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BY EMAIL AND WEB POSTING

March 28, 2007

**To: All Licensed Electricity Distributors
All Participants in Proceeding EB-2006-0266
All Other Interested Parties**

**Re: Stakeholder Consultations on Regulatory Barriers to Conservation and Demand Management
Board File No. EB-2007-0097**

Over the past few years the Ontario Energy Board has worked with stakeholders to identify and remove regulatory barriers to conservation and demand management (CDM), to the extent possible within the scope of the Board's oversight on this issue. Board staff would now like to consult further with stakeholders to identify if there are remaining regulatory barriers within the control of the Board that can be addressed.

Board Staff will be holding a number of meetings throughout April across the province to discuss CDM, and in particular, regulatory barriers to CDM. The schedule of meetings is attached as Appendix A, and also posted on the Board's website at www.oeb.gov.on.ca.

These meetings will be part of, and will inform, a larger work program that the Board has initiated that will include updating avoided cost data and input assumptions and measures in the Board's existing Total Resource Cost Guide, as well as the development of third generation incentive regulation, and a review of the design of electricity distribution rates, including standby and distributed generation rates.

The purpose of these meetings will be to provide information about the Board's current CDM framework, and to obtain feedback from parties as to whether there are any remaining regulatory barriers to the successful implementation of CDM in Ontario.

The meetings will include a presentation by Board staff outlining the current regulatory framework for CDM, followed by a roundtable discussion aimed at identifying any remaining regulatory barriers to CDM, and possible solutions.

In order to focus discussions, and help parties prepare for the meetings, below are some questions for discussion:

- Is there sufficient clarity as to the respective roles of the Board and the Ontario Power Authority in CDM?
- Is there sufficient clarity with respect to the application process for funding through distribution rates?
- Are there any regulatory barriers you can think of specific to each of the following general categories of CDM:
 - Conservation?
 - Energy efficiency?
 - Demand management?
 - Fuel switching?
 - Distributed generation (including load displacement and net metering)?
- Does the regulatory framework, and in particular, the evaluation and reporting protocols, provide adequate mechanisms for distributors to learn from their experience in order to improve program design and/or delivery?

Invitation to Participate

The Board encourages participation in this process by interested parties.

Parties wishing to attend any one of the meetings, should send an email to **CDM@oeb.gov.on.ca** indicating their name, organization, and the preferred meeting date and location. Each of the meetings will cover the same discussion points.

Cost Awards

Cost awards will be available to eligible persons in relation to their participation in this process under section 30 of the *Ontario Energy Board Act, 1998*. The costs to be awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues. Appendix B contains further details regarding cost awards for this project.

The Board has determined that the parties identified in the Board's February 5, 2007 Decision on Cost Eligibility in the EB-2006-0266 proceeding (the "Cost Decision") are also eligible for an award of costs in this process, and are not required to file a request for eligibility in this process.

If any person was not identified as eligible for an awards of costs in the Cost Decision, but wants to be eligible for an award of costs in this proceeding, that person must file with the Board a written submission to that effect by **April 11, 2007**. The submission must be addressed to the Board Secretary at the Board's mailing address set out above. Licensed electricity distributors will be provided with an opportunity to object to any of the requests for cost award eligibility, following which the Board will make a determination on the cost eligibility of the parties requesting an award of costs.

Copies of all filings to the Board in response to this letter will be posted on the Board's website.

All filings to the Board in relation to this matter must quote file number **EB-2007-0097** and include your name, address, telephone number, and, where available, an e-mail address and fax number. **7 paper copies** of each filing must be provided. **The Board requests that interested parties make every effort to provide electronic copies of their filings in Adobe Acrobat (PDF) or Word, either on diskette or by e-mail to boardsec@oeb.gov.on.ca.**

Yours truly,

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX A

SCHEDULE OF MEETINGS

DATE	TIME	LOCATION	LOCATION DETAILS
April 3, 2007	1:30 – 5:00	Toronto	Ontario Energy Board 2300 Yonge Street Toronto West Hearing Room, 25 th floor
April 5, 2007	9:30 – 12:00	Whitby	Whitby Hydro offices 100 Taunton Road East Whitby
April 10, 2007	1:00 – 3:30	Ottawa	Hydro Ottawa offices 3025 Albion Road North Ottawa
April 16, 2007	1:00 – 3:30	Niagara Falls	To be determined.
April 20, 2007	1:00 – 3:30	Barrie	Barrie Hydro offices 55 Patterson Road Barrie
April 24 , 2007	1:00 – 3:30	Chatham	To be determined.
April 25, 2007	9:00 – 11:30	London	To be determined.
April 25, 2007	2:00 – 4:30	Guelph	Guelph Hydro offices 395 Southgate Drive Guelph
May 1, 2007	1:00 – 3:30	Sudbury	Greater Sudbury Hydro offices 500 Regent Street Sudbury
May 2, 2007	9:00 – 11:30	Thunder Bay	Thunder Bay Hydro offices 34 Cumberland Street North Thunder Bay

Appendix B

Cost Awards

Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs, addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*. An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known.

Activities Eligible for Cost Awards

Stakeholder Meeting

Cost awards will be available in relation to consultations with Board staff. Specifically, costs will be available for attendance at any meetings with Board staff and for time spent in preparation for the meeting. Preparation time will be limited to 1.5 times actual meeting time.

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied.

The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.