

BY EMAIL and RESS

April 4, 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Marconi:

EB-2023-0195 Toronto Hydro-Electric System Limited (Toronto Hydro) 2025–2029 Rates Application - Building Owners and Managers Association Toronto's (BOMA) Response to Ontario Energy Board's Decision and Order on Cost Awards

I am writing on behalf of BOMA in response to the Ontario Energy Board's (OEB) Decision and Order on Cost Awards issued on March 13, 2025 (Decision), which includes criticisms of Enerlife Consulting's (Enerlife's) evidence prepared for this proceeding. This letter addresses those criticisms and provides comments and further clarification for the OEB and parties' consideration in future proceedings.

BOMA's Role and its Direction to Enerlife Consulting

BOMA was accepted as an intervenor in this proceeding. BOMA has retained Enerlife to represent the energy-related interests of its members.

Enerlife is a specialized management consulting firm working on energy efficiency and decarbonization for commercial, institutional and multi-residential buildings. Our clients include major owners of commercial office buildings, hospitals, school boards, multi-residential buildings, colleges and municipalities, as well as governments and utility companies. Our services include planning, program development and forecasting along with hands-on engineering which has produced some of the most energy efficient buildings in North America.

In its Decision, the OEB states "*BOMA did not appear to provide Enerlife Consulting with sufficient instructions.*"

Enerlife confirms that it has received very clear direction from BOMA to represent the specific interests of commercial building owners, including with respect to fair utility rates and managing the energy transition.

For this proceeding, BOMA chose to propose, and the OEB accepted, expert evidence to be prepared by Enerlife addressing a range of commercial and institutional building types where Enerlife has practical working experience. This evidence was to evaluate Toronto Hydro's load forecast (for setting rates) to help ensure fair electricity rates, and to enter expert evidence and opinion on the nature and impact on the electricity grid of conservation and electrification activities in various commercial sector building types.

Enerlife is entirely responsible for its evidence.

Benefits to Toronto Hydro Ratepayers

At page 4 of its Decision, the OEB states that: *"The OEB finds that BOMA's cost claim.....does not reflect the value of its participation....."*. The OEB also states on page 5 that: *"The value of BOMA's evidence was limited to the adjustment made to Toronto Hydro's load forecast that reflected the annual adjustments for building electrification that was part of the Settlement Proposal."*

At page 2 of its January 21, 2025 response to Toronto Hydro's comments on Intervenor Cost Claims, Enerlife states that: *"The 2025-2029 electrification trends presented in the BOMA evidence¹ were accepted² by Toronto Hydro and parties in the Settlement Conference, and were incorporated in the final OEB approved 2025-2029 Toronto Hydro load forecast and distribution rates.....We estimate the corresponding reduction to Toronto Hydro customers' distribution charges over this period to be about \$25 million."*

BOMA respectfully submits that there is no finding by the OEB in its Decision that contradicts the fact that BOMA's evidence and participation resulted in a \$25 million savings to Toronto Hydro ratepayers. The savings are undisputed, and we submit that precedents at OEB hearings have determined that financial savings to ratepayers are one

¹ Section 4.1.2 pages 25 to 27, BOMA expert evidence, filed May 2, 2024

² The OEB's Partial Decision Order, dated November 12, 2024, Schedule A – Approved Settlement Proposal, Section 6 Load Forecast Page 22 of 57 (pdf page 47/146):

"....The Parties also agree that Toronto Hydro will amend its load forecast in OEB Appendix 2-IB to incorporate annual adjustments for building electrification as proposed in the evidence filed by BOMA on May 2, 2024 at page 26 with adjustments listed in Tables 4-1 and 4-2 starting in 2025 and applying the CSMUR percentage variance to the Residential rate class. Specifically, Residential (use CSMUR percentages), CSMUR, and GS<50kW kWhs are increased by the percentages listed in Table 4-1. GS 50-999, GS 1000-4999, and Large Use kVA's are increased by the percentages listed in Table 4-2...."

of the valid and important ways to reflect the value of an intervenor's participation in a proceeding.

Enerlife Evidence – Content and Underpinning Analysis

In its Decision, the OEB notes that: *"The actual evidence differed greatly from what was described in the January 26, 2024, letter when BOMA requested leave to file evidence. The evidence was intended to focus on Toronto Hydro's proposed load forecast methodologies and the resulting 2025-2029 load forecast with respect to the commercial building sector. The evidence was to include an analysis of electricity consumption trends from different commercial building types based on the most recent empirical data. BOMA also noted the work would focus on the potential for electrification of different commercial building types."*

Although Enerlife's evidence speaks in some detail to conservation and electrification in commercial buildings, and to their impact on Toronto Hydro's electricity demand, we understand that the OEB sees a gap between the actual evidence and what was described in the January 26, 2024 letter. Upon review, I acknowledge we could have explained more clearly the rationale for the approach we took.

We understand that the OEB and other parties could have been expecting a more traditional econometric and regression analysis that relies on a large sample size of historical data trends to forecast future demand. With the major changes happening to both electricity and gas demand due to the energy transition, Enerlife is taking a different approach, using large sample size empirical data¹, together with market information which we had requested from Toronto Hydro in interrogatories. We acknowledge that, when Toronto Hydro was unable to provide the requested information, it would have been prudent to refer back to the OEB to explain the approach we were taking using building archetypes and best estimates based on Enerlife's knowledge of the commercial market. The sample size used was not ideal, but the analysis can be refined over time as better information becomes available. I believe the evidence provides important market knowledge and technical insights that do not appear elsewhere in this proceeding and can provide value to stakeholders and the commercial sector.

At page 5 of its Decision, the OEB also states: *"The expected analysis of the impact of electrification on load forecast, billing revenue and capital did not transpire..."* and *"BOMA should have known the drawbacks to providing its evidence if not from the outset, certainly after Toronto Hydro's interrogatory responses were filed. In that circumstance, the OEB*

¹ Ontario's Energy and Water Reporting and Benchmarking and Broader Public Sector using only buildings located in Toronto

also finds that the very limited influence that the evidence would potentially have (and ultimately did have) on the Decision should have been considered more carefully by BOMA.”

Enerlife notes that no other parties submitted evidence or proposed modifications to form the basis of a load forecast (for rate setting) with electrification assumptions in this proceeding. Besides Enerlife’s forecast, the only alternative was Toronto Hydro’s load forecast (for setting its distribution rates) provided in its evidence, with zero allowance for electrification assumption. Ultimately, in the Settlement Conference all parties agreed to Enerlife’s forecast, which provides material financial benefits to Toronto Hydro customers.

BOMA supports regulatory efficiencies and believes that intervenor participation in regulatory proceedings should lead to customer benefits. BOMA appreciates the OEB’s feedback which will assist us to make improvements and efficiencies in future proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian Jarvis".

Ian Jarvis, P. Eng

President, Enerlife Consulting Inc.

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