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## **For Immediate Release**

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### **OEB Issues Decision on Guidelines for Electricity Conservation Programs**

**Toronto** – Today, the Ontario Energy Board (the “Board”) issued a Decision to provide guidance for all utilities related to the filing and evaluation of certain Conservation and Demand Management (CDM) initiatives, for the purpose of 2006 rates.

The Board ruled on the issue of whether it should require utilities to spend more than they had proposed on CDM programs. The Board found that it should not require utilities to do so at this time. The Board noted that the Ontario Power Authority (“OPA”) has a central role in promoting and coordinating CDM programs in Ontario, and that the OPA will be making recommendations on CDM spending by utilities by June 30, 2006. The Board found that it would be reasonable to wait for the OPA recommendations rather than require increased spending now.

Also in its Decision, the Board ruled to continue the use of common industry values for “free ridership” when evaluating the cost effectiveness and net benefits of CDM programs. Free riders are defined as those participants in a conservation program who would have installed the energy conservation measure even if there had been no program. The Board determined that requiring individual utilities to ‘demonstrate’ free ridership levels on a program by program basis would be too costly and provide uncertain results.

The final issue in the Board’s Decision relates to how net benefits of jointly sponsored CDM programs should be allowed for the calculation of utility financial incentives. For CDM programs co-sponsored with non-regulated third parties, the Board found that the benefits must be divided on a case by case basis, according to the role played by the utility in the program. If the utility plays a central role in a program, 100% of net benefits may be attributed to the utility.

The Ontario Energy Board regulates the province’s electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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