



Fogler, Rubinoff LLP Barristers & Solicitors
95 Wellington Street West
Suite 1200, Toronto-Dominion Centre
Toronto, ON M5J 2Z9
Tel: 416.864.9700 Fax: 416.941.8852
www.foglers.com

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Reply To: Thomas Brett
Direct Dial: 416.864.9700
E-mail: tbrett@foglers.com

VIA ELECTRONIC FILING AND REGULAR MAIL

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

Dear Ms. Walli:

Re: Board File No.: EB-2011-0011

Please find attached CEEA's Interrogatories for Toronto Hydro in this proceeding.

Yours truly,

FOGLER, RUBINOFF LLP

A handwritten signature in black ink, appearing to read 'Thomas Brett'.

Thomas Brett
TB/jm
Encl.

Board File Number: EB-2011-0011

Toronto Hydro Networks Inc. – 2011-2014 Board-Approved CDM Programs INTERROGATORIES

Issue 1: Compliance with the CDM Code

1. The Canadian Energy Efficiency Alliance (The Alliance) acknowledges Toronto Hydro's extensive experience in developing, delivering and implementing CDM programs particularly from 2005 to 2010. Please provide completed evaluations of its previous programs and sample copies of presentations, or other documentation that have been provided to other agencies or utilities which have emulated any of its previous programs.
2. While the Alliance complements Toronto Hydro in participating in the redevelopment of the Ontario Power Authority ("OPA")-Contracted Province-Wide Conservation and Demand Management Programs (OPA Programs), what process was followed to develop these programs? Did the OPA provide Toronto Hydro with any financial resources to cover the cost of staff time associated with these processes?
3. What limitations, if any, did Toronto Hydro encounter in participating in redeveloping the OPA programs including availability of resources, timely access to information, particularly respect to the proposed program designs, projected program budgets, cost/benefit analysis of plans, programs and specific measures as well as estimated targets. What evaluations of earlier OPA programs were provided to Toronto Hydro? Please file copies of all evaluations of OPA programs provided to Toronto Hydro.
4. The OEB's CDM Code requires each LDC to file a CDM Strategy and provides a template for doing so, which Toronto Hydro appears to have conformed to in its application. Did the OPA provide similar documentation to Toronto Hydro? If so please file any shared OPA documents that would approximate what is included in the OEB template requirements.
5. It appears to the Alliance that Toronto Hydro has conformed to the spirit of the Code. Were there practical difficulties in fully conforming to the letter of the Code? In particular, were there practical difficulties in reconciling requirements such third party evaluations from an OPA vendor list in advance of Board Approval of its programs and the funds to retain such third parties? Was this also a difficulty in retaining vendors to develop implementation plans?
6. Does Toronto Hydro believe that the OPA programs (with the exception of the Low Income Program) have been established as required by the CDM Code? If not what criteria does Toronto Hydro consider to be an appropriate and reasonable test for the establishment of programs?

7. Has the recent OPA advertising campaign advising consumers to contact their local utility had any impact on Toronto Hydro's Call Centre activities? Has Toronto Hydro experienced any situations in which its customers would be better served by one of its non-duplicative programs than by the OPA programs? What advice did you give to such customers?
8. The Code requires Toronto Hydro to use the OPA measures and assumptions lists as well as its cost effectiveness tests. Is Toronto Hydro aware of any requirement in the Code to calculate rate impacts of the implementation of OPA Programs or Board approved Programs? Does Toronto Hydro have the data required to perform such rate impact calculations given that the costs associated with both types of programs will come out of the Global Adjustment Fund and applied to all customers and the benefits of such programs depend on the future supply mix in the province? Are there additional costs associated with any phase of program planning, development, implementation or evaluation that will be charged to Toronto Hydro distribution customers that are not included in the application?
9. Is Toronto Hydro aware of any requirement in the Code to perform sensitivity analyses for its programs? Is Toronto Hydro aware of any requirement in the Code to develop a program logic model, particularly given how the Code has differentiated OPA programs and Board approved Programs?
10. Does Toronto Hydro anticipate the need for any changes to the Board's CDM Code as a result of having gone through the first iteration of program design?
11. The funding for OPA programs, particularly for those programs with high incentive levels is virtually open ended for a distributor that achieves higher levels of participation than expected by the OPA for the province on average. Is Toronto Hydro prepared to overachieve on its targets if the OPA programs deliver more than expected by the OPA? If such a mechanism were in place for Board approved programs, would Toronto Hydro use it overachieve on the results it expects to achieve from its own program? The evidence suggests that Toronto Hydro is developing additional programs – will these only be submitted for approval is it appears that its share of the provincial target will be met?

Issue 2: Human Resources Plan

12. How will Toronto Hydro manage the integrations of staff working on the OPA programs with those assigned to the Board approved programs to avoid any customer confusion?

Issue 3: Program Savings

13. Ministerial conservation-related directives since the passage of the Green Energy and Green Economy Act to both the OPA and the Board have ensured that LDC targets include both peak reductions and energy reductions. In Toronto Hydro's view, how has this impacted both the design and selection of OPA programs and its requested programs,

particularly with respect to programs and budgets allocated to OPA demand response programs which deliver no energy saving results?

Issue 4 Budget

No questions

Issue 5: THESL's Additional CDM Costs

14. In Toronto Hydro's letter to the Board dated February 25, 2011, it requested that the Board approve an additional \$343,449 which relates to program planning and development costs for the years 2010 and 2011. What would this number have been if Toronto Hydro had also incurred program implementation and evaluation planning costs in advance of approval of the programs?
15. Is Toronto Hydro aware of any industry standards for the ratio of program planning and development to total program costs?
16. How much of this amount represents any of the costs associated with Toronto Hydro's participation in the redevelopment of OPA programs?
17. Will these costs increase if Toronto Hydro does not get timely approval of its programs or if the estimates of regulatory costs are greater than estimated?

Issue 6: Program #1: Business Outreach and Education

18. Some of the target markets for this program have been partially served by the OPA's Toronto-specific program that was implemented by BOMA Toronto. How will Toronto Hydro overcome any lost momentum in the availability of programs given that the BOMA delivered program ended in 2010?
19. How does this market segment for your service territory differ from the segment for the province as a whole?

Issue 7 – Program #2 – Commercial Energy Management and Load Control

20. Please explain the difference between customers being eligible for a program versus a program which targets specific customers. For example, low income customers are eligible for all OPA current residential programs, but nevertheless, a province wide program is under development for low income customers because the current programs are not designed to meet their needs. Is this comparable to your analysis with respect to this program?
21. Do you anticipate that your RFP for vendors to deliver this program will result in all vendors offering similar approaches or do you anticipate that vendors will bring alternative implementation plans or deployment approaches such as proprietary software, marketing innovations and technologies that will differentiate the proposals on

matters other than price? Do you also anticipate that the EM&V required will vary from one proposal to the other, particularly in response to alternative implementation plans? Is it possible that the approach, cost and effectiveness of EM&V could vary significantly given the implementation plan? For example, if the successful vendor offered real time monitoring results, would the EM&V require less sampling than a vendor who offered a program based on engineering estimates?

Issue 8: Program #3 Commercial, Institution and Small Industrial Monitoring and Targeting

22. In its submission in EB-2010-0215, Toronto Region Conservation Authority shared its lessons learned from performance based conservation:
- i. performance based conservation delivers far greater energy savings than previous approaches to energy (and water) conservation,
 - ii. the larger part of the savings is found in low/no cost improvements,
 - iii. successful and sustainable conservation has more to do with good management than with technology,
 - iv. conservation programs have to support building managers with information, tools and resources so that they can recognize the unique set of conservation opportunities in their facilities,
 - v. benchmarking can identify buildings with high conservation potential, inform target setting and point to where savings are to be found in each building, and
 - vi. monthly savings reporting flags variances in predicted savings, identifies measures which do not perform as intended, verifies savings which have been achieved and guides continuous improvement
- a) How will this program relate to the Green Energy and Economy Act requirements for energy management plans in the broader public sector?
23. On page 14 of this program description (section3), Toronto Hydro indicated that it had used the more conservative estimate for savings based on a CIPEC report. Please confirm that this report was limited to the industrial sector and might not be representative of the full market.

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