

1 **REFERENCE:**

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3 **PREAMBLE:** Elenchus indicates that Hydro's approach to load forecasting has been "particularly
4 problematic for the Top Consumers sector, which in recent years has been a large source of forecast
5 error with consistent over-forecasting of load." (page iii)
6

7 **QUESTION:**

8 Please provide all analyses and recommendations of Elenchus in respect of this over forecasting, and
9 indicate Elenchus' detailed recommendations for Manitoba Hydro to improve on this issue.
10

11 **RESPONSE:**

12 Elenchus notes that forecasting Top Consumers is problematic for Manitoba Hydro. Manitoba Hydro
13 forecasts for this group includes individual analysis that details where the companies think they will be
14 in the next several years. However what is current today can change dramatically tomorrow. Mergers
15 and acquisitions can change a company overnight and usually come unannounced. Changes in the
16 economy as well can have unknown effect evident only after they happen. Commercial operations
17 globally can influence demand for product domestically.
18

19 Elenchus is of the opinion that Manitoba Hydro has as good a handle on short term forecast of these
20 customers as can be expected. Elenchus is concerned by the long term forecasts however as they may
21 be over optimistic by not factoring in some consideration for recession cycles. Some members of this
22 group are also highly capitalized and because of the amount of electricity required they may be price
23 sensitive. It is this group that could be a higher risk of being impacted by grid parity.

1 **REFERENCE:**

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3 **PREAMBLE:**

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5 **QUESTION:**

6 Please provide the specific references relied upon by Elenchus to conclude that the Curtailable Rates
7 Program is intended to address shortfalls "due to low water levels" (page 8).

8
9 **RESPONSE:**

10 Elenchus relies on information provided by MH staff through informal discussions.

1 **REFERENCE:**

2
3 **PREAMBLE:**

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5 **QUESTION:**

6 Please provide the specific references relied upon by Elenchus to conclude that under the Curtailable
7 Rates Program customers "may elect" to interrupt their service (page 10).

8
9 **RESPONSE:**

10 See page 31 of the 2013-16 Power Smart Plan. This was confirmed in informal discussions with MH staff.

1 **REFERENCE:**

2
3 **PREAMBLE:**

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5 **QUESTION:**

6 Please provide the specific references relied upon by Elenchus to conclude that under the Curtailable
7 Rates Program the benefits to Hydro are that the program is "allowing MH to sell at export prices the
8 energy made available" (page 10).

9
10 **RESPONSE:**

11 Elenchus relies on informal discussions with MH staff.

1 **REFERENCE:**

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3 **PREAMBLE:**

4 Elenchus indicates that "True DSM presumes ... that deferred capacity adds value to MH..." (page 10) but
5 then notes that "In the Manitoba Hydro situation the main economic benefit from increasing DSM arises
6 not from increased DSM deferring generation but from increasing DSM increasing the level of exports"
7 (page 11).
8

9 **QUESTION:**

10 Is it Elenchus' view that Manitoba Hydro does not practice "True" DSM?
11

12 **RESPONSE:**

13 While there is no universal definition of DSM, Elenchus is of the view that the Curtailable Rates (CR)
14 program should not be counted as a DSM program. The remaining DSM measures in the Power Smart
15 Plan are regarded by Elenchus as DSM activities.

1 **REFERENCE:**

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3 **PREAMBLE:**

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5 **a) QUESTION:**

6 Please explain why demand reducing energy efficiency programs, which have no impact on energy
7 consumption is not considered to be DSM? Please provide all references to literature and/or practice
8 manuals that support this view.
9

10 **RESPONSE:**

11 Elenchus' comments are specific to the CR program. Elenchus does, in general, view demand-reduction
12 measures as DSM. The purpose of the CR program is to create more opportunities for export sales. Co-
13 incidentally energy for domestic use is lowered. As discussed in Elenchus' filed report, it would be
14 imprudent to rely on the CR program to defer ISDs for supply facilities.
15

16 **b) QUESTION:**

17 Please confirm that Elenchus' conclusion that the Curtailable Rates Program is not "true DSM" is not a
18 recommendation to eliminate the program or a comment on the potential value of the program to
19 Manitoba Hydro and ratepayers.
20

21 **RESPONSE:**

22 As indicated in the filed Report, Elenchus makes no comment on the purpose of the CR program.

1 **REFERENCE:**

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3 **PREAMBLE:**

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5 **QUESTION:**

6 Please indicate whether any draft of the Elenchus DSM report was provided to Manitoba Hydro to "fact
7 check" and if so, please provide a copy of that draft report and the response of Manitoba Hydro.

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9 **RESPONSE:**

10 No such draft report was provided. Manitoba Hydro provided no comments on the report that was filed
11 by Elenchus.

1 **REFERENCE:**

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3 **PREAMBLE:**

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5 **QUESTION:**

6 Please provide all analysis conducted by Elenchus regarding DSM opportunities in Manitoba in support
7 of the assertion that "It is anticipated that by adopting a more rigorous IRP approach, MH could realize
8 significantly greater DSM savings that would translate into lower net loads requiring investment in
9 incremental generating capacity." (Executive Summary)

10
11 **RESPONSE:**

12 See also responses PUB/Elenchus 33. Besides creating greater certainty, Elenchus is of the view that an
13 IRP would tend to identify greater energy efficiency contributions to the Development Plan. By choosing
14 supply and demand options on the same basis, IRP would recognize the cost advantage (including
15 environmental costs) of many DSM measures rather than rely on intrinsically uncertain estimates of
16 market uptake of DSM technologies. Elenchus relies on the evidence of Dunskey and ENERNOC (Appendix
17 4.3 of the filed MH NFAT Business Plan) for its view that DSM measures have cost advantages in
18 Manitoba over supply options.

1 **REFERENCE:**3 **PREAMBLE:**5 **QUESTION:**

6 Elenchus indicates they have reviewed "Dunsky's evidence" and are in agreement with the conclusions
7 (section 3.3.2.3). Please indicate what evidence of Mr. Dunsky was reviewed, and whether this evidence
8 is available at the present time on the public record. Please provide a copy or link to this Dunsky
9 evidence.

11 **RESPONSE:**

12 See Footnote 23 of the Elenchus DSM Report. This is the evidence that was filed by the Consumers'
13 Association of Canada (CAC); **Written Testimony of Philippe U. Dunsky re. Manitoba Hydro's Demand-**
14 **Side Management Plan** *in the context of Manitoba Hydro's 2012/13 and 2013/14 General Rate*
15 *Application on behalf of Consumers Association of Canada (Manitoba) and Green Action Centre,*
16 November 15th, 2012.