



# **Greater Sudbury Hydro Inc.**

## **Interrogatory Submission**

**March 10, 2020**

**Pollution Probe**

**EB-2019-0037**

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1-PP-1

**Question:**

Ex.1; T2, S1, Attachment 1 Business Plan

Reference: GSHi's mission aligns with the policies and objectives in the City of Greater Sudbury's Official Plan, which promises the delivery of a reliable supply of electricity to citizens in a manner that is fiscally responsible, environmentally conscious, and innovative in its approach to energy delivery and conservation.

The City of Greater Sudbury has invested significant resources in its Community Energy and Emissions Plan (CEEP) (<https://www.greatersudbury.ca/live/environment-and-sustainability1/clean-energy/>).

The City of Greater Sudbury also has a requirement under O.Reg. 397/11 to track its annual energy and greenhouse gas emissions and have a CDM plan to reduce energy use in its operations (<https://www.greatersudbury.ca/live/environment-and-sustainability1/conservation-and-demand-management-plan/>).

a) Please outline what coordination GSHi has conducted to support or align with the City of Greater Sudbury's CEEP and CDM Plan goals.

b) Please outline all 2020 – 2024 capital and O&M cost efficiencies between GSHi and the City of Greater Sudbury. Please indicate the costs savings to Ratepayers associated with these efforts by year.

1 c) Please outline how the GSHI DSP supports the City of Sudbury CEEP and  
 2 CDM Plan.

3

4 **Response:**

5 a) Over the current Conservation framework, GSHi has assisted the City of  
 6 Greater Sudbury (the City) in completing a number of important  
 7 Conservation initiatives through available programs as follows:

8

Project Type	Incentive Paid	Dollars	KWH Saved		Incentive Dollars to be Paid	KWH to be saved per IESO calculations
			per	IESO		
			calculations			
Turbo Blower	\$	194,000.00	1,985,000	\$	22,197.70	221,977
Lighting	\$	135,413.60	2,139,940	\$	1,450.00	16,587
Streetlighting	\$	120,393.65	426,852	\$	659,135.00	7,611,799
Engineering						
Study	\$	125,149.25	-			
Traffic Lights	\$	40,035.00	632,798			
Chillers & Pump						
VFDs	\$	28,982.00	233,570			
VFD and Pumps	\$	10,562.00	40,955			
HVAC Rooftop						
Units	\$	10,424.00	4,960			

Transformer	\$	4,368.16			
			41,309		
Dehumidifier	\$	3,812.72	21,858		
Compressor	\$	3,106.62	31,066		
<b>Total</b>	<b>\$</b>	<b>676,247.00</b>	<b>5,558,308</b>	<b>\$ 682,782.70</b>	<b>7,850,363</b>

1

2 On March 21st, 2019, the Conservation First Framework agreement that  
 3 the IESO had with utilities in the province was cancelled. The City did  
 4 have a few projects that were already pre-approved by that date, meaning  
 5 that if equipment was installed by December 31<sup>st</sup>, 2019, the City would be  
 6 eligible for those incentives, with the largest being the conversion of more  
 7 streetlights to LED.

8

9 With the cancellation of the Conservation First Framework, the programs  
 10 are now delivered centrally by the Independent Electricity System  
 11 Operator (IESO). In the future, any application by the City for funding for  
 12 conservation projects will directed to the IESO.

13

14 With respect to the City's CEEP, GSHi staff participated in a number of  
 15 workshops with the City's consultant when the CEEP was being  
 16 developed. Subsequently, GSHi staff met with City staff to discuss the  
 17 near-term implementation of the initiatives considered in the CEEP. The  
 18 discussion was focused on the City's goal to reach carbon neutrality by  
 19 2050 and the areas and projects that could have the greatest impact on  
 20 that aspiration.

21

1 During the meeting, the participants reviewed the Annual Planning  
2 Outlook (APO) prepared by the IESO for guidance on which projects  
3 would be most likely to be successful. The APO generally indicates new  
4 generation will not be required in the province in the near term. More  
5 specifically, at Section 3.4 of the APO, a capacity constraint is noted on  
6 the Flow South Interface of the transmission system. This constraint limits  
7 the ability of the system to flow energy south from northeastern Ontario  
8 where there is an energy sufficiency, to the Greater Toronto area where  
9 the energy is required. It's worth noting that the vast majority of energy  
10 generated in northeastern Ontario comes from established hydro-electric  
11 systems and is non-emitting.

12

13 As a result of this review, we understand that the City-CEEP team are  
14 Intending to shift their attention to projects focused on fossil fuel burning  
15 technologies related to transportation and heating.

16

17 b) There are a number of cost efficiencies that will be realized throughout  
18 2020-2024 as a result of the collaborative relationship that exists between  
19 GSHi and its shareholder, the City of Greater Sudbury.

20

21 By maintaining consistent communication with the City of Greater Sudbury  
22 over the next five years, GSHi will ensure that the system renewal projects  
23 detailed in its DSP align with the City's own planning processes. Rather  
24 than providing a quantifiable annual saving to ratepayers, this process of  
25 continuous consultation mitigates financial risk.

26

27 For example, GSHi participates in annual meetings with both the City of  
28 Greater Sudbury and the Ministry of Transportation (MTO) to ensure that  
29 any plans that these two road authorities may wish to enact within GSHi's  
30 service territory are factored into the decision concerning optimal timing of

1 a prospective system renewal investment. Doing so ensures that GSHi's  
2 assets are installed in locations that do not conflict with future road  
3 construction plans, avoiding costly re-work and re-location activities.

4  
5 Also, by continuing to provide certain services such as water/wastewater  
6 billing to the City on a cost recovery basis, GSHi ensures that the elevated  
7 cost that would result from the need to outsource this service is not  
8 passed on to ratepayers. The City also benefits from GSHi's ongoing  
9 commitment to finding efficiencies in its operational practices that will bring  
10 value to its shareholder. In 2019, a \$30,000 reduction in cost for  
11 water/wastewater billing was seen by the City as a result of efficiencies  
12 GSHi staff found when reviewing how service was provided in 2018.

13  
14 c) As previously mentioned, with the cancellation of the Conservation First  
15 Framework, conservation programs are now delivered centrally by the  
16 Independent Electricity System Operator (IESO). In the future, any  
17 application by the City for funding for conservation projects will be directed to  
18 the IESO.

19  
20 Also, with the City of Greater Sudbury's CEEP team prioritizing projects  
21 focused on fossil fuel burning technologies related to transportation and  
22 heating, GSHi's role in advancing these objectives remains unclear. With  
23 that said, GSHi will continue to meet with City staff when requested in  
24 order to stay abreast of CEEP-related activities.

25  
26 Although GSHi's DSP does not contain specific reference to the City's  
27 CEEP, it does provide details of planning measures considered to ensure  
28 that GSHi remains responsive to changes in the energy landscape  
29 brought about by shifts in conservation policies, the ongoing evolution of  
30 energy technologies, incremental increases in the number of customers

1 wishing to manage their own energy production, and the impacts of  
2 climate change. GSHi expects to leverage its relationships with the  
3 distributor community and all affected stakeholders to continually learn  
4 and evolve to meet emerging challenges.

5

6 The details of this process can be found in Exhibit 2, Tab 2, Schedule 1,  
7 Attachment 1, Page 23.

8

9



**1-PP-2**

**Question:**

Ex.1; T2, S1, Attachment 1 Business Plan

Reference: GSHi continues to remain flexible to emerging technologies like DER's as an alternative to the traditional wires solution and anticipates the entrance of these technologies in the coming years in its distribution system.

- a) Has GSHi assessed the opportunity for DER (including conservation) in its service territory? If so, please provide material outlining the opportunities.
- b) Has GSHi proactively solicited customer input to determine if they have plans to install DER over the life of the DSP? If so, please provide details and a summary of responses.
- c) What capacity for DER is included in the DSP?
- d) Would incremental capital be needed to support potential DER opportunities? If so, please provide the details.

**Response:**

- a) At this time, GSHi does not have a formal policy regarding non-distribution system alternatives to relieving system capacity or operational constraints. However, the utility has been engaged in conservation demand management (CDM) activities which have been incorporated into GSHi's system capacity forecast. System capacity studies are adjusted downwards by the expected CDM targets/achievements, effectively extending the timeline for new capacity requirements. Today, CDM cannot be significantly relied-upon to deliver much in the way of distribution feeder congestion relief. However, as programs and customer adoption continue to grow and evolve, CDM's involvement in deferring capital investment is expected to grow in importance. As previously noted in

1 Sections 5.2.2.1 – 5.2.2.3 of GSHI's *Distribution System Plan (DSP)*, GSHi has  
2 been engaged with both Hydro One and the IESO in both the RIP/IRRP  
3 processes to ensure that regional solutions to capacity constraints are  
4 considered prior to enacting wires-based investment solutions. For reference,  
5 please refer to **Attachment #1**. GSHi will continue to prudently monitor the  
6 market for innovative technologies that show promise in helping to mitigate future  
7 operational challenges.

8

9 b) GSHi's 2019 DSP was informed through consultation with its customers. GSHi  
10 engaged the services of research firm Decision Partners to design an enhanced  
11 consultation model to validate the prospective investments contained in the DSP  
12 and to help identify any changes to planned actions that may better align with  
13 customer expectations. For example, as part of the model, Decision Partners  
14 talked to customers about whether "...they would consider adding generation to  
15 their home, and what would prompt them to do so?" Overall, 40% of the  
16 customers surveyed said they would consider having solar panels or other  
17 renewable generation equipment connected to the GSHi system depending on  
18 cost and return on investment. Additional details on the consultations are  
19 included as **Attachment #2**.

20

21 c) Many feeders operated by GSHi are capable of accepting, on average, 1MW of  
22 DER connection requests without issue. The Engineering Department has  
23 adopted two specific screening tests called the "Fault Ratio Factor" and "Stiffness  
24 Factor" to establish a benchmark for allowable DER connections. The more  
25 conservative value of the two test results is then ascribed to the feeder as being  
26 the DER connection "limit" and made publicly available as per O.Reg. 326/09  
27 requirements. Additional details on capacity for DER in GSHi's distribution  
28 system are included as **Attachment #3**.

29

30

31 d) For the forecast period of 2020-2024, GSHi is not proposing any material capital  
32 expenditures where enabling the connection of REGs, Distributed Energy

1 Resources or Complex Loads would be considered the primary driver. However,  
2 there are a number of prospective investments, particularly in the *System*  
3 *Renewal* category, where the improved ability to connect these types of requests  
4 would be a natural by-product of the investment. These prospective capital  
5 investments might relate to, for example:

- 6 • Rebuilding a single phase line to serve a proposed connection;
- 7 • Converting a lower voltage line to operate at a higher voltage;
- 8 • Rebuilding an existing line with a larger size of conductor; or
- 9 • Upgrading the MVA capacity of a voltage-regulating transformer or  
10 station.

11  
12  
13

***Attachment 1 (of 3):***

***1-PP-2 Attachment 1: Integrated Regional Resource  
Planning (IRRP) / Regional Infrastructure Planning (RIP)***

component of any prospective infrastructure renewal investment. Encouragingly, we have already begun to incorporate climate adaptation considerations in a systematic way. GSHI, as part of its standard engineering practices and Construction Verification Program, continues to build and design pole lines to meet or exceed the latest revision of CSA C22.3 No.1 Overhead Systems which ensures that new distribution system expansions, extensions and replacements are storm-hardened to a level appropriate with the regional climate. GSHI expects to leverage its relationships with the distributor community and all affected stakeholders to continually learn and evolve to meet this emerging challenge.

## 5.2.2 Coordinated Planning with Third Parties

The following outlines how GSHI has met the Board's expectations for coordinating infrastructure planning with customers, industry stakeholders, the Transmitter, neighbouring distributors and the Independent Electricity System Operator (IESO). This section includes and explains the types of consultation, lists the participants involved and identifies the final deliverables of the planning activities (if any).

As part of the Renewed Regulatory Framework, the OEB has expanded the Cost of Service (COS) Distribution Rate Application filing with new requirements for a formalized DSP to demonstrate and document GSHI's coordinated planning and formal engagement with the following stakeholders:

- Integrated Regional Resource Planning (IRRP) with the Independent Electricity System Operator (IESO);
- Regional Infrastructure Planning (RIP) with Hydro One;
- Renewable Energy Generation planning with the IESO;
- Neighbouring Local Distribution Companies (LDCs);
- Municipal, Provincial Authorities; and
- Customers

### 5.2.2.1 Integrated Regional Resource Planning (IRRP) with the IESO

Regional planning looks at each region's unique needs and considers conservation, generation, transmission, distribution and innovative resources to meet those needs. Led by the IESO, this planning initiative strives to develop recommendations on how best to achieve reliability needs after considering a myriad of contributing factors and viewpoints. Regional planning is a continual process with plans developed for a 20 year outlook but evaluated every five years, at minimum.

Due to the expanse of its service territory, GSHI straddles two different regions for the purposes of regional planning:

## Group 2: Sudbury/Algoma

The Sudbury/Algoma planning region includes the City of Greater Sudbury, Manitoulin Island and the Townships of Verner, Warren, Elliott Lake, Blind River and Walden.

Total peak demand for the Sudbury/Algoma region is approximately 700MW. The electrical supply for this region is provided through a network of 230kV and 115kV transmission circuits from Hanmer TS, Algoma TS and Martindale TS. This area is also connected to Northwest Ontario through Mississagi TS.

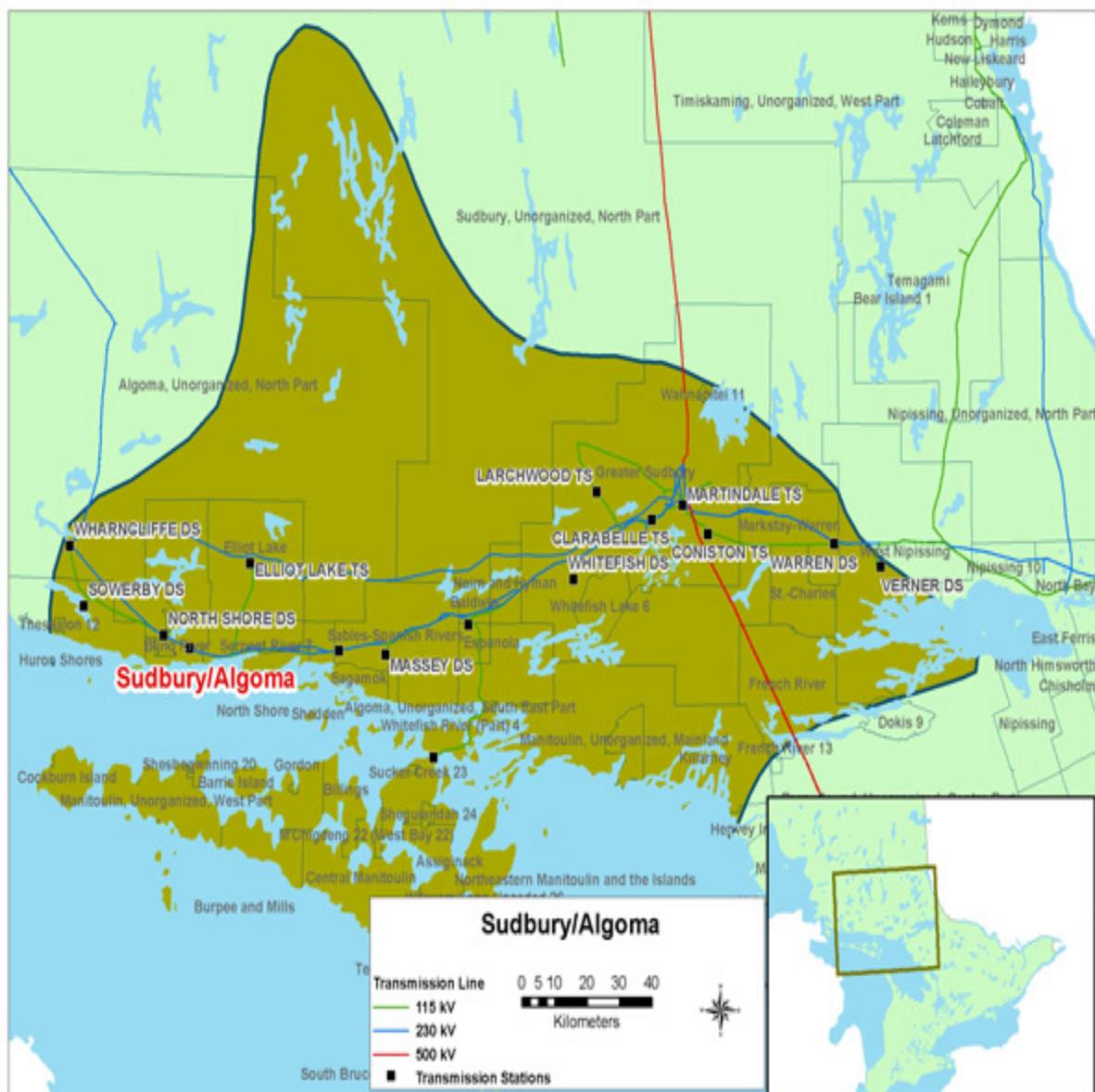


Figure 1 Map of Sudbury/Algoma Planning Region (Source: IESO)

### Group 3: North/East of Sudbury

The North/East of Sudbury planning region is the area roughly bordered by Moosonee to the north, Hearst to the northwest, Ferris to the south and Kirkland Lake to the east.

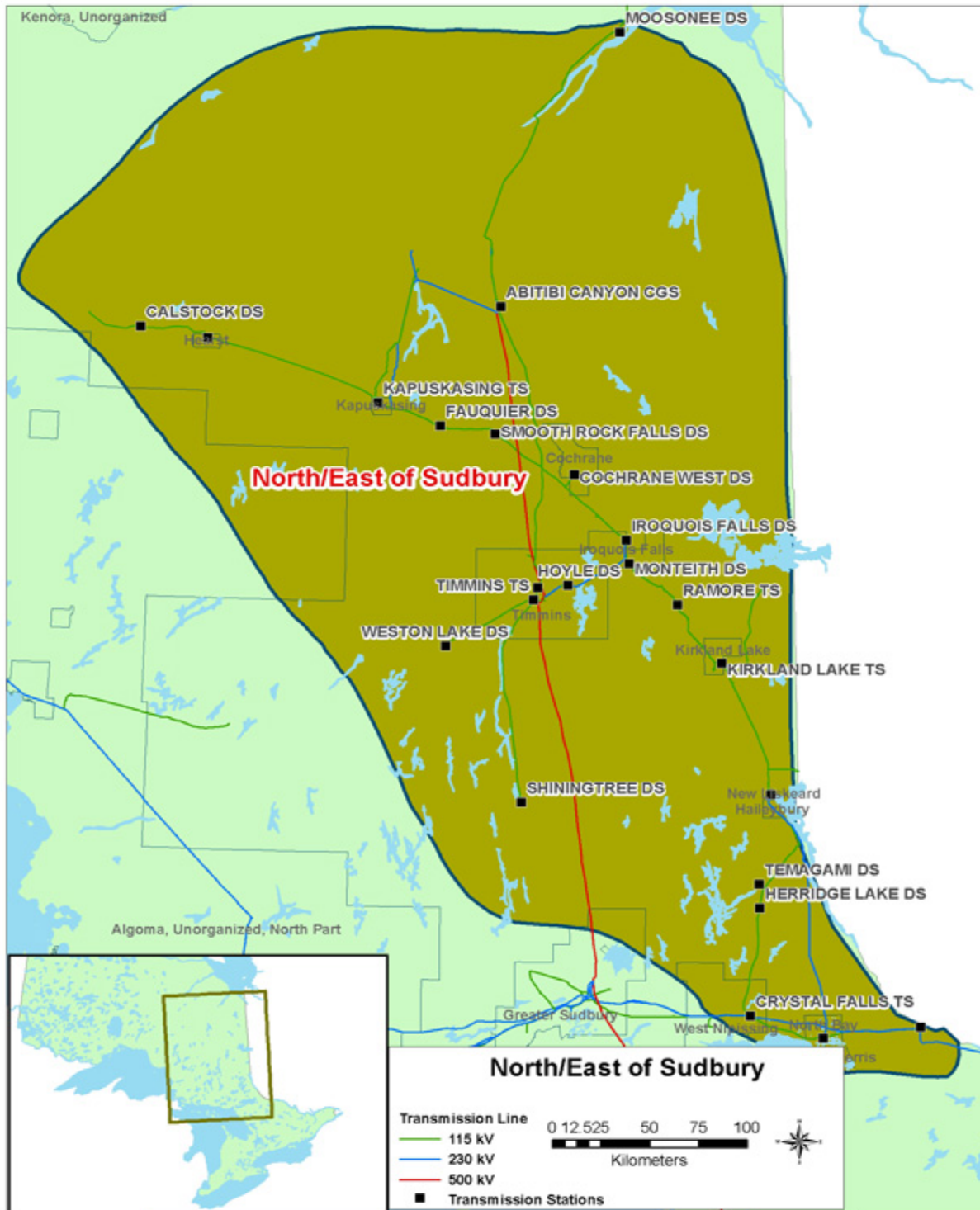


Figure 2 Map of North/East of Sudbury Planning Region (Source: IESO)

As a result of the findings from the Regional Infrastructure Planning (RIP) process listed below in 5.2.2.2, there was no deemed requirement to activate the IESO-led IRRP process in neither the Sudbury/Algoma nor the North/East of Sudbury planning regions.

The decision by Hydro One to replace Coniston TS (115/22kV) with a new station to be located at Hanmer TS (230/44kV) required GSHI to prematurely retire the power transformer unit at Lower Coniston MS 30 in 2017 as it was no longer fit for service with the proposed increase in voltage level (old unit was rated for 22kV and did not have dual voltage capability).

#### 5.2.2.2 Regional Infrastructure Planning (RIP) with HONI

As part of the regional planning process, when Hydro One is identified as the “Lead Transmitter”, their primary role is to conduct a *Needs Assessment* review and *Local Planning Report* that together constitute the *Regional Infrastructure Plan* for a specific region. GSHI was invited by Hydro One to participate in the regional planning for both Groups 2 and 3.

##### **Group 2**

On April 5<sup>th</sup>, 2016, GSHI received a response from Hydro One in regard to the RIP process outcome. It stated “...*the Needs Assessment (“NA”) for the Sudbury/Algoma region was completed in March, 2015 (see attached) and the report recommends that no further coordinated regional planning is required to address needs in the Sudbury-Algoma Region. To address local needs, local planning was undertaken by Hydro One Networks Inc. (Transmitter) and Hydro One Networks Inc. (Distribution) to address the “Manitoulin TS Low Voltage Regulation” need. A Local Planning (“LP”) report was prepared and published by the Working Group for the Sudbury/Algoma region in September, 2015 (also attached). The only major project planned for the Sudbury/Algoma Region over the near and mid-term is*

- *New 230/44kV station at Hanmer TS to replace Coniston TS (115/22kV). As part of this project, Coniston loads will be converted from 22kV to 44kV (2019). The approximate cost of this work \$25M. This is a pool funded investment.*

*Consistent with the Regional Planning process established by the OEB in 2013, “RIP” is the last phase of the planning process. In view that no further regional coordination was required, the NA and LP reports will be deemed to form the Regional Infrastructure Plan (“RIP”) for the Sudbury/Algoma Region. The next planning cycle for the region will take place within five years of the start of this cycle (2013) or earlier, should there be a new need identified in the region.”*

A copy of the full *Needs Assessment*, along with a copy of the *Local Planning Report*, are included hereto as Appendix C.



### Group 3

On June 10th, 2019, GSHI requested an updated “Regional Planning Status” letter from Hydro One for the upcoming Cost of Service rate application. Hydro One provided a response on August 2<sup>nd</sup>, 2019. With reference to the Sudbury/Algoma region, it stated “... *the Study Team determined that the region’s transmission supply capacity at both 230kV and 115kV are sufficient and no overload issues were identified for the 230kV or 115kV transformers. There were also no system reliability or restoration issues identified, and the study team recommended that no further coordinated regional planning is required to address the needs in the Sudbury/ Algoma region...*”

With reference to the North/East of Sudbury region, it stated “... *the Study Team determined that the region’s transmission supply capacity at both 230kV and 115kV are sufficient and no overload issues were identified for the 230kV or 115kV transformers. There were also no system reliability or restoration issues identified, and the study team recommended that no further coordinated regional planning is required to address the needs in the North/ East of Sudbury region...*”

A copy of the full *Regional Planning Status* letter is included hereto as Appendix C.

#### 5.2.2.3 Renewable Energy Generation Planning with IESO

On June 13, 2019, GSHI requested a *Letter of Comment* from the IESO in relation to GSHI’s proposed Renewable Energy Generation (REG) investments included in this *Distribution System Plan*. The IESO provided a response on July 11, 2019.

The IESO’s *Letter of Comment* and GSHI’s *Green Energy Plan (GEA)* for the forecast period 2020-2024 are provided hereto in Appendix G.

#### 5.2.2.4 Municipal & Provincial Authorities

GSHI participates in annual meetings with both the City of Greater Sudbury and the Ministry of Transportation (MTO) to ensure that any plans that these Road Authority agents may wish to enact within GSHI’s service territory are factored into the decision concerning optimal timing of prospective *System Renewal* investments. These yearly meetings are attended by local utilities and are a forum where expected development plans on the part of these utilities are shared with the attendees.

***Attachment 2 (of 3):***

***1-PP-2 Attachment 2: Solar Panels or Renewable  
Generation Equipment***

# Solar Panels or Renewable Generation Equipment

## Generation Customers

- When asked whether they have solar panels or other renewable generation equipment connected to the GSHI system, only those selected from the sample of FIT Customers (one Residential and three Small Commercial Customers) said that they did.
- Another SC Customer said he had solar panels but they were not connected to the GSHI system and two Large Use Customers also mentioned generation equipment, but it is unclear whether they are part of the FIT program.
- Two Small Commercial Customers said they were “extremely satisfied” and “happy” with GSHI services and assistance related to their generation:
  - » “I’m making big money. They pay me an amount and I got a good deal because I jumped in at the beginning.” (SC-FIT)
  - » “I have 3 MicroFITS. I would put more in but they won’t let me do any more. I have no contact with them other than the initial setup. They send me a cheque and that’s it. I’ve had no problems with it. I’m happy with how the process works.” (SC-FIT)
- One Small Commercial Customer commented that he was satisfied “*now*” but that he had to have the whole solar panel system reinstalled because “*whoever GSU contracted it out to initially made a mistake.*”
- One Large User Customer said they have both solar panels and geothermal heating, adding that the “*biggest barrier*” in the public sector is getting the capital to first purchase solar panels or co-generation, and then to pay for the maintenance and operating costs.

# Solar Panels or Renewable Generation Equipment

## Generation Customers

- **One Residential Customer expressed frustration over the discrepancy between the tally of kilowatts reported by the solar panel company and those paid by GSH, and frustration due to the delay in receiving payment:**
  - » *“I don’t get all the kilowatts because I get it from my company that I bought the solar system from. They always take an extra seventeen or eighteen kilowatts off and then they charge me a service charge for looking after my books, so \$5 or a percentage of what my bill is. I am losing every month seventeen or eighteen kilowatts per month and not getting money for it.” (R-FIT)*
  - » *“They are not organized with the solar systems. They send me how much money they owe me but the cheque doesn’t come. It takes three weeks to send their bill and about five to six weeks before I get my money.” (R-FIT)*
- **One LU Customer expressed frustration over the application process:**
  - » *“These permissions from IESO should be handled by the Conservation Department and they’re not even in the picture when you apply for the FIT program. Do you know how exasperating it is to apply for the MicroFIT programs? Why do we have to make it hard?” (LU)*

# Solar Panels or Renewable Generation Equipment

## Non-Generation Customers

- **When asked whether they would consider adding generation to their home and what would prompt them to do so, many (40% Overall: R:25%; SC:40% SC; LU:25%) said they would consider having solar panels or other renewable generation equipment connected to the GSHI system depending on cost and return on investment:**
  - » “If there was not much of a cost. The cost and maybe an assurance that it wouldn’t damage my roof.” (R)
  - » “If it ever came to a state where it is economical and one could go through the expense and recoup the dollars and be ahead of the game after 5 or 10 years, I’d certainly look into it.” (SC)
  - » “It is straight dollars and cents. If it is going to reduce my bill, do it; if it is not, don’t. Another thing is my age and the payback. I am 75 years old and I am not interested in a payback over 25 years because I won’t be alive for 25 years. And even if I am, I will be drooling.” (SC)
  - » “We have looked at it with a third party as to potential for energy savings but it didn’t make sense at that time. There was a huge capital cost and the payback was a long period of time.” (LU)

# Solar Panels or Renewable Generation Equipment

## Non-Generation Customers

- **Some Customers (20% Overall: R:20% SC:10%; LU: 50%) said they would consider having solar panels or other renewable generation equipment if government or other incentives were available:**
  - » *“Helping with the capital costs, rebates, some type of encouragement or incentive...” (LU)*
  - » *“Reasonable incentive; maybe some government grants to help us to do that; maybe also some demonstration or indication of how much I would save; whether it was worth my while and how long would it take me to pay that amount back; like how long it would take to cover that cost; is it worth it for me?” (SC)*
- **A few (10% Overall: R:15%; SC:5%; LU:0%) said they would consider renewable generation equipment if they could get more information.**

# Solar Panels or Renewable Generation Equipment

## Non-Generation Customers

- **A few (15% Overall: 25% Res; 5% SC; 0% LU) said they would not consider solar panels or other renewable generation equipment , commenting that they do not want to give access to their land, are concerned about cost, lack of reliability, and/or damage to their property:**
  - » *“The primary concern is the cost of installation and the secondary is where to put it. In Sudbury we get a lot of snow. If you want to set up your panels properly, they are going to add a lot of weight on your roof that originally wasn’t foreseen by the original architects and engineers. So when your house starts to break and collapse that is going to cause a lot of financial hardship on a resident. It is just bad for everybody.” (R)*
  - » *“I have a friend that is into the wind turbines. They are relatively efficient to a point but after about six months, the efficiency falls off by about 20% to 25% because of various problems like bugs on the blades. That was a big problem down in Texas. On the wind turbines, they had to get the turbines all cleaned at least once a year. The engineers never planned for it.” (SC)*

***Attachment 3 (of 3):***

***1-PP-2 Attachment 3: Renewable Energy Generation  
Connections - Capacity by Feeder***



## Appendix H    Renewable Energy Generation Connections – Capacity by Feeder

Station	Feeder Designation	Calculated Available Generation capacity per Feeder (kVA)	Connected Generation at Feeder Level (kVA)	Net Available Generation Capacity per Feeder (kVA)
Kathleen	2F1	1281	0	1281
	2F2	2981	0	2981
	2F3	1265	0	1265
	2F4	1316	0	1316
	2F5	3647	0	3647
	2F6	1618	10	1608
Cressey	3F1	565	18	547
	3F2	406	6	400
	3F3	148	0	148
	3F4	253	0	253
	3F5	1395	0	1395
	3F6	274	0	274
	3F7	1994	10	1984
	3F8	6460	0	6460
	3F9	255	0	255
	3F10	437	0	437
Levert	6F1	1621	0	1621
	6F2	1274	4	1270
	6F3	1304	25	1279
	6F4	1191	0	1191
Lasalle	7F1	1565	0	1565
	7F2	1059	26	1033
	7F3	1091	0	1091
	7F4	1057	0	1057
	7F5	2138	4	2134
	7F6	1787	0	1787
Martilla	8F1	1123	0	1123
	8F2	849	0	849
	8F3	1108	10	1098
Regent	9F1	346	10	336
	9F2	294	0	294
	9F4	422	10	412
Ramsey Lake	10F1	913	10	903
	10F3	1287	0	1287
	10F4	754	29	725
	10F5	902	26	876
	10F6	851	0	851
Gemmell	11F1	1142	0	1142

	11F2	1257	0	1257
	11F3	933	20	913
	11F5	1146	20	1126
	11F6	1409	250	1159
	11F7	1507	0	1507
	11F8	942	0	942
Tedman	12F1	264	10	254
	12F2	561	6	555
	12F3	291	0	291
	12F4	408	10	398
Paris	13F1	907	10	897
	13F2	851	0	851
	13F3	1009	0	1009
Centennial	14F1	393	0	393
	14F2	393	260	133
	14F3	393	0	393
	14F4	393	0	393
Robinson	15F1	1469	0	1469
	15F2	1126	20	1106
	15F3	1018	0	1018
	15F4	1216	0	1216
	15F5	1839	10	1829
Barrydowne	16F3	1444	0	1444
	16F4	1227	10	1217
	16F5	1153	0	1153
	16F6	801	0	801
Main	17F1	1066	20	1046
	17F2	1421	22	1399
	17F3	1348	24	1324
	17F4	1365	0	1365
	17F5	730	10	720
	17F6	932	251	681
Moonlight	18F1	673	9	664
	18F2	828	0	828
	18F3	1086	1630	-544
Dash	19F1	1792	5	1787
	19F2	1693	0	1693
	19F3	959	19	940
	19F4	1793	0	1793
	19F5	625	5010	-4385
	19F6	1955	0	1955
	19F7	2044	5000	-2956
	19F8	722	0	722
	19F9	963	0	963
Long Lake	20F1	1006	42	964
	20F2	1654	20	1635
	20F3	505	16	489
	20F5	707	33	674

Richard Lake	21F1	610	10	600
	21F2	1087	0	1087
	21F3	728	20	708
Broder	24F1	953	20	934
	24F2	1015	15	1000
	24F3	912	252	661
	24F4	723	0	723
Copper Cliff	25F1	229	15	214
	25F2	296	3	293
	25F3	268	0	268
	25F4	192	0	192
Lower Coniston	30F1	363	12	351
	30F2	119	0	119
Upper Coniston	31F1	267	0	267
	31F2	371	0	371
Capreol	32F1	238	0	238
	32F2	182	8	174
	32F3	247	0	247
Falconbridge	33F1	153	0	153
	33F2	203	0	203
Cache Bay	35F1	683	0	683
	35F2	708	25.89	682
Ethel	36F1	277	0	277
	36F2	527	0	527
	36F3	244	0	244
Railway	37F3	255	0	255
Third	38F1	359	20	339
	38F2	228	0	228
	38F3	273	0	273

1 1-PP-3

2 **Question:**

3 Ex.1; T2, S1, Attachment 1 Business Plan

4

5 Reference: Demand is strong as more than eight in ten customers or 81% are  
6 interested in GSH providing them with information to help save money by being  
7 more energy efficient.

8

9 a) Please summarize what information and assistance GSHi proposes to  
10 provide its customers on energy efficiency from 2020 to 2024.

11

12 b) Does GSHi support customer energy efficiency through partnerships  
13 (including with City of Greater Sudbury)? If so, please provide details.

14

15

16 **Response:**

17 a) Previous to 2020, GSHi was able to access funding from a provincial  
18 Conservation First Framework to help customers with programs that would  
19 help reduce the amount of electricity they consume. As of March 21st,  
20 2019, the Ministry of Energy, Northern Development and Mines cancelled  
21 the programs as they existed. The same Ministry set up a new framework  
22 that involves less programs and instructed that local distribution  
23 companies are to refer customers that inquire about energy efficient  
24 programs to the Independent Electricity System Operator who deliver  
25 those surviving programs centrally for the province.

26

27 The mechanism that allowed GSHi Conservation staff to assist customers with  
28 Save On Energy programs and provided the funding to do so, was the Energy  
29 Conservation Agreement that GSHi had in place with the IESO for the years from

1 2015 to 2020. With the notice of the termination of that agreement on March  
2 21<sup>st</sup>, 2019, GSHI was communicated by the IESO that we were still to process  
3 and assist with applications of customers that already had a project pre-approved  
4 by GSHI by March 31<sup>st</sup>, 2019. Any customers that were interested in applying for  
5 incentives for programs that were not cancelled, have to be referred to the IESO  
6 and direct their inquiries to email addresses that the IESO set up by program.  
7 Evidence of this can be found in the document "Program-specific QAs on interim  
8 framework.pdf" (Attachment 1) as well as the webinar for LDCs clarifying the new  
9 roles "CFF Wind Down – Webinar deck for March 27\_final for extranet  
10 posting.pdf" (Attachment 2). For example, slide 10 concerning the Retrofit  
11 program stating "Cease promotion and marketing of the program" and "All  
12 questions related to new applications to the IESO should email [Retrofit@ieso.ca](mailto:Retrofit@ieso.ca)"  
13

14 As such, GSHI remaining conservation staff have abided by the IESO guidelines  
15 and refer customers with questions about the new framework of programs to the  
16 emails provided by the IESO. GSHI remaining conservation staff are currently  
17 working solely with customers that had approved incentives to ensure they are  
18 able to receive incentives in accordance with program rules if they are able to get  
19 their energy efficient upgrades installed by December 31, 2020. Once those  
20 applications are processed and completed, there will no longer be staff employed  
21 in conservation at GSHI.  
22  
23

24 b) GSHI does not have any partnerships that support customer energy  
25 efficiency. As detailed above, the Conservation First Framework had  
26 enabled the funding of energy efficiency projects for customers. The City  
27 of Greater Sudbury completed many projects as detailed in the response  
28 to Pollution Probe IR#1.  
29

30 GSHI also partnered with Science North on a smart grid demonstration  
31 project to explore the functionality and benefits of a behind the meter

1 Battery Energy Storage System (BESS). The BESS was utilized to shave  
2 the customers daily peak, as well as provide VAR support to correct the  
3 customers poor power factor.  
4

***Attachment 1 (of 2):***

***1-PP-3 Attachment 1: Program-Specific QAs on interim  
framework***



March 20, 2019

NOT FOR DISTRIBUTION

### **Program-specific Qs and As on Interim Framework**

For use by: LDCs, call centres, etc.

#### **General Qs**

##### **What is happening to the Save on Energy programs?**

The government recently announced changes to the way energy-efficiency programs are delivered as part of its commitment to reduce electricity costs for customers. As a result, the IESO will be centrally delivering energy-efficiency programs for businesses until December 31, 2020.

##### **Why is the IESO going to centrally deliver the programs?**

This new delivery model will reduce the costs associated with program delivery, while continuing to provide a valuable and cost-effective system resource that helps customers better manage their energy costs.

##### **How did you arrive at the dates and deadlines for the programs?**

As per the directive, the IESO applied the following principles to determine the deadlines for the programs:

- Ensure a consistent customer approach across the province
- Aim for low customer impact so there is a smooth transition from the Conservation First Framework to the new interim framework
- Ensure the cost-effective use of resources in the transition from the Conservation First Framework to the new interim framework.

### **Heating and Cooling Program**

#### **1. What is happening to the Heating and Cooling Program?**

The Heating and Cooling Program is cancelled as of April 1, 2019.

#### **2. How are existing Heating and Cooling Program applications going to be managed? What are the relevant deadlines?**

Projects that have been completed will be processed according to the Participant Terms and Conditions.

Participating Contractors have until May 31, 2019, to submit incentive applications for projects with an install date of no later than April 30, 2019. No new applications will be able to be submitted after May 31, 2019.

Participants should submit proof of purchase and sign-off on the application submitted by their Participating Contractor before July 1, 2019.

### **3. How do I submit a new Heating and Cooling Program application? Who do I contact with questions?**

The Heating and Cooling Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Questions related to existing projects can be sent via email to [hvacpayments@summerhill.com](mailto:hvacpayments@summerhill.com), or over the phone through 1-877-688-3062.

### **Deal Days (Instant Discount)**

#### **4. What is happening to the Deal Days (Instant Discount) Program?**

The Instant Discount Program (Deal Days) is cancelled as of April 1, 2019.

#### **5. How can I get an Instant Discount before the program ends?**

This program was event-based, with one event in the spring and one in the fall. There will be no future Deal Days Events.

### **Home Assistance Program**

#### **6. What is happening to the Home Assistance Program?**

The program is continuing unchanged, and participation remains open to low-income customers across the province. More information about the program can be found at [SaveonEnergy.ca/HAP](http://SaveonEnergy.ca/HAP).

#### **7. How are existing HAP applications being managed?**

Enrollment remains open, and the IESO continues to work with its delivery partner, GreenSaver, to deliver the program to customers. Customers interested can call 1-855-591-0877, email [HAP@greensaver.org](mailto:HAP@greensaver.org) or visit [SaveonEnergy.ca/HAP](http://SaveonEnergy.ca/HAP) to learn more.

## **8. How do I submit a new HAP application? Who do I contact with questions?**

Customers interested in participating or who would like to learn more about the program can call 1-855-591-0877, email [HAP@greensaver.org](mailto:HAP@greensaver.org) or to visit [SaveonEnergy.ca/HAP](http://SaveonEnergy.ca/HAP) to learn more.

<<**Please note:** We encourage call centre staff to transfer customers to GreenSaver whenever possible – customers will have the opportunity to wait on the line for a customer support rep or leave a message for a later call back.>>

## **Indigenous Local Programs**

### **9. What is happening to the Hydro One First Nations Conservation Program (FNCP) and the Conservation on the Coast (COC) local program?**

Programming for Indigenous communities will continue to be available. The IESO will be reaching out to LDCs and local vendors about the transition to the new interim framework.

### **10. How are existing applications being managed?**

Enrollment remains open, and the IESO will work with existing delivery agents (Conservation on the Coast, FNESL) to continue to deliver the program to customers in participating communities.

### **11. I am currently an LDC (or delivery agent of an LDC) offering a local Indigenous program? What happens now that local programs are discontinued?**

The IESO will be reaching out to local vendors and their LDCs to review contract arrangements for transition to an IESO funded model.

## **Retrofit**

### **12. What is happening to the Retrofit Program?**

The Retrofit Program will be delivered province-wide by the IESO as of April 1, 2019.

### **13. How are existing Retrofit applications going to be managed? What are the relevant deadlines?**

Existing applications that are pre-approved by an LDC before May 1, 2019, will continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC. As per the Participant Agreement, these projects must be completed by December 31, 2020.

Applications submitted to LDCs before April 1, 2019, but not pre-approved by the LDC before May 1, 2019, will be transferred to the IESO. Customers will need to accept this reassignment of their application in the online system.

#### **14. How do I submit a new application? Who do I contact with questions?**

Participants are required to submit new applications through the Retrofit portal, which will be accessible on the Save on Energy website beginning April 8, 2019.

Participants with questions related to new applications beginning April 1, 2019, and transferring unapproved applications from an LDC to the IESO can email [Retrofit@ieso.ca](mailto:Retrofit@ieso.ca) for more information.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.

#### **Process and Systems Upgrades Program (PSUP)**

#### **15. What is happening to the PSU program?**

Customers should see limited changes as a similar program offering will be delivered province-wide by the IESO as of April 1, 2019.

#### **16. How are existing PSU applications going to be managed? What are the relevant deadlines?**

Customers with applications approved by the technical reviewer before April 1, 2019, will have until April 30, 2019, to execute contracts with LDCs. These projects must be in service by December 31, 2020, to be eligible for funding.

Fossil-fuel powered combined heat and power (CHP) systems that have not been approved by the technical reviewer before April 1, 2019, will no longer be eligible for funding. Fossil-fuel powered CHP applications that are approved but not contracted before May 1, 2019, will no longer be eligible.

Energy-efficiency and waste energy-recovery projects that do not have approved applications before April 1, 2019, or are not contracted with LDCs before May 1, 2019, can be transferred to the IESO.

#### **17. How do I submit a new PSU application? Who do I contact with questions?**

Participants with questions regarding existing contracts should contact their LDC for information about their contractual obligations.

Fossil fuel-powered CHP projects are no longer eligible through the program.

All new applications for energy-efficiency or waste energy-recovery applications that are not eligible to be contracted with LDCs are to be submitted to [ProcessandSystemsUpgrades@ieso.ca](mailto:ProcessandSystemsUpgrades@ieso.ca).

All program-related questions should also be submitted to [ProcessandSystemsUpgrades@ieso.ca](mailto:ProcessandSystemsUpgrades@ieso.ca).

### **Energy Performance Program (EPP)**

#### **18. What is happening to the Energy Performance Program?**

The program is continuing unchanged, and participation remains open to multi-site customers across the province.

#### **19. How are existing EPP applications going to be managed?**

There is no impact on existing participants and enrollment remains open.

#### **20. How do I submit a new EPP application, if applicable? Who do I contact with questions?**

Customers interested in participating or who would like to learn more about the Program can be directed to email: [EnergyPerformanceProgram@ieso.ca](mailto:EnergyPerformanceProgram@ieso.ca), or to visit <https://www.saveonenergy.ca/en/For-Business-and-Industry/Programs-and-incentives/Energy-Performance-Program> to learn more.

### **Small Business Lighting Program (SBL)**

#### **21. What is happening to the Small Business Lighting Program?**

Customers should see no changes to the Small Business Lighting Program; it will be delivered by the IESO beginning April 1, 2019.

#### **22. How are existing SBL applications going to be managed? What are the relevant deadlines?**

Applications with work orders completed before April 1, 2019, will not be impacted. Applications with a completed facility assessment and signed work order with the LDC before April 1, 2019, must be completed before May 1, 2019, to be eligible for funding through the LDC.

The following applications will be redirected to the IESO:

- Applications with a completed facility assessment and signed work order before April 1, 2019, where the project is not installed before May 1, 2019.
- Applications with a completed facility assessment and an unsigned work order before April 1, 2019.
- Applications without a completed facility assessment before April 1, 2019.
- All new applications as of April 1, 2019.

### **23. How do I submit a new SBL application? Who do I contact with questions?**

Participants with questions regarding existing applications submitted to an LDC should contact their LDC for information about their application status and eligibility.

Participants with questions regarding the program, new applications and transferring applications from an LDC to the IESO can email [SmallBusinessLighting@ieso.ca](mailto:SmallBusinessLighting@ieso.ca) for more information.

New Applications should be submitted to [SmallBusinessLighting@ieso.ca](mailto:SmallBusinessLighting@ieso.ca)

### **Business Refrigeration Incentive (BRI) Program**

#### **24. What is happening to the BRI Program?**

The BRI Program is cancelled as of April 1, 2019.

#### **25. How are existing BRI applications going to be managed? What are the relevant deadlines?**

Applications with work orders completed before April 1, 2019, will not be impacted.

Applications with a completed facility assessment and signed work order with the LDC before April 1, 2019, must be completed before May 1, 2019, to be eligible for funding through the LDC.

The following applications are no longer eligible for funding:

- Applications with a completed facility assessment and signed work order before April 1, 2019, where the project is not installed before May 1, 2019.
- Applications with a completed facility assessment and an unsigned work order on April 1, 2019.
- Applications without a completed facility assessment before April 1, 2019.

#### **26. How do I submit a new BRI application? Who do I contact with questions?**

The BRI Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.

### **High Performance New Construction (HPNC) Program**

#### **27. What is happening to the HPNC Program?**

The HPNC Program is cancelled as of April 1, 2019.

**28. How are existing applications going to be managed? What are the relevant deadlines?**

Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC. These projects must be completed by December 31, 2020.

Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding.

**29. How do I submit a new HPNC application? Who do I contact with questions?**

The HPNC Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.

**Existing Building Commissioning (EBCx) Program**

**30. What is happening to the EBCx Program?**

The EBCx Program is cancelled as of April 1, 2019.

**31. How are existing EBCx applications going to be managed? What are the relevant deadlines?**

Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC. Approved applications are required to have the Implementation Phase completed by September 30, 2019.

Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding.

**32. How do I submit a new EBCx application? Who do I contact with questions?**

The EBCx Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.

**Audit Funding Program**

**33. What is happening to the Audit Funding Program?**

The Audit Funding Program is cancelled as of April 1, 2019.

**34. How are existing applications going to be managed? What are the relevant deadlines?**

Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC. Approved applications are required to have the energy audit completed on or before December 31, 2020, to continue to be eligible for funding.

Applications not approved and contracted by LDCs on or before April 1, 2019, are no longer eligible for funding.

**35. How do I submit a new application? Who do I contact with questions?**

The Audit Funding Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.

**Monitoring & Targeting Program**

**36. What is happening to the Monitoring & Targeting Program?**

The Monitoring & Target Program is cancelled as of April 1, 2019.

**37. How are existing Monitoring & Targeting applications going to be managed? What are the relevant deadlines?**

Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC.

Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding.

**38. How do I submit a new Monitoring & Auditing application? Who do I contact with questions?**

The Monitoring & Targeting Program is cancelled as of April 1, 2019, and no new applications will be accepted.

Participants with questions regarding existing applications should contact their LDC for information about their application status and eligibility.



## **Energy Manager Program**

### **39. What is happening to the Energy Manager Program?**

Customers will see no changes to the Energy Manager program; it will be delivered province-wide by the IESO as of April 1, 2019.

The IESO is looking at streamlining the different types of Energy Manager contracts when those contracts come up for renewal.

### **40. How are existing applications and contracts going to be managed? What are the relevant deadlines?**

Existing Energy Managers under an existing contract before April 1, 2019, are expected to continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC or IESO as applicable.

Energy Manager applications or renewals that are not contracted by an LDC before April 1, 2019, will need to be submitted to [EnergyManagers@ieso.ca](mailto:EnergyManagers@ieso.ca).

Renewals of Energy Managers previously contracted with an LDC will be handled by the IESO when the term of the existing agreement expires.

### **41. How do I submit a new application? Who do I contact with questions?**

Participants with questions regarding existing contracts should contact their LDC for information about their contractual obligations.

Participants are to submit new applications to [EnergyManagers@ieso.ca](mailto:EnergyManagers@ieso.ca).

Participants under contract with an LDC can submit an application renewal request to the IESO at [EnergyManagers@ieso.ca](mailto:EnergyManagers@ieso.ca) before the end of an existing contract term with an LDC.

Participants with questions regarding new applications or renewing an existing contract with the IESO can email [EnergyManagers@ieso.ca](mailto:EnergyManagers@ieso.ca).

## **Industrial Accelerator Program (IAP)**

### **42. What is happening to the Industrial Accelerator Program?**

The Industrial Accelerator Program is being discontinued effective March 21, 2019, as per the Ministerial directives to the IESO.

The IESO's Business Advisors who work with the IESO's transmission-connected customers will be in touch with every customer who has an in-flight application to advise of its status.

Transmission-connected customers will be able to access a program similar to the IAP, which will be called the Process and System Upgrades Program. A webinar will be scheduled in the next few weeks to provide details on the program.

Industrial customers connected to the transmission system will continue to work directly with the IESO and with their IESO Business Advisor.

#### **43. How are existing IAP applications going to be managed? What are the relevant deadlines?**

The Industrial Accelerator Program is being discontinued effective March 21, 2019, as per the Ministerial directives to the IESO. Any applications for projects that are not contracted by that date will not move forward. This includes applications for studies and projects.

The IESO's Business Advisors who work with the IESO's transmission-connected customers will be in touch with every customer who has an in-flight application to advise of its status.

Any applications that do not meet this deadline can move to the new program, and the revised rules will apply.

As per the Ministerial directives, fossil-fuel powered CHP systems are no longer considered CDM and are no longer eligible for incentives. No new applications for these systems will be accepted.

#### **44. How do I submit a new IAP application? Who do I contact with questions?**

New applications for the IAP will no longer be accepted; the program is being discontinued effective March 21, 2019, as per the Ministerial directives.

Participants with questions regarding existing contracts should contact their IESO Business Advisor for information about their contractual obligations.

Transmission-connected customers can apply to the PSUP through their IESO Business Advisor.

### **Grid Innovation Fund**

#### **45. What is the Grid Innovation Fund?**

The Grid Innovation Fund, formerly called the Conservation Fund, supports innovation with the potential to improve electricity affordability and reliability for Ontarians – either by enabling greater competition of cost-effective demand-side resources in Ontario's electricity markets or by helping customers better manage their energy consumption.

**46. Is the Grid Innovation Fund continuing under the new interim framework?**

Yes, the Grid Innovation Fund will continue to fund innovation projects. It accepts unsolicited applications during defined intake windows. More information can be found on the IESO website.

**47. What will happen to projects already funded?**

Projects already funded will continue under the contract terms and contribution amounts committed to date.

**48. What will happen to RPP pilots being funded under the Grid Innovation Fund?**

Projects already funded will continue under the contract terms and contribution amounts committed to date. The IESO may amend project timelines upon notice from the OEB.

***Attachment 2 (of 2):***

***1-PP-3 Attachment 2: CFF Wind Down - Webinar deck  
for March 27***

# Conservation First Framework Program Wind Down Guidelines for LDCs

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March 27, 2019

# Agenda

- Welcome and introductions
- Review of programs
- Review of cost guidelines
- Questions

*This presentation is provided for information and guidance purposes only and does not amend the Energy Conservation Agreement (ECA). The information provided is not binding on the IESO and in no way varies or impacts the interpretation of the ECA.*

# Ministerial Directives -- March 21, 2019

- The IESO has been directed by the government to change the way energy-efficiency programs are delivered as part of its commitment to reduce electricity costs for customers. The IESO will be centrally delivering a reduced suite of energy-efficiency programs for businesses until December 31, 2020.
- The Heating and Cooling Incentive and Deal Days (Instant Discount) will be discontinued. The Home Assistance Program and energy-efficiency programs for Indigenous communities will continue to be offered.
- LDCs will continue to manage projects with business customers with whom they have binding agreements. Customers with existing contracts can still expect to have the incentive paid on project completion, which must be by December 31, 2020.
- Applications to the new suite of business programs will be done through the IESO.
- Some business programs that were not cost-effective or had low uptake will not be part of the IESO's new business program offering.
- There will be an opportunity for LDCs to apply for funding from the IESO for cost-effective local programs. Guidelines will be available in May 2019.

# General Requirements - LDCs

- LDCs are obligated to use commercially reasonable efforts to minimize expenditures while winding Programs down in an orderly manner
- The *CFF Program Wind Down Guideline* sets out the IESO's expectations and is meant to be responsive to the principles of minimizing expenditures while ensuring an orderly wind down and smooth transition between CFF and new IESO CDM Programs



# General Requirements – Program Guidance

- Guidelines vary from program to program, depending upon a number of factors, including:
  - whether the existing program is LDC-administered or centrally managed
  - whether the program is a province-wide program or local program
  - the existence of a comparable program under the new IESO CDM programs
  - whether the existing program's application approval process is more lengthy or complex.

# General Requirements – Participant Agreements

- Participant Agreements that were in effect before April 1, 2019, remain in effect notwithstanding the termination of the ECA
- For most programs, it is the IESO's expectation that no additional Participant Agreements will be entered into as of April 1, 2019.
  - For Retrofit and PSUP, LDCs may enter into Participant Agreements up to April 30, 2019

# Guidelines For Orderly Wind-Down Process

## Communication with Customers and Participants

- Deliver clear, transparent and consistent customer communications
- Provide training to call centres and staff that directly interact with customers
- Ensure timely update of customer-facing communication channels
- Cease all marketing of programs and related planning of marketing activities immediately

## Management of Third Party Service Providers

- Review service provider obligations as they relate to services required through wind down
- Use commercially reasonable efforts to minimize third-party service provider expenditures
- Terminate service provider agreements related to services that will not persist through program wind down operations

## Expectation of LDC Administrators

- Assign single point of contact for overseeing wind-down activities
- Allocate appropriate level of internal resources to manage wind-down activities

# 2019-2020 Interim Framework Programs

## Programs to be Available

- Retrofit
- Small Business Lighting
- Energy Manager
- Process and Systems Upgrades
- Energy Performance Program
- Home Assistance Program
- Indigenous Programming

## Programs Discontinued

- Instant Discount (Deal Days)
- Heating and Cooling
- Residential New Construction
- High Performance New Construction
- Audit Funding
- Existing Building Commissioning
- Monitoring and Targeting
- Business Refrigeration Incentive
- LDC Local Programs
  - E.g., PoolSaver, Social Benchmarking, etc.

# Programs Continuing in Interim Framework

# Retrofit Program

## What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

## How are existing applications going to be managed?

- Existing applications that are pre-approved before May 1, 2019, will continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC (projects must still be completed by Dec. 31, 2020)
- Applications submitted to LDCs before April 1, 2019, but not pre-approved by the LDC before May 1, 2019, may be transferred to the IESO. Customers will need to accept this reassignment of their application in the online system.

## How do customers submit new applications beginning April 1?

- New applications to be submitted through the Retrofit portal beginning April 8, 2019
- All questions related to new applications or transferring unapproved applications to the IESO should email [Retrofit@ieso.ca](mailto:Retrofit@ieso.ca)

# Small Business Lighting Program (SBL)

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new work orders to be signed after March 31, 2019

How are existing applications going to be managed?

- Applications with a completed facility assessment and signed work order with the LDC before April 1, 2019, must have work order completed before May 1, 2019, to be eligible for funding through the LDC

How do customers submit new applications beginning April 1?

- To start a new application or for any questions, email [SmallBusinessLighting@ieso.ca](mailto:SmallBusinessLighting@ieso.ca)

# Process and Systems Upgrades Program (PSUP)

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Customers with applications approved by the technical reviewer before April 1, 2019, will have until April 30, 2019, to execute contracts with LDCs.
- Fossil-fuel powered CHP systems that have not been approved by the technical reviewer before April 1, 2019, will no longer be eligible for funding. Fossil-fuel powered CHP applications that are approved but not contracted before May 1, 2019, will no longer be eligible.

How do customers submit new applications beginning April 1?

- To start a new application or for any questions, email [ProcessandSystemsUpgrades@ieso.ca](mailto:ProcessandSystemsUpgrades@ieso.ca)



# Energy Manager Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Energy Managers under contract before April 1, 2019, are expected to continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC or IESO as applicable
- Renewals of Energy Managers previously contracted with an LDC will be managed by the IESO when the term of the existing agreement expires

How do customers submit new applications beginning April 1?

- All questions related to new applications or transferring unapproved applications to the IESO should email [EnergyManagers@ieso.ca](mailto:EnergyManagers@ieso.ca)

# Energy Performance Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program

How are existing applications being managed?

- There is no impact on existing applications and enrollment remains open

How do customers submit new applications beginning April 1?

- All questions related to the program and new applications can be submitted to [EnergyPerformanceProgram@ieso.ca](mailto:EnergyPerformanceProgram@ieso.ca)

# Home Assistance Program

What are the immediate actions for LDCs?

- LDCs with HAP Fund Agreements can continue planned activities for the remainder of 2019
- Cease promotion and marketing of program through CDM Plan budgets

How are existing applications being managed?

- There is no impact on existing applications and enrollment remains open

How do customers submit new applications beginning April 1?

- Customers interested in participating can call 1-855-591-0877 or email [HAP@greensaver.org](mailto:HAP@greensaver.org)

# Programs Being Discontinued

# Business Refrigeration Incentive (BRI) Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new work orders to be signed after March 31, 2019

How are existing applications going to be managed?

- Applications with a completed facility assessment and signed work order with the LDC before April 1, 2019, must have work order completed before May 1, 2019, to be eligible for funding through the LDC

How do customers submit new applications beginning April 1?

- The BRI Program is cancelled as of April 1, 2019 and no new applications will be accepted

# High Performance New Construction (HPNC) Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC. **Reminder:** projects must be completed by December 31, 2020.

How do customers submit new applications beginning April 1?

- The HPNC Program is cancelled as of April 1, 2019, and no new applications will be accepted

# Audit Funding Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms, and incentives will be funded by the LDC. Approved applications are required to have the energy audit completed before December 31, 2020, to be eligible for funding.
- Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding.

How do customers submit new applications beginning April 1?

- The Audit Funding Program is cancelled as of April 1, 2019 and no new applications will be accepted.

# Monitoring & Targeting Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC
- Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding

How do customers submit new applications beginning April 1?

- The Monitoring & Targeting Program is cancelled as of April 1, 2019 and no new applications will be accepted.



# Existing Building Commissioning (EBCx) Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted after March 31, 2019

How are existing applications going to be managed?

- Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC. Approved applications are required to have the Implementation Phase completed by September 30, 2019
- Applications not approved and contracted by LDCs before April 1, 2019 are no longer eligible for funding

How do customers submit new applications beginning April 1?

- The EBCx Program is cancelled as of April 1, 2019 and no new applications will be accepted

# Heating and Cooling Incentive Program

What are the immediate actions for LDCs?

- Cease promotion and marketing of program

How are existing applications going to be managed?

- Projects must be installed before May 1, 2019
- Contractors have until May 31, 2019, to submit incentive applications for projects with an install date of no later than April 30, 2019.

How do customers submit new applications beginning April 1?

- Questions related to existing projects can be sent via email to [hvacpayments@summerhill.com](mailto:hvacpayments@summerhill.com) or over the phone through 1-877-688-3062

# Deal Days (Instant Discount Program)

What are the immediate actions for LDCs?

- Cease promotion and marketing of program

What will happen with future events?

- There will be no future Deal Days Events

# LDC Local Programs

What are the immediate actions for LDCs?

- Cease promotion and marketing of program
- No new applications to be accepted by LDCs after March 31, 2019

How are existing applications going to be managed?

- Existing applications approved and contracted by LDCs before April 1, 2019, will continue in accordance with the Participant Agreement terms and incentives will be funded by the LDC
- Applications not approved and contracted by LDCs before April 1, 2019, are no longer eligible for funding

How do customers submit new applications beginning April 1?

- Local programs are cancelled as of April 1, 2019, and no new applications will be accepted

Guidelines for new local programs will be available in May 2019. Discussions with LDCs will begin shortly.

# Conservation First Framework Wind Down Cost Guideline

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# Overview: CFF Wind Down Cost Guideline

ECA Notice of Termination was issued March 21, 2019. The IESO will continue to work with LDCs on wind-down activities.

## What are the next steps for LDCs?

- Commence the Wind Down of program activities in an orderly manner and use commercially reasonable efforts to minimize expenditures.
- Each LDC\* will need to submit a Wind Down Cost Estimate to the IESO by **May 21, 2019**, outlining the LDC's Participant Incentive payments and Eligible Expenses expected to be **incurred after March 21, 2019**. Costs must be limited to costs related to the CFF. The Wind Down Cost Estimate template is available on the LDC Extranet, in the folder called "Interim Framework."
- Prior to the approval from the IESO of the estimate, LDCs will continue to be eligible to receive payments for administrative costs incurred **on or before March 21, 2019**, and all participant incentive payments as part of the regular monthly LDC Report submission process.

## Where can we get more information and greater detail?

- *CFF Program Wind Down Guideline* (project eligibility)
- *CFF Wind Down Cost Guideline* (Post-termination Administrative Cost eligibility)

\*LDCs that were in joint CDM plans must submit individual estimates

# CFF Wind Down Costs – Estimate Template

## Which costs need to be included in the Estimate template?

- The template should include a complete list of anticipated eligible Participant Incentive payments (refer to *CFF Program Wind Down Guideline* for project eligibility details ) and a complete forecast of all eligible administrative expenses after March 21, 2019.
- Please ensure that the template is complete with all costs justified (in-line comments in the “Participant Incentive Payments” and “Administrative Expenses” tab are required, as well as further detail on administrative costs included in the “Admin Exp Category Descriptions” tab)
- Note: the wind down cost template mirrors the current monthly LDC Report template

# CFF Wind Down Costs – Estimate Template

## Which programs must be included in the Estimate?

- Eligible expenses for approved programs on the LDC's most recent approved CDM Plan, including all local /regional programs
  - Phase IDs must be included for all incentive payments for applicable programs (HPNC, PSU and Existing Building Commissioning)
- The following costs are not to be included in the template:
  - *Multi-site Application (MSA) fees* - the IESO will include estimates for MSA fees upon approval of each LDC's wind down estimate within the estimate template
  - *Value-added Services (VAS) costs and HVAC incentives post-March 21<sup>st</sup>* - the IESO will include HVAC incentives costs upon approval of each LDC's wind down estimate within the estimate template. LDC-controlled administrative costs toward HVAC should be treated the same as all administrative expenses
  - *Outstanding LDC Innovation Fund and Collaboration Fund milestone payments* - should continue to be submitted to the IESO as per current processes and not be included in the Estimate. Note: The HAP fund reconciliation process will also take place external to the Wind Down Cost Estimate



# Acceptable CFF Wind Down Costs

- Per the *CFF Wind Down Cost Guideline*, the following are some examples of prudent and appropriate post-termination admin costs:
  - Salaries and labour cost (including benefits and separation costs)
    - Only costs that are necessary for the processing and winding down eligible Participant Incentive applications and Participant Agreements
  - CDM billing and collection expenses
  - Third-party costs required for delivery of eligible projects
  - Marketing, advertising, customer events, outreach activities, networking events, employee training, working group, standing committee expenses incurred *prior* to April 1, 2019
  - Office equipment and information technology / systems required to support the wind-down of CDM activities for eligible CFF projects

# Wind Down Cost Estimate Submission Details

- Each LDC must:
  1. Prepare a detailed Estimate for its post March 21, 2019, Administrative Expenses and eligible Participant Incentive costs by Program, using the IESO provided Estimate template.
  2. Report all Administrative Expenses and Participant Incentive costs according to pre-defined categories, net of applicable taxes. Providing substantiating comments for all expenses will be required.
  3. Submit LDC Wind Down Cost Estimates to the IESO on or before **May 21, 2019**
    - Wind down estimate templates (and any supporting documentation a LDC wishes to provide) must be uploaded to the Extranet here: **LDC Extranet Conservation Officer Community / “LDC Name” / Documents / CFF Wind Down Estimates**
    - The designated ECA signatory or designated representative will notify the IESO when final documents are uploaded by contacting Conservation Contracts email: [ConservationContracts@ieso.ca](mailto:ConservationContracts@ieso.ca)

## Note:

- The IESO will approve or return the estimate to the LDC for edits or clarifications within 60 business days
- Revised estimates may be submitted between April 1 and April 30, 2020, for IESO consideration and approval

# CFF Wind Down Costs – Review Process

## What will the IESO check during the wind-down cost estimate review process?

- *For Participant Incentive applications*: the application submission date must align with eligibility dates set out in the Program Wind Down Guideline
- *Post-termination Administrative Costs*: must be fully explained and justified.
  - Must demonstrate commercially reasonable efforts were used to minimize expenditures
  - May include items such as salaries and labour costs, third party costs, office equipment, information technology that are necessary for the processing of eligible Participant Incentive applications and Participant Agreements (see: Wind Down Cost Guidelines)
  - IESO expects a decline in post-termination administrative costs as eligible project activity winds down

## Is there a limit on wind-down costs per LDC?

- LDC must demonstrate commercially reasonable efforts were used to minimize expenditures
- The combination of CFF spend to date and estimate should be less than the most recent approved 2015-2020 CDM Plan Budget
- LDCs must immediately cease marketing programs, soliciting new participants, and entering into new Participant Agreements, as per the guidelines

Note: any deficiencies within the submitted wind down cost template, the submission of costs as actually incurred, and related supporting documentation may delay or prevent the IESO's review, approval, and settlement of the wind-down costs.

# CFF Wind Down Costs – Settlement Process

## What happens to LDC payments during the Estimate approval process?

- *April 15, 2019, deadline:* submission through the existing reporting process by uploading a monthly LDC Report Template to DSM Central.
  - Submission to include: incentive costs and administrative costs incurred on or before March 21<sup>st</sup>.
- *May 15, 2019, and subsequent deadlines:* submitted via the Reported Results module in CDM-IS.
  - Supporting documentation will be uploaded to the LDC Extranet.
  - Submission to include: outstanding administrative costs incurred on or before March 21, and eligible incentive costs

## Will the payment process change?

- Payments will continue to be made to the LDC by the IESO through the existing settlement process with amounts otherwise owing between the IESO and the LDC on the invoice issued the month following receipt of the LDC Report.

## Will outstanding invoices from the 2011-2014 Framework be paid?

- Outstanding invoices from the 2011-2014 Framework are eligible for payment and will follow the existing process; any outstanding invoices owed to the IESO will also need to be settled

# CFF Wind Down Costs – Settlement Process

## **At what stage can LDCs submit participant incentive payments?**

- LDCs may continue to submit eligible participant incentive payments to the IESO for reimbursement through the monthly LDC Report process regardless of the review status of the wind down cost estimate.

## **At what stage can LDCs submit administrative costs?**

- Administrative Expenses incurred on or before March 21, 2019, may be submitted regardless of the review status of the Wind Down cost estimate.
- Post-termination Administrative Expenses (incurred *after* March 21, 2019) must be included in the wind down estimate and subject to IESO review and approval.
  - These administrative expenses will not be settled until the IESO approves each LDC's Estimate.

*Note: Please see the CFF Wind Down Cost Guideline for further details.*

# CFF Wind Down – Pre-funding Recovery

## **What happens with the CFF pre-funding amounts that LDCs have received?**

- The IESO will offset the amount of any pre-funding received by the LDC once each final monthly LDC Report is submitted to the IESO. For clarity, this refers to the final monthly LDC Report sent to the IESO for CFF.

## **What if there are outstanding pre-funding amounts after the Wind Down costs have been paid?**

- The LDC will refund to the IESO the balance of the pre-funding, if any, after such offset against each LDC's final monthly LDC Report occurs.

## **To avoid a pre-funding reconciliation at the end of the Wind Down process, can a LDC opt to start the recovery process earlier?**

- LDCs may consider starting to offset any CFF pre-funding against their own payment obligations at any time with notice to the IESO that they have elected to do so.

# CFF Wind Down Costs – Compliance

- Supporting documents must be included with the submission of all Post-termination Administrative Costs on a monthly basis with LDC Reports
  - Supporting documentation pertaining to IESO approved Post-termination Administrative Costs must be submitted monthly (uploaded to Extranet) with monthly LDC Report submissions (submitted via CDM-IS beginning May 15<sup>th</sup>)
  - Supporting documentation pertaining to program activity will need to be retained by the LDC and not submitted monthly for audit purposes
  - Monthly LDC Report submissions without supporting documents for Post-termination Administrative Costs will not be eligible for settlement
- As per the ECA, all program activity and program administrative costs are subject to audit and the LDC is required to substantiate their expenses through supporting documentation. Examples of supporting documents include but are not limited to:

## Program Activity

- Post-Project Submission Form
- Post-Project Measure Worksheets
- M&V Plan and Report (including pictures of retrofitted and new measures)
- Product Cut / Spec Sheets
- Savings Calculations as per IESO's M&V procedures

## Program Administrative Costs

- Non-personalized LDC labour costs (e.g. timesheets)
- Invoices / supporting documents of LDC administrative costs
- Invoices / supporting documents of LDC third party costs and expenses\*

Note: this includes contracts that detail early termination costs or penalties

# CFF Wind Down Cost Template - Support

- Please use the existing guidelines as the initial source:
  - *CFF Program Wind Down Guideline* (project eligibility)
  - *CFF Wind Down Cost Guidelines* (Post-termination Administrative Cost eligibility)
- If you have any additional questions, please reach out to LDC Support (LDC.Support@ieso.ca) or contact your LDC Business Advisor directly

Reminder: the **Wind Down Cost Estimate** must be submitted to the IESO by **May 21, 2019**, without exception via the LDC Extranet. Please notify the IESO through the Conservation Contracts email: [ConservationContracts@ieso.ca](mailto:ConservationContracts@ieso.ca) once upload complete

➤ ***LDC Extranet Conservation Officer Community / “LDC Name” / Documents / CFF Wind Down Estimates***



# Questions

Recording of March 27, 2019 webinar:  
(no password required)

<https://saveonenergy.webex.com/saveonenergy/onstage/playback.php?RCID=801bab7b542b4c30feabafef32ecbd7e>

1-PP-4

**Question:**

Ex. 1; T2, S1, Attachment 2 Scorecard

Reference: GSHI OEB Scorecard indicates CDM net cumulative energy savings for customers in 2018 of 34.74 GWh.

a) Please provide an estimate of the total bill savings to customers related to these energy savings.

b) Please explain how this metric will be handled in 2020 and the results (GWh and customer bill savings) expected by GSHi for 2020.

c) Has GSHi explored additional opportunities with IESO or other partners to offer more energy efficiency options to its customers? If so, please provide details and an estimated bill savings expected for customers.

**Response:**

a) The "Regulated Price Plan Price Report", released by the Ontario Energy Board on October 22, 2019 contains the electricity commodity prices under the Regulated Price Plan (RPP) for the period November 1, 2019 through October 31, 2020. This estimate is expected to be representative of costs for both RPP and non-RPP customers. The average supply cost for RPP consumers is \$128.03/MWh or \$128,030/GWh.

If we apply this current supply cost to the historical savings, it would indicate that approximately \$4,448,000 has been saved by GSHi customers.

b) GSHi has historically tracked energy savings experienced by its customers relative to the energy savings expected and embedded in its distribution rates through a Lost Revenue Adjustment Mechanism ("LRAM"). The LRAM then tracks the lost distribution revenue caused by energy savings for recovery by GSHi. GSHi submits an updated load forecast as part of these interrogatories. The table below summarizes the updated Weather Normal Forecast and CDM adjustment.

**CDM Adjusted**

kWh	2020 Weather Normal Forecast	CDM Adjustment	2020 CDM Adjusted Forecast
<b>Residential</b>	367,560,506	0	367,560,506
<b>GS &lt; 50</b>	137,321,531	918,064	136,403,467
<b>GS &gt; 50</b>	346,635,426	2,094,749	344,540,677
<b>Street Light</b>	7,448,452	0	7,448,452
<b>Sentinel Light</b>	366,104	0	366,104
<b>USL</b>	1,109,725	0	1,109,725
<b>Total</b>	860,441,743	3,012,812	857,428,931

GSHi has 3,012,812kWh related to conservation initiatives embedded in its 2020 load forecast. The rate quoted in part a) above is \$128.03/MWh or \$0.12803/kWh. Applying this rate implies that GSHi customers will save \$385,730 in energy costs in 2020 based on forecast CDM activity in 2020.

c) GSHi has historically offered Conservation and Demand Management ("CDM") initiatives through a department within GSHi, with staff dedicated to promoting CDM initiatives to its customers and funded through the IESO's conservation framework. With the updated mandate to the IESO in relation to CDM, GSHi expects to significantly reduce these initiatives in 2020 and beyond. GSHi is currently working under a wind down budget approved by the IESO to have CDM positions eliminated by the end of

1        2020 and have customers with approved project incentives have their  
2        projects completed by the end of the year.

3  
4        The only other program that GSHi can offer is the Affordability Fund which  
5        is specifically for residential customers who do not qualify for low income  
6        programs. The program is to help residential customers with energy  
7        efficient upgrades that they may not be able to afford themselves.

1 1-PP-5

2 **Question:**

3 Ex.1; T2, S1, Appendix 3 2020 OM&A and Capital Budgets

4

5 Please provide the OM&A budget table with columns populated for 2020 Budget  
6 (completed), 2019 Forecast (or actuals if available) and 2018 Actuals.

7

8 **Response:**

9 2020 budget information is in GSHi's original application as part of the Chapter 2  
10 Appendices, Appendix 2-JC. GSHi has updated the 2019 Forecast figures with  
11 unaudited actuals and is providing a copy of the appendix (included with the live  
12 model of the Chapter 2 Appendices filed with this interrogatory submission) as  
13 Attachment 1 to this response.

***Attachment 1 (of 1):***

***1-PP-5 Attachment 1: Extract from Appendix 2-JC***

**Extract from Appendix 2-JC  
OM&A Programs Table**

	2018 Actuals	2019 Bridge Year	2020 Test Year
<b>Programs</b>			
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
<b>Customer Focus</b>			
Billing and Collecting	2,012,617	1,804,715	2,092,875
Customer Premises	676,212	669,418	510,500
Communication	260,935	254,724	271,673
Energy Conservation	9,126	(10,484)	-
<b>Sub-Total</b>	<b>2,958,890</b>	<b>2,718,372</b>	<b>2,875,048</b>
<b>Operational Effectiveness</b>			
Administration	2,937,649	2,693,060	3,075,941
Innovation	137,664	248,023	378,595
Governance	58,870	130,858	114,675
Business Excellence	197,416	197,195	293,689
Bad Debt Expense	146,867	414,592	250,000
Load Dispatching	705,809	671,966	774,805
Maintenance of General Plant	585,270	648,794	577,620
Meter Expense	732,334	748,206	790,446
Meter Maintenance	16,311	42,612	3,267
Miscellaneous Distribution Expense	589,896	755,590	951,727
Operation Supervision and Engineering	1,406,927	1,458,671	1,704,944
Overhead Distribution System Maintenance	863,299	846,513	907,904
Overhead Distribution System Operations	700,582	793,545	908,149
Property Insurance	139,276	128,817	141,473
Station Maintenance	146,483	78,909	280,685
Station Operations	780,293	929,821	1,147,175
Tree Trimming	506,752	625,237	538,067
Underground Distribution System Maintenance	300,771	264,587	318,489
Underground Distribution System Operations	146,009	110,893	154,946
<b>Sub-Total</b>	<b>11,098,477</b>	<b>11,787,890</b>	<b>13,312,597</b>
<b>Public Policy Responsiveness</b>			
Regulatory Expense	497,863	502,735	657,576
Monthly Billing	272,066	272,066	272,066
Pole Rental Increase			82,698
Cyber Security			61,200
OEB Assessments			40,000
<b>Sub-Total</b>	<b>769,929</b>	<b>774,801</b>	<b>1,113,540</b>
<b>Miscellaneous</b>	<b>114,485</b>	<b>78,551</b>	<b>87,772</b>
<b>Total</b>	<b>14,941,781</b>	<b>15,359,615</b>	<b>17,388,957</b>

1-PP-6

**Question:**

Ex. 1; T2, S1, Attachment 1 Business Plan Table 5 indicates that the Distribution Revenue compound growth rate since 2013 is 3.04%.

Ex. 1: T5, S3 Table 1 indicates that the Distribution Revenue compound growth rate since 2013 is 2.92%

Please reconcile the discrepancy.

**Response:**

GSHi refers to a compound annual growth rate of 2.92% in Exhibit 1, Tab 5, Schedule 1, Table 1 and not in Schedule 3 of the same referenced Tab. This table shows a "Base Revenue Requirement" of \$22,400,850 in 2013. In Exhibit 1, Tab 2, Schedule 1, Attachment 1 Business Plan, Table 5 refers to a compound annual growth rate of 3.04% and shows a "2013 Approved Revenue" amount of \$22,254,103. The difference between the two dollar figures is \$146,747.

The discrepancy is because Exhibit 1, Tab 5, Schedule 1, Table 1 refers to revenue offsets of \$1,550,028 which was GSHi's initial submission "other revenue" offsets in 2013. GSHi's final approved 2013 revenue offsets were \$1,696,775. The discrepancy was a transposition error when preparing Exhibit 1, Tab 5, Schedule 1, Table 1.

Please see below for an updated table, with a compound growth rate of 3.01%. There is a remaining discrepancy between 3.04% and 3.01% as the base revenue figure of \$27,446,881 used in Exhibit 1, Tab 2, Schedule 1, Attachment 1 Business Plan, Table 5 was not updated based on final figures submitted. The



1 table below represents the final compound annual growth rate, based on GSHi's  
 2 initially submitted figures.

3

Revenue Requirement Components	2013 Board Approved	2020 Test Year Proposed	Change 2013 to 2020 (\$)	Change 2013 to 2020 (%)	Compound Annual Growth Rate (%)
Average Net Fixed Assets	\$ 74,766,353	\$ 98,678,258	\$23,911,904	31.98%	
Working Capital Allowance	\$ 14,218,046	\$ 8,941,149	\$ (5,276,897)	-37.11%	
Rate Base	\$ 88,984,399	\$ 107,619,406	\$18,635,007	20.94%	
Weighted Average Cost of Capital	5.99%	6.02%	\$ -	0.03%	
OM&A Expenses	\$ 13,937,537	\$ 17,388,957	\$ 3,451,420	24.76%	3.21%
Amortization/Depreciation	\$ 3,960,817	\$ 4,404,633	\$ 443,816	11.21%	1.53%
Property Taxes	\$ 252,080	\$ 268,803	\$ 16,723	6.63%	0.92%
Income Taxes (Grossed up)	\$ 467,431	\$ 409,974	\$ (57,457)	-12.29%	-1.86%
Return - Deemed Interest Expense	\$ 2,136,693	\$ 2,616,443	\$ 479,750	22.45%	2.94%
Return - Deemed Equity	\$ 3,196,320	\$ 3,865,689	\$ 669,369	20.94%	2.75%
Service Revenue Requirement	\$ 23,950,878	\$ 28,954,499	\$ 5,003,621	20.89%	2.75%
Revenue Offsets	\$ (1,696,775)	\$ (1,558,372)	\$ 138,403	-8.16%	-1.21%
Base Revenue Requirement	\$ 22,254,103	\$ 27,396,127	\$ 5,142,024	23.11%	3.01%

4