

May 1, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: 2015 Demand Side Management Variance Accounts OEB Staff Submission

Union Gas Limited – EB-2017-0323

Enbridge Gas Distribution Inc. EB-2017-0324

I am writing in response to the Board Staff's written submissions dated April 27, 2018 in the above noted two cases.

I serve on the Evaluation Advisory Committee, as one of the five independent expert members.

I have been engaged in the energy management industry in Ontario since 1984.

- When working with Ontario Hydro I delivered commercial, industrial and residential market plans, and managed the Commercial Programs Department, overachieving its targets every year. I spent six weeks testifying at the Environmental Assessment of Ontario Hydro's Demand/Supply Plan about the Commercial and Industrial markets and have provided evidence in numerous OEB hearings. I have spoken at international conferences on demand side management (DSM) and hosted the first International DSM Conference in Toronto.
- As a consultant who established the Canadian office of a leading US consulting firm in DSM, I came to understand the significant differences between delivering programs in Ontario and those of 50 different jurisdictions in the United States. A major project was developing the Union Gas DSM plan that was required after the Board rejected its company-developed plan, ensuring that the DSM function was returned to rate base.
- In 1998, I worked for the then Consumers Gas (soon to be renamed Enbridge) where I worked on merging the marketing and DSM functions which previously had worked at odds, negotiated the original framework for shareholder incentives for DSM, which overachieved its targets for three years.
- In 2003, I was invited by the then newly elected Ontario government to build sustainability into its energy policy. I championed DSM and the *Energy Conservation Leadership Act* which gave rise to the regulation requiring all public-sector entities to record and publish energy and water use data as well as energy and water management plans. (O. Reg 397/11). I also championed smart metering, renewable energy and conservation within Ontario government facilities, Ontario's commercial sector and social housing sector.
- In 2008, I acted as the content coordinator for the Green Energy Act Alliance pulling together a broad group of stakeholders that set the fundamental agenda for sustainable energy in Ontario.

In Board Staff's submissions dated April 27, 2018 for the above proceeding, Board Staff asserted the following:

Further, the independent expert members of the EAC also support the findings of the EC.¹

In Board Staff's letter dated April 30, 2018, Board Staff amended their submissions to include the word "mostly" in regards to the Evaluation Advisory Committee's support of the findings of the Evaluation Contractor.

I wish to submit the following comments to the Board, as a member of the Evaluation Advisory Committee. I do not speak on behalf of the other expert members of the Evaluation Advisory Committee or as my role as consultant for BOMA and OSEA.

Throughout the evaluation process and the many meetings of the Evaluation Advisory Committee, I identified numerous issues that were not addressed by the Evaluation Contractor. I provided comments on the narrowly specified survey to determine free riders, the individual responses provided by customers, and the interpretation of the customer responses who were considered full and partial free riders. Despite requesting a response on how these comments were addressed on more than one occasion, I received no response from either the Evaluation Contractor or Board Staff.

While the Evaluation Contractor is qualified to evaluate DSM programs in the traditional fashion, the predominant experience of the Evaluation Contractor relates to projects in the United States and the DSM framework there based on "The California Standard Practice". The Evaluation Contractor failed to display knowledge, understanding or appreciation of the significant differences between the United States and Canadian markets. Ontario's market, given Ontario's role as industrial heartland of Canada, adds to its unique qualities. As well, Ontario's policy framework with respect to conservation, cap and trade, and publishing of public and private sector energy and water consumption data and conservation plans creates a vastly different environment.

I acknowledge that the Board's evaluation process is outside the scope of these proceedings, pursuant to Procedural Order No. 2 dated April 10, 2018. Notwithstanding, I think the number of issues with the evaluation process raises legitimate concerns about the 2105 DSM evaluation, measurement and verification results that are being used in these two proceedings. I do not support the findings of the Evaluation Contractor and echo many of the comments and concerns raised by the utilities in their written submissions.

Sincerely,

Filed by Email

Marion Fraser

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¹ OEB Staff Submission, 2015 Demand Side Management Variance Accounts, Union Gas Limited, EB-2017-0323, Page 3.