

IESO Engagement

From: Rains, Gary
Sent: August 29, 2018 11:58 AM
To: IESO Engagement
Subject: 2019 Conservation Achievable Potential Study...

Following are London Hydro's comments to the draft *Project Plan for the 2019 Achievable Potential Study*. I know IESO posted a *comment form* for such feedback, but my comments wouldn't fit in the form very well.

There is some proverb that is akin to: "*Those who do not learn history are doomed to repeat it.*" My read of the document entitled: "*2019 Integrated Ontario Natural Gas and Electricity Achievable Potential Study - Project Plan*" is another document that primarily looks forward. Deloitte's famous annual *Technology, Media and Telecommunications (TMT) Predictions* events always start with a review of (i) how the predictions presented in previous years have in fact unfolded, and (ii) the underlying reasons as to why some that failed to materialize or were slower in materializing in the marketplace than expected.

As I recall, the first AP study (for the electricity sector) was top-down in nature, and the next (and most recent) was bottom-up in nature, and as I understand there were some significant changes in AP predictions for some LDC's. Navigant did have some involvement with the latest AP study (but it may only have been with respect to embedded load-displacement generation), but nonetheless, I'm interested in seeing how that latest AP study stacked up with reality, and of equal importance if there were measurable differences between the AP forecast and reality, the underlying reason needs to be articulated so we can be somewhat certain that this latest endeavor will overcome those shortcomings -- just because Navigant is using some sophisticated software doesn't give me additional confidence in the reliability of the outcome (software can only convert poor data, inadequate insight, and imperfect assumptions into flawed outcomes in a more expedient manner).

Note: This narrative should also include some commentary concerning the *Industrial Accelerator Program* (IAP) for transmission-connected customers. There is little transparency concerning results but it is understood that it was an abysmal failure under both the present and previous CDM delivery frameworks. The natural question is therefore: *Was the achievable potential study for transmission-connected customers grossly wrong or was the program delivery approach flawed?*

When I look at Figure 2, *Illustrative Breakdown of Base Year Disaggregation*, there may be a logic flaw here. Bulk-metered apartment buildings (including those with sub-metering arrangements) are classified by LDC's as "*commercial*" services whereas apartment buildings with tenant metering arrangements are classified as "*residential*" services. The OEB's Yearbook doesn't provide a breakdown as to the number of commercial services that are actually bulk-metered MURB's. And when it comes to residential service accounts, the OEB yearbook doesn't provide a breakdown as to

how many of these are associated with single-family dwellings and how many are associated with duplexes, townhouses, apartment buildings, etc.

When I look at Table 4, *Segments by Sector*, it seems to me that one would need NAICS codes (or similar) for each utility account to create such a tabulation. London Hydro has not seen a business need for the past 18 years to define and maintain NAICS or SIC data for every account, and such data would not be found in the OEB Yearbooks.

There is a reference to using MPAC data for some analysis. In my involvement in the last AP study, I found the MPAC data to be notoriously unreliable. For example it indicated two (2) non-existent hospital campuses in London (i.e. contenders for CHP systems) that would certainly distort any predictions of achievable potential for embedded load-displacement generation systems.

The last AP study did not properly account for space heating and cooling within commercial, industrial and institutional buildings using district energy systems. I realize that not all communities have district energy systems and such systems don't service the entire community (but rather defined geographic areas), but to omit such systems from the analysis is somewhat short-sighted (and perhaps shows that there were few lessons learned from the past AP study).

What is the mechanism by which interested LDC's can provide a "*sniff test*" of preliminary results of the AP study? For example, if the Achievable Potential study includes major manufacturing plants or institutions that are slated for closure and demolition in the short term, then the AP study will certainly overstate the achievable potential. Discontinuities in the historical growth of a community can occur due to constraints to the supply of potable water or zoning constraints. It is not clear to me how the AP team would be cognizant of this type of local insight.

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