



PUBLIC INTEREST ADVOCACY CENTRE
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January 9, 2014

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
Submission of VECC Interrogatories EB-2013-0128
Essex Powerlines Corporation

Please find enclosed interrogatories from VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written over a horizontal line.

Michael Janigan
Counsel for VECC
Encl.

Cc: Essex Powerlines Corporation

EB-2013-0128

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by
Essex Powerlines Corporation for an order or orders
approving or fixing just and reasonable
distribution rates to be effective May 1, 2014.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Recovery of Revenue Losses due to Conservation Programs

VECC Question # 1

Reference: General

- a) Please discuss how CDM is reflected in Essex's current Board approved load forecast and provide any relevant references.

Essex Power Response:

Please reference OEB Decision EB-2011-0166 dated April 4, 2012 page 13 which details the Board's decision deeming 2010 and previous CDM programs being included in Essex Power 2010 load forecast.

VECC Question # 2

Reference: Exhibit 2, Elenchus Report, Attachment 1 2011 and 2012 LRAMVA Calculation

- a) Input Tables One to Three - For the Demand Response 3 programs there is an asterisk but no explanation note. Please provide.

Essex Power Response:

The asterisk should not have been included in the table.

Input Table Two 2011 Persistence in 2012 and 2012 Programs, Business Program Demand Response 3: Please explain why 2,742 kWh for 2012 is included in the LRAMVA calculation whereas 7,344 kWh for 2011 is not included in the LRAMVA calculation.

Essex Power Response:

The 2011 Demand Response kWh is not included as demand response programs are for one year only and have no persistence.

b) VECC Question # 3

Reference: Exhibit 2, Elenchus Report

Preamble: At Tab 1, Schedule 4, Page 1, the Report states Energy (kWh) savings are assumed to be annual values. Peak Demand (kW) savings have been extended by the number of months (either 5 months for Demand Response programs or 12 months for all other programs).

- a) Please confirm that, for kW billing customers, the LRAM should be calculated based on the CDM program impacts on billing demand.

Essex Power Response:
Confirmed.

- b) Please confirm that the Report has calculated billing demand reductions based on the reported (annual) Peak Demand savings and explain why this is appropriate.

Essex Power Response:

It is confirmed that the Elenchus Report calculates the billing demand reductions based on the Net Peak Demand Savings as verified by the OPA. The OPA's Final 2012 Results Report calculates the Net Peak Demand Savings by making adjustments to Gross Peak Demand Savings for free ridership and realization rates. The methodology utilized is detailed at pages 13-20 of the OPA's Final 2012 Results Report on an initiative by initiative basis.

Relying on this calculation is appropriate to use as billing demand because it is the best information available from a third party who has verified that the data is a true representation of the savings at an initiative level. Furthermore, we also note that Peak Demand Savings will equal the billing demand savings in two circumstances (i) where the demand reduction is a constant reduction such as with lighting, VFD, HVAC, or (ii) where the peak demand is coincident with the billing demand.

- c) Please confirm that the timing of the customer's monthly billing demand may not be coincident with the Utility's or the System's peak demand.

Essex Power Response:

Confirmed, but we must clarify that the application does not assume that the timing of a customer's monthly billing demand is coincident with the Utility's or the System's peak demand. Lost revenue is a result of a reduction in the customer's demand and

the application filed is based on the best information available in order to determine the magnitude of the lost revenues.

- d) Attachment 1 - At Input Table Three and Input Table 4, (Net kW), please provide details on how the value shown for Demand Response 3 of 1,749 net kW in 2011 and 1,811 net kW in 2012 was determined and if it reflects the contracted amount. Please provide any calculations and assumptions.

Essex Power Response:

The formula presented below was used by the OPA to produce the value of 1,749 net kW relied upon in the application. The formula is presented at page 13 of the OPA's Final 2012 Results Report.

$$\text{"Peak Demand: Gross Savings = Net Savings} \\ = \text{contracted MW at contributor level} * \text{Provincial contracted to ex ante ratio"}$$

The "provincial contracted to ex ante ratio" was provided by the OPA. The percentage noted under the heading "Industrial" is relevant to the application.

Year	Status	C&I	Industrial
2012	Verified	76%	87%

Therefore, 2011 peak demand savings (1749 kW) = Contracted MW at contributor level (2010.3 kW) * provincial contracted to ex ante ratio (87%). The value of 1,749 kW represents an adjustment (i.e. a 13% reduction as determined by the OPA for the Industrial Class) to the amount under contract in our distribution territory and available for demand response with each activation.

A similar calculation would be relevant for 2012 peak demand savings.

- e) Please provide details of Essex's Demand Response 3 program in terms of the activations in 2011 and 2012 compared to what was contracted and the savings that actually occurred in 2011 and 2012.

Essex Power Response:

The OPA has not provided information in regard to the actual activations in 2012, nor does Essex Power have information related to the actual activations.

- f) If there were Demand Response Program 3 activations in 2011 and 2012, for each customer impacted, please indicate whether they occurred at the same time as the customer's billing demand (kW) for the month was established.

Essex Power Response:

This information is not available.

- g) Please explain how peak demand (kW) savings have been extended by the number of months (such as either 5 months for Demand Response programs or 12 months for all other programs).

Essex Power Response:

Essex Power utilized a multiplier of 5 for demand response to represent the 5 summer months (May to September). Although each customer's Demand Response Contract covers a 12 month period, we limited the multiplier to 5 months in order to conservatively estimate the revenue impact based on the probability of activations affecting the summer months only.

For all other programs Essex Power has assumed a 12 month period as reasonable proxy.