



Tuesday, July 5, 2011

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street
Ste. 2701
Toronto ON M4P 1E4

Transmittal via email: boardsec@oeb.gov.on.ca

Re: Letter of Comment on TTHESL's Application for approval of funding of various CDM programs (OEB File No. EB-2011-0011)

Dear Ms. Walli:

Having served as the primary author of OPA's *Evaluation, Measurement, and Verification Protocols* after serving 21 years as an industry consultant with respect to the planning and evaluation of utility conservation and efficiency programs, I feel compelled to comment on a Conservation Demand Management portfolio under consideration by the Ontario Energy Board.

On June 1 of this year, Toronto Hydro Electric Systems Limited (THESL) filed a reply to submissions in the matter of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B) to the *Energy Competition Act, 1998*, S.O. 1998, c.15; and in the matter of an Application by THESL for an Order or Orders granting approval of initiatives and amounts related to the Conservation and Demand Management Code.

In this filing, THESL made the following overt statement in paragraph (4b):

EM&V Plans (Issue 1.5) – None of the parties have suggested that THESL has failed to appropriately apply the OPA's EM&V Protocols when developing its draft EM&V plans for the Proposed Programs.

While their carefully crafted statement correctly highlights the fact that no intervenor has explicitly filed concerns regarding the evaluation plans offered by THESL, the statement conveys a false sense of certainty that THESL has already fully complied with the current *EM&V Protocols and Requirements*.

KMDR Research would like to point out that the Ontario Energy Board has yet to sit the ***Independent Expert Panel*** whose role it would be to review and assess the compliance of draft evaluation plans and evaluation reports filed by local distribution companies with



respect to the *EM&V Protocols and Requirements*. Absent such a **compliance audit** conducted by industry experts, it is difficult for interveners or board staff to assess the technical details of THESL's draft evaluation plans or its conformity to the *EM&V Protocols and Requirements*.

KMDR Research would like to advise in this matter. We have reviewed the draft evaluation plans filed by THESL and offer the following:

- (a) We appreciate that THESL has taken a bold first step by filing a comprehensive set of draft evaluation plans drafted by external consultants; however,
- (b) The filed evaluation plans are unlikely to comply with the current version of the *EM&V Protocols and Requirements* due to the following omissions:
 - (1) None of the evaluation plans adequately inform us of the underlying program theory, which will confound attempts to attribute savings to the planned programmatic activities.
 - (2) The logic models offered by THESL fail to utilize the logic model template offered in the *EM&V Protocols and Requirements* and lack the clarity one would expect from an experienced logic model professional; such that the activities, outputs, outcomes, and impacts do not follow conventional practices and fail to inform evaluation professionals and implementers of key performance metrics.
 - (3) The draft evaluation plans lack relevant details about experimental design options and available analytical methods; despite their length.
- (c) No provision was made by THESL to differentiate vendors between the roles of an *evaluation administrator* and that of the *evaluation contractor*; a delineation of roles articulated in the *EM&V Protocols and Requirements*, but left unresolved by THESL who simply indicated a single 'independent evaluation contractor' would be used to comply with the *EM&V Protocols and Requirements*.



Following our review of the draft evaluation plans filed by THESL, KMDR Research would ask the Ontario Energy Board to consider the following recommendations before establishing a Provincial precedence:

1. Immediately sit an *Independent Expert Panel* that can assess the compliance of draft evaluation plans and reports associated with Tier 1, 2, and 3 initiatives with the *EM&V Protocols and Requirements* put into force in April of 2011.
2. Require THESL to separate the role of *evaluation administrator* and that of the independent third-party *evaluation contractor*. The former should be charged with improving upon the existing draft evaluation plans, either as a term of conditional approval of their application or in advance of the OEB ruling.
3. Commission a *compliance audit* to formally document THESL adherence (verses their intent to adhere) to the *EM&V Protocols and Requirements* currently in force across the Province.
4. Require THESL program managers and evaluation administrators to complete a logic model training course that informs them of the underlying principals of the logic model template used within the *EM&V Protocols and Requirements*.
5. Invite the chair of the *Independent Expert Panel* to file a brief before the Ontario Energy Board outlining the findings of their *compliance audit* for the benefit of all program stakeholders.

KMDR Research thanks the Ontario Energy Board for its consideration of these comments and recommendations associated with the valued CDM offerings initiated by Toronto Hydro Electric Systems Limited.

Respectfully,


Kevin Monte de Ramos
Management Consultant:
Energy & Utilities