligibility

The Board received intervention requests from Horizon Utilities Inc. (“Horizon”), Hydro One Networks Inc. (“Hydro One”), the Ontario Power Authority (“OPA”), PowerStream Inc. (“PowerStream”), and Veridian Connections Inc. (“Veridian”). The Board approves the intervention requests from Horizon, Hydro One, OPA, PowerStream and Veridian.

The Board also received intervention requests for intervention and cost eligibility from the following parties:

- Association of Major Power Consumers in Ontario (“AMPCO”)
- Consumers Counsel of Canada (“CCC”)
- Canadian Energy Efficiency Alliance (“CEEA”)
- Energy Probe Research Foundation (“Energy Probe”)
- Green Energy Coalition (“GEC”)
- Low-Income Energy Network (“LIEN”)

- Pollution Probe
- School Energy Coalition (“SEC”)
- Vulnerable Energy Consumers Coalition (“VECC”)

The Board has determined that the following parties are approved as intervenors and are eligible for an award of costs in this proceeding: AMPCO, CCC, Energy Probe, GEC, LIEN, Pollution Probe, SEC, and VECC.

On February 5, 2011 the Board received a letter from Mr. Parker Gallant requesting that the Board reject CEEA’s request for cost eligibility. Mr. Gallant cites the Board’s decision on cost eligibility in respect to EB-2010-0377, the Board’s review of distribution network investment planning, wherein the Board rejected CEEA’s request for cost eligibility based on the fact that the CEEA’s membership consists mainly of investor owned companies, utilities owned by local or provincial governments, and associations focused on energy efficiency.

The Board grants CEEA approval as an intervenor in this proceeding however, the Board has determined to withhold its decision on cost eligibility. The Board will allow the CEEA to respond to Mr. Gallant’s objection. The Board will make its determination on cost eligibility after it has had the opportunity to review the CEEA’s response.

The Board also received observer requests from Mr. Naveen Kashyap, Union Gas Limited and Energy Profiles Limited. The Board approves Mr. Kashyap, Union Gas Limited and Energy Profiles Limited as observers to this proceeding.

THE BOARD ORDERS THAT:

1. If the Canadian Energy Efficiency Alliance wishes to respond to Mr. Parker Gallant’s objection to its cost eligibility request, it may do so by filing a written submission with the Board, and serve copies on Toronto Hydro and all other parties in the proceeding on or before **Monday, February 28, 2011**.
2. Toronto Hydro, intervenors and Board staff may make written submissions on the draft issues list and shall file the written submissions with the Board and deliver them to the intervenors and the Applicant no later than **Monday, February 28, 2011**.

3. Parties and Board Staff wishing to seek further information that is in addition to the pre-filed evidence are to file written interrogatories on Toronto Hydro's application and shall do so by **Friday, March 18, 2011**.
4. Toronto Hydro shall file written responses to all interrogatories received from parties and Board Staff on or before **Friday, April 1, 2011**.
5. An Oral Hearing will be held at the Board's offices located at 2300 Yonge Street, Toronto, Ontario on the 25th floor in the **North Hearing Room** commencing on **Thursday, April 28, 2011** at 9:30 a.m., and will continue as necessary. The North Hearing Room is booked for a total of four (4) days.

All filings to the Board must quote the file number, EB-2011-0011, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guidelines found at www.oeb.gov.on.ca. If the web portal is not available you may e-mail your document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

DATED at Toronto, February 18, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A
of the
Procedural Order No. 1 and
Cost Eligibility Decision
Toronto Hydro-Electric System Limited
Board-Approved CDM Program Application
EB-2011-0011

DRAFT ISSUES LIST

**Toronto Hydro-Electric System Limited (“THESL”)
Board-Approved CDM Program Application
EB-2011-0011**

Draft Issues List

1. Compliance with the CDM Code

- 1.1 Has THESL complied with the CDM Code when developing its application for Board-Approved CDM Programs?
- 1.2 Is the timing of THESL’s application for Board-Approved CDM Programs appropriate?
- 1.3 Do any of THESL’s programs duplicate any OPA-Contracted Province-Wide CDM Programs?
- 1.4 Has THESL appropriately applied the OPA’s cost effectiveness tests when developing its proposed Board-Approved CDM Programs?
- 1.5 Has THESL appropriately applied the OPA’s EM&V Protocols when developing its proposed Board-Approved CDM Programs?

2. Staffing

- 2.1 Has THESL appropriately addressed staffing for its nine proposed Board-Approved CDM programs?

3. Program Development and Prioritization

- 3.1 Has THESL appropriately addressed the possibility for administrative efficiencies in its application for Board-Approved CDM Programs?
- 3.2 Has THESL selected the appropriate mix of programs in order to supplement its projected energy and peak demand savings expected to be achieved through the delivery of the OPA-Contracted Province-Wide CDM Programs?

4. Program #1 – Business Outreach and Education

- 4.1 Is the proposed budget of \$1.65M allocated to the Business Outreach and Education Program reasonable and appropriate?

5. Program #2 – Commercial Energy Management and Load Control

5.1 Is the proposed budget of \$11.69M allocated to the Commercial Energy Management and Load Control Program reasonable and appropriate?

6. Program #3 – Commercial, Institutional and Small Industrial Monitoring & Targeting

6.1 Is the proposed budget of \$5.50M allocated to the Commercial, Institutional and Small Industrial Monitoring & Targeting Program reasonable and appropriate?

7. Program #4 – Community Outreach and Education Initiative

7.1 Is the proposed budget of \$5.66M allocated to the Community Outreach and Education Initiative reasonable and appropriate?

8. Program #5 – Flat Rate Water Heater Conversion & Demand Response

8.1 Is the proposed budget of \$2.68M allocated to the Flat Rate Water Heater Conversion & Demand Response Program reasonable and appropriate?

9. Program #6 – Greening Greater Toronto Commercial Building Energy Initiative

9.1 Is the proposed budget of \$0.30M allocated to the Greening Greater Toronto Commercial Building Energy Initiative Program reasonable and appropriate?

10. Program #7 – Hydronic System Balancing Program

10.1 Is the proposed budget of \$4.72M allocated to the Hydronic System Balancing Program reasonable and appropriate?

11. Program #8 – In Store Engagement and Education Initiative

11.1 Is the proposed budget of \$4.22M allocated to the In Store Engagement and Education Initiative reasonable and appropriate?

12. Program #9 – Multi-Unit Residential Demand Response

12.1 Is the proposed budget of \$19.91M allocated to the Multi-Unit Residential Demand Response reasonable and appropriate?