

February 28, 2011

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4
Fax: (416) 440-7656
Email: boardsec@oeb.gov.on.ca

Dear Ms. Walli:

**Re: Pollution Probe – Submissions on Draft Issues List
EB-2011-0011 – Toronto Hydro – 2011-14 CDM Programs**

We write to provide you with Pollution Probe's submissions regarding the draft Issues List pursuant to *Procedural Order No. 1*.

Summary

In summary, Pollution Probe supports the draft Issues List as proposed. Pollution Probe also submits that the following issues should be added to the final Issues List:

- 3.3 Are the proposed participation rates for Toronto Hydro's OPA-Contracted Province-Wide CDM Programs appropriate?
- 3.4 Should Toronto Hydro be encouraged to propose additional Board-Approved CDM Programs?

Pollution Probe's reasons for these proposed additions are as follows.

1. Help Exceed and Accelerate Achievement of Ontario's CDM Targets

First, in accordance with the Minister's recent Directive to the OPA, the proposed issues examine whether Toronto Hydro can help Ontario exceed and accelerate the achievement of Ontario's CDM targets in accordance with government policy.

As the Board is aware, Minister Duguid established a number of CDM targets for Ontario in the recent Directive to the OPA regarding the Integrated Power System Plan.¹ That Directive also states that “[t]he Plan shall seek to *exceed and accelerate* the achievement of these CDM targets if this can be done in a manner that is feasible and cost-effective [emphasis added].”

Pollution Probe thus submits that more aggressive participation targets for OPA-Contracted programs and/or additional Board-Approved CDM programs could correspondingly help Ontario to exceed and accelerate the achievement of Ontario’s province-wide CDM targets, and the proposed issues should be accordingly examined in this proceeding.

2. Reduce Need for Higher Cost Supply Resulting In Lower Rates and Bills

Second, the proposed issues would examine whether increased CDM by Toronto Hydro can help reduce the need for higher cost electricity supply (and thus lead to lower electricity rates and bills).

Pollution Probe notes that Minister Duguid’s CDM Directive to the Board specifically stated “that the Board shall not preclude consideration of CDM Programs or funding for CDM Programs on the basis that a distributor’s CDM Targets have been or are expected to be exceeded”.² In other words, a distributor’s CDM targets are not determinative of the amount of CDM that distributor should do.

Pollution Probe submits that it is thus important to examine whether more aggressive or additional cost-effective Toronto Hydro CDM programs are thus in the interests of all Ontario electricity consumers, particularly since such additional CDM can reduce the need for higher cost electricity supply. As a result, larger budgets for cost-effective Toronto Hydro CDM programs could lead to lower electricity rates and lower electricity bills for all Ontario consumers, and the proposed issues should be accordingly examined in this proceeding.

Conclusion

In light of all of the above, Pollution Probe submits that the proposed issues should be added to the final Issues List. In the alternative, it would be acceptable if the Board determined that these proposed issues were covered under other issues on the final Issues List.

¹ Dated February 17, 2011 and available online at:

http://www.powerauthority.on.ca/sites/default/files/new_files/IPSP%20directive%2020110217.pdf.

² Section 6(c). Dated March 31, 2010 and available online at:

http://www.oeb.gov.on.ca/OEB/_Documents/GEGEA%20Implementation%20and%20Readiness/minister_directive_20100423.pdf.

We trust these submissions are of assistance, and please do not hesitate to contact the undersigned if you wish to discuss this matter further.

Yours truly,

A handwritten signature in blue ink, appearing to read 'B. Alexander', with a long, sweeping horizontal stroke extending to the right.

Basil Alexander

BA/ba

cc: Applicant and Intervenors