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June 26, 2020

**VIA RESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> 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,

A handwritten signature in black ink, consisting of a large, stylized initial 'L' followed by a long, sweeping horizontal stroke that ends in an arrowhead pointing to the right.

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 (**EVs**), 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.

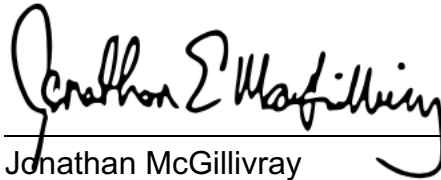
Please explain your response.

ALL OF WHICH IS RESPECTFULLY  
SUBMITTED THIS  
26<sup>th</sup> day of June, 2020



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Lisa (Elisabeth) DeMarco  
DeMarco Allan LLP  
Counsel for DRC



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Jonathan McGillivray  
DeMarco Allan LLP  
Counsel for DRC