

**BY EMAIL and RESS**

January 21, 2025

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Marconi:

**EB-2023-0195 Toronto Hydro-Electric System Limited (Toronto Hydro) 2025–2029 Rates Application - Building Owners and Managers Association’s (BOMA) Response to Toronto Hydro’s Comments on Intervenor Cost Claims**

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I am writing on behalf of BOMA in response to Toronto Hydro’s January 14, 2025 letter related to intervenor cost claims, in which it levels criticism at the evidence which BOMA filed in this proceeding.

I am the President of Enerlife Consulting Inc. (Enerlife) and the executive lead for BOMA’s evidence in this proceeding. I am a professional engineer with over 40 years’ experience in commercial buildings, specializing in energy efficiency and decarbonization. My qualifications were presented and accepted for this proceeding, and I have provided expert evidence in previous Ontario Energy Board (OEB) cases. Enerlife’s clients include many large building owners in Toronto, who rely on our advice for planning and execution of their energy management and decarbonization plans.

***Value of BOMA’s evidence from a benefit-to-cost perspective***

Toronto Hydro seems to label BOMA’s evidence as “does not meet quality standards from a benefit-to-cost perspective”. That is a baseless and incorrect suggestion.

The 2025-2029 electrification trends presented in the BOMA evidence<sup>1</sup> were accepted<sup>2</sup> by Toronto Hydro and parties in the Settlement Conference, and were incorporated in the final OEB approved 2025-2029 Toronto Hydro load forecast and distribution rates. These “BOMA adjustments” increased the originally filed Toronto Hydro load forecast (specifically the charge determinants used to set Toronto Hydro’s distribution rates) by +0.5% in 2025, +0.7% in 2026, +0.9% in 2027, +1.1% in 2028 and +1.4% in 2029, lowering the distribution rates accordingly in the 2025 to 2029 period. We estimate the corresponding reduction to Toronto Hydro customers’ distribution charges over this period to be about \$25 million.

The benefits to Toronto Hydro ratepayers from this reduction in distribution charges alone are over 350 times greater than the costs<sup>3</sup> of the BOMA evidence. Other findings from the BOMA evidence, such as identifying buildings segments with large heat recovery and decarbonization potential, and the need to establish formal collaborations, address current gaps and provide what we consider to be important recommendations<sup>4</sup> to the OEB, Toronto Hydro and other energy distributors and stakeholders.

### ***BOMA’s Interrogatory and Technical Conference questions***

In its letter, Toronto Hydro suggests that, through BOMA’s interrogatories and Technical Conference questioning, we were hoping to create our study using data from Toronto Hydro that “we had no basis to expect”. That is an incorrect description of BOMA’s questions and their purposes.

BOMA’s interrogatories and Technical Conference questions served two key purposes.

First Purpose - To confirm that the electrification assumptions used in Toronto Hydro’s capital plan and the ones used in its charge determinant load forecast for setting rates are not consistent:

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<sup>1</sup> Section 4.1.2 pages 25 to 27, BOMA expert evidence, filed May 2, 2024

<sup>2</sup> The OEB’s Partial Decision Order, dated November 12, 2024, Schedule A – Approved Settlement Proposal, Section 6 Load Forecast Page 22 of 57 (pdf page 47/146):

*“...The Parties also agree that Toronto Hydro will amend its load forecast in OEB Appendix 2-IB to incorporate annual adjustments for building electrification as proposed in the evidence filed by BOMA on May 2, 2024 at page 26 with adjustments listed in Tables 4-1 and 4-2 starting in 2025 and applying the CSMUR percentage variance to the Residential rate class. Specifically, Residential (use CSMUR percentages), CSMUR, and GS<50kW kWhs are increased by the percentages listed in Table 4-1. GS 50-999, GS 1000-4999, and Large Use kVA’s are increased by the percentages listed in Table 4-2...”*

<sup>3</sup> Costs associated with the BOMA Evidence (preparing evidence and interrogatory responses) are approximately \$70k

<sup>4</sup> Section 1.3 pages 4 to 6, BOMA expert evidence, filed May 2, 2024

The City of Toronto's commitment to substantial electrification and emission reduction (e.g. Toronto Green Standard, City of Toronto Net Zero 2040 Strategy) was acknowledged in Toronto Hydro's evidence<sup>5</sup>. Many other electrification and energy transition assumptions were also listed as drivers of the significant increases in its proposed capital plan over the 2025-2029 period<sup>6</sup>. However, BOMA could not find any assumption of building electrification in Toronto Hydro's load forecast (for setting distribution rates) evidence<sup>7</sup>. This apparent inconsistency of course would lead to higher rates and greater revenue for Toronto Hydro, passing undue costs to customers. As such, many questions in BOMA's interrogatories and Technical Conference were about specific electrification assumptions in Toronto Hydro's load forecast for setting distribution rates.

Second Purpose - To obtain market segmentation data:

Many BOMA interrogatory and Technical Conference questions sought to obtain what we consider basic market segmentation data which Toronto Hydro did not provide. The suggestion that "we had no basis to expect this information would be provided" is surprising. Toronto Hydro used square footage of buildings as an example, among the other data we requested<sup>8</sup>. Square footage, electricity consumption data and building type of many commercial buildings in Toronto are reported through the Broader Public Sector (BPS) and Energy and Water Reporting and Benchmarking (EWRB) and this information is available to the public and Toronto Hydro. We expected Toronto Hydro, one of the largest electricity distributors in Ontario, would see the need for market segmentation information to inform system planning and to support customers in their energy efficiency and decarbonization efforts. Without receiving this information from Toronto Hydro, we used the best available information (e.g. BPS and EWRB) to prepare model archetypes for different building types assessing energy efficiency and electrification.

***Enerlife's methodology is not "guesswork"***

Enerlife analyzes and reports on energy use data for thousands of commercial, institutional and multi-residential buildings in Ontario. We work with hundreds of building owners, including commercial offices, school boards, hospitals, colleges and municipalities, applying data analytics to identify energy efficiency measures, implement

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<sup>5</sup> Toronto Hydro prefiled Evidence - Exhibit 2B, Section D4

<sup>6</sup> Ibid

<sup>7</sup> For more information, see BOMA's response to Pollution Probe's interrogatory M2-PP-2, filed May 23, 2024

<sup>8</sup> BOMA's other data requests include load forecast (for setting rates), Conservation and Demand Management (CDM) and electrification impact, breakdown by rates classes and by commercial building types.

improvements and verify savings. For example, through this market intelligence and experience, we know that large heat pump installations are already in operation or scheduled for startup over the next 2 years. All public sector owners in Toronto, including school boards, universities and hospitals, have published their Energy Conservation and Demand Management plans for the period from 2024-2029 laying out their own intentions, including decarbonization. Enerlife's conservation and electrification analyses are based on a substantial volume of building information and our direct involvement with energy efficiency and electrification planning projects in Toronto and Ontario.

### ***Expert evidence warrants seriousness and sophistication***

BOMA takes the climate crisis and energy transition extremely seriously. Enerlife's energy and emissions modeling and forecasting are used by major building owners, as well as federal, provincial and municipal governments, across Canada and in the United States, to inform their own planning. Toronto Hydro describes BOMA's evidence as "a product built upon information that it (Enerlife) repeatedly described as "anecdotal"". I submit that the word anecdotal does not appear at all in our evidence, only twice in 75 pages of responses to interrogatories, and relates to the market intelligence we acquire through daily communications with many clients and allies.

Toronto Hydro's dismissive comments on BOMA's evidence, and failure to provide market information or present its own building decarbonization modeling in its charge determinant load forecast, indicate lack of understanding of the urgency, scale and complexity of the energy transition, and lack of appreciation of the value that intervenors and expert evidence bring to utility planning and protecting the interests of its customers. As such, BOMA submits that Toronto Hydro's negative comments on BOMA's evidence should be dismissed by the OEB.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian Jarvis".

**Ian Jarvis, P. Eng**

President, Enerlife Consulting Inc.

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