



Ontario Power Authority

July 9, 2008

Mr. David Poch
Green Energy Coalition
1649 Old Brooke Road
Maberly, ON
K0H 2B0

Dear David,

Re: LRAM for Hydro One Networks Inc.

This letter is further to your e-mail of June 4, 2008, in which you asked about the OPA's plans to report on province wide results with respect to its Conservation programs. Your email is appended to this letter.

As detailed in the IPSP, the OPA is committed to conducting rigorous EM&V on the Conservation programs it procures in the market. EM&V provides assurance that the savings claimed are actual Conservation resources, and provides invaluable input into future portfolio design and program effectiveness.

The OPA intends to have 26 programs operating in market by the end of 2008. These programs will be delivered by a number of Channel Partners including LDCs, NGOs, industry associations and private companies.

Over the period of 2008 to 2010, the OPA will conduct detailed EM&V on all of these programs. In any given year, approximately a third of the programs will be undergoing EM&V.

On an annual basis, the OPA will publish a summary of the OPA's previous year's Conservation Portfolio results using the best available data as derived from the EM&V results. The Portfolio will be presented on a provincial basis and will provide a complete list of assumptions including detail on which programs were subject to EM&V. This report will be published by the OPA in the 3rd quarter.

I trust that this is of assistance. Please be advised that we will file this response with the Board and provide to registered parties.

Yours truly,

Michael Lyle
General Counsel & Vice President
Legal & External Affairs

Attachment – your email of June 4, 2008

cc: Parties to EB-2007-0681 - Hydro One Networks Inc., 2008 Distribution Rates Application

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JUL 09 2008

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EB-2007-0681

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Nimi Visram

From: David Poch [dpoch@eelaw.ca]
Sent: June 4, 2008 3:03 PM
To: Michael Lyle
Cc: susan.e.frank@HydroOne.com
Subject: LRAM for HON

Mike:

Further to my telephone call two weeks ago, in the course of the ADR discussions with (Susan Frank of) Hydro One, GEC was proposing an LRAM based on what OPA reports as accomplished for energy efficiency (pro-rated by Hydro One to their service territory). In the last case the OEB indicated that it expected HON to bring forward an LRAM. HON indicates that they expect most if not all of their efficiency to be pursuant to OPA contracts. However, HON is concerned that OPA may also conduct province-wide programs that are not delivered by HON and there could be difficulty sorting out impacts.

As it turns out, HON's forecast of CDM impact is based on a pro rata share of OPA's targets (however delivered). Accordingly, to simplify matters I have proposed that the LRAM be cleared on the same basis once OPA reports on its progress for the relevant period. HON would be responsible for the pro-rata apportionment which they would do on the same basis that they have forecasted impacts.

I undertook to contact you to confirm that OPA will in fact report such province-wide results on an annual basis.

Can you advise if this is indeed so.

Thanks,

David

David Poch
613-264-0055