



Paul Pudge
Assistant Board Secretary
Ontario Energy Board
2300 Yonge St
Toronto, Ontario

February 9, 2004

Dear Mr. Pudge,

Re.: RP-2003-0144 – Staff Report to the Board on Demand-Side Management and Demand Response

Johnson Controls L.P. (JCLP) is pleased to provide these comments regarding the recent staff report named above. In general, Johnson Controls L. P. is supportive of the recommendations in the report. We are happy to see that many of these recommendations are consistent with JCLP's position as stated in a paper submitted to the Advisory Group Nov 17, 2003, and in a paper distributed to that group during stakeholder discussions. We have restated the main points from our original paper here, and reinforce our support for some of the recommendations which are consistent with those:

- Price of electricity that consumers pay should better reflect the real market price – time-differentiated pricing like peak vs off-peak pricing and seasonal adjustments will help in implementing DSM/DR
- DSM and DR delivery are supported by JCLP and should be competitive
 - The IMO should revise market rules to facilitate load aggregation
 - No one player should be mandated to play the role of load aggregator - this role should be open to private sector competition
 - The IMO should develop economic DR as a transitional measure
- LDCs should remain fully regulated wires business and not be directly involved in DSM/DR delivery - except in cases where it will have a direct impact on lowering distribution costs
- Promote and establish performance measures versus prescriptive solutions – in developing the framework for DSM/DR delivery, and in setting goals the Central Agency and other bodies should focus on performance requirements and targets rather than prescribing particular technical solutions
- Central Planning and Programming of DSM Supported by a Systems Benefits Charge – the recommended Central Agency approach and the consumption charge to fund electricity DSM and some retail DR support this
- although not stated in our original paper, we support the recommendation that the Board – in coordination with other conservation agencies – should play a role in educating consumers about energy choices and the consequences of those

Sincerely,

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