

September 16, 2004

Mr. John Zych
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2601
Toronto, ON M4P 1E4

Dear Mr. Zych:

Re: RP-2004-0018 – Canadian Energy Efficiency Alliance request for funding

The Canadian Energy Efficiency Alliance (the Alliance) hereby applies for funding for participation in the process to establish 2006 electricity distribution rates. As requested in the OEB letter of August 12, 2004, we have mailed 5 hard copies of this application to the OEB in addition to this electronic version.

Our request for funding is based on an estimation of the time required to attend and prepare for the various meetings and stages described in the Board's letter of August 12, 2004. Since the precise number and schedule of meetings for the various stages has not been finalized, our request is only an approximation. In making this request for funding, the Alliance assumes that where time estimates for various stages are inaccurate (either positively or negatively), the budget would be similarly affected.

i. Interest of the Canadian Energy Efficiency Alliance (The Alliance)

The Canadian Energy Efficiency Alliance is a not for profit organization established in 1995 to promote the efficient use of energy in Canada. The Alliance's 50 members include utilities, environmental groups, consumer groups, energy service providers, educational institutions and manufacturers.

The Alliance has a long history in working toward the development of a regulatory framework for DSM in Ontario. In 1993 and 1994, a number of Ontario's energy efficiency stakeholders came together to develop a blueprint for energy efficiency in Ontario. The group, then known as Ontario's Energy Efficiency Consortium, developed 30 Action Plans to overcome the barriers to energy efficiency in Ontario and created the Canadian Energy Efficiency Alliance (The Alliance).

The Alliance has been an advocate for energy efficiency in building codes and standards and has issued Energy Efficiency Report Cards for the federal and provincial governments across Canada. The Alliance has also established an online energy efficiency centre. In November 2002, it published its report, "**The Benefits of Energy Efficiency Investment: Creating Jobs and Supporting the**

Economy While Addressing Climate Change” in support of Canada’s ratification of the Kyoto Accord on Climate Change.

The Alliance was an active participant in the Ontario Energy Board’s 2003 stakeholder consultation on DSM and DR (RP-2003-0144). In 2002, the Alliance submitted two reports ***How to reward and encourage consumers who conserve power*** and ***The consumer benefits of interval metering*** as part of the 100 day review of the OEB. That paper on interval metering was also submitted by the Alliance to the OEB’s smart metering initiative.

Over the past year, the Alliance has organized several multi-stakeholder DSM summits as well as a DSM workshop in July 2004 geared specifically at LDCs. More DSM workshops with LDCs are planned, with the next one tentatively scheduled for November 2004.

The Alliance’s consultant, Judy Simon, and counsel, Sheila Halladay, are instructed by the executive committee of the Alliance’s Board of Directors.

ii. Issues and positions

The Alliance intends to participate in the Issues Day, the DSM Working group, and the ADR. The Alliance will also participate in the hearing process, as necessary. As an advocate of energy efficiency, the Alliance’s primary issue of concern in setting the 2006 Electricity Distribution Rates is DSM. The Alliance intends to further promote and develop the positions identified in the Alliance’s February submission to the OEB under RP-2003-0144. Specifically, the Alliance is seeking the development of a revenue adjustment mechanism as well as an incentive mechanism for LDCs for 2005 and 2006. These mechanisms are required to remove the current disincentives for LDCs to aggressively and effectively pursue DSM programs. The mechanisms need to be designed with an appropriate level of monitoring, reporting and regulatory scrutiny. As well, the development of communications support structures for LDCs will also be important to help foster consistency among LDCs in the application of these mechanisms, to share best practices and to avoid duplication of effort.

iii. Budget

Counsel: Sheila Halladay

ADR (5 days x 7h)	35 hours
Hearing (5 days x 7h)	35 hours
Preparation (1 x attendance)	70 hours
Argument	20 hours
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Funding sought (160hr @ \$210/hr):	\$ 33,600
GST	\$ 2,352

Consultant: Judy Simon

Ongoing consultation with Board of Directors (2days)	14 hours
Issues day (1day x 7h)	7 hours
DSM working group (5 meetings x 7h)	35 hours
Review of Draft Rate Handbook (1day x 7h)	7 hours
ADR (5 days x 7h)	35 hours
Hearing (5 days x 7h)	35 hours
Preparation (1 x attendance)	119 hours
Argument	5 hours
Funding sought (258hr @ \$210/hr):	\$ 53,970
GST	\$ 3,777.90

Disbursements:

Faxing, copying, telephone, parking:	\$ 500
Funding sought	\$ 500

Total costs: \$ 149,946.90

Total funding sought: \$ 90,422.00

iv. Funding requested

The Alliance is requesting \$ 90,422.00, based on the above counsel and consultant fees reduced to tariff rates and disbursements.

v. Other sources of funding

The difference between the counsel and consultant fees and the tariff rates – \$59,524.90 – is being absorbed by the counsel and consultant as an in-kind contribution. There is no other source of funding.

vi. Joint efforts

As an umbrella organization, the Alliance offers the opportunity for one stakeholder to participate in the process on behalf of many diverse organizations that have been coming together under the Alliance to jointly promote energy conservation in Ontario for a decade. The Alliance will represent, though guidance from the Executive Committee of its Board of Directors, the collective interests of its more than 50 members.

If you require any additional information regarding this application for funding, please let us know and we will be happy to accommodate your request.

Regards,

Peter Love
Executive Director