



Tantalus

Tantalus Systems Corp.
100 - 2955 Virtual Way
Vancouver, BC V5M 4X6
Canada

August 13, 2004

Peter H. O'Dell
Acting Board Secretary
Ontario Energy Board
PO Box 2319
2300 Young Street, 26th Floor
Toronto, ON, M4P 1E4

Subject: Tantalus Comments to RP-2004-0196

Tantalus enthusiastically supports the efforts of the Ontario government in proactively addressing Energy Efficiency through Smart Metering. It is Tantalus' belief that technology exists which can make a significant contribution to the social, economic, and comfort aspects of life of Ontarians today while setting a foundation for continued energy efficiency. Tantalus believes that a strategic and focused plan to address Energy Efficiency through Smart Metering & associated systems is an essential element for maintaining the quality of life and environmental standards that Canadians have come to expect and which we promote globally. Tantalus applauds these efforts and wishes to contribute time and resources to make this initiative a long-term success for the people of Ontario.

Tantalus believes that technologies available today for Smart Metering Systems provide benefits over and above energy efficiency alone, and as such, LDC's should be encouraged to procure and deploy these technologies in ways that:

- Help the Ministry of Energy achieve their Energy Efficiency and Environmental goals
- Address the unique opportunities and needs of individual communities and operating environments.
- Encourage the provision of additional operational advantages which will enhance customer service and system survivability
- Allocate cost and benefit based on investment, operational actions, and participation of local constituencies.

We have focused our response based on this thinking and the extensive benefits that are available to the Ontario public.

- Tantalus believes that a comprehensive, single procurement strategy works against the best interest of the Ontario public. The unique needs of individual LDC's, the operational benefits such systems deliver, and the variance in benefits that LDC's will realize from Smart Metering Systems require that local LDC's have a significant stake in what success looks like, what solutions they select, and how they deploy chosen technologies.
- Tantalus believes that a centralized body that acts as a repository for energy management knowledge can both accelerate end-user knowledge, support standardized operational approaches to energy efficiency, and help individual suppliers provide more relevant and valuable products to the industry
- Tantalus believes that Measurement Canada is a valuable institution that should play a vital role in protecting Ontario's public and ensuring that any Smart Metering initiative performs in the best interests of the Province, distributors, and end users. Tantalus also believes that Measurement Canada should continue to play a proactive and responsive role in assessing and approving new technologies and in qualifying meter shops and meter service companies to perform critical work if the province is to meet milestones as they are outlined in RP-2004-0196.
- Tantalus believes there is a shortage of deployment resources (i.e. quantity and size of certified meter shops and meter service companies) in Ontario needed to perform critical work required to

meet the milestones as outlined in RP-2004-0196. In order to overcome this shortage, we believe Measurement Canada will need to take a proactive and responsive approach to qualifying new and larger meter service organizations.

- Tantalus believes that solutions should leverage existing assets, including meters, distribution companies own. Technology exists today that can retrofit to existing meters/systems and provide the required functionality, while minimizing new infrastructure costs, minimizing existing asset write downs, and providing more flexible deployment options.
- Tantalus believes that deployment priorities should be focused on those areas that can contribute the most benefit through load shifting and reduction. Existing homes with inefficient HVAC systems or forced air electric furnaces are prime examples. New construction on the other hand may be easier to install, but will not deliver the quantity of benefits available through targeted efforts focused on existing loads.
- Tantalus believes that the only way to manage dangerous peak levels during weather events and other high-risk periods is to incorporate load control automation into a Smart Metering system. Since dual income families would not be available to take evasive action during times of high need, since the ability to manually control large loads like water heaters and HVAC systems is limited, and since response times are critical, Smart Metering systems that can incorporate automation through two-way control are necessary for long-term success.
- Tantalus believes that energy efficiency initiatives, and especially interruptible events, should focus on residential participants since this market has historically not been taken advantage of and since this market has the least impact on Ontario's economy.
- Tantalus believes cost recovery strategies should focus on the collective good since all residences of Ontario benefit when specific customers take action.
- Tantalus believes that simple redeployability is a key success factor as needs change and new areas are focused on, and maximum ability to deploy an asset to the highest area of need is critical.

Thank you for the opportunity to participate in this process. We look forward to continuing to participate in this dialogue and in making a significant and relevant contribution to the residence of Ontario.

Regards,

Eric Murray
VP Sales & Business Development
Tantalus Systems Corp.
emurray@tantalus.com
(919) 367-9584