



**PUBLIC  
INTEREST  
LAW  
CENTRE**



July 9, 2013

Writer's direct line: (204) 985-8533  
Email: [bwilliams@pilc.mb.ca](mailto:bwilliams@pilc.mb.ca)

**CENTRE  
JURIDIQUE  
DE  
L'INTÉRÊT  
PUBLIC**



**AN INDEPENDENT  
SERVICE OF  
LEGAL AID  
MANITOBA**



**L'AIDE JURIDIQUE  
DU MANITOBA**



**SUPPORTED BY  
LEGAL AID MANITOBA  
THE**

**MANITOBA LAW  
FOUNDATION  
AND MEMBERS  
OF THE  
MANITOBA  
BAR  
ASSOCIATION**



**300 – 287 BROADWAY  
WINNIPEG, MANITOBA  
R3C 0R9**

**TEL: 204.985.8540  
FAX: 204.985.8544**



**E-MAIL: [centre@pilc.mb.ca](mailto:centre@pilc.mb.ca)**

The Public Utilities Board of Manitoba  
Attention: Mr. Hollis Singh, Executive Director and Board Secretary  
400 – 330 Portage Avenue  
Winnipeg, MB R3C 0C4

Dear Mr. Singh:

**RE: DSM Potential Study and Manitoba Hydro Alternatives Analysis**

**Overview**

CAC MB is writing to express its concerns:

- with the status of the DSM potential study; and,
- with commentary by Manitoba Hydro in its June 19, 2013 letter expressing a reluctance to assist in any post August 16, 2013 alternative analysis desired by the Board, Independent Experts or Intervenor;

Through this letter, CAC MB seeks direction from the PUB that:

- the DSM potential study should be filed no later than August 16, 2013; and
- additional alternative analysis is open to the Board, Independent Experts and Intervenor after August 16, 2013.

**The DSM Potential Study**

When CAC MB attended the first NFAT pre-hearing conference, it was surprised to see that Manitoba Hydro still has not completed its DSM potential study. The energy efficiency experts retained by CAC MB have advised it that the delay associated with the DSM potential study is unusual and cause for concern in terms of their ability to properly conduct their duties.

CAC MB understands that DSM potential studies, depending on their scope

may commonly take between 4-6 months to complete. To the extent the study scope includes prior end-use baseline studies developed using primary research, this timeframe may be elongated. However, as a matter of practice, the conduct of a DSM potential study should not typically exceed one full year.

It is our understanding that the RFP for Manitoba Hydro's potential study was released over two years ago. Its filing has been long awaited and long delayed. CAC MB is gravely concerned that any further delay in the release of the DSM potential study may impair the ability of the Board to fulfill its mandate and the ability of interveners to do their job. For DSM to be considered as an alternative resource, the Board and interveners must have the time to review and appreciate Hydro's assessment of this resource's potential.

Given this perspective, it is our client's view that the DSM potential study, *including all of its supporting information*, should be released no later than at the same time as the NFAT filing in August. This filing should include the study's results; the results of any scenarios examined; a thorough description of the methodology employed including how individual measures were developed, characterized and screened; all key measure inputs used including, for each measure and for each bundle or category of measures, baseline consumption, measure consumption, utility and participant costs, energy and capacity savings, useful lives, non-energy benefits, and assumed market adoption rates with and without programs; as well as basic economic assumptions including avoided energy and capacity costs, discount rate, and others. Given the complexity involved in analyzing DSM potential studies, CAC MB believes that receipt of this information in a timely fashion is essential to its ability to properly respond to the terms and conditions laid out by the PUB.

Accordingly, CAC MB seeks directive from the PUB to Manitoba Hydro indicating that the DSM potential study and all supporting information must be supplied prior to or by August 16, 2013.

### **Alternatives Analysis**

in reviewing the Manitoba Hydro letter regarding *Order 67/13* dated June 19, 2013, CAC MB was surprised to see the following statement from Manitoba Hydro:

Manitoba Hydro is of the view that the wide range of Plans & Scenarios intended to be included in its August 16, 2013 filing will provide ample opportunities for consideration of the Plans. As such Manitoba Hydro does not anticipate a need for additional studies. Manitoba Hydro's decision to include a broad range of studies at the outset was not only to provide numerous comparisons demonstrating the basis for selecting the Preferred Development Plan but also out of necessity given the time it takes to prepare these studies. The analytical work associated with the Plans and Scenarios is extremely time consuming and cannot be completed within the time frames of the hearing schedule. Manitoba Hydro has repeatedly indicated that the Plans and



Scenarios must be completed at the outset of the NFAT process so as to accommodate their detailed review during the time allotted for the NFAT process. The utility is very concerned with the suggestion that it may be expected to develop additional studies once the process is underway. (emphasis added)

CAC MB is concerned that Hydro's apparent unwillingness to undertake analysis of alternatives other than the ones it chooses to present on August 16, 2013 will reflect poorly on the credibility of the NFAT process. This is especially the case given the recommendation by the CEC during the Wuskwatim proceeding concerning the need for Manitoba Hydro to be more robust in its alternatives analysis.<sup>1</sup>

Just as importantly, efforts to constrain any post August 16, 2013 alternatives analysis would not be consistent with the PUB terms of reference and may materially impair the ability of the PUB, Independent Witnesses and Interveners to properly evaluate the Need for and Alternatives to the Hydro Preferred Plan.

For example, as outlined in the NFAT Terms of Reference and as is appropriate for any least-cost planning process, it is imperative that demand-side management options be examined on an equal footing with supply-side alternatives. It is noteworthy that none of the 7 alternative plans evaluated in Hydro's NFAT submission appear to present an alternative energy efficiency or DSM portfolio as part of their analysis.<sup>2</sup> This approach would appear to be inconsistent with least-cost integrated resource planning and severely diminishes stakeholders' ability to assess the value of Manitoba Hydro's proposal.

While energy efficiency is of particular concern to interveners such as CAC MB,<sup>3</sup> other alternatives might be equally deserving of additional analysis. The approach hinted at by Manitoba Hydro in its letter of June 19, 2013 would appear to give Manitoba Hydro an undue role in dictating the terms of the alternatives analysis.

Given these concerns, CAC MB is seeking direction from the Board that additional alternatives

<sup>1</sup> During the Wuskwatim NFAT proceeding, the Clean Environment Commission identified the importance of developing a more modern portfolio analysis for the purpose of considering the Alternatives to major projects. It stated that:

Improving technical and end use efficiency should also be considerations in the initial screening stage. Such considerations would give added emphasis and priority to the development of SSE, DSM and NUG options.

S.8.2 Alternatives To Wuskwatim In MANITOBA HYDRO AND NISICHAWAYASIHK CREE NATIO WUSKWATIM PROJECTS HEARING BEFORE THE MANITOBA CLEAN ENVIRONMENT COMMISSION REPORT ON REVIEW OF THE NEED FOR AND ALTERNATIVES TO THE PROPOSED PROJECTS ECONALYSIS CONSULTING SERVICES FEBRUARY 10, 2004.

<sup>2</sup> Hydro presentation to the Pre-hearing Conference, p.4.

<sup>3</sup> The issue of energy efficiency also is clearly important to other Interveners such as the Green Action Centre.

may be considered after August 16, 2013. CAC MB would be pleased to engage in discussions with the PUB, Hydro and other Interveners regarding a process to determine how such alternatives could be considered.

### **Conclusion**

Thank you for your consideration of these comments.

Yours truly,



BYRON WILLIAMS  
DIRECTOR

BW/sk

cc. CAC Manitoba  
Interveners  
Manitoba Hydro