

# TRIACTA POWER TECHNOLOGIES INC.

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Ontario Energy Board  
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Attn: Ms. Elizabeth A. Mills  
Director, Regulatory Affairs

***RE: Comments on RP-2003-0144: Staff Report to the Board on Demand-Side Management and Demand Response***

Dear Ms. Mills:

Thank you for the opportunity to respond to the above document. As an Ontario company developing demand side management products, these discussions are of particular interest.

The recent Staff Report has suggested structural changes within the OEB (via the establishment of a Central Agency) and discussed various DSM/DR approaches. However, I believe the report has failed to highlight the fact that Ontario has an inefficient electricity market (created by artificial pricing policies) and does not highlight the opportunities for the OEB to act as a catalyst in correcting this flaw.

Ontario will not meet its objectives of electricity availability and conservation if the true cost of electricity continues to be misrepresented to end consumers. Such practices will continue to threaten our electricity supply—and jeopardize the business opportunities for energy conservation.

The proposal of a Central Agency to effect DSM/DR changes does not address these issues. Indeed, another layer of bureaucracy will add to the overall cost of electricity and delay DSM/DR implementations, which I believe should be administered as close to the customer as possible. I note here, a distinctive lack of focus on customer benefits in the report. It is certainly possible to reduce overall consumption by between 10 and 30% and consumers will gladly respond to such opportunities when rate subsidies are removed. It is mandatory that customers benefit from DSM/DR initiatives so these programs are successful; satisfied customers will spread the word about the savings generated from DSM/DR programs which will encourage others to implement DSM/DR as well.

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The OEB can help Ontario take the lead in developing effective, world-class, demand management technologies by:

- i. Setting consumption and peak demand targets
- ii. Encouraging LDCs and their competitors to meet these targets by rate adjustments and incentives
- iii. Educating consumers about the true costs of electricity
- iv. Supplying short-term (i.e. 2 year) incentives to Ontario companies developing or using DSM/DR technologies

In summary, I believe the role of the OEB should be to establish guidelines and incentives to meet reduction targets. While it is imperative that consumers bear the true cost of electricity through accurate rates, it is also important that DSM/DR solutions are available from LDCs and/or other local suppliers; a Central Agency will not stimulate the same level of innovative solutions to DSM/DR.

It is time to let true competitive forces solve Ontario's energy crisis. The OEB can act as the catalyst by establishing the competitive rules and letting Ontario companies address the needs of consumers.

Sincerely,

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