



**Peterborough
Distribution Inc.**

Peterborough Distribution Inc.
1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

October 24, 2017

Ontario Ministry of Energy
900 Bay Street, 4th Floor,
Hearst Block
Toronto Ontario
M7A 2E1

The Honorable Glenn Thibeault – Ontario Minister of Energy

Re: Delivery of HOME ASSISTANCE Program

Dear Minister Thibeault,

It was very good to meet you at the event at the Dynacast Plant in Peterborough. I am writing you to voice our concern and dismay over the recent announcement that the IESO will be pulling delivery of the Home Assistance Program (HAP) from Local Distribution Companies (LDC's) to be run centrally by the IESO.

Conservation First Framework (CFF) was specific in its instructions to LDC's on the composition of their plans under CFF. Instructions were clear that LDC's were to provide conservation programs to meet the needs of all customer segments, including Low Income Customers. Much feedback was provided to IESO from LDC's regarding the inadequate cost effectiveness of HAP and negative impact to LDC's CFF portfolio of including targets and budget for Low Income customers.

The Independent Electricity System Operator (IESO) was aware that many LDC's were not offering HAP to their consumers or a very shallow version in order to indicate that all consumer segments were being served as required

Instead of addressing the matter directly with LDC's that were not in compliance with CFF framework, the IESO chose to turn a blind eye and do nothing to remedy the situation. As the previous co-chair of the Residential Working Group and tasked with making improvements to the HAP program and its cost effectiveness, we in the working group were advised that many LDC's were not in compliance. This matter was addressed with IESO at the time, but no action was taken.

The issue is not with the LDC's ability to run the program, it's with the funding constraints and impact to our required target reductions. It should never have been included with the same funding that we are required to manage with a stringent cost effective kWh reduction outcome. Even those LDC's that ran the program effectively had to cap their spending and outreach in order to ensure their overall portfolio was successful.

I am wondering if you were aware of the above mentioned history before a decision was made to pull this program from LDC's. The IESO does not have a good track record or reputation for running any program or infrastructure as a central service. They are woefully slow to react to customer request and lack the ability and infrastructure to serve low income consumers of Ontario, certainly no better than LDC's who intimately know their customers and their local needs.

Case in point, it has taken the IESO almost 6 months to approve our CDM plan that had only minor changes and in the past it has taken years for them to award a contract or implement a program direction change. Delivery of any service from IESO has not been timely or efficient. This change will add an additional level of administrative burden and inefficiencies.

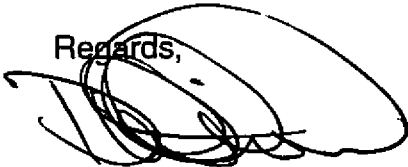
We have spent much time and resources to ensure that we have a solid, well run delivery model for customers of Peterborough Distribution Inc. only to have it torn away with the promise of keeping our savings gained by promotion of the IESO run program. We are about to launch a direct marketing campaign in conjunction with our city office to further reach those in electrically heated homes who could benefit from HAP. We find it unjust that through the Ministers office the IESO can unilaterally change the Energy Conservation Agreement (ECA) with one capricious sweep of the hand and remove this from LDC expertise and management.

Peterborough has one of the highest levels of unemployment in the province and a higher than provincial average of customers deemed as "Low Income". With IESO taking over HAP as of January 1, 2018, without a doubt there will be a period of time customers will not have access to HAP as LDC's are required to wind up projects by December 31, 2017. It is a forgone conclusion that IESO will not have the infrastructure in place by January 1, 2018 to offer the program.

Lastly, PDI has agreed to participate in the Affordability Trust Fund (ATF) as we believed that the customers that fail to meet the eligibility requirements for HAP, will indeed benefit from this new program. We are well positioned to incorporate and gain

Should you have any questions or if I may be of further assistance, please reach out to me directly.

Regards,

A handwritten signature in black ink, appearing to be 'David Whitehouse', written over the word 'Regards,'.

David Whitehouse
Vice President Customer/Corporate Services
Conservation Officer
Peterborough Distribution Inc.

Cc: Joyce Makarios Policy Advisor, Electricity Distributors Association
Peter Gregg, President and CEO, IESO