

Energy @ Work

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Dear Mr. Pudge: **Requests for Stakeholder Consultation - RP-2003-0144**

I am pleased to 'volunteer' to your January 23, 2004 request for comments on the Board's report to develop the principles for a Demand-Side Management and Demand Response (DM/DR).

This effort is admirable, particularly with the non participation by stakeholders who control present investment and are unwilling or unable to support energy efficiency, blaming barriers such as lack of funding or the required incentives. The belief that energy efficiency would occur naturally and stakeholders would rise to the challenge was proven false, a valuable lesson for Ontario as demonstrated elsewhere as well.

Given that I am self funded, I restricted myself to two points that leverages work recognized in helping set industry standards and that demonstrated leadership on the principles of sustained change.

- **Improving transmission / distribution infrastructure through 'supply side' efficiency.**
"1994-2001 Energy Efficiency Project Results Summary", October 2002 documented the line loss reduction and energy efficiency opportunities on the supply side. In 1992, Ontario Hydro was shown that it was the largest provincial energy user and an aggressive 'In-house energy efficiency program' was proposed and implemented. The program won the Canadian Industrial Energy Efficiency in 1999 and US EPA Climate Protection in 2002. These lessons and best practices are available to leverage an aggressive requirement to cut waste and encourage supply conservation. A clear direction is first needed and probably through a 'performance based result' that stipulates transparency for demonstrated results. This also supports the purpose of the 1998 Electricity Act, i.e.; "to promote economic efficiency in the generation, transmission and distribution of electricity", O-I-C, August 28, 2002.
- **Central Agency: Given the 94 utilities, existing stakeholders that declined to step forward plus 'finite' funding, a coordinated approach is indeed required - the question becomes 'how'?**
The board accurately captured many of Ontario's issues. The challenge is to implement a process that leverages existing strengths yet achieves a new way of thinking within limited resources. To achieve a 'conservation culture' requires a 'step change'. The Energy Efficiency Cluster, attached, provides principles and attributes to support the need and 'borrows' from the above proven success factors.

Congratulations to you and your team. I look forward to Ontario returning to a secure energy sector that can demonstrate the economic, environmental and social responsibility attributes firmly embedded with the enhanced benefit of increased 'security' that energy efficiency helps provide.

Sincerely,

Scott Rouse, Managing Partner, Energy @ Work

9 hard copies of two attachments as well as an electronic copy to email address, RP-2003-0144