

BOARD STAFF INTERROGATORY 1

QUESTION

ISSUE 2.1

1. Reference: Exhibit D, Tab 1, Schedule 1, page 1, Table 1

Please explain the mechanism and the rationale for the change in accounting treatment of the 2007 Conservation and Technology Development Funds operating expenses that resulted in \$ 2,469 Million available to offset the 2008 revenue requirements.

RESPONSE

The offset amount due to the change in the accounting treatment is \$2.469 million. The rationale for changing the accounting procedures relating to the 2007 Conservation and Technology Development Funds is found in the EB-2007-0233, Receipt of the Settlement Proposal transcript of February 15, 2007, page 14, lines 8 to 16, where the Board states:

First, next year we expect the OPA to file information that shows, for the Conservation Fund budgets included in 2005, 2006 and 2007 revenue requirements, the year in which the amounts were or are expected to be charged to expense.

Second, the Board will require that OPA's proposed 2008 revenue requirement for its Conservation Fund should be no greater than the amount of grants made in 2008 that the OPA expects to fund and charge to expenses in that year.

Thus, the Board required that the OPA adjust its accounting procedures to include only the actual expenditures in a given year related to the Conservation Fund, and for the sake of consistency, the OPA has applied that requirement to the Technology Development Fund as well.

In prior years the OPA included in its revenue requirement the full amounts in the Conservation Fund and Technology Development Fund as approved by the OPA's Board of Directors. This inclusion had the effect of increasing the revenue received above the revenue required in that year, as the expenditures for grant awards under the two funds flow over multiple years, but the funds are received by the OPA, via the OPA's usage fee, in the current year.

BOARD STAFF INTERROGATORY 2

QUESTION

ISSUE 5.1

Reference: Exhibit D, Tab 2, Schedule 1, page 5, Table 4

Referring to the Table 4-OPA Full Time Equivalent ("FTE") please explain the addition of 32.9 FTEs associated with the Strategic Objective No. 2.

Indicate if the hiring has been completed and if not what plans are in place to acquire these resources. Describe types of positions in terms of contract vs. full time and indicate roles that these positions will have in activities associated with the Objective No. 2.

RESPONSE

According to Table 4, Exhibit D-2-1, page 5 there will be an increase of 33.3 FTEs for Strategic Objective 2, from the 2007 Budget of 32.9 FTEs to the 2008 Budget of 66.2 FTEs. A discussion of the Conservation organization and its activities within the OPA is provided at Exhibit B-2-1, pages 3 to 28. Details on the Conservation FTEs can be found at Exhibit B-2-1, Table 2, page 4, and the increase in FTEs is discussed on page 29. The increased program volume in addition to the more robust EM&V process and related activities are the primary factors. Hiring is more than 50% complete, and in conjunction with the Human Resources group, activities are underway through both internal postings and external searches to acquire the necessary resources. The OPA plans on hiring full-time staff in roles principally aimed at designing, delivering and maintaining the portfolio of programs and furthering the EM&V process. As noted in Table 4, additional planning and support roles, that are also full-time, are included.

BOARD STAFF INTERROGATORY 3

QUESTION

ISSUE 5.1

Reference: Exhibit D, Tab 2, Schedule 1, pages 5-7

Please provide the rationale associated with the requirements for consulting and external legal costs allocated in 2008 budget by business objective and by business activity. Please explain the increase in the 2008 consulting and external legal requirements comparing to the 2007 budget level.

RESPONSE

Rationale associated with Professional and Consulting costs (which includes the external legal costs and the contract costs) by strategic objective are provided in the evidence at:

- Strategic Objective 1: Exhibit B-1-1, page 6;
- Strategic Objective 2: Exhibit B-2-1, pages 28-29;
- Strategic Objective 3: Exhibit B-3-1, pages 7-9;
- Strategic Objective 4: Exhibit B-4-1, page 7; and
- Strategic Objective #: Exhibit B-5-1, pages 5, 12-13, 23-24, and 29.

The total increase in external legal costs of \$370,000 is mainly attributable to the drafting of contracts to deliver on eight more Conservation programs and the budgeted amount for a regulatory proceeding for Customer Entitlement Agents (CEAs, formerly known as Load Serving Entities or LSEs). This increase is partially offset by slightly lower budgeted legal costs for the IPSP and the standard offer programs in 2008.

The consulting cost variance between the 2008 and 2007 Budget is not an increase, but a \$(12,000) decline.

Provided below is a table illustrating the Professional and Consulting costs breakdown for the external legal and consulting costs by strategic objective:

Professional and Consulting Costs
Breakdown by Strategic Objective
2008 vs. 2007
 (\$'000s)

	2008 Budget	2007 Budget	Variance
Strategic Objective 1			
Legal	2,250	2,680	(430)
Consulting	2,119	1,782	337
Other	2,300	651	1,649
Total	6,669	5,113	1,556
Strategic Objective 2			
Legal	1,770	1,220	550
Consulting	7,657	8,263	(606)
Other	656	85	571
Total	10,083	9,568	515
Strategic Objective 3			
Legal	2,660	2,810	(150)
Consulting	1,726	1,515	211
Other	440	300	140
Total	4,826	4,625	201
Strategic Objective 4			
Legal	525	125	400
Consulting	119	150	(31)
Other	40	0	40
Total	684	275	409
Strategic Objective 5			
Legal	225	225	0
Consulting	1,470	1,393	77
Other	640	748	(108)
Total	2,335	2,366	(31)
Total OPA			
Legal	7,430	7,060	370
Consulting	13,091	13,103	(12)
Other	4,076	1,784	2,292
Total	24,597	21,947	2,650

Note: Other = Audit and Stakeholder Consulting

BOARD STAFF INTERROGATORY 4

QUESTION

ISSUE 6.1

Reference: Exhibit D, Tab 1, Schedule 1, page 1, lines 15-16 and Exhibit A, Tab 1, Schedule 1, page 2, paragraph 4

On December 20, 2007 the Board issued an Interim Fees Order that allows the OPA to collect \$0.391/MWh starting January 1, 2008. On January 12, 2008 the OPA filed an Amended Submission for Review and proposed that the OPA charge a usage fee of \$ 0.346/MWh.

In the event that the Board's review result in a fee higher or lower than \$0.391/MWh what is the OPA's proposed mechanism for adjustment with respect to difference between interim and final approved fee?

RESPONSE

Should the OEB approve a usage fee that is lower or higher then the effective interim rate of \$0.391/MWh, the OPA proposes to implement the approved fee in the first full month after receipt of the OEB decision. Any variance resulting from the approved rate and the interim rate during the prior months would be captured in the 2008 Forecast Variance Deferral Account ("2008 FVDA"). The disposition of the 2008 FVDA balance would subsequently be addressed in the 2009 Revenue Requirement Submission ("2009 RRS").

Example:

Assuming that the OEB's review results in the lower fee of \$0.346/MWh, (as requested in the Amended Submission for Review at Exhibit A-1-1, Updated: February 11, 2008), the OPA proposes to implement the lower fee of \$0.346/MWh on the commencement of the first full month after receipt of the OEB decision, e.g., April 2008. For the prior months, from January to March 2008 the OPA will then have over-collected the difference between the \$0.346/MWh final fee and the interim fee of \$0.391/MWh. The revenue variance due to the different fees and the volume variance will be collected in the 2008 FVDA. The disposition of the 2008 FVDA balance will be addressed in the 2009 RRS.

BOARD STAFF INTERROGATORY 5

QUESTION

ISSUE 6.3

Reference: Exhibit D, Tab 3, Schedule 1, page 1

Please list and describe any variance and deferral accounts not included in the pre-filed evidence in 2008 OPA Fees Submission. If there are any such accounts please indicate the balances and proposed method of disposition.

RESPONSE

There are no other deferral accounts not included in the pre-filed evidence of the OPA's 2008 Revenue Requirement Submission.

BOARD STAFF INTERROGATORY 6

QUESTION

ISSUE 6.3

Reference: Exhibit D, Tab 3, Schedule 1, page 5

The OPA proposed that the credit balances in 2006, 2007 and 2008 Retailer Settlement Deferral Accounts and the 2007 and 2008 Retailer Discount Settlement Deferral Accounts be disposed at a time when the balances can be final and verifiable.

For each of these OPA deferral accounts please indicate the anticipated time when the aggregate balances will be known and discuss the rationale for delaying the disposition of the deferral accounts.

RESPONSE

The OPA does not have direct knowledge of contract timing related to the retailer deferral accounts. The market was frozen for new contracts in November 2002. At that time, some contracts were in transition and contained start dates beyond November 2002. As well, some accounts in remote parts of the province are on annual meter readings. If any of those accounts were subject to delayed start dates, the meter reading schedule could result in collection of the final aggregated amounts not until sometime in 2009.

Despite the fact that final retailer account balances and subsequent verification will still be outstanding in 2008, the OPA anticipates that by the 2009 Revenue Requirement Submission there will be a better understanding as to the magnitude of the accounts and if there are declining amounts being settled. The OPA proposes to file a methodology on the disposition of all the deferral accounts in the 2009 Revenue Requirement Submission.

The government procurement deferral accounts require no additional verification as they become final as the OPA is invoiced. However, in order to minimize the OPA administration costs and potential ratepayer confusion, the OPA has proposed to dispose of the government procurement deferral accounts in aggregate with the other retailer deferral accounts.

ELECTRICITY DISTRIBUTORS ASSOCIATION INTERROGATORY 1

QUESTION

The Government has directed the OPA to invest \$400 million in energy conservation programs through local distribution corporations ("LDCs") for a three-year period. The Usage Fee proposed in this proceeding is said to cover "Operating Costs", in particular, all of the items set out in Table 2 of Exhibit D, Tab 2, Schedule 1, page 3 of 12.

a. Please advise whether the Operating Costs in Table 2, and therefore the proposed User Fee, include all such costs in connection with the allocation of the \$400 million for the LDC programs.

b. If the User Fee only covers a portion of the operating costs in connection with the allocation of the \$400 million for the LDC programs, please give specifics as to what costs in connection with the allocation of the \$400 million for the LDC programs the User Fee will cover.

c. If any of the \$400 million for LDC programs is being used to cover OPA operating costs, please specify which operating costs are being covered with that fund and specify the quantum allocated to each operating cost.

RESPONSE

a. The budget as shown in Table 2, Exhibit D-2-1, page 3 is the operating budget of the OPA and excludes costs associated with the direct procurement of Conservation resources. All 2008 OPA operating costs associated with the above-noted government directive are included in this 2008 operating budget.

b. Please see response to a), above.

c. Please see response to a), above.

ELECTRICITY DISTRIBUTORS ASSOCIATION INTERROGATORY 2

QUESTION

According to Exhibit B, Tab 2, Schedule 1, page 4 of 31, the OPA plans to have 26 programs in market in 2008. Please break down the Budget to illustrate the portion allocated to each of the 26 programs.

RESPONSE

The table below shows an estimated breakdown of the 2008 budget by program. Many of the budgeted items cannot be assigned to a specific program and are therefore shown as general initiatives. The OPA will reassign budget and resources among programs during the course of the year based on the OPA's understanding of need.

2008 Budget Details		
Strategic Objective #2		\$ Thousands
Mass Markets	peaksaver™	107
	Refrigerator	336
	Every Kilowatt Counts	185
	Cool/Hot Savings	215
	Aboriginal	85
	Summer Savings	146
	Single Family Low Income	39
	Residential New Construction	106
	LDC Custom Programs	106
	Community Engagement	112
	New Appliance	230
	Home Energy Efficiency	109
Commercial and Institutional	Electricity Retrofit Incentive	77
	Ontario Farms	83
	Commercial Direct Install	108
	Large Commercial Buildings	120
	Multi-Family Buildings	123
	Commercial New Construction	49
	Fuel Switching	58
	Building Recommissioning	201
Industrial	Institutional	198
	Demand Response 1	49
	Demand Response 2	115
	Demand Response 3	237
	Industrial Process & Technology	395
	Demand Response 4	124
Conservation & Technology Funds		4355
Conservation Awareness		2169
Research		980
Portfolio/Channel Development		995
Codes & Standards		560
Conservation Unallocated ⁽¹⁾		7789
<i>Conservation Total</i>		<i>20561</i>
<i>Conservation Bureau</i>		<i>985</i>
<i>EM&V</i>		<i>1641</i>
<i>Legal & Regulatory</i>		<i>1770</i>
<i>Communications</i>		<i>738</i>
<i>Information Systems</i>		<i>750</i>
Grand Total		26445

(1) - predominantly compensation and benefits and related staff costs

ELECTRICITY DISTRIBUTORS ASSOCIATION INTERROGATORY 3

QUESTION

According to Exhibit B, Tab 2, Schedule 1, page 28 of 31, Table 14, the OPA plans to spend \$10.083 million on Professional and Consulting Costs during 2008.

a. Please identify the activities (including sub-categories of activities, be as specific as possible) that these external professionals and consultants will be undertaking (e.g. market research, consumer surveys, program design, etc.).

b. Please allocate these projected costs to each of the above activities.

RESPONSE

a. The activities that are budgeted in the Professional and Consulting costs include the following activities:

- Marketing for programs;
- Market research;
- Technology research;
- Other program research;
- Financial audits of programs;
- Project verification and settlement;
- Development of tools and infrastructure;
- Support and sponsorship of committees and associations aligned with OPA goals in areas such as codes and standards;
- Facilitation for program design and program stakeholdering; and
- External legal costs.

b. The OPA does not have the budget broken out to this level of detail.

ELECTRICITY DISTRIBUTORS ASSOCIATION INTERROGATORY 4

QUESTION

According to Exhibit B, Tab 2, Schedule 1, pages 3-4 of 31, staffing levels have doubled.

- a. Please explain the analysis used to determine the staffing requirements for 2008.
- b. Please allocate Conservation FTEs for each of the 26 programs.

RESPONSE

- a. The OPA determined the number of staff ("FTEs") required to meet the Conservation objectives through an internal business planning process. The analysis considered the OPA's experience gained in 2006 and 2007 in running programs within each market sector, and projected this need to the program portfolio of 26 programs planned in 2008. An estimate was also required of the number of employees that it would take to provide support services to the Conservation program delivery effort. These support services include roles within the Conservation and Sector Development division such as Portfolio Planning and Reporting, Market Research, Administrative, Conservation and Technology Funds as well as roles in other departments such as EM&V, Chief Energy Conservation Officer and staff.
- b. It is not possible to precisely allocate the Conservation FTEs to the specific programs. This is because most employees work on more than one program or are support employees working with all programs. The 41.7 Conservation FTEs listed in Table 2, Exhibit B-2-1 have been allocated by sector in the following table:

Conservation Programs & Marketing FTEs

	2008 Budget	2007 Budget	Variance	2007 Forecast
Commercial & Institutional	11	8.9	2.1	10.2
Mass Markets	14	7.3	6.7	8.1
Demand Response & Industrial	7	4.4	2.6	5.2
Channel Development	1		1.0	1
Marketing	8.7	5	3.7	6.2
Total	41.7	25.6	16.1	30.7

ELECTRICITY DISTRIBUTORS ASSOCIATION INTERROGATORY 5

QUESTION

According to Exhibit B, Tab 2, Schedule 1, page 4 of 31, Table 2, the OPA plans to have 2 FTEs working on Codes and Standards.

- a. Please provide a detailed breakdown of the activities associated with these FTEs and the time which has been allocated to each such task. Please include organizations they will be working with and the Codes and Standards they will be influencing.
- b. Please provide details of the level of funding that might be provided to these organizations (Table 7, Exhibit B, Tab 2, Schedule 1, page 13 of 31).

RESPONSE

The two FTEs working on Codes & Standards are the Manager, Planning, Codes & Standards and the Program Manager, Codes & Standards. This group is responsible for planning codes and standards approaches and also for planning market transformation approaches.

The key codes and standards activities are set out in Exhibit B-2-1, Table 7. This table has been supplemented by Table 1 below entitled "Staff Time Allocation", which includes approximate staff time allocation and market transformation activities.

The OPA is developing market transformation plans that will identify a broad slate of Minimum Energy Performance Standards ("MEPS") to achieve the longer-term objectives identified in the Integrated Power System Plan.

In 2008, the groups with which the OPA expects to work regarding MEPS are listed below. Also listed are the MEPS that each group is seeking to influence.

- Forum for Energy Efficiency Leadership: a forum which brings together government and utility strategic planning staff to collaborate on market transformation planning and MEPS regulation. The Forum is seeking to develop and/or support national market transformation plans for six priority end uses: residential appliances, residential space conditioning, commercial space conditioning, lighting, stand-by power and hot water.
- Strategic Lighting Initiative Committee ("SLIC"): oversees the work necessary to put in place the overarching market measures required to realize the vision of "transforming the incandescent lighting market to high efficiency alternatives by 2015". Members include, Natural Resources Canada, Canadian Electricity Association, BC Hydro, Hydro-Quebec, SaskPower, Manitoba Hydro, Government of Ontario, Hydro One, Hydro Ottawa, Nova Scotia Power, and Maritime Electric. SLIC is seeking to influence lighting regulations.

- 1 • Stand-by Power Advisory Committee ("SPAC"): oversees the work necessary to
2 achieve the vision of 1 watt stand-by power in all electronic devices by 2012. Members
3 include utilities, environmental NGOs and governments. SPAC is seeking to influence
4 stand-by power regulations.
- 5 • Consortium for Energy Efficiency ("CEE"): a nonprofit public benefits corporation which
6 develops initiatives for its North American members to promote the manufacture and
7 purchase of energy-efficient products and services. CEE members include utilities,
8 statewide and regional market transformation administrators, environmental groups,
9 research organizations and state energy offices in the U.S. and Canada. CEE seeks to
10 influence a broad spectrum of minimum and advanced standards.
- 11 • American Council for an Energy Efficient Economy ("ACEEE"): a nonprofit, 501(c)(3)
12 organization dedicated to advancing energy efficiency as a means of promoting both
13 economic prosperity and environmental protection. ACEEE seeks to influence a broad
14 spectrum of MEPS.
- 15 • Canadian Standards Association ("CSA"), including the Steering Committee on
16 Performance, Energy Efficiency and Renewables: a standards development
17 organization currently working on over 50 new or revised MEPS (listed below). The
18 OPA, along with five other funders, supported the CSA standard development work in
19 2007. The OPA provided funds for eight standards projects, all of which had an impact
20 on the summer peak. Details are provided below.

21 OPA Co-Funded Projects

- 22 • Portable A/C C370
- 23 • Digital TV Adapters C380
- 24 • Ext Power Sup & Bat Chrgrs C381.1/.2
- 25 • Large Motors C390
- 26 • Standby Power C62301
- 27 • Small Motors C747
- 28 • LED Performance C866
- 29 • Res Light Fixtures C867

Table 1: Staff Time Allocation	Description	Manager	Project Manager
Codes & Standards			
Research & Planning	The identification of and justification for increases to MEPS based on priorities identified in the IPSP Work with government and utilities to refine and collaborate on data collection, evaluation and reporting of MEPS work	2%	35%
Institutions & Process	Identify key institutions and influencers and develop account management plans Work with other utilities and governments to improve the process to achieve MEPS regulation Participate in appropriate groups to share knowledge and best practices and collaborate on action		15%
Standards Development	Participate in CSA groups Fund the development of standards		10%
Promoting Regulation	Develop and implement program to improve identified MEPS Continue with activities from 2007 Support federal government's lighting and stand-by power programs, as needed	2%	15%
Market Transformation			
Planning	Develop, through internal and external consultation, residential and C&I market transformation plan Identify key committees and associations for membership and initiate Develop and implement account plans for key influencers	65%	10%
Evaluation	Develop plan to measure market transformation in residential and C&I market	5%	5%
Other tools	Participate in organization of relevant conferences, and research on best practices	6%	
Budget, Admin, & Other	Including Regulatory support, reporting support, account management, advice on MEPS and technology to other divisions	25%	10%

ENERGY PROBE INTERROGATORY 1

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 3.

Please provide concrete and measurable indicators of success in reference to stakeholder and OEB acceptance of the OPA's IPSP, especially in reference to Phase 1 of OEB's hearings on the IPSP.

RESPONSE

Success in reference to stakeholder relations will be measured through public surveys, focus groups and interviews that indicate general approval of OPA IPSP activities, as covered under Strategic Objective 5 and detailed in the evidence at Exhibit B-5-1, pages 8-12.

Success in terms of OEB acceptance of the OPA's IPSP will be indicated when the OEB has reviewed the plan and if it has determined that it complies with Supply Mix Directive dated June 13, 2006 and is economically prudent and cost-effective.

ENERGY PROBE INTERROGATORY 2

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 3.

Please describe how and by what criteria "current IPSP developments" are being monitored to achieve success.

RESPONSE

The OPA monitors current IPSP developments by scrutinizing demand load trends, measuring Conservation achievements, and observing progress of various Conservation and supply procurement RFPs and transmission developments. The criteria for monitoring success of current IPSP developments are based on the progression of implementation and achievement.

ENERGY PROBE INTERROGATORY 3

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 4.

Please explain how the OPA “will monitor planning choices, trends and technological and regulatory developments in other jurisdictions for incorporation into future local area supply planning.”

RESPONSE

The OPA intends to carry out research into recent developments in distributed generation, end-use technologies, new transmission technology developments, and other trends by attending conferences, subscribing to related research services and literature, monitoring regulatory proceedings, contributing to development of standards, interacting with and reviewing work undertaken in other jurisdictions, and seeking stakeholder views.

ENERGY PROBE INTERROGATORY 4

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 4.

Please explain how “measures of success” for “solutions” on local area supply concerns “have been developed.”

RESPONSE

Successful alternatives for addressing local area supply concerns are developed in consultation with local communities, the IESO, transmitters, distributors, project developers, and other stakeholders. Success is measured by developing solutions that meet planning criteria.

ENERGY PROBE INTERROGATORY 5

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 4.

Please explain what specific steps are being taken by the OPA to “streamline approval processes” at the local level in relation for the “installation of electricity infrastructure, lack of zoning for electricity infrastructure in official plans, and ...[the problem of duplication].”

RESPONSE

The OPA continues to provide information and to engage stakeholders as a contribution to effective approval processes. The OPA participates in regional municipal planning activities and makes presentations to raise awareness and encourage the addition of electricity requirements into city infrastructure planning. For example, the OPA attended:

- the Peel Region Official Plan Review Workshops on Energy Planning;
- the Technical Agencies Committee for the Halton-Peel Boundary Area Transportation Study;
- the Peel Technical Advisory Committee; and
- GTA Commissioners' Meeting.

ENERGY PROBE INTERROGATORY 6

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, page 5.

Please describe what specific “measures of success” i.e. what criteria and/or evaluation methodologies are being/will be used to assess the “streamlining of local [electricity installation] approval processes” for purposes of “integrating” provincial infrastructure into “municipal planning” initiatives.

RESPONSE

The measure of success will be to see electricity requirements, including Conservation, transmission and generation that would meet future local community needs, considered in municipal planning.

ENERGY PROBE INTERROGATORY 7

QUESTION

Reference: Exhibit B, Tab 1, Schedule 1, pages 5-7.

Going beyond the details of Table 1 (p. 6), please explain why the 2008 budget for Strategic Objective # 1 i.e. \$10.445 million is adequate and appropriate. How and why will the budget for activities related to this Strategic Objective likely change in 2009?

RESPONSE

The 2008 Budget was developed based on assumptions about when the IPSP regulatory proceeding will begin and end, the legal costs that will be incurred, and the effort the OPA will put in preparing for the next IPSP. The 2008 Budget is believed to be adequate and appropriate because it relies upon OPA's previous experience in developing the Supply Mix Advice in 2005, the IPSP related discussion papers in 2006, and IPSP activities carried out in 2007. The accuracy of the 2008 Budget largely depends on how assumptions made about the current IPSP regulatory proceeding materialize.

Based on the assumption that the OEB will approve the IPSP, the budget for this strategic objective will change in 2009 because the OPA's focus will shift to implementation of the first IPSP, and it will be engaging in activities to prepare for the next IPSP. Further, it is expected that legal costs and intervenor funding, for example, will be lower in 2009 if the OEB proceeding for the first IPSP is completed by late 2008 or early 2009.

ENERGY PROBE INTERROGATORY 8

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 2, Table 1.

Please explain the rationale/methodology for arriving at/calculating the standardized “free rider rate” of “30%.”

RESPONSE

In planning the portfolio of programs for 2008, OPA committed to count Conservation resources generated by programs as being net of free riders. This required free rider metrics which are currently not available through program specific research. The OPA reviewed the free rider assumptions that are made in other jurisdictions, including Ontario's natural gas industry, and accepted 30% as a reasonable planning assumption. As programs are designed and better information becomes available through research and/or EM&V, free rider rates will be updated. For the purpose of reporting results, the actual free rider rate as determined through EM&V will be used.

ENERGY PROBE INTERROGATORY 9

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, pages 3-4.

Please explain why 66 FTE personnel for 2008 are adequate and appropriate, which means the OPA intends to double its personnel complement in support of Strategic Objective # 2.

RESPONSE

Please see response to Board Staff Interrogatory 2, at Exhibit I-1-2.

ENERGY PROBE INTERROGATORY 10

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, pages 4-9.

Please explain in detail how the OPA determines the impetus or demand for new programs that it will be introduced in 2008, specifically those programs identified in Tables 3, 4 and 5.

RESPONSE

The OPA developed the program portfolio for 2008 using a portfolio development process. The process included an internal scan of program opportunities guided by the priorities listed in the Market Potential Study used to inform the IPSP. Additionally, the OPA reviewed existing programs to determine their ability to continue to provide results. A gap analysis by ICF Consulting identified possible program enhancements and looked for gaps in the ability of programs to serve the market. Finally, the OPA engaged stakeholders through the Conservation Business Stakeholder Advisory Group to provide advice on the appropriateness of the portfolio.

In general, feedback from these processes indicated that the portfolio was complete. The OPA is committed to running these programs and will include the practical experience gained from the market in future portfolio development processes.

ENERGY PROBE INTERROGATORY 11

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, pages 5-6.

Please explain how the OPA verifies the Net MW savings identified in Table 3 for each of the 12 programs cited.

RESPONSE

In general, for the 12 programs cited, the OPA will verify each program's Net MW savings results using third-party evaluation contractors hired through a competitive procurement process. The exception is the continuing Large Commercial Building Program, where the program administrator is contractually responsible for procuring evaluation services for the program.

ENERGY PROBE INTERROGATORY 12

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 6, Table 3, Program # 7.

Please define the term "assist" in Table 3, Program # 7.

RESPONSE

"Assist" refers to providing information, education, other tools and/or incentives to program participants.

ENERGY PROBE INTERROGATORY 13

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, Table 4, page 7.

Please explain how Program # 2 "Electricity Conservation on Ontario Farms Program" will be integrated with OEB's effort to mitigate "stray voltage" especially on dairy farms in Ontario.

RESPONSE

The OPA currently has no formal plan to integrate the "Electricity Conservation on Ontario Farms Program" with the OEB's effort to mitigate stray voltage. To better understand the issue, the OPA is co-funding a study on stray voltage via the OPA's Technology Development Fund and its managing institution, CEATI (Centre for Energy Advancement and Technology Innovation, a subsidiary of the Canadian Electricity Association). The study entitled "HIGH FREQUENCY ELECTRO-MAGNETIC INTERFERENCE GENERATED BY POWER ELECTRONIC EQUIPMENT AT THE FARM ENVIRONMENT AND ITS EFFECT ON STRAY VOLTAGE" will explore links between electro-magnetic interference ("EMI") and stray voltage and its impact on day-to-day farm practice.

ENERGY PROBE INTERROGATORY 14

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 9, line 8.

Please define the goal: "build marketplace capability" in reference to the Conservation Fund.

RESPONSE

Fostering the development of Conservation industry capability is a critical objective for the OPA as meeting Ontario's targets for Conservation will be difficult without knowledgeable service providers and consumers. The Conservation Fund's goals regarding capability building include:

1. Increase delivery capability through the projects, and applicants' understanding of Conservation in their market;
2. Create forums for sharing best practices and collaboration for Conservation programs which contributes to the delivery capability; and
3. Support new or innovative capability building programs.

A complete listing of projects funded in 2007 is located at B-2-1, Table 10.

ENERGY PROBE INTERROGATORY 15

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 10, line 2.

Please provide the program evaluation results for the “44 pilot projects” the OPA has carried out since 2005. What is the basis for pursuing conservation “pilot projects?” What criteria are used to carry forward with conservation “pilot projects?”

RESPONSE

While the evaluation results for the projects are not available for release to the public due to the confidentiality of details specific to each individual counterparty, all projects with written deliverables are posted to the OPA website at www.powerauthority.on.ca/cfund. The reason, or basis, for pursuing Conservation pilot projects is explained on page 3 of “Conservation Fund – 2007 Program Guidelines,” available publicly on the OPA website at www.powerauthority.on.ca/cfund. The evaluation criteria used to approve pilots is outlined on page 12 of the same document.

ENERGY PROBE INTERROGATORY 16

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 10.

Please explain why pilot programs for “limited or niche applications” are necessary.

RESPONSE

The OPA is scheduled to have 26 programs in market by the end of 2008, and by that time, the OPA will have achieved broad market coverage. Going forward, there is an opportunity to undertake pilots which explore the potential for Conservation savings using program concepts applied in a specific sub-sector and/or employing a specific technology or application. Exploration of “limited or niche applications” in a pilot setting is a very useful function within the OPA by which future program approaches or opportunities can be identified. The OPA can also improve upon currently employed programs by exploring more targeted approaches to complement the OPA’s broad coverage represented by its 2008 portfolio.

ENERGY PROBE INTERROGATORY 17

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 10.

Please identify when the EM&V “metrics” will be available “to inform [OPA] internal decision-making” on the Conservation Fund.

RESPONSE

The EM&V metrics which will inform the OPA decision-making will be completed for use as of Round Two of project selection for the Conservation Fund, for which the proposal deadline is June 25, 2008. The metrics are consistent with the EM&V metrics applied to Conservation programs, but will be flexible enough to be applied to pilots of varying types and scales.

ENERGY PROBE INTERROGATORY 18

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 10.

Please explain why the Technology Development Fund is organized under the institutional rubric of Conservation when "TDF does not apply solely to Conservation initiatives."

RESPONSE

The Technology Development Fund is a program that operates in a similar manner to the Conservation Fund, employing similar recruitment, approvals, assessment, administrative and governance processes, and shared staff resources. It was determined that the most efficient approach is to have both funds managed in the same group, while maintaining relationships with other relevant divisions horizontally, such as Power System Planning and Electricity Resources.

ENERGY PROBE INTERROGATORY 19

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 11.

Please describe any additional plans to outsource development of “new and emerging technologies” related to Conservation or any other OPA function.

RESPONSE

The OPA has no plans to outsource the development of “new and emerging technologies” at this time.

The OPA has partnered with two outside organizations to help manage the identification, selection, and management of projects awarded funding through the Conservation Fund. In this sense, therefore, the OPA has outsourced to two outside organizations some of the aforementioned functions. These two organizations are the Centre for Energy Advancement and Technology Innovation and the Ontario Centres of Excellence, Centre for Energy. For more information see “Technology Development Fund – 2007 Program Guidelines” publicly available on the OPA website at www.powerauthority.on.ca/tdfund.

ENERGY PROBE INTERROGATORY 20

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, Table 6, page 12 and page 23, lines 6-12.

Please justify the frequent use (weekly) of market research field-testing related to conservation awareness adopted by the OPA. What specific value is there in knowing aggregate public opinion on a weekly basis, when it is well accepted in the market research profession that market/public opinion does not perceptibly change inside 7 days, in the absence of major or catastrophic events? What actual marketing programs have been adopted by the OPA in reference to mass market Conservation programs e.g. the EKC program.

RESPONSE

In 2007, the OPA measured program and program messaging awareness, not Conservation awareness, on a weekly basis, since public awareness of programs and of program messaging can be much more volatile than public opinion. This measuring will continue in 2008.

Market research was done weekly before, during and after program periods in 2007 to measure the awareness and effectiveness of mass market programs and supporting program marketing communications strategies to inform messaging strategies for the current and future years.

Weekly surveys allowed the OPA to monitor how quickly, and to what level, awareness of each program and its messaging rose and how quickly, if at all, after the end of program messaging awareness started to decline (and, again, to what level).

Weekly market research throughout the program period gave the OPA an indicator, in time to make any changes necessary, of whether current-year messaging strategies were being effective or needed to be adjusted. Knowing how quickly, and to what level, program and messaging awareness rose and fell is important input to media planning for future programs.

Conservation awareness surveying is done on a much less frequent basis through the OPA Usage and Attitude research.

The OPA launched 6 key marketing programs in 2007:

1. Every Kilowatt Counts Coupon event (Spring and Fall);
2. Summer Savings;

- 1 3. peaksaver^{TM*};
- 2 4. The Great Refrigerator Roundup;
- 3 5. Cool Savings Rebate; and
- 4 6. Aboriginal – Conserve the Light event.

5 Programs in 2008 will be essentially the same as will marketing communications support
6 for these programs, including a media buy consisting of radio, print, transit shelters and
7 online. Additionally, in 2007, delivery partners developed “direct to customer” marketing
8 tactics that included bill inserts, newsletters, website promotion and grass roots and local
9 media events, which will continue in 2008.

ENERGY PROBE INTERROGATORY 21

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 13.

Specifically define and explain: "situational assessment," "target setting and program prioritization," and "portfolio finalization."

RESPONSE

"Situation assessment" is a review of:

- the existing program performance;
- the market conditions as they relate to Conservation typically done as a SWOT (strengths, weaknesses, opportunities, threats) analysis; and
- any other information that enhances the understanding of the market for Conservation.

"Target setting and program prioritization" is the setting of targets for programs in the coming year, usually expressed as a capacity reduction or awareness goal. "Program prioritization" refers to the review of all potential programs being considered against a set of criteria that allows the OPA to select the programs that are the best fit with the needs of the IPSP. In 2008, the OPA intends to revisit the criteria with the assistance of the Conservation Business Strategic Advisory Council.

"Portfolio finalization" is the decision on the final portfolio of programs to meet the following year's objectives.

ENERGY PROBE INTERROGATORY 22

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 14.

Please explain in a complete and comprehensive fashion the nature, scope and methodologies used in OPA's Evaluation, Measurement and Verification system for Conservation programs, and how the nature, scope and methodologies will change in 2009. Please respond in a fashion that describes OPA's EMV activities beyond "tracking" activities and the description provided on page 15, lines 1-7 and lines 10-29. Will formal evaluations be available to the public on OPA's Internet website.

RESPONSE

A complete and comprehensive description of the nature, scope and methodologies used in the OPA's Evaluation, Measurement and Verification system can be found in the materials presented at the Webcast/Teleconference Presentation on the EM&V Framework on Thursday, October 25, 2007 and at the EM&V Stakeholder Session held on November 6, 2007. A copy of these materials is available on the OPA's Internet website under Stakeholder Consultation / Consultation Archive / Evaluation, Measurement and Verification at the link:

http://www.powerauthority.on.ca/Page.asp?PageID=122&ContentID=6271&SiteNodeID=313&BL_ExpandID=

The primary documents included in the aforementioned materials, are the OPA EM&V Framework and OPA Evaluation Protocols. The OPA is not able to commit to EM&V methodologies for 2009 in this 2008 Revenue Requirement Submission; however, refinements to the existing methodologies as well as additional details with respect to EM&V activities may be introduced as the OPA gains experience from the process of conducting evaluations on the 2007 programs. The OPA EM&V Framework and OPA Evaluation Protocols will be updated to reflect these refinements, if any.

Formal evaluation reports are expected to be made public via the OPA Internet website on an annual basis. The OPA will provide the formal evaluation reports from the third-party evaluation contractors without editing except in situations where commercially sensitive information is contained in the reports. In these situations, a redacted evaluation report would be provided with the commercially sensitive information removed or "blacked-out".

ENERGY PROBE INTERROGATORY 23

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 16.

Please explain how the OPA will be able to overcome the difficulties cited on page 16, lines 21-29 in 2008.

RESPONSE

In the course of 2007, the OPA gained experience in the development of programs which has helped the OPA to develop timelines and anticipate difficulties in program implementation. This experience will lead to improved delivery of programs. Additionally, the OPA has started the process of improving staffing levels for the quantity of programs that will be delivered in 2008.

ENERGY PROBE INTERROGATORY 24

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, page 17.

Please report on OPA's ability to meet Conservation program MW savings targets identified in EB-2006-0233 i.e. 40-50 MW in "mass markets" and 225-250 MW in "business markets."

RESPONSE

The data covering the 2007 results is still being submitted and compiled. Once submitted and compiled they will be subject to evaluation and verification which may adjust the reported results. Early indications are that the mass markets target of 40-50 MW will be surpassed. As mentioned in Exhibit B-2-1, page 16, there was a delay in the delivery of some programs particularly in business markets. As a result, the target for business markets will not be met.

ENERGY PROBE INTERROGATORY 25

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, Table 13 page 26.

Please indicate whether EM&V activities by the OPA for Conservation are principally a new programs development function carried out on an a priori basis or a post facto Conservation program evaluation function. Is "cost-effectiveness" the primary criterion for evaluation in either case?

RESPONSE

EM&V activities by the OPA for Conservation include both a "new programs development function" and a "Conservation program evaluation function". The "new programs development function" includes the EM&V group's active involvement in the portfolio and program development processes, specifically:

- providing assistance to portfolio and program development by confirming the appropriate input assumptions to use in program design;
- bringing program learnings obtained from evaluations on similar programs performed in other jurisdictions (e.g., program delivery);
- ensuring sufficient data is collected in-program in order to facilitate verification of the program impacts and program evaluation; and
- bringing industry experience to the process.

EM&V activities with respect to "Conservation program evaluation" should be clarified. As described in the OPA EM&V Framework and OPA Evaluation Protocols, the OPA Conservation program evaluations start prior to program launch with the development of the program's evaluation plan and the hiring of the third-party evaluation contractor (it was not possible to follow this process for the 2007 Conservation programs but will be implemented for 2008 Conservation programs). EM&V activities may occur prior to program launch (e.g., baseline studies), in-program (e.g., data collection, participant surveys), and post-program, depending on the particular Conservation program and the nature of the evaluation activities contained in the Final Evaluation Plan developed by the third party evaluation contractor. A more accurate characterization would be that EM&V activities are involved throughout the entire program cycle.

"Cost Effectiveness" is not a primary criterion for EM&V activities; however, the evaluation of the inputs used in determining "cost effectiveness" are generally of primary interest in the OPA's EM&V activities. EM&V is tasked with evaluating the programs against the objectives that each program established. This typically includes cost effectiveness but often includes other objectives as well.

ENERGY PROBE INTERROGATORY 26

QUESTION

Reference: Exhibit B, Tab 2, Schedule 1, pages 28-29.

Please account for OPA's decision to make Conservation and Strategic Objective # 2 the largest spending envelope for the organization in 2008 (\$26.445 million). and previously.

RESPONSE

The budget is established based upon the OPA's determination of the resources required to achieve Strategic Objective 2. The tasks required to successfully meet the Conservation objectives to deliver the required Conservation resources and build market capability are significant and are reflected in staff levels and operating budgets.

ENERGY PROBE INTERROGATORY 27

QUESTION

Reference: Exhibit B, Tab 3, Schedule 1, page 5, lines 27-28.

Has the OPA considered expanding its plans for outsourcing electricity development in 2008 and 2009 i.e. beyond current plans?

RESPONSE

The 2008 Budget reflects the OPA's assessment of the optimal balance of OPA staff and Consultants (i.e., legal, auditing, and technical) to ensure it meets its objectives.

ENERGY PROBE INTERROGATORY 28

QUESTION

Reference: Exhibit B, Tab 4, Schedule 1, page 5.

To what extent does the OPA intend to involve itself in emissions trading program going into the future?

RESPONSE

The OPA will involve itself in an emissions trading program only as advised by the Ministry of Energy. The renewable trading programs are currently suspended at the Ministry's request.

ENERGY PROBE INTERROGATORY 29

QUESTION

Reference: Exhibit B, Tab 5, Schedule 1, page 3.

Please explain how the Finance and Business Services Group is organizing and ensuring capacity on the evaluation management function in 2008.

RESPONSE

An EM&V group has been created at the OPA to address the evaluation management function in 2008. To obtain unbiased program evaluation results and to ensure evaluation capacity, third-party evaluation contractors, selected through the OPA's competitive procurement process, will be hired to conduct program evaluations (this includes the development and implementation of the program's final evaluation plan).

In an effort to organize the evaluation management function and to provide consistent forecast, reported, and verified results in 2008, EM&V has created a number of processes and supporting documents including the OPA Evaluation Framework, OPA Evaluation Protocols, OPA Measures and Assumptions List, OPA Cost Effectiveness Test Guide, and OPA Cost Effectiveness Tests Tool. The OPA anticipates annual refinements to its processes and supporting documents based on experience gained from past year's evaluations as well as stakeholder input. To further organize the evaluation management function, EM&V has developed a generic four-stage evaluation process that is applied to each program in support of its evaluation. The four stages of the process are: Program Design Assistance; Draft Evaluation Plan Development; Final Evaluation Plan Development; Program Evaluation; and Feedback of Results.

ENERGY PROBE INTERROGATORY 30

QUESTION

Reference: Exhibit B, Tab 5, Schedule 1, pages 11-12.

Please report the results of opinion polls that indicate "OPA is widely viewed as an authoritative source of information on electricity," and please report the research that indicates OPA has the "majority approval" of key stakeholders.

RESPONSE

The use of opinion polling for the purposes of measuring public perceptions on the OPA's work is an activity planned for implementation in 2008. To date, historic polling activity has not been used to provide indications on the perceived quality or value of the OPA communications work, but rather in support of perceptions related to electricity infrastructure, issues and Conservation programs.

ENERGY PROBE INTERROGATORY 31

QUESTION

Reference: Exhibit B, Tab 5, Schedule 1, pages 15 and 19.

Please explain why OPA personnel turnover figures for 2007 have been higher than expected.

RESPONSE

Given robust job creation and highly competitive labour market conditions in the GTA and across Canada in 2007, the OPA's 2007 turnover target was set too low. The OPA's actual 2007 turnover rate was 9.5%. This rate is comparable to turnover rates experienced generally by employers in 2007.

ENERGY PROBE INTERROGATORY 32

QUESTION

Reference: Exhibit C, Tab 1, Schedule 1, page 1.

Please explain why the firm, Morrison Park Advisors, continues to be hired as an outside consultant on stakeholder relations without a competitive bid. Why is the contract with Morrison Park Advisors for three years?

RESPONSE

The retention of Morrison Park Advisors ("MPA") was done in accordance with the OPA's procurement policy. MPA offers a uniquely skilled and experienced advisor who has been able to help improve the OPA's in-depth knowledge of specific industry issues.

The term of the contract is not for three years, but is a month-to-month arrangement, terminated by either party on one month's notice. Incorrect information appears in Exhibit C-1-1, page 1.

ENERGY PROBE INTERROGATORY 33

QUESTION

Reference: Exhibit D, Tab 1, Schedule 1, page 1.

Please explain the circumstances that led the OPA to choose a \$0.346/MWh. usage fee against Ontario electricity customers starting Jan. 1, 2008. What are OPA's future plans for this provincial ratepayer user fee? Will OPA and the implementing LDCs require a rate rider to pay the fee?

RESPONSE

In accordance with the *Electricity Act, 1998* (the "Act"), subsection 25.20(1) and (2), the OPA recovers its cost by establishing a fee that is approved by the Ontario Energy Board.

Fees and charges

25.20 (1) The OPA may establish and impose fees and charges to recover,

(a) the costs of doing anything the OPA is required or permitted to do under this or any other Act; and

(b) any other type of expenditure the recovery of which is permitted by the regulations, subject to any limitations and restrictions set out in the regulations. 2004, c. 23, Sched. A, s. 31 (1).

Collection

(2) The IESO shall, in accordance with the regulations, collect and pay to the OPA all fees and charges payable to the OPA. 2004, c. 23, Sched. A, s. 31 (1).

The specific derivation of the \$0.346/MWh fee, is provided at Exhibit D-3-4, page 5, wherein the OPA proposes to offset its 2008 operating costs with its 2008 registration fee, 2007 and 2008 forecast variances, and fund adjustment to expenses. The OPA has no plans to change the method for deriving its fee or recovering its costs in the future.

IESO collection of the OPA fee is carried out in a manner consistent with the IESO collection of its own fee, which is to recover the fees from directly-connected customers including local distribution companies ("LDCs"), as part of the Wholesale Market Charge. LDCs then recover the OPA fee as a component of the Wholesale Market Charge from their customers, under the line item "Regulatory Charge" on customers' bills.

The IESO only adjusts the OPA fee component of the Wholesale Market Charge upon receipt of an OEB order approving a change. The LDCs do not implement any rate riders to recover the OPA fee from Ontario ratepayers.

GEC/PEMBINA/OSEA INTERROGATORY 1

QUESTION

ISSUE 1.1

Reference: B-1-1, page 4

- a) Does OPA see itself as having a role in facilitating a coherent, streamlined, simplified process for distributed generation approvals, implementation and contracting?
- b) Please provide details describing the budget and resources assigned and the efforts OPA has made in 2007 and is expected to make in 2008 in that regard for distributed generation initiatives generally, and for renewable generation in particular.
- c) Please outline what specific barriers OPA is seeking to reduce and how OPA is intending to pursue this (for example, analogous to its advocacy for socialization of enabler transmission costs for larger generation clusters, what reforms has OPA identified that it will advocate in the OEB's various consultations on distributed generation connection and rates)?

RESPONSE

- a) Yes, the OPA sees itself as one of a number of parties with a role in facilitating processes for streamlining distributed generation approvals. The OPA is able to assist in this process through implementation of the standard offer programs and participation in industry stakeholder consultations to achieve this goal. The work associated with this role does not amount to a material expenditure in the OPA's budget, as generally it requires only internal staff resources.
- b) Within the Electricity Resources division, budget and resources have been allocated for distributed and renewable generation initiatives as follows:

Budget and Resources for Distributed Generation and Renewable Generation

	Budget (2008)	Resources (2008)	Budget (2007)	Resources (2007)
Renewable Energy Standard Offer Program	\$239,000	1 FTE and 1 PEY (Professional Engineering Year – student); external legal counsel	\$224,000	1 FTE and 1 PEY
Clean Energy Standard Offer Program	\$288,000	1 FTE and 1 PEY; external legal counsel	\$290,000	1 FTE and 1 PEY
Renewable Energy Procurement	\$400,000	2 FTEs; external legal counsel	N/A*	N/A*

*The OPA did not budget for this initiative in 2007 but internal staff resources were utilized.

1 There are many other staff resources that are drawn upon from other areas including
2 Power System Planning, Legal, Regulatory, Communications, and EM&V, as well as the
3 time involved by the senior management in Electricity Resources.

- 4 c) As described in Exhibit B-1-1, page 4, barriers to the development of electricity
5 infrastructure in Ontario include local objections to the installation of electricity
6 infrastructure, lack of zoning for electricity infrastructure in official plans, and complex
7 and sometimes duplicative approval processes. An action plan to address these
8 barriers is outlined in Exhibit B-1-1, pages 4 and 5.

9 The potential for certain barriers through the regulatory process has been identified, and
10 is being addressed through OEB consultation processes currently underway. The OPA
11 is participating in these consultations, and has provided comments which are publicly
12 available on the OEB's website. The relevant proceedings are:

- 13 • EB-2007-0630 Distributed Generation: Rates and Connection;
14 • EB-2007-0031 Rate Design for Electricity Distributors; and
15 • EB-2008-0003 Transmission Connection Cost Responsibility Review.

16
17 The OPA has provided comments which are publicly available on the OEB's website as
18 follows:

- 19 • [http://www.oeb.gov.on.ca/documents/cases/EB-2007-0630/subs-
20 20070904/OPA SUB_20070824.pdf](http://www.oeb.gov.on.ca/documents/cases/EB-2007-0630/subs-20070904/OPA_SUB_20070824.pdf)
21 • [http://www.oeb.gov.on.ca/documents/cases/EB-2007-
22 0031/submissions/opa_20070518.pdf](http://www.oeb.gov.on.ca/documents/cases/EB-2007-0031/submissions/opa_20070518.pdf)
23 • [http://www.oeb.gov.on.ca/documents/cases/EB-2008-
24 0003/submissions/OPA_Submission_TCCRR_20080211.pdf](http://www.oeb.gov.on.ca/documents/cases/EB-2008-0003/submissions/OPA_Submission_TCCRR_20080211.pdf)

25
26 Further opportunity to participate will arise through the OEB's recently announced
27 Distribution Connection Cost Responsibility Review, which is expected to commence in the
28 latter half of 2008.

GEC/PEMBINA/OSEA INTERROGATORY 2

QUESTION

ISSUE 1.2b

Reference: B-1-1, page 3

- a) What programs are planned and what budget is allocated for each program that OPA intends to pursue in 2008 to address local supply constraints with targeted supply, targeted CDM or a combination?
- b) For each local constraint identified, please indicate the nature and extent of the supply problem being addressed and explain how OPA's proposed approach was developed in light of potential demand side and supply side responses identified. Please provide all studies that identify the potential for fast track CDM efforts in these particular areas and for renewable and higher efficiency generation such as CHP.

RESPONSE

- a) The OPA uses integrated solutions to address all local area supply constraints. Resources in Power System Planning, Electricity Resources, Conservation, Communications, and Legal and Regulatory all contribute to these integrated solutions. However, the OPA does not budget nor track its time in terms of local area supply projects versus other types of projects.
- b) The OPA considers this matter outside the scope of this proceeding, however, some information on the local area supply projects can be found in the Integrated Power System Plan Proceeding (see EB-2007-0707, Exhibit E, Tab 5).

GEC/PEMBINA/OSEA INTERROGATORY 3

QUESTION

ISSUE 2.2

Reference: A-6-1, page 42 and B-2-1 tables 3, 4 & 5

Please reconcile the MW targets listed in table 5.1 of A-6-1 with the values listed in tables 3, 4 & 5 of B-2-1.

RESPONSE

The MW targets listed at Exhibit A-6-1, page 42 represent the portfolio of programs and associated targets that will meet the 2008-2010 targets as detailed in the IPSP. The portfolio of programs and associated targets at Exhibit B-2-1, Tables 3, 4 and 5 represent the 2008 portfolio of programs that will contribute to the goal established for 2010 in the IPSP and by the Supply Mix Directive. These programs are expected to continue to contribute further reductions over the remainder of the 2008-2010 period, and will be supplemented by additional programs to achieve the 2010 targets.

GEC/PEMBINA/OSEA INTERROGATORY 4

QUESTION

ISSUE 2.2

Reference: B-2-1 tables 3, 4 & 5

- a) Please provide MWhr estimates for each program in tables 3, 4, & 5 and explain how OPA develops its MW and MWhr expectations for the various programs.
- b) Please indicate if and how OPA's evaluation of 2008 CDM activities will consider MWhr goals. How will success at obtaining energy savings be determined?
- c) Does OPA view maximization of MWhr efficiency to be an appropriate guiding principle for the design and delivery of its CDM programs and portfolio in 2008? If not please explain and indicate how OPA will avoid lost opportunities due to capital stock turnover and due to lost efficiencies of scope in program delivery.

RESPONSE

- a) Estimates of MWh savings for 2008 programs, where available, are shown in the following table. These estimates are derived using assumptions of the load shapes for the end-use technologies and are estimates only. As such, the OPA does not consider these estimates to be targets.

The OPA utilizes a number of factors in developing the various programs and expectations, including: research studies, past performance, experience from other jurisdictions, overall objectives and directives, as well as internal and external expertise.

2008 Estimated MWh Savings

Every Kilowatt Counts	15000
Refrigerator Round-up	98000
Commercial Direct Install	13000
Aboriginal	1000
Cool/Hot Savings	22000
Electricity Retrofit Incentive	60000
Single Family Low Income	6000
Industrial Process & Technology	223000
Multi-Family Buildings	64000

1 b) The OPA designs Conservation programs primarily to deliver capacity reductions in line
2 with the needs of the IPSP. Programs may also achieve energy savings or increase
3 conservation awareness, and often the programs serve to meet more than one of these
4 goals. The 2008 portfolio of programs will be evaluated against the specific objectives
5 that are established when each program is designed.

6 The OPA will, in its reporting of program results, capture energy savings where the
7 information is available. As the OPA has not established any energy savings targets, a
8 success measure for energy savings does not exist.

9 c) While the OPA sees value in delivering energy savings, the OPA has, in the short term,
10 focused its efforts on delivering the capacity reductions as required in the IPSP and as
11 laid out in the Supply Mix Directive. Given the magnitude of the short-term targets, the
12 OPA does not have the ability to add focus on maximizing energy savings. The OPA
13 therefore accepts that there will be lost opportunities due to capital stock turnover.

GEC/PEMBINA/OSEA INTERROGATORY 5

QUESTION

ISSUE 2.2

Reference: B-2-1, page 14

Concerns have been expressed by some stakeholders about the underestimation of supply costs (particularly nuclear costs) in the IPSP. Please confirm our understanding that the avoided costs that are associated with OPA's IPSP proposal are generally lower than those that the OEB published in its guidelines. Is OPA is currently utilizing the OEB avoided costs or those developed for the IPSP to design and evaluate its 2008 CDM programs?

RESPONSE

The OPA considers the matter of avoided costs associated with the OPA's IPSP proposal to be outside the scope of this proceeding. The OPA confirms that avoided costs used for program design and evaluations in 2008 are those that were developed and filed in the IPSP.

GEC/PEMBINA/OSEA INTERROGATORY 6

QUESTION

ISSUE 2.2

Reference: B-2-1, page 31 and A-9-1, page 14

- a) The ICF report that OPA commissioned as part of the CBSAG CDM consultations noted:

We also note that the assessment of CDM potential contains a discussion of “negative reduction” for multi-residential and for commercial sectors due to increase in number of units using electric heat. If this growth in electric heat refers to efficient applications such as ground source heat pumps or installations which allow load shifting (i.e. storage heaters) then the use of electric heating may be appropriate. In many instances, however, the use of electric resistance heating can be eliminated by improved building and HVAC system design, increasing overall efficiency. This implies an opportunity to manage this “negative potential” as an element in any fuel substitution or new construction programs.

How has OPA addressed this concern in its 2008 CDM portfolio?

- b) Please provide details comparing the expected 70 MW of fuel switching (noted at A-9-1, p. 14) to OPA’s information on potential opportunities for fuel switching?

RESPONSE

- a) The 2008 CDM portfolio has addressed this concern in two ways. First, the fuel switching program, currently being developed includes geo-thermal and solar-thermal applications as both derive their primary energy from sources other than electricity. Second, the New Commercial Buildings Construction Program has a custom applications stream that considers the overall modeled energy use of a new building and compares it to the building code. The incentive is calculated on the net impact based on the overall building performance and not on a particular prescriptive technology.

- b) The OPA considers this matter to be outside the scope of this proceeding as the 70 MW of fuel-switching is a 2010 target.

GEC/PEMBINA/OSEA INTERROGATORY 7

QUESTION

ISSUE 2.2

Reference: B-2-1, page 31

The ICF report noted OPA's MW targets as follows:

Table 10: Existing Program Targets vs. Potential

Existing Programs Targets vs. Potential			
Sector	Achievable as % of Economic	Program Target as % of Achievable	Resulting Target as % of Economic Potential
Residential	41%	14%	6%
Commercial	36%	36%	13%
Industrial	14%	5%	1%

Please update the table and detail if and how OPA has increased its near term CDM targets following the ICF report and the CBSAG Process.

RESPONSE

The OPA has not updated its near term Conservation targets as a result of the ICF Report nor as a result of the Conservation Business Stakeholder Advisory Group ("CBSAG") process. Feedback from these processes indicated that the targets are appropriate and that the OPA should focus on delivering programs and gaining experience. The OPA will revisit the findings of the ICF report and re-engage the CBSAG as the OPA develops the 2009 program portfolio.

GEC/PEMBINA/OSEA INTERROGATORY 8

QUESTION

ISSUE 2.2

Reference: B-2-1, page 31

- a) Please describe any changes made in response to the recommendations submitted by Pembina Institute in the CBSAG process (as reproduced below).
- b) Please indicate if and to what extent OPA allocated additional staff resources and or budget in response to any of these suggestions?

Pembina Institute Recommendations to OPA (CBSAG) Aug. 24, 2007:

1. Raise the targets for the 2008–2010 CDM portfolio to at least the cost effective potential identified by ICF — particularly for those programs that include energy efficiency and fuel switching and that reduce base load demand. The current pilot program approach is unnecessary and should be abandoned.

2. Develop a long-range plan (based on ICF's recommendations) that sets out a strategy, timelines, targets and key programs over the next 20 years for achieving permanent base load reduction. This plan should iteratively inform the 2008–2010 program. We further recommend that the CDM 2025 target be raised to 10,000 MW — the effective long-range potential identified by ICF.

3. Make explicit linkages between lighting CDM programs and the new National Lighting Initiative and standards aimed at phasing out inefficient lighting. Further, implement similar coordination between programs and regulations for other key end uses such as new building and home construction, air conditioning and industrial drive-power.

4. Resolve the confusion over support for self generation as soon as possible.

5. In the interest of facilitating a bolder portfolio that serves to transform all electricity using markets and maximizes cost effective CDM,

- immediately establish a process to develop implementation plans or “road maps” for market transformation in each sector and end use so that CDM programs and regulatory actions can be designed with a specified role and target within this road map
- retain experienced staff from jurisdictions that have implemented comprehensive CDM programming.

6. Expand the terms of reference of the OPA CDM Business Advisory Group to include

- ongoing guidance to the OPA on the design of the overall CDM strategy, including CDM programs to be delivered by all third parties

- review and approval of priority sector and end-use implementation plans

- working with the OPA on CDM implementation plans or “road maps” for each sector and end use so that a complementary suite of programs is designed for each market segment

- working with the OPA on a long-range base load reduction plan and strategy.

The advisory group should participate regularly in the government/utility forum on regulation and other policy tools proposed by the Conservation Bureau.

7. Put in place the government/utility forum on regulations and other policy tools as proposed by the Conservation Bureau. The forum should be backed up by a memorandum of understanding between the relevant provincial agencies and the OPA to regularly update codes and standards based on Conservation Bureau recommendations.

8. Support a training, certification and oversight initiative through a partnership among the Conservation Bureau, community colleges and contractor organizations across the province. Further, take immediate action to assess gaps in capacity to deliver CDM programs, and ensure that efficient manufacturing, product distribution, service and consulting capacity is available in all regions of Ontario. Plans to fill these gaps via regional training centres or other capacity building programs should be based on this gap analysis and incorporated into all program designs.

9. Set up a CDM Coordination and Service Unit to help local distribution companies (LDCs) with the delivery of OPA CDM programs. Operated by the Conservation Bureau and experienced LDCs, the service unit would coordinate CDM programming across Ontario so that all customers benefit to a similar extent from common programs.

RESPONSE

The CBSAG (Conservation Business Stakeholder Advisory Group) process, including Pembina's recommendations dated August 24, 2007 and noted above, provided the OPA with valuable advice, as well as confirmation that its portfolio is on the right track. The OPA made no specific changes to its 2008 portfolio as a result of Pembina's recommendations. It will, however, consider Pembina's recommendations, as well as the other advice received, in the process of developing the 2009 portfolio. In 2008, the OPA will also re-establish the CBSAG consultation process.

GEC/PEMBINA/OSEA INTERROGATORY 9

QUESTION

ISSUE 3.2c

Reference: B-3-1, page 3

- a) The June 15th, 2007 Directive to implement a clean energy standard offer (CESOP) does not limit the projects to 10MWs. Please indicate why OPA has limited CESOP to projects 10MWs and under?
- b) Does OPA agree that the costs and delays of an RFP process can be a serious barrier for CHP proponents of all sizes?
- c) Please provide any analysis that OPA has comparing the success of efforts to encourage CHP in other jurisdictions with SOP versus RFP processes.
- d) What was the average and the highest bids that OPA accepted in the first RFP for CHP and what price does OPA currently anticipate offering in the CESOP?
- e) Please provide any information OPA has on the technical, economic and achievable potential values for clean energy generation (specifically for CHP and waste heat recovery generation). In answering this interrogatory please do not limited the information to projects under 10 MWs and to the extent possible, please break out estimates by number of projects in various MW size categories (eg. under 5, 5-10, 10-25, 25-50, 50-100, 100-200).

RESPONSE

- a) The letter from the Minister of Energy on August 18, 2005 requested that the Ontario Energy Board and the Ontario Power Authority cooperate in developing a standard offer program for small generators embedded in the distribution system. As part of this collaboration, the OPA recommended a size limit of 10 MW and under. The 10 MW threshold was selected because it is consistent with both the directive to remove barriers for small generators and with the Independent Electricity System Operator's ("IESO") threshold for registration as a Market Participant as defined in the IESO Market Rules.
- b) – e) The OPA considers these matters to be outside the scope of this proceeding.

GEC/PEMBINA/OSEA INTERROGATORY 10

QUESTION

ISSUE 4.1

Reference: A-9-1, page 21

- a) What is budgeted for environmental attribute trading related efforts?
- b) Please confirm that OPA has suspended its plans to conduct an environmental attribute trading pilot and provide an update of OPA's plans and budgets in this area.
- c) Will OPA commit not to pursue such an effort in future without first giving the public an opportunity to address the appropriateness of the effort before the OEB?

RESPONSE

- a) Approximately 30% of the OPA's Sector Development program budget has been allocated to the environmental attribute program for 2008.
- b) OPA's environmental attribute program has been temporarily suspended at the request of the Ministry of Energy.
- c) The OPA will monitor developments at the national and sub-national level with respect to emissions trading system rules, and will consider these developments before taking any further action on conducting an environmental attribute trading pilot.

GEC/PEMBINA/OSEA INTERROGATORY 11

QUESTION

ISSUE 4.1

Reference: 4-1-1, page 1

- a) What is budgeted for efforts in relation to LSE's in 2008?
- b) Please explain how OPA's proposed LSE models (especially the distributed model) can accommodate provincially regulated, province-wide time-of-use commodity rates or other province-wide smart meter based programs that utilize rate structure or level to induce conservation?

RESPONSE

- a) OPA's Sector Development program budget has approximately 40% budgeted in 2008 for Customer Entitlement Agents ("CEAs"), formerly known as Load Serving Entities ("LSEs").
- b) In the recommended CEA centralized model, the regulated provincial electricity rate for low-volume and small commercial customers, the RPP (Regulated Price Plan) (based on forecast electricity consumption, consequently adjusted depending on actual use) would be gradually replaced by actual forward procurement by CEAs based on actual usage as determined from time-of-use ("TOU") meter data.

Information from each residence (site) will flow to the Meter Data Management/Repository ("MDM/R") and then to the LDC. The LDC's TOU data is the consumption data required for CEAs to forecast and to procure electricity, on behalf of LDCs. Therefore, the RPP rate would reflect TOU patterns. CEAs bear all risks associated with the price they set for this forward procurement. CEAs would also be able to offer demand response products to further induce conservation. It is envisioned that CEAs will set TOU rates within respective LDC regions, consistent with the TOU load shapes, as CEAs are at risk to these loads.

POLLUTION PROBE INTERROGATORY 1

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

1. Please provide a map showing the location of Northern York Region local supply area (the “NYR” or the “Region”).

RESPONSE

The OPA considers this to be outside the scope of this proceeding.

However, over the course of the Northern York Region project, a substantial amount of information has been made publicly available. It may be possible to find some of the requested information in the evidence filed as part of the Integrated Power System Plan Proceeding (EB-2007-0707, Exhibit E-5-1, Northern York Region). In addition, information may be available from the following documents filed as part of the Northern York Region Electricity Supply Proceeding (EB-2005-0315):

- “Northern York Region Electricity Supply Study” report and associated exhibits dated September 30, 2005;
- “Northern York Region CDM” Phase I report dated May 31, 2007; and
- “Phase II Northern York Region Report” dated October 15, 2007.

As well, documentation from the 2005 stakeholder engagement process can be accessed on the OPA website at the following link:

<http://www.powerauthority.on.ca/Page.asp?PageID=1224&SiteNodeID=128>.

POLLUTION PROBE INTERROGATORY 2

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

2. Please provide the following for the Northern York Region by year from 2000 to 2007 inclusive:

- (a) its total peak day area demand (MW);
- (b) a break-out of its total peak day area demand by LDC (i.e. Newmarket Hydro, PowerStream, and Hydro One Distribution);
- (c) a break-out of its peak day local area generation and demand response resources; and
- (d) its net area load (MW).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 3

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

3. Please provide the following for the Northern York Region by year from 2000 to 2007 inclusive:
- (a) its total annual demand (MWh);
 - (b) a break-out of its total annual demand (MWh) by LDC (i.e. Newmarket Hydro, PowerStream, and Hydro One Distribution);
 - (c) a break-out of its local area generation supplies (MWh); and
 - (d) its net area load (MWh).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 4

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

4. Please provide the following for the Northern York Region (by year from 2008 to 2015 inclusive):
- (a) the OPA's forecast of the Region's total peak day area demand (MW);
 - (b) a break-out of the OPA's forecast of the Region's total peak day area demand by LDC (i.e. Newmarket Hydro, PowerStream, and Hydro One Distribution);
 - (c) a break-out of the OPA's forecast of the Region's peak day local area generation and demand response resources; and
 - (d) the OPA's forecast of the Region's net area load (MW).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 5

QUESTION

ISSUE 1.2B

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

5. Please provide the following for the Northern York Region by year from 2008 to 2015 inclusive:
- (a) the OPA's forecast of the Region's total annual demand (MWh);
 - (b) a break-out of the OPA's forecast of the Region's total annual demand (MWh) by LDC (i.e. Newmarket Hydro, PowerStream, and Hydro One Distribution);
 - (c) a break-out of the OPA's forecast of the Region's local area generation supplies (MWh);
 - (d) the OPA's forecast of the Region's net area load (MWh).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 6

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

6. Please provide the annual load duration curves for the Northern York Region for 2006 and 2007. For each year, please also state the incremental loads (MW) during the top 88 and the top 219 demand hours.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 7

QUESTION

ISSUE 1.2B

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

7. Please provide your best estimate of the Northern York Region's electricity demands by end-use (e.g. residential cooling, commercial cooling, lighting, industrial process machine drive, etc.) at the time of the Region's peak day demand.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 8

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

8. Please state the existing electricity supply limit for the Northern York Region.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 9

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

9. Please state how many MW of demand were curtailed in the Northern York Region at the time of its 2007 peak demand pursuant to:
- (a) the demand response contract with Rodan Energy;
 - (b) the PeakSaver contract with PowerSteam;
 - (c) the PeakSaver contract with Newmarket Hydro; and
 - (d) the PeakSaver contract with Hydro One.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 10

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

10. Please state the OPA's demand response resources (MW) in the Northern York Region, as of December 31, 2007, pursuant to:
- (a) the demand response contract with Rodan Energy;
 - (b) the PeakSaver contract with PowerStream;
 - (c) the PeakSaver contract with Newmarket Hydro; and
 - (d) the PeakSaver contract with Hydro One.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 11

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

11. Please state the OPA's forecasted demand response resources (MW) in Northern York Region, as of June 1, 2008, pursuant to:
- (a) the demand response contract with Rodan Energy;
 - (b) the PeakSaver contract with PowerStream;
 - (c) the PeakSaver contract with Newmarket Hydro;
 - (d) the PeakSaver contract with Hydro One; and
 - (e) any other demand response contract(s).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 12

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

12. Please state the OPA's forecasted demand response resources (MW) in Northern York Region, as of December 31, 2008, pursuant to:
- (a) the demand response contract with Rodan Energy;
 - (b) the PeakSaver contract with PowerStream;
 - (c) the PeakSaver contract with Newmarket Hydro;
 - (d) the PeakSaver contract with Hydro One; and
 - (e) any other demand response contract(s).

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 13

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

13. Please state the number of homes in the Northern York Region that:
- (a) have central air-conditioning;
 - (b) have enrolled their central air conditioners in the PeakSaver programme as of December 31, 2007; and
 - (c) are forecast to have enrolled their central air conditioners in the PeakSaver programme by:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 14

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

14. Please state the number of small businesses in the Northern York Region that:
- (a) have central air-conditioners that are eligible to enroll in the PeakSaver programme;
 - (b) have enrolled their central air-conditioners in the PeakSaver programme as of December 31, 2007;
 - (c) are forecast to have enrolled their central air conditioners in the PeakSaver programme by:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 15

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

15. Please state the number of small businesses in the Northern York Region that:
- (a) have central air-conditioners that are eligible to enroll in the PeakSaver programme;
 - (b) have enrolled their central air-conditioners in the PeakSaver programme as of December 31, 2007;
 - (c) are forecast to have enrolled their central air conditioners in the PeakSaver programme by:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 16

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

16. Please state how many commercial, institutional and industrial electricity consumers are located in the Northern York Region. Please also state how many of these customers:
- (a) have enrolled in an OPA demand response programme, other than PeakSaver, as of December 31, 2007; and
 - (b) are forecast to be enrolled in an OPA demand response programme, other than PeakSaver, as of:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 17

QUESTION

ISSUE 1.2b

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

17. Please provide your best estimate of how many MW of diesel back-up electricity generation capacity exist in the Northern York Region.

(a) greater than 10 MW in size; and

(b) less than 10 MW in size.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 18

QUESTION

ISSUE 1.2B

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

18. Please provide your best estimate of the total combined heat and power potential in the Northern York Region. Please also break-out your estimates according to projects that are:

- (a) greater than 10 MW in size; and
- (b) less than 10 MW in size.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 19

QUESTION

ISSUE 1.2B

A. Northern York Region – Reference: Ex. B, Tab 1, Sch. 1, pp. 3 - 4

19. Please state how much money the OPA has spent, as of December 31, 2007, to obtain reductions in the Northern York Region's electricity demands (regarding both MW and MWh). Please also state the quantity of savings (in both MW and MWh) that the OPA has obtained as of December 31, 2007.

RESPONSE

Please see response to Pollution Probe Interrogatory 1, at Exhibit I-7-1.

POLLUTION PROBE INTERROGATORY 20

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

20. Please provide a map showing the location of the Kitchener-Waterloo-Cambridge-Guelph local supply area (the “KWCGLSA” or the “Area”).

RESPONSE

The OPA considers this to be outside the scope of this proceeding.

However, evidence on Kitchener-Waterloo-Cambridge-Guelph is filed as part of the Integrated Power System Plan Proceeding, so it may be possible to find some of the requested information there (see EB-2007-0707, Exhibit E-5-2, Kitchener-Waterloo-Cambridge-Guelph).

POLLUTION PROBE INTERROGATORY 21

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

21. Please provide the following for the KWCGLSA by year from 2000 to 2007 inclusive:
- (a) its total peak day area demand (MW);
 - (b) a break-out of its total peak day area demand by LDC;
 - (c) a break-out of its peak day local area generation and demand response resources; and
 - (d) its net area load (MW).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 22

QUESTION

ISSUE 1.2b

B. *Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4*

22. Please provide the following for the KWCGLSA by year from 2000 to 2007 inclusive:
- (a) its total annual demand (MWh);
 - (b) a break-out of its total annual demand (MWh) by LDC;
 - (c) a break-out of its local area generation supplies (MWh);
 - (d) its net area load (MWh).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 23

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

23. Please provide the following for the KWCGLSA by year from 2008 to 2015 inclusive:

- (a) The OPA's forecast of the Area's total peak day area demand (MW);
- (b) a break-out of the OPA's forecast of the Area's total peak day area demand by LDC,
- (c) a break-out of the OPA's forecast of the Area's peak day local area generation and demand response resources; and
- (d) the OPA's forecast of the Area's net area load (MW).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 24

QUESTION

ISSUE 1.2b

B. *Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4*

24. Please provide the following for the KWCGLSA by year from 2008 to 2015 inclusive:
- (a) The OPA's forecast of the Area's total annual demand (MWh);
 - (b) a break-out of the OPA's forecast of the Area's total annual demand (MWh) by LDC;
 - (c) a break-out of the OPA's forecast of the Area's local area generation supplies (MWh);
 - (d) the OPA's forecast of the Area's net area load (MWh).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 25

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

25. Please provide the annual load duration curves for the KWCGLSA for 2006 and 2007. For each year, please also state the incremental loads (MW) during the top 88 and the top 219 demand hours.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 26

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

26. Please provide your best estimate of the KWCGLSA's electricity demands by end-use (e.g. residential cooling, commercial cooling, lighting, industrial process machine drive, etc.) at the time of the Area's peak day demand.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 27

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

27. Please state the existing electricity supply limit for the KWCGLSA.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 28

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

28. Please state how many MW of demand were curtailed in the KWCGLSA at the time of its 2007 peak demand pursuant to:

- (a) the OPA's PeakSaver contracts with local LDCs (broken out by LDC); and
- (b) all other OPA demand response contracts.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 29

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

29. Please state the OPA's demand response resources (MW) in the KWCGLSA, as of December 31, 2007, pursuant to:

- (a) the OPA's PeakSaver contracts with local LDCs (broken out by LDC); and
- (b) all other OPA demand response contracts.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 30

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

30. Please state the OPA's forecasted demand response resources (MW) in the KWCGLSA, as of June 1, 2008, pursuant to:
- (a) the PeakSaver contracts with local LDCs (broken out by LDC); and
 - (b) any other demand response contract(s).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 31

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

31. Please state the OPA's forecasted demand response resources (MW) in the KWCGLSA, as of December 31, 2008, pursuant to:

- (a) the PeakSaver contracts with local LDCs (broken out by LDC); and
- (b) any other demand response contract(s).

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 32

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

32. Please state the number of homes in the KWCGLSA that:
- (a) have central air-conditioning;
 - (b) have enrolled their central air conditioners in the PeakSaver programme as of December 31, 2007; and
 - (c) are forecast to have enrolled their central air conditioners in the PeakSaver programme by:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 33

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

33. Please state the number of small businesses in the KWCGLSA that:
- (a) have central air-conditioners that are eligible to enroll in the PeakSaver programme;
 - (b) have enrolled their central air-conditioners in the PeakSaver programme as of December 31, 2007; and
 - (c) are forecast to have enrolled their central air conditioners in the PeakSaver programme by:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 34

QUESTION

ISSUE 1.2b

B. *Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4*

34. Please state how many commercial, institutional and industrial electricity consumers are located in the KWCGLSA. Please also state how many of these customers:
- (a) have enrolled in an OPA demand response programme, other than PeakSaver, as of December 31, 2007; and
 - (b) are forecast to be enrolled in an OPA demand response programme, other than PeakSaver, as of:
 - (i) June 1, 2008; and
 - (ii) December 31, 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 35

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

35. Please provide your best estimate of how many MW of diesel back-up electricity generation capacity exist in the KWCGLSA.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 36

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

36. Please provide your best estimate of the total combined heat and power potential in the KWCGLSA. Please also break-out your estimates according to projects that are:
- (a) greater than 10 MW in size; and
 - (b) less than 10 MW in size.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 37

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

37. Please state how much money the OPA has spent, as of December 31, 2007, to obtain reductions in the KWCGLSA's electricity demands (regarding both MW and MWh). Please also state the quantity of savings (in both MW and MWh) that the OPA has obtained as of December 31, 2007.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 38

QUESTION

ISSUE 1.2b

B. Kitchener-Waterloo-Cambridge-Guelph Local Supply Area – Reference Ex. B, Tab 1, Sch. 1, pp. 3 - 4

38. Please state the OPA's forecasted incremental electricity savings (in both MW and MWh) and budget for the KWCGLSA for 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 20, at Exhibit I-7-20.

POLLUTION PROBE INTERROGATORY 39

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions) Ex. B, Tab 3, Sch. 1

39. For 2007, please state the OPA's intended and actual MW and MWh results for each of the following:
- (a) energy conservation;
 - (b) demand response;
 - (c) fuel switching; and
 - (d) combined heat and power resources.

RESPONSE

OPA has provided the targeted and actual MW for each of the categories of Conservation defined. For MWh, OPA did not establish a target for 2007 and has only provided actual results where they are available.

For 2008, OPA has provided an estimate of MWh where such estimates are available. This should not be interpreted as a target as OPA does not establish targets for energy savings.

Actual results for 2007 are preliminary and subject to adjustment as EMV becomes available.

Year		MW		MWh (annualized)		Acquisition Costs - \$ Thousands	
		Planned	Actual	Estimated	Actual	Planned	Actual
2007	Energy Conservation	146	176	--	552,000	109,100	96,400
	Demand Response	270	80	--	--	43,600	24,700
	Fuel Switching	0	0	--	--	0	0
	Combined Heat & Power Sources	0	0	--	0	0	0
2008	Energy Conservation	237	--	502,000	--	196,200	--
	Demand Response	155	--	--	--	99,700	--
	Fuel Switching	18	--	--	--	14,700	--
	Combined Heat & Power Sources	100	--	80,000	--	5,000	--

Acquisition costs are charges only

Actual MW and MWh are preliminary estimates as not all reporting is complete, and are still subject to verification

POLLUTION PROBE INTERROGATORY 40

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

40. For 2007, please state the OPA's budgeted and actual expenditures to acquire each of the following:
- (a) energy conservation;
 - (b) demand response;
 - (c) fuel switching; and
 - (d) combined heat and power resources.

RESPONSE

Please see the response to Pollution Probe Interrogatory 39, at Exhibit I-7-39.

POLLUTION PROBE INTERROGATORY 41

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

41. For 2008, please state the OPA's intended MW and MWh results for each of the following:
- (a) energy conservation;
 - (b) demand response;
 - (c) fuel switching; and
 - (d) combined heat and power resources for 2008.

RESPONSE

Please see response to Pollution Probe Interrogatory 39, at Exhibit I-7-39.

POLLUTION PROBE INTERROGATORY 42

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

42. For 2008, please state the OPA's budgeted expenditures to acquire each of the following:
- (a) energy conservation;
 - (b) demand response;
 - (c) fuel switching; and
 - (d) combined heat and power resources.

RESPONSE

Please see response to Pollution Probe Interrogatory 39, at Exhibit I-7-39.

POLLUTION PROBE INTERROGATORY 43

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

43. Please provide a break-out of the OPA's total cumulative demand response resources (MW) as of December 31, 2007 according to each of its demand response programmes (e.g. **peaksaver®**, Northern York Region, DR1, DR2, DR3, City of Toronto, etc.)

RESPONSE

Total Demand Response resources at December 31st, 2007 are summarized in the following table. Note that the totals are the resources under contract and are not adjusted for actual performance rates. The OPA had no demand response program in effect in 2007 with the City of Toronto.

Demand Response Program	Total Cumulative MW as of December 31, 2007
-------------------------	--

peaksaver®.	14.8
Northern York Region	16.4
DR1	317.0
DR2	0
DR3	0

POLLUTION PROBE INTERROGATORY 44

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

44. Please provide a break-out of the OPA's total PeakSaver demand response resources (MW) as of December 31, 2007 by LDC (e.g. Hydro One, Toronto Hydro, etc.).

RESPONSE

The OPA's Conservation programs are designed to achieve province-wide or regional, rather than LDC-specific goals. With regard to specific LDC results, this information is subject to contract confidentiality provisions.

Please see the response to Pollution Probe Interrogatory 43, at Exhibit I-7-43 for the total **peaksaver**® demand response resources.

POLLUTION PROBE INTERROGATORY 45

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

45. Please provide a break-out of the OPA's total number of PeakSaver customers as of December 31, 2007 by LDC (e.g. Hydro One, Toronto Hydro, etc.).

RESPONSE

The total number of **peaksaver**® customers as of December 31, 2007 was 24,264. With regard to specific LDC results, this information is subject to contract confidentiality provisions.

POLLUTION PROBE INTERROGATORY 46

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

46. Please provide a break-out of the OPA's forecasted total cumulative demand response resources (MW) as of June 1, 2008 and December 31, 2008 according to each of the demand response programmes (e.g. PeakSaver, Northern York Region, DR1, DR2, DR3, City of Toronto, etc.)

RESPONSE

Total forecast Demand Response resources at June 1st and December 31st of 2008 are summarized in the following table. Note that the totals are the resources forecast to be under contract and are not adjusted for actual performance rates. The decline in resources under DR1 between June and December reflects an anticipated transfer of customers from the DR1 program to the DR3 program.

Demand Response Program	Total Cumulative MW forecast as of June 1, 2008	Total Cumulative MW forecast as of December 31, 2008
peaksaver ^{TM*}	36	65
Northern York Region	20	22
DR1	440	200
DR2	40	170
DR3	135	360

Discussions are underway with other parties including the City of Toronto to augment Demand Response resources, however these are preliminary discussions and no projections can be made at this time.

POLLUTION PROBE INTERROGATORY 47

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

47. Please provide a forecast of the OPA's 2008 incremental PeakSaver demand response resources (MW) by LDC as of June 1, 2008 and December 31, 2008.

RESPONSE

The forecast incremental demand resources for **peaksaver®** are detailed in the following table. With regard to specific LDC resources, this information is subject to contract confidentiality provisions.

Demand Response Program	Total Incremental MW forecast as of June 1, 2008	Total Incremental MW forecast as of December 31, 2008
peaksaver®	21	50

POLLUTION PROBE INTERROGATORY 48

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

48. Please provide a forecast of the OPA's 2008 incremental PeakSaver customers by LDC as of June 1, 2008 and December 31, 2008.

RESPONSE

The forecast incremental **peaksaver**® customers are detailed in the following table. With regard to specific LDC customers, this information is subject to contract confidentiality provisions.

Demand Response Program	Total Incremental customers forecast as of June 1, 2008	Total Incremental customers forecast as of December 31, 2008
peaksaver ®	34,429	81,973

POLLUTION PROBE INTERROGATORY 49

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

49. Please provide the OPA's best estimate of the number of residential and small business central air-conditioners that are eligible for enrollment in the PeakSaver programme.

RESPONSE

The OPA's best estimate of the total number of residential and small commercial customers with central air conditioners who are eligible for peaksaver™* is 2.05 million.

POLLUTION PROBE INTERROGATORY 50

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

50. Please provide your best estimate of the quantity (MW) of diesel back-up electricity generation capacity in Ontario.

RESPONSE

The OPA does not have an estimate of diesel back-up electricity generation capacity in Ontario.

POLLUTION PROBE INTERROGATORY 51

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

51. Please provide your best estimate of the total combined heat and power potential (MW) in Ontario. Please also break-out your estimates according to projects that are:
- (a) greater than 10 MW in size; and
 - (b) 10 MW or less in size.

RESPONSE

The procurement of CHP resources is addressed in the IPSP (see EB-2007-0707, Exhibit D-4-1, Attachment 3, p. 15) but the OPA did not estimate the total potential of CHP projects due to the high degree of uncertainty (based upon such factors as project economics, steam host availability and the overall Ontario economy). The OPA did include an estimate of expected CHP capacity to come online and these estimates were based on experience with previous procurements and feedback from stakeholders.

POLLUTION PROBE INTERROGATORY 52

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

52. Please describe your methodologies to estimate the economic benefits to Ontario for each of your demand response programmes.

RESPONSE

The avoided cost estimation methodology presented in the IPSP (EB-2007-0707, Exhibit D-4-1, Attachment 3) is used to estimate the economic benefits to Ontario for each demand response program.

POLLUTION PROBE INTERROGATORY 53

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

53. Please provide your estimates of the economic benefits (i.e. dollars of savings per MW of reduced demand) for each of your demand response programmes. Please also state your assumptions and show all of your calculations.

RESPONSE

The OPA's estimates of the economic benefits per MW of reduced demand for each of the OPA's demand response programs are presented in Column 5, Table 1 below. All avoided costs are estimated using the cost estimation methodology presented in the IPSP (see EB-2007-0707, Exhibit D-4-1, Attachment 3).

The avoided costs for DR 1, **peaksaver®**, and Northern York Region ("NYR") are arrived at by multiplying the Average Forecast 2008 MW in Column 2, Table 1 by the 2008 OPA avoided costs for generation, transmission, and distribution of electricity as presented in the IPSP. No additional benefits from avoided energy costs were used in the calculation of avoided costs for the DR 1, **peaksaver®**, or NYR programs.

The estimated benefits resulting from avoided energy costs as a result of load shifting activities in the DR 2 program were added to the avoided costs of generation, transmission and distribution, as shown in Column 5, Table 1 by assuming eight hours of load shifting from peak to off-peak on all eligible days as described in the program rules.

The estimated benefits resulting from avoided energy costs due to energy reduction activities during on-peak hours in the DR 3 program were added to the avoided costs of generation, transmission and distribution as shown in Column 5, Table 1. An estimation of the total electricity energy reduction during on-peak hours in the DR 3 program by season is shown in Table 2.

Incentive payments to participants in the **peaksaver®** program are considered not applicable as participants are not incented for activation events. The incentive payments made for the NYR program are confidential.

The Average Forecast 2008 MW values in Column 2, Table 1 represent estimations of the average response in any given hour of the resource in 2008. The values in

Column 3, Table 1 represent the estimation of the expected incentive payments as a result of demand response activities in 2008. Two specific issues that have an affect on the values presented in Columns 2 and 3 of Table 1 are:

- The historical experience with the DR 1 program that approximately 40% of the Gross MW is actually available in any given hour of activation.
- Estimation of the effect changes in participation between and within the various demand response programs will have on the average MW available in any given program during the 2008 time period.

Table 1 - Analysis Summary Table

1	2	3	4	5	6
Program	Average Forecast 2008 MW	2008 Expected Demand Response Incentive Payments (\$MM)	Avoided Costs 2008 (\$MM)	Avoided Costs per Average MW for 2008	Variance in dollars per MW
DR1	100	10.8	8.9	88,605	- 19,395
DR2	40	6.0	5.8	144,471	- 5,529
DR3	180	27.5	17.1	95,127	- 57,651
<i>peaksaver</i> ®	50	N/A	4.4	88,605	N/A
Northern York Region	21	Confidential	1.9	88,605	N/A

Table 2 - Estimated total electricity energy reduction during on-peak hours in the DR 3 program

Season	MWh Energy Reduction
Summer	10,953
Winter	2,738
Shoulder	4,564

POLLUTION PROBE INTERROGATORY 54

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

54. For each of your demand response programmes, please provide an analysis of the variance (dollars per MW or MWh) between:
- (a) the economic benefits of the demand response programme to Ontario; and
 - (b) the price paid by the OPA to demand response sources for supplying demand reductions.

RESPONSE

Please refer to Column 6, Table 1 of Pollution Probe Interrogatory 53, at Exhibit I-7-53.

POLLUTION PROBE INTERROGATORY 55

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1

55. Please describe your methodology for estimating the economic benefits (e.g. avoided nuclear and/or avoided combined-cycle gas generation, avoided transmission and distribution capital costs, avoided electricity losses, etc.) of your proposed standard offer programme for small-scale (i.e. 10 MW or less) combined heat and power projects.

RESPONSE

This information is not currently available. The Clean Energy Standard Offer Program ("CESOP"), which is expected to include combined heat and power projects, is undertaken by the OPA pursuant to the government directive dated June 14, 2007. The original CESOP recommendations, which were released June 8, 2007, included a pricing analysis. However, these recommendations are now under review, therefore the analysis is no longer current.

Based on stakeholder feedback, a consultant was retained in late 2007 to revise the program design, including the costing methodology. The report is expected to be completed in March 2008, and will form the basis of the CESOP program design to be used upon the program launch expected in Q2 2008.

POLLUTION PROBE INTERROGATORY 56

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

56. Please provide your estimate of the economic benefits (i.e. avoided cost savings per MW and per MWh) of your proposed standard offer programme for small-scale combined heat and power projects. Please also state your assumptions and show all of your calculations.

RESPONSE

Please see the response to Pollution Probe Interrogatory 55, at Exhibit I-7-55.

POLLUTION PROBE INTERROGATORY 57

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

57. Please state when you expect that your combined heat and power standard offer programme will be operational. Please also state the number of combined heat and power standard offer contracts that you expect to sign in 2008.

RESPONSE

The Clean Energy Standard Offer Program, which is expected to include combined heat and power projects, has an expected launch date of Q2 2008. The number of resultant contracts is unknown, but the OPA has assumed approximately 40 MW for 2008 budgeting purposes.

POLLUTION PROBE INTERROGATORY 58

QUESTION

ISSUE 2.2

Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions) Ex. B, Tab 3, Sch. 1

58. With respect to each of the LDC CDM programmes that the OPA funded in 2007, please state:
- (a) the intended and actual MW acquired;
 - (b) the intended and actual MWh acquired; and
 - (c) the forecasted and actual budget.

RESPONSE

The requested Information is provided in the table below.

Year		MW		MWh (Annualized)		Costs - \$ Thousands	
		Planned	Actual	Estimate	Actual	Planned	Actual
2007	Summer Savings	57	65	--	217,500	20,900	8,735
	Refrigerator Roundup	12	11.4	--	50,543	6,710	9,330
	Electricity Retrofit Incentive	4	2	--	5,000	2,735	2,942
	peaksaver®	26	14.8	--	--	23,688	11,355
	Marketing & support expenses	--	--	--	--	1,954	292
2008	Summer Savings	1	--	--	--	8,420	--
	Refrigerator Roundup	21	--	98,300	--	16,844	--
	Electricity Retrofit Incentive	19	--	60,000	--	5,575	--
	peaksaver®	40	--	--	--	37,950	--
	Commercial Direct Install	3	--	13,000	--	6,555	--
	LDC Custom Programs	15	--	--	--	12,500	--
	Home Energy Efficiency	0.5	--	--	--	2,809	--
	Marketing & support expenses	--	--	--	--	989	--

POLLUTION PROBE INTERROGATORY 59

QUESTION

ISSUE 2.2

*Reference: Ex. B, Tab 2, Sch. 1 and (with respect to combined heat and power questions)
Ex. B, Tab 3, Sch. 1*

59. With respect to each of the LDC CDM programmes that the OPA plans to fund in 2008, please state each programme's intended 2008 MW and MWh savings and each programme's forecasted cost to the OPA.

RESPONSE

Please see response to Pollution Probe interrogatory 58, at Exhibit I-7-58.

POLLUTION PROBE INTERROGATORY 60

QUESTION

ISSUE 6.2

Reference: EB-2006-0233, Ex. S-1-2, p. 4, Issue 1, Item 1.6

60. Please provide your best estimate of the current typical electricity losses for Ontario's electricity distribution system, as a percent of electricity generation, during Ontario's top 88 annual electricity demand hours.

RESPONSE

The OPA considers this matter to be outside the scope of this proceeding.

However, the best estimate of distribution losses was provided in the OPA's letter of March 16, 2007 in response to a commitment in the EB-2006-0233 Supplemental Settlement Proposal, item 1.6 (Exhibit S-1-2) and can be found at the following link:

http://www.powerauthority.on.ca/Storage/43/3908_OPA_Settlement_Issue_1_Item_1.6_2007-03-16.pdf

For convenience here is the portion of the response applicable to this inquiry.

"The OPA estimated distribution line and transformer losses based on the best available data and information submitted by LDCs via the OEB's Reporting and Record Keeping Requirements.¹ Based on the submitted data for 2005, the distribution line and transformer losses are approximately 4.2%, a province-wide average for all customer classes."

¹ http://www.oeb.gov.on.ca/documents/cases/EB-2006-0268/spreadsheet_ontarioelectricitydistributorscosts_241106.xls

VECC INTERROGATORY 1

QUESTION

ISSUE 1.1

Reference: B, Tab 1, Schedule 1, page 6 and D, Tab 2, Schedule 1, page 5.

- (a) With respect to Strategic Objective 1 and Table 1, please provide the number of FTEs forecast for 2007.
- (b) Re Strategic Objective 1, please reconcile the variance between the 2007 Budget and 2008 Budget for Compensation and Benefits shown in Table 1 at BT1S1 (page 6) with the variance between the FTEs budgeted for 2007 and 2008 for this objective shown in Table 4 at DT2S1 (page 5).
- (c) Please indicate whether the "increase in the number of resources in PSP" is incremental to OPA or reflects a reassignment of existing resources.
- (d) Please indicate whether OPA has a long run end state target regarding resources allocated to PSP.

RESPONSE

- (a) The number of FTEs in the 2007 Forecast is 26.8 FTEs.
- (b) The PSP Compensation and Benefit variance between 2007 and 2008 of \$327,000 is due to an increase in staff count by 1.3 FTEs, general staff merit increases, and Employer Health Tax benefit costs in the 2008 Budget which was not budgeted in 2007.
- (c) The increase in the number of resources of 1.3 FTEs in PSP is incremental to the OPA.
- (d) The OPA does not have an end state target for the allocation of resources to the PSP division.

VECC INTERROGATORY 2

QUESTION

ISSUE 2.1

Reference: B, Tab 2, Schedule 1, page 4 and page 28

Regarding Strategic Objective 2, please explain how the Conservation FTEs shown as line items in Table 2 map into the budget line items shown in Table 14.

RESPONSE

The Conservation FTEs are the planning base for the budget line item of Compensation and Benefits in Table 14. The FTE numbers are multiplied by the anticipated salaries and other compensation costs to derive the budget estimate.

VECC INTERROGATORY 3

QUESTION

ISSUE 2.1

Reference: B, Tab 2, Schedule 1, page 29

Please provide some elaboration regarding the status of the initiative relating to the “[d]evelopment of more sophisticated tools to ensure efficiency and accurate program tracking and management.”

RESPONSE

The OPA is developing a centralized reporting function complete with tools that will permit accurate program tracking and reporting. This initiative will enhance program management capability. The OPA is also investigating the possibility of enabling electronic reporting by external program managers in order to facilitate the gathering of data, increase accuracy and improve the timelines of access to results and information.

Reporting of preliminary program results will be made available on an annual basis. EM&V processes may adjust the results as more information becomes known. Results adjusted for EM&V will be made available annually through the CECO Report.

The team is currently being hired and work will commence in the second quarter of 2008.

VECC INTERROGATORY 4

QUESTION

ISSUE 2.2

Reference: A, Tab 8, Schedule 2, page 10, and B, Tab 1, Schedule 1, pages 2, 6, and 18

Please indicate OPA's view as to whether the current 2008 MW target for its Single family Low Income Housing Program represents an optimal response to the October 6, 2005 Directive.

RESPONSE

The 2008 target for Single Family Low Income is an appropriate target for the first year of operation of this program. The 2008 program will build on the learnings and experience gained in the 2007 pilots, and the 2008 target of 1.5 MW represents an increase over the 2007 achievement of 0.5 MW. The results from the Single Family Low Income program are expected to grow as the program develops, and are currently forecast to achieve 9 MW (net of free riders) in the period of 2008 – 2010, indicating the OPA's commitment to this market.

VECC INTERROGATORY 5

QUESTION

ISSUE 2.3

Reference: B, Tab 2, Schedule 1, pages 14-15

- (a) Please quantify or elaborate on the statement that “[e]valuations will be carried out for the majority of the portfolio, considering program progress and results schedule.”
- (b) Please elaborate on the extent to which and the frequency with which information and raw data will be communicated by EM&V to the market and key stakeholders.

RESPONSE

- (a) Programs launched in 2007 that were not expected to produce significant results in 2007, relative to their overall program targets, will not be evaluated until 2008. The following table outlines the evaluation status for 2007 programs.

2007 Programs		2007 Evaluations
INDUSTRIAL PROGRAMS		
1	Demand Response I	Yes
C&I PROGRAMS		
1	BOMA	Yes
2	Toronto Hydro	Yes
3	ERIP	No (any 2007 activity will be evaluated as part of 2008 Program Evaluation)
5	City of Toronto	No (any 2007 activity will be evaluated as part of 2008 Program Evaluation)
6	Energy Efficiency Assistance for Houses (Pilot)	Yes
7	Affordable Housing EE Program	Yes
MASS MARKET PROGRAMS		
1	Aboriginal program	Yes
2	Every Kilowatt Counts	Yes
3	Summer Savings	Yes
4	The Great Refrigerator Roundup	Yes
5	Cool Savings Rebate	Yes
6	Hot Savings Rebate	Yes

- (b) See response to Energy Probe Interrogatory 22, at Exhibit I-4-22.

VECC INTERROGATORY 6

QUESTION

ISSUE 3.1

Reference: B, Tab 3, Schedule 1, page 7 and D, Tab 2, Schedule 1, page 5

Re Strategic Objective 3, please reconcile the variance between the 2007 Budget and 2008 Budget for Compensation and Benefits shown in Table 1 at BT3S1 (page 7) with the variance between the FTEs budgeted for 2007 and 2008 for this objective shown in Table 4 at DT2S1 (page 5).

RESPONSE

Although FTEs only increased by 0.5 FTEs between 2007 and 2008, there was a reorganization within the Electricity Resources division that resulted in fewer clerical/administrative positions and an increase in the number of Business Analysts, thereby increasing the overall budget for Compensation and Benefits. The variance also contains a provision for merit increases and an increase for Employer Health Tax benefit costs not budgeted in 2007.

VECC INTERROGATORY 7

QUESTION

ISSUE 4.1

Reference: B, Tab 4, Schedule 1, pages 2 and 3

- (a) Please confirm that “Conservation and reliability products” referred to, that LSEs are expected to procure, are financial products.
- (b) Please indicate whether any cost benefit analysis or business case regarding the LSE initiative have been prepared. If so, please provide a copy.

RESPONSE

- (a) Yes, “conservation and reliability products” that Customer Entitlement Agents (CEAs, formerly known as Load Serving Entities or LSEs) are expected to procure are financial products.
- (b) No, a cost benefit analysis or business case regarding CEAs has not been prepared. CEA work was initiated based on the OPA mandate, from O. Reg. 424/04, which is to “identify and develop innovative strategies to encourage and facilitate competitive market-based responses and options for meeting overall system needs.”

VECC INTERROGATORY 8

QUESTION

ISSUE 5.1

Reference: B, Tab 5, Schedule 1, page 4

Regarding the “Measures of Success” for FBS shown on page 4, how will the OPA satisfy itself and stakeholders that each of the five measures adds sufficient value to justify their delivered costs.

RESPONSE

As discussed at Exhibit B-5-1, page 3, the Measures of Success for FBS have been established as a result of a major review and redesign of the organization’s financial reporting system, as well as a risk-based internal control assessment, which were both undertaken in 2007. These initiatives identified specific areas of improvement to support the OPA’s Strategic Objective to “maintain and develop organizational capacity to achieve the Strategic Objectives”, and have been approved by both the OPA’s Board of Directors and the Minister of Energy as appropriate areas of focus for the OPA in 2008. These activities are consistent with typical financial efforts in other organizations, and while the outcomes are not necessarily quantifiable in all cases, together they should result in improvement in processes and information that will provide long-term benefits to the OPA, Ontario ratepayers and the electricity sector.

Certain of these initiatives will enable enhanced performance and control of costs by the OPA, which will provide ongoing benefits to ratepayers through improved control of fees. These include: implementation of a new financial reporting system; key process mapping; new internal control procedures; and the multi-year strategic plan. Development of an approach to cost analysis and forecasting of the future cost of electricity gives all stakeholders the ability to understand the drivers of the future cost of electricity. A broad market understanding of the future cost drivers should inform policy decisions and market actions to ensure the best electricity future for Ontario.

Thus, while the OPA has not done a cost-benefit analysis on the five measures of success for FBS, it has satisfied itself that all of the initiatives described above will improve the group’s ability to support the OPA’s strategic objectives, and that there will be sufficient value to justify the costs.

VECC INTERROGATORY 9

QUESTION

ISSUE 5.1

Reference: D, Tab 2, Schedule 1, page 5

Regarding the "Total OPA Headcount" budgeted for 2008 shown in Table 4, does the OPA anticipate that the 183.8 FTEs represent approximately the long run requirements of the OPA?

RESPONSE

The OPA is not able to determine future headcount requirements at this time.

