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June 26, 2020

VIA RESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attention: Registrar

Dear Ms. Long:

Re: Hydro Ottawa Limited Custom Incentive Rate-Setting Application for 2021-2025 Electricity Distribution Rates and Chages
Board File No.: EB-2019-0261

We are counsel to the Distributed Resource Coalition (**DRC**). Please find enclosed DRC's interrogatories to Board Staff in the above-mentioned proceeding, filed further to Procedural Order No. 2.

Sincerely,

Lisa (Elisabeth) DeMarco

c. Gregory Van Dusen, Hydro Ottawa Limited
Fred Cass, Aird & Berlis LLP
Cara Clairman, Plug'n Drive
Wilf Steimle, Electric Vehicle Society

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended (the **Act**);

AND IN THE MATTER OF an application by Hydro Ottawa Limited (**HOL**) to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other charges for the distribution of electricity as of January 1, 2021.

EB-2019-0261

INTERROGATORIES

OF

DISTRIBUTED RESOURCE COALITION (DRC)

June 26, 2020

Question: M-DRC-1

Reference:
- Exhibit M, pp. 36-62.

Preamble: Clearspring Energy Advisors (**Clearspring**) and Pacific Economics Group's (**PEG**) performed analysis of HOL's base total factor productivity (**TFP**) trend and stretch factor (including underlying benchmarking analysis).

a) Does Clearspring's or PEG's analysis of HOL's base TFP trend and stretch factor (and the underlying benchmarking analysis) include any adjustments or predictions concerning how distributed energy resources (**DERs**) (including energy storage, electric vehicles (**EV**s), and grid modernization) may produce total cost savings, reliability improvements, improved peak load management, or other benefits? Please explain.

b) How would you expect more widespread DERs (including energy storage, EVs, and grid modernization) to impact HOL's:

(i) base TFP trend; and
(ii) stretch factor.

Question: **M-DRC-2**

Reference:
- Exhibit M, pp. 11, 43-44.

Preamble: The evidence notes that a recent study on the productivity trends of US power distributors was published in 2017 by Lawrence Berkeley National Laboratory (the **Berkeley Study**).

In the Berkeley Study, PEG calculated multifactor productivity index (**MFP**) trends of a large sample of US power distributors. PEG reported TFP trends of 0.45% for the full 1980-2014 sample period and of 0.39% for the more recent 1996-2014 sample period.

In testimony for the Massachusetts Attorney General's office (the **Massachusetts Testimony**), PEG reported a TFP trend of 0.33% for a large sample of U.S. power distributors over the 21 years from 1997 to 2017.

a) Please file a copy of the Berkeley Study.

b) Please file a copy of the Massachusetts Testimony.

c) HOL estimates in Exhibit 2, Tab 4, Schedule 3, Section 8.1.6.4 that, based on provincial EV per capita rates, Ottawa will have 2,959 EVs, as of 2018. By the end of 2019, this number is projected to rise to 4,832, a 63% increase. If trends continue, by 2039, the number of EVs within Ottawa is forecasted to grow to 511,332 and EVs will make up 66% of all light vehicles in Ottawa.

Based on the conclusions of the Berkeley Study and the Massachusetts Testimony, please provide your best directional estimate of the impacts of these EV trends and projections on:

(i) HOL's X factor (base TFP trend and stretch factor), if any; and
(ii) any alternative capital factor (**C factor**) approach.

Please explain your response.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS
26th day of June, 2020

Lisa (Elisabeth) DeMarco
DeMarco Allan LLP
Counsel for DRC

Jonathan McGillivray
DeMarco Allan LLP
Counsel for DRC