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ONTARIO ENERGY BOARD

# **Newmarket Hydro Ltd.**

**Application for  
Interim Order of the Ontario Energy Board**

## **Conservation and Demand Management Plan**

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## Background

The present provincial government conveyed to the local distribution companies ('LDC') in December 2003 of the government's intention to permit them to apply to the Ontario Energy Board (the 'OEB') for the next installment of their allowable return on equity beginning March 1, 2005. Further the Minister of Energy indicated the OEB approval in regards to the final installment should be conditional on a financial commitment to reinvest an amount equal to one year's incremental returns in conservation and demand management initiatives. In the Minister's letter dated May 31, 2004 he encourages partnerships with governments such as Natural Resources Canada and the Canadian Federation of Municipalities and with local community based conservation agencies and authorities. To that end, we will ensure that other funding sources are a part of energy management building programs, where applicable.

Recently the OEB issued a Procedural Order addressing the (i) opening deferral accounts; (ii) development expenses; (iii) applications for plan approval; and (iv) filing requirements.

Accordingly Newmarket Hydro Ltd. ('NHL') is providing this overview (snapshot) of the programs (Conservation and DSM, collectively the 'Plan') we are working on and a general accounting of the funds required for these programs. Any documented savings evaluations are to be held harmless. Further, any programs that do not receive adequate responses will be terminated and funds allocated to that project will be reallocated to another program.

LDC's play a pivotal role in energy conservation. LDC's continue to work with our customers i.e. residential, manufacturers, commercial and especially our most vulnerable consumers. In that regard, our programs provide a broad range of programs and services including and not limited to training and educational programs, energy management services and financial incentives.

This Plan was recently presented to and approved by our Board of Directors.

The strategic focus of the Plan is to introduce energy efficiency service management firms into the NHL service area. Through this introduction, it is expected that, during the course of our initiative, they will build a foundation of successes with our customers and provide the momentum to keep them engaged with our customers when our Plan ends. In this way, the best use of funds is made by providing a sustained conservation movement and access to conservation resources for our customers after Plan completion. It is also very efficient as it draws upon existing available and capable resources rather than building them internally. We believe this Plan will result in laying the foundation for, in the Energy Minister's words, "creating a conservation culture" in our licence area.

Selection of the energy management firms is being made based on their record of success in Ontario and other markets, corporate capability, focus on efficiency and energy management with no affiliation to products or energy commodities, and service offering guarantees and assurances. Given the limited availability of funds and time for this initiative, an informal interview process for selection of the energy management firms rather than a formal Request For Proposal process has been employed. We believe this to be a prudent approach to initiatives of this type.

#### **URB Gateway Pilot Project- Pilot Program**

**\$ 25,000.00**

This Energy Management Pilot Program provides to customers with existing broadband service, links together their thermostat with the existing electric meter and back office system via the Internet and provides customers with energy management capabilities and information. Goals of this project are to prove that the technology and infrastructure exists to control loads in *residential and small commercial facilities*; manage the control of HVAC loads in a near real time manner; manage residential loads with minimal effect on participants' lifestyles or business operations; show that giving customers access to data over the web helps them to understand and manage their energy use. URB is implementing this technology with Itron, a world leader in AMR technology.

#### **Building Partnerships**

**\$ see values below**

NHL is working with two energy efficiency service management firms that offer a comprehensive package of professional services that enhance comfort, increase energy efficiency, reduce everyday (operating) costs, and include financial support packages. NHL will work with these firms and help with building relationships in the community with all sectors. These companies offer a one stop shop program and NHL will partner with these firms and offer incentives to our customers to encourage their participation. We will provide various complimentary incentives such as, and not limited to, paying a portion of audits or providing financial assistance for the projects (business, commercial, industrial and **especially social housing**). All Projects will be audited before and after to determine the efficiencies achieved.

- **Residential –**

**\$200,000.00**

Working with Homeworks, a home services company offering a complete one stop shop range of home energy efficiency and comfort services including audits, retrofits, financing and quality assurance. NHL is also considering a variety of programs independent of the services provided by Homeworks such as and not limited to –

- Refund the GST on proof of purchase of Energy Star Appliance Products purchased
  - Subsidize Municipal appliance pick up charges to encourage replacement of old appliances.
  - Rebate offer on all programmable thermostats on proof of installation
  - Newsletter dedicated to energy saving programs and activities
- **Affordable/Social Housing – \$300,000.00**  
Working with Homeworks, a home services company that specialize in working with affordable and social housing developments including co-ops, both privately owned and government owned. Homeworks bring a wealth of knowledge and understanding of best methods/programs that will realize true energy savings to this sector. Homeworks will be meeting with local housing providers to develop a program that will realize energy savings including an educational component for these residents.
  - **Small Business – \$100,000.00**  
Working with Ecosystem, an independent energy management company with a strong background in electromechanical engineering experience. Ecosystem provides a no cost analysis of building mechanical systems and energy consumption to test for project feasibility. If approved they will prepare a project plan which may include but not limited to the supervision and coordination of the construction and they will monitor energy consumption post implementation until estimated savings are met. NHL is meeting with its business customers to determine what other programs we might offer to help these customers reduce their energy consumption which includes an education component about how savings with minimal dollar investments can be achieved.
  - **Business/Commercial/Industrial - \$279,400.00**  
Working with Ecosystem, an independent energy management company with a strong background in electromechanical engineering experience. Ecosystem provides a no cost analysis of building mechanical systems and energy consumption to test for project feasibility and if required, a project plan will be prepared which may include but not limited to the supervision and coordination of the construction and they will monitor energy consumption post implementation until estimated savings are met. Ecosystem brings a holistic approach tailored to meet the customers' financial objectives and energy performance targets. NHL will work to develop complimentary programs to encourage participation with Ecosystem

## **Energy Education Program**

**\$ 50,000.00**

This is a key component for this project to be successful. Some of the educational components include and are not limited to:

- Attending Council Ward meetings to speak about energy conservation and DSM programs available
- Setting up a Conservation hotline
- Involving high school students in energy conservation projects and providing incentives to participate
- Meeting and addressing all sectors including local Council meetings and Chamber of Commerce events
- Meeting with major energy consumers
- Creating opportunities to meet with customers to determine the best way to assist them with their energy concerns
- Program to assist customers in understanding how to use their interval meters to help them reduce their energy costs
- Customer DSM Portal on the NHL website – customers set up profiles of their homes/businesses to assist them with determining how they consume energy and how they can reduce consumption.

## **Additional Potential Programs/ Discretionary Expenses**

**\$ 70,000.00**

- **Street lighting** - investigating newer technologies that require less maintenance, programmable, dimmable and have a longer life span
- **Other programs as required that compliment existing and successful programs**

- **Distribution system and equipment optimization - \$ 30,000.00**  
Independent studies to identify cost effective changes in material and construction specifications to increase system efficiency. Specifications will be incorporated into system expansion and maintenance standards for all future projects to achieve sustained improvement in system efficiency on a going-forward basis.

**Program Development & Monitoring \$ 145,600.00**

Independent support to design, implement and administer Conservation and DSM programs as well as ongoing education programs. Project management including but not limited to research, coordination and development of all programs, monitoring and evaluation of programs and preparation of reports describing the programs and their results. To that end, NHL has seconded the Executive Assistant to the Mayor of Newmarket on a one year assignment to develop, direct and administer our Plan. She brings with her strong community links as well as an intimate knowledge of social housing, commercial and industrial sectors to ensure this initiative is successful.

**TOTAL \$1,200,000.00**

***This program is identified in this submission to the Ontario Energy Board for information purposes only. We are not seeking any funds from our Plan to support this initiative.***

**Smart Meters - Pilot Program \$ Shareholder & Private Business Partner Initiative**

Installation of 500 Smart Meters in a *residential* area. After evaluating various solutions Newmarket Hydro Ltd. chose the Elster Energy Axis solution as it offered the most advanced technology and flexibility. The system utilizes a 900Mhz network comprised of Elster Electricity's new single phase electronic REX meters and A3 ALPHA meter collectors. The system incorporates smart electronic meters with fully automated, intelligent two-way communications, making on-request meter reads and server-initiated commands a reality.