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BY EMAIL

28 October 2005

Re: Comments on the Draft Guideline for Annual Reporting of CDM Initiatives- RP-2004-0203

Dear Mr. O'Dell,

Further to your letter of 13 October 2005 regarding the OEB's Draft Guideline for Annual Reporting of CDM Initiatives, I am pleased to submit the following points for consideration. My comments (appended to this letter) have been highlighted in yellow using the OEB's Draft Guideline as the base document.

It is my sincere hope that the \$163 million in CDM funding entrusted to the distributors by their ratepayers is invested in cost-effective and results-based CDM programs. Should you or a member of the OEB staff require clarification on any of the comments provide, please do not hesitate to contact me.

Best Regards,

Original signed by

Ivor F. da Cunha P.Eng.
Managing Director

cc: Mr. Stephen McComb, Analyst, Facilities OEB

Comments for Draft Guideline for Annual Reporting of CDM Initiatives

Background:

Further to the Board's orders approving distributor conservation and demand management (CDM) plans, the Board requires that each distributor file an annual report including a cost benefit analysis.

The Board's *Total Resource Cost Guide* provides distributors with direction on the techniques and data requirements to perform a total resource cost (TRC) analysis. This document consists of the Board's instructions on the content and format of the annual report.

Instructions:

The annual report should consist of the following sections;

1. Introduction
2. Evaluation of Overall Plan
3. Discussion of Programs and Cost Benefit Analysis
4. Lessons Learned
5. Conclusion

1. Introduction

In the introduction section distributors will provide a background to the annual report and the local context of its CDM initiative.

2. Evaluation of Overall Plan

The Evaluation of Overall Plan will provide a high level overview of the effectiveness of a distributor's CDM plan. This section will discuss the aggregated investment amounts as well as savings associated with the plan. This section should present the following statistics:

a) Annual kWh, summer and winter peak kW and summer and winter peak kVa saved for the plan (total and by major customer segments i.e. residential, commercial/institutional, industrial, agricultural, and internal system losses);

a1) Annual kWh, summer and winter peak kW and summer and winter Peak kVa saved of the distributor's previous reporting year's total kWh delivered, peak kW and peak kVa respectively, broken out according to major customer segments (i.e. residential, commercial/institutional, industrial, agricultural, and internal system losses);

b) Annual kWh, summer and winter peak kW and summer and winter Peak kVa saved as a percentage of the distributor's total kWh delivered, peak kW and peak kVa respectively, broken out according to major customer segments (i.e. residential, commercial/institutional, industrial, agricultural, and internal system losses);

c) Conservation program expenditures;

c1) Demand Response program expenditures.

c2) In-house equipment CDM system expenditures..

- d) Gross participant expenditures by customer class
- e) Conservation expenditures per kWh delivered, **summer and winter** peak kW and **summer and winter** Peak kVa, broken out by major customer segments;
- f) Net present value of TRC benefits, broken out by major customer segment;
- g) First year and cumulative rate impacts of their plan of conservation programs, broken out by major customer segments.
- h) Number of customers approached by distributor directly and indirectly to participate in each CDM initiative by major customer segment (i.e. residential, commercial /institutional, industrial, agricultural) and actual participation rate for each segment.
- i) Actual direct or indirect CDM expenditures by the distributor to any affiliated entity.

3. Discussion of the Programs

The Discussion of Programs section will consist of the following information:

- a) A detailed description of each of the distributor's conservation, demand response or in-house program or initiative including program objectives, target market, expected participation rate, expected free-ridership and expected lifetime of the CDM measure, A detailed discussion of each program within each rate class;
- b) Actual number of participants for the current year and cumulative number of participants from the inception of the program;
- c) Expenditures of the program (including and identifying utility internal direct and indirect capital, utility contracted direct and indirect services and capital, and operating expenditures and participant costs, including and identifying incentives);
- d) Dollars spent per program participant;
- e) Incentive amount per program participant;
- f) Expected Measure lifetime electricity savings (kWh, kW and kVa) and other resources saved (total and per participant) for each program, (custom project savings assessments should be filed at this stage);
- g) All TRC test inputs and the source of the inputs;
- h) TRC results;
- i) Statement about calculated or measured verification of CDM implementation for each program initiative, with respect to actual annual kWh and summer and winter peak kW and summer and winter peak kVa saved.

Note: If the TRC test inputs vary from those provided in the Assumptions and Measures List, the distributor must identify the variations and file additional information supporting the variation in an appendix to this report.

4. Lessons Learned

In this section the distributor will indicate what has been learned over the course of the year. The goal of this section is to evaluate and benchmark programs for greater efficiency in delivery and cost effectiveness and to provide information to other distributors with respect to CDM programs.

Statement by distributor regarding specific changes to be made to CDM program design, implementation or delivery as a result of lessons learned.

5. Conclusion

The conclusion section will consist of the distributor's summary of its CDM Plan over the previous year.