



London Hydro
111 Horton Street
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July 31, 2018

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**Re: Section 71.4 Green Button Application
EB-2018-0118**

Dear Ms. Walli:

Please find attached London Hydro's responses to Utilismart letter of July 26, 2018.

If you have any further questions, please do not hesitate to contact me.

Yours Truly,

A handwritten signature in black ink that reads "M Benum".

Martin Benum
Director of Regulatory Affairs
London Hydro
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London Hydro has reviewed the July 26, 2018 Utilismart letter of comment with respect our Section 71(4) application EB-2018-0118. Principally Utilismart provided a single basic concern. Utilismart concern centres on our application to conduct non-regulated business outside of our franchise territory without using an affiliate. London Hydro wishes to respond to Utilismart concerns.

London Hydro's Response:

London Hydro's implementation of Green Button services was, and continues to be, offered primarily as a suite of services for the benefit of London Hydro's distribution customers, grounded in our effort to provide them with the tools to assist them in making the most efficient use of electricity. In that sense, to London Hydro view, we are continuing to provide a core distribution related service to our own customers.

The proposed expansion of the scope of those services to include information with respect to other local non-electric utilities (i.e. natural gas and water) is a recognition that it would be counterintuitive to require our customers to approach the management of their utility usage on a utility by utility basis; the most efficient way for our customers to manage their utility usage is on a holistic basis, with access to the full spectrum of their utility consumption. In this way the expansion of the Green Button service offering to include utilities other than electricity is intended to enhance our customers' use of the Green Button service by providing them the option of managing their overall utility use all at once, using a single consumer friendly tool.

The proposed expansion of the scope of those services to include customer other than London Hydro distribution franchise customers is, again, intended primarily to benefit London Hydro's distribution customers, by increasing the customer base over which Green Button service costs are recovered. At the same time, Ontario and other customers get a greater value and economical costs from using a well-defined and certified Green Button platform. London Hydro notes that 100% of the 2017 revenue forecast from providing Green Button service functionality to non-London Hydro distribution customers (i.e. Whitby and Festival) was credited to ratepayers as an offset to London Hydro's 2017 cost of service distribution rates application.

There is, under London Hydro's proposal, no risk associated with the provision of Green Button Services to customers other than London Hydro distribution customers. To the extent that London Hydro incurs any costs related to Green Button services during the "incubation period" those costs will be tracked separately from the costs ostensibly funded by London Hydro distribution rates, with no risk that those costs will be recovered from London Hydro ratepayers. London Hydro has not, for example, proposed any mechanism to track Green Button service related costs (in the incubation period) for future disposal.

London Hydro would re-iterate, as we have in our application and response to the Board staff questions, that the business line we are promoting leverages existing open source technology emulated by London Hydro for our own customers and that our intent is only to expand the customer base to which capital and operational costs can be spread over therefore benefitting both London Hydro and external customers. Section 71(4) provides us that ability without the complications of creating an affiliate. The genesis of Section 71(4) implementation was the result of Bill 112, Strengthening Consumer Protection and Electricity System Oversight Act, 2015. Obviously the government realized the limitations placed on electricity distributors in expanding its line of business outside of its franchise by requiring affiliates. London Hydro would emphasize that the Green Button platform is an open source platform designed for the metered utility industry as a whole (i.e. natural gas, electricity and water and other) for the basic purpose of promoting energy conservation, consumer education, and increasing utility efficiency. London Hydro would suggest that this proposal is not intended to compete against private enterprise. In fact opening up the Green Button market should allow third parties to take advantage of the technology to create standard based applications for new market opportunities.

Further London Hydro would suggest that concerns about spreading risk to the London Hydro ratepayer are unfounded. Our proposal has identified that we do not believe this venture will be material in nature and any risk can be maintained to a minimum through ring fenced accounting. Primarily this is a variable cost based product and hence costs can be easily contained by their own very nature. If there is no uptake, there is minimal risk. Further the benefits of expanding this technology beyond our borders will help London Hydro customers in the future by reducing capital and operational costs and the assumption of the growth in revenue offsets in future cost of service applications. London Hydro customers can also gain benefit from future innovation in conservation and utility efficiencies as a result of an expanded market for third party applications.

London Hydro is of the opinion that our proposal should not in any way, shape, or form be opined as detrimental to any existing business. London Hydro would suggest that our application would satisfy the “special circumstances” stipulation. London Hydro view of special circumstances would be for the Green Button platform which will enable the growth of third party applications and further help in reducing the cost of energy efficiency programs. London Hydro is promoting the delivery of a turnkey standard based business platform, which we have faith in, to our fellow utility operators to aid them in deploying conservation and operational efficiencies for their customers benefit. Collaboration with other utilities by sharing the standard based platform would provide the most efficient and economic benefit to customers as well as maximize the value of smart meter/AMI investments.

For the record, in parallel to seeking approval for this application, London Hydro has been in discussions with a large Canadian electricity utility, located in another province on a Green Button pilot project to begin shortly. This pilot is a real opportunity for London Hydro, the OEB and the province of Ontario to promote Ontario’s designed

technology and proliferate the adoption Green Button Standard nationwide. For this reason London Hydro would ask the OEB for consideration in expediting their decision.

ALL OF WHICH IS RESPECTFULLY SUBMITTED