

14 Carlton Street  
Toronto, Ontario  
M5B 1K5

Telephone: 416.542.2572  
Facsimile: 416.542.2776  
[rzebrowski@torontohydro.com](mailto:rzebrowski@torontohydro.com)



July 14, 2005

*via facsimile 416.440.7656 – original to follow by mail*

John Zych, Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 26<sup>th</sup> Floor  
2300 Yonge St  
Toronto ON M4P 1E4

Dear Mr. Zych:

**RE: Comments on the Guide to Total Resource Cost Analysis (TRC Guide)**

In response to the Ontario Energy Board's (Board) July 6, 2005 letter to interested stakeholders, Toronto Hydro-Electric System Limited (THESL) appreciates the opportunity to provide comments on the TRC Guide. THESL is pleased to receive this guide and the associated schedules and believes that it will be very helpful. THESL's comments are as follows:

***General***

The TRC Guide has provided good information for CDM programs aimed primarily at kWh reduction. However, THESL believes that some of the most effective CDM programs are aimed at reducing kW during the system peak period. We would suggest that the TRC Guide include specific sections for these load control (demand response) and distributed generation programs. Schedules of the avoided capacity costs should be included, as well as examples showing the calculation of avoided costs (generation, transmission, and distribution).

### *Section 1.3.2 CDM Program Costs*

In this section, the TRC Guide explains that incentive payments from the LDC to the customer are not considered a component of the TRC because they are a cost transfer between two potential purchasers of the equipment. THESL would like to point out that in the case where an incentive is paid to induce customers to participate in a load control program, it is only the LDC that purchases the equipment (load control device). The incentive paid to the customer would be an actual cost, and not a cost transfer between two potential purchasers of the equipment.

### *Residential Assumptions and Measures List*

The On Peak (kW) column has "0.000" shown for quite a number of technologies, especially on the residential list. Of particular concern are CFL and LED holiday lighting, which are shown to have no kW benefit on the residential list, yet positive values are shown for CFLs on the commercial list. THESL has CFL and LED holiday lights in a number of programs and believes that their installation will result in some on-peak kW reductions. It would be useful if the Board could review and confirm that the "0.000" quantities on the list for on-peak kW reductions, are in fact correct, and not just missing data.

It would also be helpful to include the values for recycled room air conditioners on the list.

Line 31 shows the Incremental Equipment Cost for a water heater load control relay to be \$50. Based on our information, the relays cost in the order of \$70 to \$100 USD plus installation.

Line 51 shows the On-Peak load reduction for space cooling to be 0.020kW. In discussions with a vendor, he cited a study that claimed a considerably higher figure of over 1 kW. We are attempting to obtain a copy of the study that would support this; however, it would also be helpful if the Board could comment on the information provided in TRC Guide.

support this; however, it would also be helpful if the Board could comment on the information provided in TRC Guide.

*Commercial Assumptions and Measures List*

There is no information on load control for air conditioner units. Will the Board provide this information at a later date?

The requisite 10 copies and an electronic copy in PDF format are provided to you in this submission. If you require any further information, please contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Zebrowski', with a large, stylized flourish at the end.

R. Zebrowski, Vice-President  
Regulatory Services

Copy: Kah-Fae Chan, Director – Demand Management  
Richard Lu, Chief Conservation Officer & Vice-President, Environment, Health & Safety  
Colin Macdonald, Manager – Corporate Planning