

Board staff Interrogatories
Toronto Hydro-Electric System Limited
EB-2011-0011

Compliance with the CDM Code

Issue 1.1

Has THESL complied with the CDM Code when developing its application for Board-Approved CDM Programs?

Board Staff question #1

Preamble

Within the CDM Code, when discussing the requirements for the CDM Strategy, it states at section 2.1.1(c) that a distributor must confirm that CDM Programs will be offered for all customer types in a distributor's service area, as far as is appropriate and reasonable having regard to the composition of the distributor's customer base.

Questions

- a) Please provide a table, broken down by customer type (residential, residential low-income, commercial, institutional and industrial) showing all the CDM programs, both OPA and Board-Approved, that THESL plans to offer from 2011-2014. For each program, please also include the years the program is expected to operate to and from, the total budget for the program, the total number of participants expected to participate in each program, the cost effectiveness results for each program and the total projected energy (GWh) and peak demand (MW) savings for each program. The table below can be used as a guide:

Programs	Years	Budget	Participants	Cost Effectiveness		Savings	
				TRC	PAC	GWh	MW
OPA							
Residential							
Program 1							
Residential – Low-Income							
Program 1							
CI&I							

Program 1							
Board-Approved							
Residential							
Program 1							
CI&I							
Program 1							
TOTAL							

- b) In a separate table, please provide the estimated rate impacts for both the overall request included in this application for nine Board-Approved CDM Programs and the overall impact inclusive of both OPA and Board-Approved CDM Programs.

Board staff question #2

Preamble

At section 3.4.1 of the CDM Code the Board states that if the Board approves a CDM program pursuant to an application filed under section 3.1, such approval will include a determination regarding the amount and timing of payments to be made by the IESO under section 78.5 of the Act in relation to Board-Approved CDM Programs. Total budgets are provided by THESL within its application with a total requested amount of \$56,327,988 being requested for approval.

Question

- a) Please provide the schedule THESL would like to receive payments for each of its Board-Approved CDM program found within the application.

Issue 1.2

Is the timing of THESL's application for Board-Approved CDM Programs appropriate?

Board Staff question #3

Preamble

At section 3.1.1 of the CDM Code it states that a distributor shall not apply for Board-Approved CDM Programs until the OPA has established its first set of OPA-Contracted Province-Wide CDM Programs.

Question

- a) Please discuss if THESL believes the OPA has established its first set of Province-Wide CDM Programs. Within your response, discuss the nature of THESL's involvement in the establishment of the Province-Wide Programs and its understanding of the current state of the OPA-Contracted Province-Wide CDM Programs.

Issue 1.3

Do any of THESL's programs duplicate any OPA-Contracted Province-Wide CDM Programs?

Board Staff question #4

Preamble

At section 2.3.2 of the CDM Code it states that distributors shall not apply for Board approval of CDM Programs that duplicate existing OPA-Contracted Province-Wide CDM Programs.

Questions

- a) Please discuss any and all formal communications between THESL and the OPA about all of THESL's proposed Board-Approved CDM Programs, specifically the nine programs within this application before the Board. Discuss in detail each program separately.
- b) Has THESL received any form of confirmation from the OPA that the programs applied for within this application are not duplicative of any existing OPA programs? If yes, please provide the documentation that addresses each program.
- c) Please provide a full concordance or mapping of THESL's nine proposed Board-Approved CDM Programs to the OPA-Contracted Province-Wide programs, discussing the similarities and differences of each program in an easy-to-read table. Within the chart, please use comparators such as targeted market segment, the marketing material and/or marketing approach used, program delivery or implementation methods, the specific technologies or measures, timeframe for each program, etc.

Issue 1.4

Has THESL appropriately applied the OPA's cost effectiveness tests when developing its proposed Board-Approved CDM Program?

Board staff question #5

Preamble

At section 4.1.3 of the CDM Code it states that a distributor shall use the OPA's Measures and Assumptions List to conduct the cost effectiveness tests.

Questions

- a) Please provide a table, broken down by program, which shows all of the measures that will be used for all Board-Approved CDM Programs. In a column next to each measure, please show the input assumption used for calculating cost effectiveness and indicate the source (i.e. OPA Measures and Assumptions list, specific engineering report, etc.) used for each input assumption.
- b) Please discuss if THESL has conducted participation sensitivity analysis for each of its nine Board-Approved CDM programs. Please provide the analysis.
- c) Please provide a table that lists each Board-Approved CDM program and shows both the expected participation level and the lowest participation level necessary for each program to remain cost effective.

Issue 1.5

Has THESL appropriately applied the OPA's EM&V Protocols when developing its proposed Board-Approved CDM Programs?

Board staff question #6

Reference:

Program 1-9, Appendix A

Program 1, Section 5.1, page 11

Preamble

THESL has noted that the OPA's draft EM&V template has been used to help complete the evaluation plans as shown in each programs' Appendix, but that the final evaluation plan will be prepared by the independent evaluator.

Questions

- a) Please confirm that what is found in the Appendix for each program constitutes THESL evaluation plans for that particular program.
- b) Please discuss when will THESL have its independent evaluator hired?
- c) Please confirm that an independent third party will conduct the evaluation of each program and that THESL staff will not be performing this function.
- d) Please discuss THESL's plan for how each one of its programs will be evaluated. Within your response, please discuss if each program has its own independent

evaluator or will the same evaluator be used for all Board-Approved CDM Programs?

- e) Please confirm that THESL has used the OPA's EM&V protocols as a guide when developing its draft evaluation plans. Within your response, please discuss THESL's concerns surrounding net-to-gross ratios for each program, the variability of various participant related input assumptions (e.g. free ridership rate, spill over rate, rebound rate, participation rate, etc.) and the risks associated to each program.
- f) Please provide all sensitivity analysis conducted by THESL when evaluating its potential Board-Approved CDM Programs.
- g) Please discuss if THESL has developed a program logic model. If one has been developed, please provide.

Human Resources Plan

Issue 2.1

Does THESL have an appropriate human resources plan for its nine proposed Board-Approved CDM Programs?

Board staff question #7

Preamble

THESL has provided program budgets for each of its nine proposed Board-Approved Programs, but has not directly indicated the staffing plan it has for each program.

Questions

- a) Please discuss THESL's human resources plan relating to all of its CDM programs from 2011-2014, inclusive of OPA and Board-Approved CDM Program activities. Within your response, discuss the number of staff THESL plans to employ to manage its CDM activities and if THESL plans on, or has already hired new staff.
- b) If THESL does plan on hiring new staff to manage its suite of Board-Approved CDM Programs, provide a table, broken down by year, which shows how many new, incremental staff will be employed by THESL to help implement its Board-Approved CDM Programs.
- c) Please indicate whether or not the new staff hired will be contract or full-time staff and the associated staffing budget for these people.

Program Savings

Issue 3.1

Has THESL calculated the correct amount of energy and peak demand savings targeted and expected from its proposed Board-Approved CDM Programs?

Board staff question #8

Preamble

THESL has applied for nine Board-Approved CDM Programs to help supplement the projected savings it anticipates it will achieve through OPA-Contracted CDM Programs. Board staff is interested in knowing the process that was undertaken by THESL to determine which programs it would apply for approval from the Board.

- a) Has THESL contracted any vendors to conduct market analysis of its service area to determine which programs would be the most beneficial and cost effective in meeting its CDM Targets? If yes, please provide the deliverable the vendor provided to THESL.
- b) Please discuss the process that THESL undertook when selecting which programs it would apply to the Board for approval of. List all the programs, their cost effectiveness results, projected budgets, projected energy and peak demand savings and the projected participation levels that THESL investigated when preparing this application.

Budget

Issue 4.1

Is the budget for THESL's Board-Approved CDM Programs of \$56.3M reasonable and appropriate?

Board staff question #9

Preamble

In the Executive Summary for each program, THESL states that it has identified a gap with the OPA's Province-Wide CDM programs and / or it has identified an opportunity for increased conservation within its jurisdiction.

Question

- a) In regards to allocation of funding between OPA Province-Wide CDM programs and Board-Approved CDM programs, is cost effectiveness for efficiency a factor? If so, please explain how it was a factor for each proposed program. If cost effectiveness for efficiency is not a factor, why not?

THESL's Additional CDM Costs

Issues 5.1 & 5.2

5.1 Is it appropriate for THESL to recover its 2010 and 2011 CDM Program Development, Planning, and Application costs through this application?

5.2 Are THESL's 2010 and 2011 Program Development, Planning, and Application costs reasonable and appropriate?

Board Staff question #10

Reference

Addendum to THESL's Board-Approved Program application, filed Feb. 25, 2011.

Preamble

In THESL's letter to the Board dated February 25, 2011, it requested that the Board approve an additional \$343,449 which related to costs of program development and planning for the years 2010 and 2011.

Questions

- a) Please discuss why THESL thinks it is appropriate for the Board to approve 2010 costs in this proceeding. What relation do these costs have to THESL's application for Board-Approved CDM Programs?
- b) Please discuss why the costs requested in THESL's addendum were not included in its original program application.
- c) Please discuss the appropriateness of collecting \$100,000 to be used for intervenor funds.
- d) Please discuss why these program related costs weren't included in the budgets for each program.

Program #1 – Business Outreach and Education

Issues 6.1 & 6.2

6.1 Is the proposed Business Outreach and Education program itself reasonable and appropriate?

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

Board staff question #11

Reference

Program 1, Program 4, Program 6, Program 8

Preamble

THESL has proposed four educational programs within its application for Board-Approved CDM Programs. It appears to Board staff that these four educational programs broadly target all of the customer types within THESL's service area. THESL has requested a total of approximately \$11.83M in educational program funding.

Questions

- a) Please comment on THESL's position of how educational elements should be built into a suite of CDM programs. Within your response, discuss if THESL investigated building the educational elements found within Programs 1, 4, 6 and 8 directly into programs found in this application that would be delivered to similar customer types.
- b) Please discuss the similarities of the educational programs THESL has proposed within this application. Within your response, please discuss the specific need for each individual educational program.
- c) Please discuss if THESL conducted any calculations of increased budgets for its non-educational Board-Approved CDM Programs that were inclusive of the program budgets for the education programs referenced above.
- d) In a table, please provide revised program budgets for Programs 2, 3, 5, 7 and 9 that include a proportional amount of the educational program that they most closely relate to. For example, Program 1 and 6 appear to be tailored towards the CI&I customer type (Programs 2, 3 and 7) and Programs 4 and 8 appear to be tailored for residential customers (Programs 5 and 9). In the same table, please provide the updated cost effectiveness tests results for Programs 2, 3, 5, 7 and 9.

Board staff question #12

Reference

Page 3, Executive Summary

Preamble

THESL notes that it is seeking approval from the Board to expend \$1.65M to deliver the program between the period of January 1, 2011 and December 31, 2011. Later THESL notes that the program will operate between 2011 and 2014.

Question

- a) Please confirm the period of time in which this program will be offered.

Board staff question #13

Reference

Page 4, Section 1.1: Program Rationale

Preamble

THESL notes that past experience indicates that THESL will need to engage and educate business audiences directly and interactively as a follow-up to the message conveyed through conventional marketing forms.

Questions

- a) Has THESL, or a third party contracted by THESL, conducted any studies of its market to investigate any barriers that are apparent to engaging consumers in CDM? If so, please provide the studies and/or reports.

Board staff question #14

Reference

Page 6, Section 1.3: Program Details

Preamble

THESL discusses its hopes for visiting key stakeholders at their workplace (or other designated locations) to offer on-site seminars.

Questions

- a) Has THESL identified and targeted the businesses and specific participants it plans on delivering its on-site seminars and workshops to?
- b) Will THESL require enrolment in one of its commercial programs prior to engaging in an on-site visit?
- c) What was the process involved for deciding the best participants for this program?
- d) Who will deliver this educational program? Please discuss the involvement of THESL staff.
- e) Will THESL offer product giveaways at the educational events?

Board staff question #15

Reference

Page 8, Section 2.2: Projected Number of Participants

Preamble

THESL provides a table with the projected number of participants it expects to be involved with this program

Questions

- a) Please explain how these participant and engaged pedestrian figures were developed.
- b) Please list all of the annual scheduled engagements THESL plans to be present at.
- c) Please discuss the percentage of total attendees that THESL plans will enrol in one of its commercial programs and the logic behind those projections.

Board staff question #16

Reference

Page 8, Section 3: Projected MW and MWh Savings

Preamble

THESL notes that projected savings are not applicable

Question

- a) Please explain why THESL feels it is appropriate to expend \$1.65M solely on an educational program that won't realize any measurable MWh or MW savings.

Board staff question #17

Reference

Page 9, Section 4.2: Collaboration with other LDCs

Preamble

THESL notes that it will work with neighbouring LDCs to coordinate the timing and location of similar events to ensure these are complementary in location and occurrence.

Questions

- a) Has THESL engaged in discussions with any other LDCs about possibly organizing joint events? If joint events are undertaken, how will costs be shared?
- b) Will THESL provide its events schedule to neighbouring LDCs so that events are timed and located in a complementary nature?
- c) Will THESL have program information for its full suite of CDM programs, including OPA and Board-Approved programs, available at all of its educational events for participants to possibly enrol on-site?

Board staff question #18

Reference

Page 12, Section 6: Program Budget

Preamble

THESL has provided its program budget with a total of \$1.65M requested.

Questions

- a) Please discuss why THESL has a requirement for annual legal costs for this program.
- b) Please discuss why there is a drop in legal costs in 2014.
- c) Please discuss the increased EM&V costs in 2014.
- d) Please expand on what comprises the Variable Operation Cost and discuss why this amount decreases in 2014.
- e) How has THESL addressed staffing within this budget?

Board staff question #19

Reference

Page 12, Section 7: Cost Benefit Analysis

Preamble

THESL references section 4.1.2 of the CDM Code and notes that it is allowed to forego the cost effectiveness tests when submitting a CDM Program designed for educational purposes.

Question

- a) Has THESL conducted any in-house TRC or PAC tests for this program? If yes, please provide the results. If not, please run the tests and provide the results.

Board staff question #20

Reference

Page 14, Appendix A – Program Evaluation Plan

Preamble

THESL has provided an evaluation plan

Questions

- a) Please confirm that Appendix A is the finalized draft evaluation plan.
- b) Please discuss how THESL plans to evaluate the perceived value of time invested, the perceived effectiveness of the training delivery and program administration organization and the perceived importance of information received.
- c) Please discuss when the final evaluation plan will be prepared and by whom.

- d) Please expand on the evaluation description to offer more insight into the specific evaluation that will be conducted on this program.

Program #2 – Commercial Energy Management and Load Control

Issues 7.1 & 7.2

7.1 Is the proposed Commercial Energy Management and Load Control program itself reasonable and appropriate?

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

Board staff question #21

Reference

Page 5, Section 1.3: Program Details

Preamble

THESL notes that the vendor will also maintain the customer interface, provide maintenance services and training. THESL also notes that a key success factor for this program is the selection and implementation of a viable system capable of both demand response and energy management.

Questions

- a) Please expand on the role THESL staff will play in this program. Will THESL staff only be responsible for enrolling participants and the management of the vendor THESL secures to deliver the program?
- b) What is the timeline THESL has built for having a vendor selected to provide the energy management system THESL requires?
- c) When will the energy management system be finalized and ready for deployment?

Board staff question #22

Reference

Page 6, Section 1.3.4: Program Scope

Preamble

THESL notes within the discussion on program scope that it will issue an RFP possibly in conjunction with those utilities that wish to participate in the CEMLC program.

Question

- a) What utilities has THESL engaged in discussions with about this program?

- b) What utilities have shown an interest in offering this program to their customers?

Board staff question #23

Reference

Page 7, Section 1.4: Value Proposition

Preamble

THESL notes, amongst other things, that an EMS will be provided at no cost and that this will enable participants to monitor and control their energy consumption.

Question

- a) What are the eligibility requirements potential participants need to meet in order to qualify for the program and all of its benefits?

Board staff question #24

Reference

Page 9, Section 2.2: Market Penetration

Preamble

THESL provides a table within its discussion on market penetration that shows the various members of the sector it wishes to enrol in the program.

Question

- a) Is THESL aware of any other utilities or jurisdictions that offer a similar program to the one proposed here which targets the same segment of the market that THESL has identified as best suited for this offering?
- b) Has THESL conducted any market analysis of this sector to confirm the penetration rates listed in the table referenced above are reasonable?

Board staff question #25

Reference

Page 11, Section 3.2: Achievable Electricity Demand and Consumption Savings Potential

Preamble

THESL provides its expected demand and energy consumption savings based upon its expected market penetration in a table. THESL also notes that the values were determined using the U.S. Department of Energy setback calculator.

Questions

- a) Please provide all of the variables that went into the calculation of expected savings. Within your response, please provide the statistical and program logic that supports the expected market penetration and savings.
- b) Please discuss the potential concerns THESL has with the variability of its input assumptions that were built into the calculations of these expected savings.
- c) Please provide the details of the U.S. Dept. of Energy setback calculator.

Board staff question #26

Reference

Page 11, Section 3.3: Savings Summary

Preamble

THESL provides a table that shows the projected net demand and consumption savings it expects to see from 2011-2014.

Questions

- a) Please discuss in detail how the participant numbers were developed and discuss and potential variability's within these assumptions.

Board staff question #27

Reference

Page 13, Section 4.2: Marketing Objectives

Preamble

THESL notes the key program drivers and lists four messages it hopes to convey to customer in order to drive participation.

Question

- a) Please expand on how THESL believes the CEMLC will aid TOU customers in power shifting to better manage their electricity bills.

Board staff question #28

Reference

Page 15, Section 5.3: Incentives

Preamble

THESL provides a brief summary on how participants will receive incentives as well as provides an example of the structure of how the incentives will be paid out based on participant type.

Question

- a) Please confirm that a participant can expect to have a maximum of 5 load control event activations per year.
- b) Is there a minimum number of load control events that a participant agrees to allow?

Board staff question #29

Reference

Page 17, Section 6.1: Operational Program Evaluation Plan

Preamble

THESL describes its operational plan and notes that the data provided from the centralized web software will provide a comparison between the normalized baseline consumption versus the actual consumption throughout the load control event. THESL goes on to state that the feedback received will be used to determine if the program has to be modified to meet the target savings.

Questions

- a) Does THESL have a modification contingency plan in place now?
- b) If the answer to a) is no, what is the expected timeframe for preparing modified plans to address any differences between baseline and actual results?

Board staff question #30

Reference

Page 19, Section 7: Program Budget

Preamble

THESL provides its program budget in a table on page 19 with a total requested amount of \$11.69M shown.

Questions

- a) Please discuss what comprises the following items:
 - a. Fixed Costs – Sales
 - b. Variable Costs – Vendor Cost
- b) Please explain why THESL projects the total incentive costs to increase each year of the program.

Board staff question #31

Reference

Page 20, Section 9: Non-Duplication of OPA-Contracted Provincial Programs

Preamble

THESL discusses how its proposed program does not duplicate that of an OPA Province-Wide program. Within its discussion it cites the limited participation levels in the OPA's small commercial initiative over the last three years as well as the fact that THESL's proposed program covers the monthly fee required to allow the customers to have access to the full use of the EMS that is installed on their premises.

Questions

- a) Please confirm that THESL's main point for non-duplication is the fact that there have been limited enrolment figures from past OPA programs. Discuss how this makes the programs distinctly different.
- b) Has THESL discussed this proposed program with the OPA?
- c) Although this program is not targeted at residential customers, discuss how by simply offering a program incentive at no cost, in this case the EMS, makes two very similar programs distinctly different.

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

Issues 8.1 & 8.2

8.1 *Is the proposed Commercial, Institutional and Small Industrial Monitoring & Targeting program itself reasonable and appropriate?*

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

Board staff question #32

Reference

Page 4, Executive Summary

Preamble

THESL provides a brief description of the program and discusses its potential savings and program features.

Questions

- a) Prior to filing this application with the Board, did THESL engage in discussions with Hydro One Networks Inc. to discuss this program as it has many similarities to HONI's Monitoring and Targeting Initiative?
- b) If THESL did not, please discuss why and if it plans on possibly working jointly with HONI, if each program is approved, to deliver the programs in the most cost effective manner.

Board staff question #33

Reference

Page 8, Section 1.3: Program Scope

Preamble

THESL notes the various tasks involved in the pre-applications stage, amongst them is selecting the monitoring and tracking software and analyzing data to establish practical conservation targets.

Questions

- a) Please discuss the various options of software that is available. Will this be something that THESL has designed specifically for its needs in this program?
- b) What data, and from what period of time, will THESL be analyzing when establishing the conservation targets within this program?
- c) Is the establishment of practical conservation targets something that is done by both THESL and the prospective participant?
- d) Are there penalties the participant will witness for not meeting its agreed to targets?

Board staff question #34

Reference

Page 10, Section 1.3: Program Scope

Preamble

THESL notes that as building operators will have the ability to investigate and recognize sub-optimal performance and because they know their own operating requirements, abnormal or unexpected energy loading will quickly be flagged for follow-up and possible corrective actions.

Question

- a) Please explain if it will be the responsibility of the building operator to flag and follow-up abnormal and unexpected energy loading issues or will THESL also be involved in this process?

Board staff question #35

Reference

Page 11, Section 1.4: Conformance with OPA Measures

Preamble

THESL notes that although the M&T operational technique does not appear on the OPA Measures and Assumptions List, this conservation measure is consistent, but not duplicative, with the approach used by the OPA Industrial Accelerator Program.

Question

- a) Please list the differences between THESL's M&T program and the OPA's Industrial Accelerator Program.

Board staff question #36

Reference

Page 11, Section 2.1: Sector Analysis

Preamble

THESL notes that the general mindset of the building operations and operator group has been particularly difficult to engage with regard to M&T and that the general mindset of this group is to maintain the status quo rather than proactively seeking to improve efficiencies.

Questions

- a) THESL references a study by Marilyn A. Brown from 1996 to support its claim that the general mindset is to maintain the status quo. Please discuss the validity of this study for 2011.
- b) Has THESL conducted or reviewed any studies that offer a more recent insight into the mindset of this group?

Board staff question #37

Reference

Page 14, Section 2.2: Market Penetration

Preamble

THESL notes that when establishing the projections they have relied upon the experience from other jurisdictions with programs similar in scope.

Questions

- a) What jurisdictions has THESL investigated? Please list and discuss the similarity in programs.

Board staff question #38

Reference

Page 15, Section 3: Projected MW and MWh Savings

Preamble

THESL provided a table summarizing the net total energy and peak demand with a total of 0.86 MW and 40,723 MWh savings realized in 2014.

Questions

- a) Please confirm that the MW savings shown will persist from one year to the next.
- b) Please discuss why THESL found it appropriate to use a free-ridership rate of 30% when calculating projected net savings?
- c) Did THESL rely on any studies or market surveys to determine what the appropriate free-ridership rate for this program should be?

Board staff question #39

Reference

Page 18, Section 5: Program Rules

Preamble

THESL notes that the program rules have been vetted against the Board's CDM Code.

Question

- a) Please provide the program rules.

Board staff question #40

Reference

Page 18, Section 5.2.1: Monitoring Incentive

Preamble

THESL discusses the mechanics of the implementation incentive and notes that it will be calculated as the lesser of either \$0.20/kWh multiplied by the customer's annual estimated savings in kWh; 50% of the projected cost, or up to \$75,000.

Question

- a) Please provide the dollar amount that THESL projects as the average implementation incentive awarded to a participant.
- b) How does a participant qualify for the maximum incentive of \$75,000?
- c) Please discuss THESL's strategy to deal with higher and/or lower participant numbers regarding incentives? If THESL finds that program participation is much higher than expected, how will THESL address the need for increased incentive dollars? Conversely, what will THESL do with remaining incentive dollars if participation is lower than its projection?

Board staff question #41

Reference

Page 19, Section 5.2.2: Targeting Incentive

Preamble

THESL notes that in order to encourage a sustained level of effort during the term of the program, building operators and management customers will also be eligible for an energy savings incentive at a rate of \$0.025 for each kWh saved as defined by the baseline.

Questions

- a) How was the baseline determined?
- b) Will individual customers be involved in setting site specific baselines? If so, how will this be done? If not, what process will THESL employ?

Board staff question #42

Reference

Page 23, Section 6: Program Evaluation

Preamble

THESL notes that its savings report will provide savings results in conformance with IPMVP standards and/or OPA EM&V protocols.

Questions

- a) Please discuss the reasonableness for using the IPMVP standards?
- b) Please confirm that THESL will conduct its EM&V in accordance with the CDM Directive and CDM Code which directs LDCs to use the OPA's EM&V Protocols.

Board staff question #43

Reference

Page 24, Section 7: Program Budget

Preamble

THESL provides the projected program budget for the Monitoring and Targeting Program with a total requested amount of \$5.5M.

Question

- a) Please expand on what comprises the Fixed Costs – Sales line item.

Program #4 – Community Outreach & Education

Issues 9.1 & 9.2

9.1 *Is the proposed Community Outreach and Education Initiative itself reasonable and appropriate?*

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

Board staff question #44

Reference

Page 5-6, Section 1.3: Program Details

Preamble

THESL provides a program description and notes the various parts of the program that make up the complete offering such as in-store retail campaign, festive light exchange, Toronto Police outreach and school education and outreach.

Questions

- a) Please discuss the specific differences between this program and the OPA's province-wide educational program. Has THESL investigated addressing the program details found within this application through the OPA's program?
- b) Please discuss the specific differences between this program and the more specific "In-Store Engagement and Education Initiative" (Program #8). In a table, compare and contrast both programs highlighting similarities and differences.

Board staff question #45

Reference

Page 9, Section 3: Projected MW and MWh Savings

Preamble

THESL notes that the projected savings are not applicable.

Question

- a) Please explain why THESL does not project any savings for this program.
- b) Please discuss if THESL will be distributing any energy efficient products.

Board staff question #46

Reference

Page 10, Section 4.1.2: Primary Target Market

Preamble

THESL notes that its primary target market is residential customers in the City of Toronto especially new immigrants, English as a second language, visible minorities, and vulnerable Torontonians.

Questions

- a) Please discuss the specific manner in which THESL plans to engage with the groups referenced above.
- b) What specific events does THESL have planned?

- c) Discuss who will be responsible for facilitating the local events. Within your response, please address whether this will be implemented by THESL staff or an external third party.

Board staff question #47

Reference

Page 13, Section 7: Program Budget

Preamble

THESL provides a table showing the overall budget for this program with a total of \$5.66M requested. Within the marketing budget line, THESL notes that this includes staff.

Questions

- a) Please discuss how many new staff will be hired to implement this program. Within your response, discuss the nature of these staff members (e.g. contract, full-time, etc.).
- b) Please discuss what makes up the Fixed Cost – External Cost budget line.
- c) Please discuss what makes up the incentive/premiums budget line. If this includes product giveaways, please discuss how many and what products THESL will be providing at these events.

Board staff question #48

Reference

Page 13, Section 8: Cost Benefit Analysis

Preamble

THESL references section 4.1.2 of the CDM Code and notes that it is allowed to forego the cost effectiveness tests when submitting a CDM Program designed for educational purposes.

Question

- a) Has THESL conducted any in-house TRC or PAC tests for this program? If yes, please provide the results. If not, please run the tests and provide the results.

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

Issues 10.1 & 10.2

10.1 Is the proposed Flat Rate Water Heater Conversion & Demand Response program itself reasonable and appropriate?

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

Board staff question #49

Reference

Page 6, Section 1.2: Program Objectives

Preamble

THESL mentions that flat rate water heater conversions are anticipated to be completed by the end of December 31, 2012 provided approval is received by the end of March 2011.

Question

- a) With approval not apparent until sometime in May 2011 at the very earliest, please provide an updated schedule for when THESL plans to have its projected conversions completed by.

Board staff question #50

Reference

Page 6, Section 1.3: Program Details

Preamble

THESL notes that an element of this program is that each participant will receive an incentive of \$0.20/kWh of the estimated electricity savings. THESL further notes that the rationale for providing an incentive higher than the OPA's province-wide programs is to make the conversion an attractive proposition and to encourage the desired behavioural changes.

Questions

- a) Please list all of the differences and similarities between the proposed FRWHDR program and the OPA's province-wide programs noted above.

Board staff question #51

Reference

Page 7, Section 1.4: Value Proposition

Preamble

THESL notes that the value proposition for the customer is they will reduce electricity used for generating domestic hot water by 20.5% on average.

Questions

- a) Please discuss how THESL can make this statement as it appears as though the level of savings each customer witnesses will entirely depend on that customer's usage patterns.
- b) Please comment on if it is more appropriate to say that customers will now be charged in accordance to how much they use.

Board staff question #52

Reference

Page 8, Section 2.2: Market Penetration

Preamble

THESL notes that the expected incentives will encourage 80% of the remaining 5,561 tanks to convert.

Questions

- a) Please discuss if THESL tested other incentive levels to see if this would drive participation rates higher. If THESL did do this analysis, please provide the details.
- b) Please discuss the sensitivity of program cost effectiveness in relation to both lower and higher incentive levels and lower participation rates of 80% (e.g. 70%, 60%, 50%, etc.).
- c) Please provide further support on why THESL believes an expectation of 80% conversion rate is appropriate.

Board staff question #53

Reference

Page 10, Section 3.2: Savings Summary

Preamble

THESL provides a table showing its projected net MW and MWh reductions.

Questions

- a) Please discuss why THESL believes a 30% free ridership rate is appropriate?
- b) Please explain the reasons for why no savings are shown for 2013 and 2014 under the "Net MWh Reduction" portion of the table.
- c) Please discuss the various risks involved in projecting specific savings levels as shown by THESL in this table. What is the sensitivity of these figures?

Board staff question #54

Reference

Page 12, Section 4.1: Marketing Strategy

Preamble

THESL notes as one of its key program drivers that participation in the *peaksaver* program allows customers to help Ontario meet its CDM goals.

Question

- a) Will this program be advertised as the *peaksaver* program?

Board staff question #55

Reference

Page 12, Section 5.2: Enrolment Process

Preamble

THESL notes that one of the program rules, and as part of the enrolment process, eligible participants will need to sign up for the *peaksaver* program, but will not be eligible for *peaksaver* program incentives.

Question

- a) Please explain this process in greater detail and specifically discuss why participants won't be eligible for *peaksaver* program incentives.

Board staff question #56

Reference

Page 14, Section 6.1: Project M&V

Preamble

THESL notes that project M&V will be limited to confirming the impact of the conversion on 30 customers per year over the life of the project.

Question

- a) Please discuss the rationale for only confirming the impact of the conversion on 30 customers per year. Why will THESL not confirm the impacts on a greater number of customers to ensure it has verified the impacts?
- b) Please confirm that THESL will provide program savings results in conformance with the OPA EM&V Protocols.
- c) Please discuss the appropriateness and rationale for proposing to provide results in conformance with the IPMVP standards.

Program #6 – Greening Greater Toronto Commercial Building Energy Initiative

Issues 11.1 & 11.2

11.1 Is the proposed Greening Greater Toronto Commercial Building Energy Initiative itself reasonable and appropriate?

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

Board staff question #57

Reference

Page 5, Section 1.2: Program Objectives

Preamble

THESL provides some notes on the barriers it hopes to improve by the implementation of this program, including sponsoring a measurement standard for building energy efficiency to facilitate energy performance efforts.

Questions

- a) Please define and elaborate on what THESL means by a “measurement standard”.

Board staff question #58

Reference

Page 8, Section 2.3: Projected Number of Participants

Preamble

THESL notes that participation is driven through membership in GGT. The current membership of the Leadership Council of GGT includes landlords that own and or manage approximately 40% of the commercial office space and tenants that occupy approximately 40% of the commercial office space in the GTA.

Question

- a) Please discuss how many buildings and how many landlords make up 40% of the commercial office space in the GTA.
- b) Please discuss how many tenants THESL expects to engage and have enrol in this program.

Board staff question #59

Reference

Page 10, Section 4.2: Collaboration with other LDCs

Preamble

THESL notes that it will introduce other regional LDCs to the program.

Question

- a) Has THESL been approached or engaged in any discussions with other LDCs about this program? Please discuss the nature of these discussions.

Board staff question #60

Reference

Page 11, Section 4.4: Tactics

Preamble

THESL provides a list of tactics it plans to employ when delivering this program.

Question

- a) Please discuss whether or not THESL staff will be participating in any events within the program or if that responsibility lies solely with members of the GGT.

Board staff question #61

Reference

Page 11, Section 4.5: Key Messaging

Preamble

THESL notes that the Corporate Challenge is a four-year program that aims at reducing total energy usage in commercial offices in the Toronto region by a nominal 10%.

Question

- a) Please discuss how the corporate challenge will continue for four years when THESL is only seeking one year of funding.

Board staff question #62

Reference

Page 13, Section 6: Program Budget

Preamble

THESL provides its program budget with a total of \$295,707 requested.

Question

- a) Please discuss the details of what comprises the Variable Costs – Operation Costs budget line.

Board staff question #63

Reference

Page 13, Section 7: Cost Benefit Analysis

Preamble

THESL references section 4.1.2 of the CDM Code and notes that it is allowed to forego the cost effectiveness tests when submitting a CDM Program designed for educational purposes.

Question

- a) Has THESL conducted any in-house TRC or PAC tests for this program? If yes, please provide the results. If not, please run the tests and provide the results.

Program #7 – Hydronic System Balancing Program

Issues 12.1 & 12.2

12.1 Is the proposed Hydronic System Balancing Program itself reasonable and appropriate?

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

Board staff question #64

Reference

Page 4, Section 1.1: Program Rationale

Preamble

THESL notes that the basis of the HSBP is the assertion that most hydronic systems and domestic cold water booster pumps are oversized and operating against balancing valves that throttle flow and unnecessarily increase energy consumption.

Questions

- a) Please provide a reference for where THESL found the assertion noted above.
- b) Has THESL conducted or reviewed studies of hydronic systems within its service area to better understand the make-up of this market?

Board staff question #65

Reference

Page 6, Section 1.3.1: Incentives

Preamble

THESL discusses the elements of its proposed program incentives and notes the second to be the support of customer investment in identified measures.

Questions

- a) Please provide some examples of measures that will be identified during the assessment.
- b) Please discuss if there is a maximum dollar amount per participant for investment in measures for a participant.

Board staff question #66

Reference

Page 8, Section 1.5: Conformance with OPA Measures

Preamble

THESL notes that the measures proposed by and implemented under the HSBP are consistent with the OPA program measures.

Question

- a) Please provide a table that lists all of the measures that will be implemented in this program and the source of the input assumptions.

Board staff question #67

Reference

Page 10, Section 2.2: Market Penetration

Preamble

THESL notes within section 2.2.2 that when establishing its market penetration projections, it relied on the experience from other jurisdictions with programs similar in scope.

Question

- a) Please discuss what other jurisdictions THESL has investigated, the similarity of programs between THESL's proposal and those from other jurisdictions and the key points it took away when developing this program.

Board staff question #68

Reference

Page 12, Section 2.2.2: Market Penetration – Implementation

Preamble

THESL provides a table where it shows the implementation rate of heating and cooling pumps it expects from the segments of the market it is targeting (i.e. offices, hospitals, multi-residential, and institutional).

Questions

- a) Please discuss the reasonableness and variability of THESL expectation of total implementation rates of 50% for heating and cooling pump implementation and 30% for booster pump penetration rate.
- b) Please discuss if THESL has conducted sensitivity analysis around these figures. If THESL has, please provide the analysis. If THESL has not, please discuss the rationale for not doing so.
- c) Please discuss if THESL has calculated cost effectiveness with lower implementation rates than the ones found in the table referenced above. If THESL has done these calculations, please provide the results.

Board staff question #69

Reference

Page 16, Section 5.2.2 – Implementation Incentives

Preamble

THESL notes that the implementation incentive will be provided to the customer at \$0.10/kWh up to 50% of project cost.

Question

- a) Is there a maximum dollar amount associated with the 50% figure noted above?

Board staff question #70

Reference

Page 21, Section 6.1: Project M&V

Preamble

THESL notes that its savings report will provide savings results in conformance with IPMVP standards and/or OPA M&V protocols.

Questions

- a) Please discuss the reasonableness for using the IPMVP standards?
- b) Please confirm that THESL will conduct its EM&V in accordance with the CDM Directive and CDM Code which directs LDCs to use the OPA's EM&V Protocols.

Board staff question #71

Reference

Page 22, Section 7: Program Budget

Preamble

THESL provides its budget table summarizing the costs for the program which total \$4.72M.

Question

- a) Please discuss what comprises the Fixed Cost – Sales line item.
- b) Please discuss what comprises the Variable Cost - Operation Cost line item and discuss why the amount for this fluctuates each year.

Board staff question #72

Reference

Page 23, Section 8: Cost Benefit Analysis

Preamble

THESL provides the cost benefit results for this program in a table as well as describes the input assumptions used in the calculation.

Question

- a) Please discuss the sensitivity analysis associated with this program and show what the minimum number of participants is required to maintain overall program cost effectiveness.
- b) Please discuss if THESL has calculated cost effectiveness with higher free ridership rates. If THESL has, please provide this analysis. If THESL has not, please do so.

Program #8 – In-Store Engagement and Education

Issues 13.1 & 13.2

13.1 Is the proposed In Store Engagement and Education Initiative itself reasonable and appropriate?

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

Board staff question #73

Reference

Page 5, Section 1.2: Program Objectives

Preamble

THESL notes that this program aims at reaching Toronto's diverse, often over-exposed and sometimes hard-to-reach population. THESL also notes that a significant group includes a large population of vulnerable customers in designated priority neighbourhoods.

Question

- a) Please discuss the specific events and program elements that THESL plans to use to address the vulnerable customers in designated priority neighbourhoods.
- b) Please expand on who THESL defines as vulnerable customers and what neighbourhoods it had identified as a priority.

Board staff question #74

Reference

Page 6, Section 1.3: Program Details

Preamble

THESL provides a table in which it shows the participation rate at its similar in-store engagement program from 2005-2010.

Questions

- a) Please discuss why there were large decreases in participants in 2007 and 2009.
- b) Please provide the associated budgets for each of the years shown in the table referenced above.

Board staff question #75

Reference

Page 7, Section 2.2: Market Penetration

Preamble

THESL notes that its proposed educational initiative will target the residential sector or 'mass market' which represents 2.5 million people in the City of Toronto.

Question

- a) Please discuss if an events schedule for this program has been finalized. If one has, please provide it.

Board staff question #76

Reference

Page 8, Section 4.3: Take-to-Market Approach

Preamble

THESL notes that direct-to-customer, event-based marketing will be used to facilitate face-to-face customer interaction and education.

Question

- a) Please discuss if THESL staff or a third party vendor will be implementing this program.

Board staff question #77

Reference

Page 11, Section 7: Program Budget

Preamble

THESL has provided its program budget with a total of \$4.22M requested.

Questions

- a) Please discuss why THESL has a requirement for annual legal costs for this program.
- b) Please discuss the increased EM&V costs in 2014.
- c) Please discuss what comprises the Fixed Costs – Marketing budget line as THESL notes this includes staff. What staff does this include? THESL or third party staff?
- d) Please expand on what comprises the Fixed Costs – External Costs budget line.
- e) Please discuss the details of the incentives budget line. How many products does THESL plan to giveaway over the course of this event?

Board staff question #78

Reference

Page 11, Section 8: Cost Benefit Analysis

Preamble

THESL references section 4.1.2 of the CDM Code and notes that it is allowed to forego the cost effectiveness tests when submitting a CDM Program designed for educational purposes.

Question

- a) Has THESL conducted any in-house TRC or PAC tests for this program? If yes, please provide the results. If not, please run the tests and provide the results.

Board staff question #79

Reference

Page 14, Appendix A – Program Evaluation Plan

Preamble

THESL has provided an evaluation plan.

Questions

- a) Please confirm that Appendix A is the finalized draft evaluation plan. If not, discuss the usefulness of Appendix A.

- b) Please discuss when the final evaluation plan will be prepared and by whom.
- c) Please expand on the evaluation description to offer more insight into the specific evaluation that will be conducted on this program.

Program #9 – Multi-Unit Residential Demand Response

Issue 14.1

14.1 Is the proposed Multi-Unit Residential Demand Response itself reasonable and appropriate?

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

Board staff question #80

Reference

Page 3, Executive Summary

Preamble

THESL notes that the cooling load contributed by this sector will not be addressed by the province-wide programs and the *peaksaver* program has not been targeted at this sector specifically.

Questions

- a) Please discuss how THESL classifies this program as non-duplicative of the OPA's *peaksaver* program.
- b) Please expand on what THESL means when it says that the *peaksaver* program has not been targeted at the multi-unit residential sector specifically. Is THESL aware of this sector being targeted in any way by OPA province-wide programs?
- c) Is the only difference between this program and the OPA's *peaksaver* program the fact that this program is being targeted at multi-unit residential buildings?
- d) Has THESL targeted this segment of the market in the past with any of its programs?
- e) If yes, what were the results from those programs? If no, has THESL conducted any studies of the potential participants from this sector to better understand their needs and potential risks involved with a program of this nature?

Board staff question #81

Reference

Page 6, Section 1.3: Program Details

Preamble

THESL notes that load control devices and programmable communicating thermostats (PCT) will be installed within the condominium units of participating buildings. THESL

also notes further into its program details that owner/occupants will be able to manually modify or override the initial settings of the PCT on a limited basis. THESL continues to state that the system will be installed by a vendor that will be selected by an RFP process, on behalf of THESL or in conjunction with other utilities.

Questions

- a) Please discuss if approval from each individual owner/tenant will be required to install any devices inside a unit.
- b) Please define what “on a limited basis” means. How much control over the PCTs will owner/occupants have?
- c) Please discuss if the RFP process has begun. If it has, please discuss the schedule for when THESL plans to have a vendor selected.
- d) Please discuss if other LDCs have shown interest in this program and if THESL has had discussions with other LDCs about offering this program in their service area.

Board staff question #82

Reference

Page 7, Section 1.3.1: Program Scope

Preamble

THESL lists the steps that are included in program scope that range from the calibration stage to the post-implementation stage.

Question

- a) Please provide a schedule indicating the anticipated completion date for each step within program scope.

Board staff question #83

Reference

Page 8, Section 1.5: Conformance with OPA Program Measures

Preamble

THESL notes that the manner proposed in this document to reduce central chiller load is no included in the OPA Measures and Assumptions List.

Question

- a) Please list the assumptions THESL proposing to use for the measures included in this program. Also, please provide the rationale for the appropriateness for each assumption listed.

Board staff question #84

Reference

Page 9, Section 2.2: Market Penetration & the table on page 10

Preamble

THESL notes that based on similarity of the program design elements and the penetration rates achieved with *peaksaver*, and the provision of a higher incentive rate than that paid to customers participating in the *peaksaver* program, a 40% participation rate is expected for the individual suites in each participating condominium.

Questions

- a) Please discuss what research or study or other referential support THESL has relied upon when submitting its expectation of participation rates.
- b) Has THESL investigated the possibility of participation rates being realized at lower levels than 40%?

Board staff question #85

Reference

Page 13, Section 5.1: Eligibility

Preamble

THESL lists the eligibility criterion that participants must meet. Within, THESL notes that there must be at least a 40% take-up rate of total suites in a building for a condominium to participate.

Question

- a) Please discuss if the building corporation is responsible for getting suite owners/tenants to participate and discuss how they will be assisted by THESL in doing so.

Board staff question #86

Reference

Page 13-14, Section 5.3: Incentives

Preamble

THESL provides a description of the various incentives available to both those participants who own a suite within a participating condominium and incentives for the condominium corporation or other entity.

Question

- a) Please provide further clarity on how the \$25 fee will be prorated based on the percentage of events participated in during the course of the year.

- b) In the case of non-THESL suite metered sites, please discuss how THESL will work with the existing service provider to reach a reasonable settlement methodology and provide the settlement for the suite owner.

Board staff question #87

Reference

Page 16, Section 6: Project M&V

Preamble

THESL notes that its savings report will provide savings results in conformance with IPMVP standards and/or OPA EM&V protocols.

Questions

- a) Please discuss the reasonableness for using the IPMVP standards?
- b) Please confirm that THESL will conduct its EM&V in accordance with the CDM Directive and CDM Code which directs LDCs to use the OPA's EM&V Protocols.

Board staff question #88

Reference

Page, 17, Section 7: Program Budget

Preamble

THESL provides a budget summary table for this program with a total requested amount listed as \$19.9M.

Question

- a) Please discuss what makes up the Fixed Costs – Sales line item.
- b) Please discuss the rationale for a \$60,000 Program EM&V budget in 2014. Will this amount cover the EM&V of 2013 and 2014 program results?
- c) Please elaborate on components of the Variable Costs, particularly, the vendor costs of \$10.88M and the factors that will affect these figures.

Board staff question #89

Reference

Page 18, Section 8: Cost Benefit Analysis

Preamble

THESL provides the cost benefit analysis as well as a sensitivity analysis showing the results of the cost effectiveness tests with 20% fewer buildings enrol.

Question

- a) Has THESL determined the minimum number of participants required to have both TRC and PAC remain cost effective (e.g. 1.0+)? Please provide this analysis.
- b) Please discuss the rationale and appropriateness for including a free ridership rate of 10%.

Board staff question #90

Reference

Page 19, Section 9: Non-Duplication of OPA-Contracted Provincial Programs

Preamble

THESL notes that the proposed program will not be duplicating any OPA-Contracted programs as the *peaksaver* and DR1 programs are not applicable to this market segment.

Questions

- a) Please discuss if THESL engaged in conversations with the OPA about inclusion of the MURDR program in the province-wide suite of programs.
- b) Please discuss the differences, other than market segment targeted, between the MURDR program and the OPA's *peaksaver* and DR1/DR3 programs.