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1. **Define the DSM Resource.** The first step involves defining both the extent and key characteristics of the province's achievable demand-side management savings. To the extent possible, this work will be built on the basis of the potential study that Manitoba Hydro is expected to release as part of its submission. Indeed, depending on the nature of the study and the information provided, we will employ one of several approaches to this task – these may include adjustments to the study itself, and/or bottom-up estimates for specific sectors or markets. In either case, we anticipate conducting a detailed, line-by-line review of the potential study, including both methodology and key assumptions. In the final analysis, this task will define a reasonable and reliable DSM resource, including specific energy and capacity savings and associated costs, over time (approx. 20 years). We note that depending on the information made available, we may produce more than one scenario in order to assist the PUC in addressing risk and uncertainty.
2. **Assess DSM Resource Impacts.** The second step involves assessing the impact that would result were Manitoba Hydro to pursue the defined DSM resource(s). This work will notably assess the extent to which capital investments may be deferred, as well as both the direct cost (and risks) involved in doing so, and the impact on export opportunities. This work will further assess the impact on ratepayers – both in terms of rates and bill impacts. Finally, borrowing from other work, we will provide indications of both the likely environmental and macroeconomic impacts associated with the DSM resource(s).
3. **Conclusions and Recommendations.** In this final step, we will compare resource options and make recommendations that respect the principles of prudence, cost minimization, and achieving broader societal goals.
4. **Regulatory Process.** For budgetary purposes, we have added this fourth “step” which includes the various requirements of the regulatory process, including reviewing evidence, discussions with clients, preparing and responding to interrogatories, preparing written evidence, and preparing for oral testimony.

Dunsky Work on NFAT File: Initial Scope of Work and Budget Estimates		
	ToR Items	Budget est.
<b>STEP A: DEFINE THE DSM RESOURCE</b>		<b>\$75k</b>
Review DSM Potential Study	1d, 2a	
Assess thoroughness	1d, 2a	
Assess reasonableness	1d, 2a	
Adjust if necessary	1d, 2a	
Est. range of potentials	1d, 2a	
Est. costs, savings, and useful lives	1d, 2a	
Describe strategies involved		
<b>STEP B: ASSESS IMPACTS</b> <i>(COMPARE WITH MH BASE CASE)</i>		<b>\$60k</b>
Deferral impact of DSM scenarios (energy and capacity)	1c, 1d, 2a	
Manitoba Hydro's cost	2a	
Ratepayers' cost	2j	
Value of savings	1d, 2a	
Impact on rates and bills	2f	
Relevant planning risks	2g	
Export opportunities	2g	
Environmental impacts	2i	

Job creation impacts	2j	
<b>STEP C: CONCLUSIONS AND RECOMMENDATIONS</b>		
Alignment with MH Act	1a, 2b	
Alignment with Manitoba Clean Energy Strategy	1b, 2b	
		<b>\$20k</b>
Alignment with Principles of Sustainable Development (SDA)	1b, 2b	
Preferred Options	2j	
<b>STEP D: MANAGEMENT &amp; REGULATORY PROCESS</b>		
Review evidence, discuss with clients, assist preparing IRs		
Responses to IRs		
		<b>\$35k</b>
Preparation and delivery of Oral testimony		
Management & Misc.		
<b>TOTAL*:</b>		<b>\$190k</b>

\* The budget estimates above are approximations only. Actual costs will depend largely on the nature and timing of the information provided by Manitoba Hydro, as well as on the regulatory process itself. This budget does not include travel and accommodation expenditures, which depend entirely on the regulatory process (number of trips and days per trip).