

February 21, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

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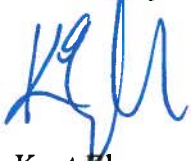
Email: boardsec@oeb.gov.on.ca

Dear Ms. Walli:

**Re: Environmental Defence Response to Undertaking J 7.4
EB-2012-0064 – Toronto Hydro 2012-2014 Rates**

Enclosed please find Environmental Defence's response to undertaking J 7.4.

Yours truly,



Kent Elson

cc: Applicant and Intervenors

KLIPPENSTEINS

ENVIRONMENTAL DEFENCE RESPONSE TO UNDERTAKING NO. J7.4

UNDERTAKING NO. J7.4:

Undertaking:

To provide wording of the terms of reference provided to Mr. Bach by Environmental Defence.

Response:

Attached is a complete copy of the document containing the terms of reference provided to Mr. Bach.

Terms of Reference and Background

Environmental Defence asked me to provide evidence on whether the incremental CDM potential in downtown Toronto significantly exceeds the estimate of 18 MW put forward by the Applicant in this proceeding.

By way of background, according to Navigant Consulting's *Business Case Analysis: Downtown Toronto-Electric Supply Evaluation* (the "Navigant Report"), downtown Toronto's electricity demand will exceed the capacity of the five downtown transformer stations commencing in 2017. Table 1 shows Navigant's forecast of excess electricity demand in downtown Toronto from 2017 to 2026.ⁱ

Table 1: Forecast Electricity Demand in Excess of Existing Transformer Station Capacity in Downtown Toronto (MW)

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2	10	21	35	58	76	99	119	144	162

According to Navigant, their analysis assumed that the maximum amount of incremental CDM that Toronto Hydro could reasonably achieve in downtown Toronto by 2014 would be 18 MW.ⁱⁱ

Based on this assumption, the Navigant Report concludes that:

"Current Conservation and Demand Management (CDM) programs will not defer the need for additional station capacity in downtown Toronto. Accelerated efforts and targeted CDM also will not materially defer the need for station capacity in downtown Toronto."ⁱⁱⁱ

Environmental Defence thus asked me to provide evidence on whether the incremental CDM potential in downtown Toronto significantly exceeds 18 MW.

ⁱⁱⁱⁱ EB-2012-0064, Tab 4, Schedule B17, Appendix 3: Navigant Consulting, *Business Case Analysis: Downtown Toronto-Electric Supply Evaluation*, (April 2012), page 10.

ⁱⁱ *Business Case Analysis*, page 16, Table 6.

ⁱⁱⁱ *Business Case Analysis*, page 29.