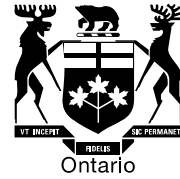


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**BY EMAIL ONLY**

March 3, 2008

**To: All Licensed Electricity Distributors**

**Re: Requirements for Annual Reporting of Conservation and Demand Management (“CDM”) Initiatives**

- **Reporting for Funding Granted under Third Tranche of Market Adjusted Revenue Requirement (“MARR”)**
- **Reporting for Incremental CDM Funding Approved in Rates**

The Board requires that each licensed electricity distributor file an annual report regarding its CDM initiatives, including a cost benefit analysis. The purpose of this letter is to provide the 2007 reporting requirements for CDM funding under Third Tranche of MARR and reporting of incremental CDM funding approved in rates and to clarify the filing deadlines for annual reports.

### **Reporting of CDM Funded under Third Tranche of MARR**

The annual reports for CDM initiatives funded under the third tranche of MARR are due March 31<sup>st</sup> of each year in accordance with the orders issued by the Board in proceeding RP-2004-0203. In the case of the 2007 report this translates to **March 31, 2008**. The 2007 report will only cover activity that took place in 2007 (except for Appendices A and B, which require some cumulative numbers). For distributors who have received approval for program extensions into 2008, an annual report is due by **March 31, 2009**, and should include activities undertaken in 2008 only.

### **Reporting of Incremental CDM Funding Approved in Rates**

The Board also requires licensed electricity distributors that received incremental funding for CDM initiatives in their distribution rates to make separate annual filings in relation to those CDM initiatives. The filing deadline for annual reports on incremental funding included in rates for a year is April 30th of the year following. In the case of CDM initiatives funded in 2007 rates the reporting due date is **April 30th, 2008**.

## Reporting Requirements

The reporting requirements have remained the same as the 2006 requirements for annual reporting. The reporting requirements are attached and are available from the Board's website at:

[http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects\\_cdm\\_thirdtranche.htm](http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_cdm_thirdtranche.htm)

Please direct any questions you may have to the Market Operations Hotline at 416-440-7604 or by email at [Market.Operations@oeb.gov.on.ca](mailto:Market.Operations@oeb.gov.on.ca).

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

## Requirements for Annual Reporting of Conservation and Demand Management (“CDM”) Initiatives

- Reporting for Funding Granted under Third Tranche of Market Adjusted Revenue Requirement (“MARR”)
- Reporting for Incremental CDM Funding Received in Rates

### Background:

The Board requires that each licensed electricity distributor file an annual report regarding its CDM initiatives, including a cost benefit analysis. These Reporting Requirements are an updated version of the Board’s instructions issued in December 2005, on the content and format of the annual report(s).

These Reporting Requirements apply to CDM initiatives funded under the third tranche of MARR and to CDM initiatives funded through the electricity distribution rate process.

### Instructions:

For electricity distributors that received both third tranche of MARR funding for CDM initiatives as well as funding for CDM through electricity distribution rate proceedings, a separate annual report is required for each source of funding. Future year CDM initiatives funded through incremental rate adjustments will also be included in the reporting requirement.

Annual reports for CDM initiatives funded under the third tranche of MARR are due on March 31<sup>st</sup>. Annual reports for CDM initiatives funded through rates are due on April 30<sup>th</sup>.

Distributors should file three (3) hard copies and two (2) electronic copies of their annual report for a given year with the Board Secretary by March 31<sup>st</sup> or April 30<sup>th</sup>, as applicable to the source of funding, of the following year. Hard copies should be filed with the Board Secretary at Ontario Energy Board, P.O. Box 2319, 2300 Yonge Street, Suite 2700, Toronto, ON, M4P 1E4. In addition, one electronic copy must be filed in PDF format, consisting of the entire report. A second electronic copy must also be filed in Excel format consisting only of the appendices. These electronic copies must be included on a disk with the hard copies. All filings should identify the name of the electricity distributor as well as the type of funding that is being reported and be titled “**200X Annual Report, CDM Third Tranche Funding, [Distributor Name]**” or “**200X Annual Report, CDM Funded Through Rates, [Distributor Name]**” as applicable.

These Reporting Requirements and Excel templates for Appendix A, Appendix B, and Appendix C are available from the Board’s website at:

[http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects\\_cdm\\_thirdtranche.htm](http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_cdm_thirdtranche.htm)

**Format:**

The annual report should consist of the following sections:

1. Introduction
2. Evaluation of the CDM Plan
3. Discussion of the Programs
4. Lessons Learned
5. Conclusion

**1. Introduction**

In the “Introduction” section of the annual report, distributors should provide a general overview of their CDM initiatives including any relevant local context.

**2. Evaluation of the CDM Plan**

The “Evaluation of the CDM Plan” section will provide an overview of the effectiveness of a distributor’s CDM Plan. Distributors should report on all initiatives worked on within the previous year ended December 31. All data in the Appendices should pertain to only the programs and activities worked on in the year, with the exception of the “Cumulative Totals Life-to-Date” column in Appendix A and cumulative TRC in Appendix B.

To complete this section, please complete Appendix A and Appendix C as follows:

Appendix A

Distributors should complete the information for each metric (rows) and broken down by category (columns). Where a category is not available, distributors should use one of the “other” columns.

Appendix C

Appendix C is to be used to consolidate each of the programs (e.g., Residential, Industrial, Commercial etc.) and to allocate the indirect costs to the programs and/or to the portfolio.

**3. Discussion of the Programs**

The “Discussion of the Programs” section will provide details on each of the distributor’s programs. To complete this section, please complete Appendix B for **each** program in the CDM Plan. If the type of program or the benefits of a program do not fit in the cells provided, create the appropriate headings and measures under the “Other programs (specify)” section. In section C of Appendix B, one or more category may apply.

All data in Appendix B should pertain to only the programs and activities worked on in the year, with the exception of cumulative TRC calculations.

**Note:**

Stand alone education or marketing programs that do not have quantifiable benefits should report all relevant information (some relevant assessment criteria are identified in Table 3.1 of the TRC Guide). Marketing or support programs (i.e., programs designed to enhance market acceptance of other programs) should not be reported individually as they are components of other programs. Similarly, the costs of marketing or support programs should be allocated to the programs they support (see Appendix C).

Distributors who have pilot programs or other programs for which cost effectiveness data was not provided by the Board (in the TRC Guide) should provide their own values, if available, and report all relevant information (attach a separate table if required).

If the TRC test inputs used by the distributor vary from those provided in the TRC Guide, the distributor must identify the variation(s) and file additional information supporting the variation(s) in an appendix to this report. If the specific technology promoted by a distributor was not included by the Board (in the TRC Guide), the distributor may select a similar technology from the TRC Guide as a proxy for annual reporting purposes. A distributor that selects a proxy technology for reporting must identify the actual technology in its annual report and the similarities between the proxy technology and the actual technology.

**4. Lessons Learned**

In the “Lessons Learned” section the distributor will indicate what has been learned over the course of the year. The goal of this section is to evaluate and benchmark programs for greater efficiency in delivery and cost effectiveness, and to provide information to other distributors with respect to CDM programs. Distributors should indicate if a program is considered a success or not and whether the distributor should continue its delivery.

**5. Conclusion**

The “Conclusion” section will consist of the distributor’s summary of its performance during the previous year ended December 31 relative to the CDM Plan approved by the Board.

**6. Instructions on completing the Appendices**

*Appendix B* - An Appendix B is to be completed for each program in the distributor’s CDM Plan on which plan-to-date expenditures have been made. The Board’s TRC Guide provides guidance on completing the TRC calculations. Prescriptive load savings and cost values for most equipment are listed in the Assumptions and Measures List of the TRC Guide. A separate Appendix B is required for each CDM initiative.

Please provide life-to-date cumulative TRC calculations and savings information where indicated on Appendix B.

*Appendix C* - Appendix C is to be used to consolidate the program information from Appendices B, and to allocate indirect costs to the programs and/or to the overall portfolio.

*Appendix A* – Information from Appendix C is to be brought forward to Appendix A, as described in Appendix C.