



## *Cornerstone Hydro Electric Concepts Association Inc.*

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July 6, 2010

Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

ATTN: Ms. Kirsten Walli:  
Board Secretary

### **Invitation to Comment – Electricity Conservation and Demand Management Targets**

**Board File No.: EB-2010-0216**

Dear Ms. Walli

Cornerstone Hydro Electric Concepts Association (CHEC) members have reviewed the Board letter with respect to the CDM Targets and have a number of proposals. In addition to this CHEC letter, individual member LDCs may forward additional comments more specific to their LDCs.

The following outlines the comments with respect to the CDM Targets at this time:

#### **1. Potential for Peak Increases due to Metering Point Transfers:**

A number of CHEC members have concern with the coincident peaks utilized to calculate the targets. As imbedded LDCs in the Hydro One system with multiple metering points, there are occasions when transfers from one metering point to another will cause the perceived peak to increase. LDCs would like to ensure that this potential has been accounted for in the calculation of peaks.

LDCs with large customers who are also registered market participants would like confirmation on how these customers have been handled within the scope of the targets.

**CHEC Proposal:** Provide LDCs documentation so that the integrity of the calculation with respect to metering point transfers and LDC service territory market participants can be verified. It is recommended that the specific values utilized for the calculation be

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provided to the LDCs. The numbers should include the specific day, time and value of the peaks utilized.

**2. Transparency of Calculation of Target:**

In the OEB Letter communicating the targets, no background data has been provided on the provincial system peaks or the LDC peaks utilized. To improve the overall understanding and comfort with the proposed targets, the detailed calculation for each LDC should be provided along with any adjustments made to reflect specific conditions. These targets are seen as a crucial condition of an LDC's license and the calculation provision is essential.

**CHEC Proposal:** Provide the detailed calculations to each LDC as part of the target documentation reflecting the importance of the targets to the LDC license.

**3. Rounding of Targets:**

A review of the targets for demand (kW) indicates that in most cases the targets were rounded to the nearest whole number. A review of the impacts of the rounding indicates an increase in targets for some smaller LDCs in the order of 25%. This increase is excessive and places an undue burden on these LDCs considering their minor contribution to the overall system peak. The ability to achieve this additional 25% based on the size of the load/peak is not equitable and should be addressed.

**CHEC Proposal:** The negative impact of rounding, resulting in increased targets, should be limited to an acceptable level to distribute the burden of the provincial target more equitably.

**4. LDC Portfolio Option:**

CHEC members work together to meet CDM objectives. The concept of an "LDC Portfolio" i.e. a number of LDCs all accepting the total target for the group and working together to achieve the combined target was proposed during recent CHEC discussions. A shortfall in one LDC could be offset by exceeding targets in another LDC within the portfolio of LDCs. While it is recognized that a documented approach to such an initiative needs to be developed, the potential for the LDC Portfolio Option is beneficial to the peak reduction directive.

**CHEC Proposal:** The OEB approve a voluntary LDC Portfolio option for the achievement of targets.

**5. Data on Which to Base Target Calculations:**

With respect to the Board's question on the data utilized for target calculations, it is felt by CHEC members that the most current data is the most appropriate to use. This data will better reflect any impacts of the local economy and the impact of recent CDM initiatives.

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**CHEC Comment:** Utilize the most recent data available for setting the targets which could include 2010 if available.

**6. Impact of Modifying Targets:**

It is recognized that any change in target setting will impact all LDCs as the total target set by the Directive needs to be apportioned. If there is significant change in the final targets, it is suggested that a reasonable explanation be provided to allow full understanding by the LDCs of the drivers behind the changes. Now that the initial targets have been communicated, changes should be communicated in a manner to minimize the need for further review.

**CHEC Proposal:** In addition to providing the documentation associated with the calculation of the initial targets, any further changes in targets should be supported with the appropriate detailed documentation.

Respectfully submitted

*Gord Eamer*

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**Member LDCs:**

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|-------------------------------------|-------------------------|
| Centre Wellington Hydro             | COLLUS Power            |
| Innisfil Hydro Distribution Systems | Lakefront Utilities     |
| Lakeland Power Distribution         | Midland Power Utility   |
| Orangeville Hydro                   | Parry Sound Power       |
| Rideau St. Lawrence Distribution    | Wasaga Distribution     |
| Wellington North Power              | West Coast Huron Energy |