



March 29, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

To: Board Secretary, Kirstin Walli

Re: EB-2008-0346 – Demand Side Management (“DSM”) Guidelines for Natural Gas Utilities – Stakeholder Comment

On behalf of Eastern Canada’s Building Commissioning Association (BCA), thank you for the opportunity to respond on the natural-gas DSM issue.

INTRODUCTION

By way of introduction, the following is drawn from the attached “About the BCA” document:

The BCA's goal is to achieve high professional standards, while allowing for the diverse and creative approaches to building commissioning that benefit our profession and its clients.

For this reason, the BCA focuses on identifying critical commissioning attributes and elements, rather than attempting to dictate a rigid commissioning process.

The BCA is dedicated to developing a common, industry-wide understanding of what constitutes effective building commissioning. We recognize, however, that the scope of commissioning varies between projects. We define the basic purpose of commissioning as follows: "The basic purpose of building commissioning is to provide documented confirmation that building systems function in compliance with criteria set forth in the Project Documents to satisfy the owner's operational needs. Commissioning of existing systems may require the development of new functional criteria in order to address the owner's current systems performance requirements. "This definition is based on the critical understanding that the owner must have some means of verifying that their functional needs are rigorously addressed during design, construction and acceptance."

Refer to: About BCA updated.pdf, attached.



OVERVIEW

The Eastern Canada chapter of the BCA meets monthly to promote the above in Eastern Canada. We believe building commissioning is a neglected area in our industry. From our experience, it is only an exceptional building that operates anywhere near its optimum performance. Sub-optimum operations waste our valuable resources. The reasons for this neglect vary, but a lack of awareness, a triage approach to building operation, and confusing market signals are all contributing factors.

Equally, there is an absence of tools and support available in Ontario for conservation promotion – particularly since Ontario Hydro’s conservation programs were cancelled. Enbridge and Union DSM stand as an exception. Their support for DSM in the province has been an essential push for many of our member’s customers to take action on energy efficiency.

Imagine our surprise when we read in the Toronto Star: ***“Gas companies told to curb spending on conservation.”***

Ontario’s competitive position has been enhanced through the utilities’ DSM programs and they should be recognized and encouraged. As our experience with commissioning makes abundantly clear, we’ve only scratched the tip of the efficiency iceberg.

MEMBERSHIP

Our members are all volunteers and donate their time to develop BCA in Eastern Canada. As we volunteer our time and effort we also reach out to organizations that can assist in promoting and developing conservation. Reaching out has been a challenge with the re-focus of federal programs and re-regulation of Ontario’s electric system. However, both Union and Enbridge have stepped forward to help with programs that are clear, open and fair. The only complaint we might suggest is that they could go further.

“Those who can do, and those who can’t teach”

BCA members are doers. Our members represent a very specialized segment of the industry that focuses on making a positive change through the efficient and proper operation of buildings. We can provide examples, case studies, testimonials, etc. that substantiates this. We are concerned that the Board undertook this decision with inadequate feedback from those who are actually operating out on the demand side of Ontario’s energy efficiency sector.

OUR POSITION

The Board decision not to expand natural gas DSM activities seems like a reversal for a province that has been so vocal about supporting “green.” Since we believe that more is needed, we are very disappointed and confused by this reversal.

ISSUES

The question **“Do industrial and commercial DSM programs with significant incentives create competitive advantages for the participants of the programs relative to their competitors?”** is misleading. There are no ‘significant’ incentives. Most DSM incentives represent such a small fraction of the project cost, they are at times ignored. Paired with the simple payback calculations that energy efficiency has been saddled with, this often results in the cheapest and less efficient solution being



selected. However, when more aware customers consider lifecycle issues and the DSM programs can be introduced early enough, a proper project can evolve. Thus, the DSM program creates the opportunity to have an intelligent conversation that considers all options.

Next, the competitive advantage question is equally misleading. If a company chooses not to invest in energy efficiency, it is their loss. They had the same opportunity as everyone else.

The next question; **“What programs, if any, are appropriate for these sectors?”** The ‘if any’ suggests it is a reasonable position to oppose all rate-payer funded green efforts in the province. The BCA does not see this as a legitimate position. The market has no proven ability to overcome the collective action / tragedy-of-the-commons-related problems obstructing systemic green progress without government assistance. The question should therefore be “what are the best programs to help improve Ontario’s energy efficiency performance?” Both Enbridge and Union have demonstrated the value of their programs and it strikes us as odd that ‘DSM Cost’ is so much more of a focus than ‘DSM Benefits’.

Similarly, **“Should there be a focus on monitoring consumption, data analysis or benchmarking energy use in buildings and industrial processes? Should DSM programs in these sectors focus more on energy audits and efficiency training or case studies to highlight best practices and new technologies, rather than financing equipment and installation costs for specific DSM projects? ”**

BCA is all about analysis and benchmarking, and frustrated with the difficulty of acquiring data. Please contact us for examples of how challenging it is to obtain information.

“What should be the natural gas utilities’ role, if any, in providing natural gas DSM education and training programs funded through distribution rates?”

The utilities have direct relationships with and know their customers, and in particular their customers’ gas use. This lets them adjust programs to serve the always unique circumstances each project at each property demands. They understand their customers, and so they can be understood by their customers. They are very well positioned, therefore, to administer DSM education and training.

“Should they focus on targeting contractors, trades and professional associations to ensure DSM messages reach end-users?”

In looking through the list of interveners’ that participated in the DSM decision, we noticed that contractors, trades and professional associations were missing. We appreciate the Board providing an opportunity to participate. Given our volunteer status – it is impossible for us to address all the issues that we would like to address. Providing funding to prepare a written response is a practical way for us to contribute.

“What should be the natural gas utilities’ role, if any, in undertaking R&D and pilot programs funded through distribution rates? Should utilities work with key industry leaders to encourage further changes in building codes and improve standards in heating equipment?”

BCA welcomes information sharing, R&D, and pilot programs. If such programs exist, they are poorly publicized. We have found that in looking for information on best practices, it is far more profitable to look to British Columbia or the US where conservation is taken more seriously.



FINAL WORD

We appreciate the invitation and funding that the Board has provided that allowed us the time to comment.

Ontario's natural gas industry has matured and evolved to the point where Enbridge and Union have understood the market and developed a proactive and measured approach that respects Ontario rate payer investments in DSM.

BCA supports expanded DSM investment and encourages the Board to consider the same in order to help Ontario continue to evolve and become more competitive.

Sincerely,

Herb Hunter
President
BCA, Eastern Canadian Chapter



Our Mission

The BCA's goal is to achieve high professional standards, while allowing for the diverse and creative approaches to building commissioning that benefit our profession and its clients. For this reason, the BCA focuses on identifying critical commissioning attributes and elements, rather than attempting to dictate a rigid commissioning process.

The BCA is dedicated to developing a common, industry-wide understanding of what constitutes effective building commissioning. We recognize, however, that the scope of commissioning varies between projects.

We define the basic purpose of commissioning as follows: "The basic purpose of building commissioning is to provide documented confirmation that building systems function in compliance with criteria set forth in the Project Documents to satisfy the owner's operational needs. Commissioning of existing systems may require the development of new functional criteria in order to address the owner's current systems performance requirements." This definition is based on the critical understanding that the owner must have some means of verifying that their functional needs are rigorously addressed during design, construction and acceptance.

Who We Are

Members of the BCA are dedicated building commissioning professionals, as well as associates who have an interest in the building commissioning profession. All members pay dues, agree to the BCA [Attributes of Commissioning](#) document, and agree to the BCA's [Peer Review Concept](#).

How We Got Started

The BCA was originally formed by building commissioning professionals of the Pacific Northwest to promote building commissioning in the region. We believe it is necessary to develop within our industry a common understanding of what constitutes effective building commissioning. We recognize the need to establish essential practices that maintain high professional standards, and fulfill building owners' expectations.

The idea for a professional association of building commissioning providers was first explored by attendees to the National Conferences on Building Commissioning. Though many agreed on the general goals and objectives for an association, no one took action

toward formation.

A regional association to advance building commissioning in the Pacific Northwest began taking shape in November 1996 at an informal caucus held prior to the Second Northwest Conference on Building Commissioning. At this meeting almost fifty commissioning leaders expressed active interest in working together to help form the nation's first building commissioning organization.

Participants had remarkable agreement on the broad definitions and priorities for making building commissioning "business as usual." Consensus was reached on many of the broad questions about commissioning, and three main areas of focus emerged from the meeting:

1. What a commissioning organization should and should not do,
2. The best strategies for advancing commissioning to building owners, and
3. What good commissioning practices are.

The first areas of consensus around the nature of a regional commissioning organization were that it should be open to all interested parties, but should not try to offer certification to practitioners. Rather, it was felt, such an organization should work to clarify and (as much as possible for an evolving practice) standardize commissioning practices.

In 1997, the momentum demonstrated at the regional meeting continued when the Northwest Building Commissioning Collaborative kicked off an informal series of meetings in Portland, Oregon. Key players in the Commissioning Collaborative included the regional commissioning firms, Northwest Energy Efficiency Alliance (NEEA) and its members, Portland Energy Conservation, Inc. (PECI), utilities, and state and local government agencies.

Formation of a commissioning providers' association was supported by the Collaborative and representatives from several commissioning firms who pledged to make it happen. NEEA provided seed money for a working committee to lay the groundwork for an association. As the Working Committee shaped the goals and structure of the new organization, NEEA again stepped forward with partial funding, through the Oregon Office of Energy, for the first two years of operation. The Building Commissioning Association registered under the laws of the State of Oregon as a trade association, not-for-profit corporation in May 1998. Today there are over 400 members world-wide with 5 active chapters. The association is now registered as a 501(c)6 professional association.

Grateful Acknowledgement

Formation of the BCA was made possible in part by funding from the Northwest Energy Efficiency Alliance (NEEA), to sustain the initial two years of startup and operation. NEEA is a non-profit consortium that includes Northwest electric utilities and rural electric cooperatives, The Bonneville Power Administration, representatives of the Governors of Idaho, Montana, Oregon and Washington, and public interest and efficiency industry representatives. By working together, members of NEEA hope to bring about significant and lasting changes in the marketplace that will improve the efficiency of the regions electrical use and reduce the cost of electricity for Northwest consumers.