
Annual Filing of Frequent Intervenor

Intervenor Name:

School Energy Coalition (SEC)

Mandate and Objectives:

School Energy Coalition (SEC) is a project administered by Ontario Education Services Corporation (OESC) on behalf of its five member organizations, plus two additional organizations (discussed below). OESC has intervened regularly in the Board's proceedings under the name of its energy intervention project SEC, since 2004.

OESC was formed to allow Ontario school boards to procure goods and services jointly where they have common needs, and where joint procurement can produce better quality and/or lower costs. Participation in each OESC project by individual school boards is voluntary, although many projects have participation by all or a majority of school boards. Costs of each project are shared by the school boards participating. Details of OESC projects can be found on the OESC website (www.oesc-cseo.org/).

Ontario schools spend almost \$500 million each year on the cost of energy, and more than 65% of that cost is established through rates regulated by the Ontario Energy Board. That includes gas distribution, electricity transmission and distribution, and the regulated payment amounts of Ontario Power Generation. School boards are also in the forefront of conservation, energy efficiency, and distributed energy resources. For each school board, the impact of regulation is big enough to be material, but the cost to acquire appropriate expert assistance, and to intervene in each of the rate and other cases that could have an impact, would be prohibitive. Further, each individual school board would have to develop its own internal expertise in the regulatory process. To the extent that they couldn't, they would not be able to access the regulatory process effectively.

SEC members sometimes intervened at the OEB prior to 2004. When it became apparent to school boards, in 2003, that they should increase their prioritization of energy issues and regulated rates, they established the School Energy Coalition project, and asked OESC to administer that project on behalf of all school boards. SEC first intervened in gas distribution proceedings in 2004. Since that time SEC has been an intervenor in more than five hundred OEB proceedings. Every school board in Ontario participates in the funding of SEC through an annual levy based on the relative square footage of their schools (as a proxy for energy use).

SEC has as its founding principle a three-part approach to the regulatory process:

- always look for win-win solutions.
- think long-term, and
- walk softly but carry a big stick.

This is the core of the instructions SEC gives to its representatives. Based on this regulatory philosophy, SEC seeks to keep the costs to school boards for regulated services as low as possible, while maintaining good quality services and ensuring the long-term sustainability of energy infrastructure.

Membership of the Intervenor and Constituency Represented:

OESC is a non-profit corporation incorporated under the laws of the province of Ontario in 2002. Its members/owners are the:

- Association des conseils scolaires des écoles publiques de l'Ontario
- Association franco-ontarienne des conseils scolaires catholiques
- Ontario Catholic School Trustees' Association
- Ontario Public School Boards' Association
- Council of Ontario Directors of Education

The first four members are the associations of school boards. Their membership includes all 72 publicly-funded school boards in the Province of Ontario. The fifth member, CODE, is made up of the Directors of Education (essentially, CEOs) of all of the Province's school boards.

The members of OESC therefore represent the approximately 5,000 schools in the Province of Ontario, which together provide education to almost two million Ontario children and adults. Member school boards have schools in the franchise area of every rate-regulated utility in the Province of Ontario, from as few as two schools, in the case of very small electricity distributors, to more than four thousand in the franchise area of Enbridge Gas, and all five thousand paying the regulated rates of Ontario Power Generation and Hydro One Transmission.

SEC, one of the projects run by OESC, also includes two other school organizations:

- Council of Ontario Senior Business Officials (COSBO)
- Ontario Association of School Business Officials (OASBO)

The members of the former are the senior management of school boards (CFOs, COOs, etc.), while the members of the latter include line management, such as officials responsible for plant management, etc.

The seven organizations that support and control SEC make up all of Ontario's school boards, and all of the people within those school boards responsible for managing Ontario's schools.

Programs or Activities Carried Out by the Intervenor:

The mandate of SEC is achieved through four types of participation. As an intervenor, in applications by regulated utilities for changes in their rates, or recovery of specific costs, or

approval of expenditures or commitments. In policy consultations with respect to the regulation of gas and electric utilities. In policy, program development, audit and other committees and discussions with respect to gas and electricity conservation and integrated resource planning. General advice to school boards with respect to energy issues.

In the case of individual rate and related applications, SEC cannot intervene in all such applications. Therefore, a limited number are selected for participation each year, primarily based on the dollar impact of the application on member school boards, both immediately and over the longer term, and the number of schools affected by the application. In a few cases, SEC will also intervene where the dollars or the number of schools are smaller, but the issues arising in the application have potential to affect other regulated utilities, and other schools, indirectly.

Governance Structure:

Executive oversight of SEC is primarily the responsibility of the Executive Director of OESC, Ted Doherty. Direct responsibility for the SEC project is provided by SEC Coordinator, Brian McKay. The combination of an experienced CEO, and an experienced operating officer, means that SEC's work, including that of its representatives, is closely monitored and controlled to ensure that it achieves its mandate while sticking to the core principles on which its work is based.

SEC reports to, and obtains feedback from, its members in different ways:

- Quarterly, SEC provides a written report to each of its member school boards detailing the work done by SEC for that quarter. The quarterly report goes to the senior finance official, and the senior plant management official, of each school board, as well as to trustees and others who have requested to be included. It is also posted on the OESC website. Many school boards circulate the quarterly Status Report to a number of interested officials within their organizations.
- Annually (each summer), SEC provides a summary report to each of its member school boards along with its annual invoice for their contribution to the project. This usually includes a projection of key priorities for the coming year. This report goes to the CEO, CFO or equivalent of each school board.
- Annually (usually April), SEC reports to the OESC annual meeting. The heads of each of the seven member organizations are in attendance, and both the OESC Executive Director, and external SEC counsel, provide reports and respond to questions. Periodically SEC also reports at OESC board of directors meetings, on an as-requested basis.
- OESC management, and/or external legal counsel for SEC, regularly speak at conferences, seminars and meetings of the member organizations, such as the annual meeting each January of the Operations and Maintenance Committee of OASBO, which focuses on plant management issues.
- SEC also meets periodically with school board officials in geographic regions to discuss issues of concern to those school boards.

Representatives:

Mark Rubenstein
mark@shepherdrubenstein.com
647-483-0113

Jay Shepherd
jay@shepherdrubenstein.com
416-804-2767

Other Contacts:

Brian McKay
SEC@oesc-cseo.org