



November 1, 2010

Ms. Kirsten Walli  
 Board Secretary  
 Ontario Energy Board  
 P.O. Box 2319  
 2300 Yonge Street, Suite 2700  
 Toronto, ON M4P 1E4

**RE: Algoma Power Inc. (ED-2009-0072)  
 Conservation and Demand Management (CDM) Code for Electricity Distributors –  
 CDM Strategy (EB-2010-0215)**

Dear Ms. Walli:

Algoma Power Inc. (API) hereby submits its 2011-2014 CDM Strategy. This submission is filed in accordance with the Ontario Energy Board's (OEB) "Conservation and Demand Management Code for Electricity Distributors", issued on September 16, 2010.

Two hard copies of the submission are enclosed. An electronic copy of this submission in pdf format will be submitted through the OEB's *Regulatory Electronic Submission System* (RESS).

API collaborated with 13 other electricity distributors, collectively known as the "Niagara Erie Power Alliance (NEPA) GEA Group", on the development of its 2011-2014 CDM Strategy. The following Table 1 lists the NEPA participating distributors, their respective customer counts and proposed 2011-2014 CDM targets issued by the OEB on June 22, 2010.

LOCAL DISTRIBUTION COMPANY	Customer Count 2009 OEB Yearbook	2011-2014 Energy Savings Target (GWh)	2014 Summer Peak Demand Savings Target (MW)
Algoma Power Inc.	11,688	8	1
Brant County Power Inc.	9,614	14	3
Brantford Power Inc.	37,668	51	11
Canadian Niagara Power Inc.	28,291	25	6
Espanola Regional Hydro Distribution Inc.	3,383	3	1
Greater Sudbury Hydro Inc.	46,539	44	8
Grimsby Power Inc.	10,073	8	2
Haldimand County Hydro Inc.	20,911	15	5
Niagara Peninsula Energy Inc.	50,823	59	15
Niagara-on-the-Lake Hydro Inc.	7,880	8	2
Norfolk Power Distribution Inc.	18,895	18	5
PUC Distribution Inc.	32,825	31	6
Welland Hydro-Electric System Corp.	21,916	22	6
Westario Power Inc.	21,805	21	4

This API 2011-2014 CDM Strategy is respectfully submitted for the OEB's consideration.

Sincerely

A handwritten signature in black ink, appearing to read 'D. Bradbury', with a stylized flourish at the end.

Douglas Bradbury, P.Eng.  
Director, Regulatory Affairs

**Algoma Power Inc.**

**(ED-2009-0072)**

Conservation & Demand Management (CDM) /  
Green Energy Act (GEA) 2011-2014 Strategy Filing

November 1, 2010

# Algoma Power Inc.

## CDM Strategy Filing

November 1, 2010

1. **Distributor's Name:** Algoma Power Inc. (API, ED-2009-0072) is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's September 16, 2010 Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). This Strategy outlines how API will meet the electricity demand and consumption targets set out in its license.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 1 MW per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.
3. **Total Reduction in Electricity Consumption (kWh) Target:** 8,000,000 kWh per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.
4. **CDM Strategy**

### 4.1. High Level Description of CDM Strategy

API utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration API's service territory's residential profile and past CDM program results, to forecast their reductions in Peak Provincial Electricity Demand and Electricity Consumption. The streamlined version of the Resource Planning Tool was used, as recommended by the OPA, along with the OEB 2009 Yearbook data to forecast the 2011-2014 results for the Consumer, Commercial & Institutional, and Industrial programs.

This strategy does not take into consideration the significant portion of the target that the OPA expects to result from smart meter and time-of-use rate implementation. OPA advised that the CDM targets assigned to all electricity distributors should include approximately 308MW of savings related to smart meters and time-of-use rates. This advice was based on a study commissioned by the OPA and filed with the OEB as part of the Integrated Power Supply Plan proceeding.

API will continue to utilize a customer-centric marketing approach, including elements ranging from bill inserts to attending community events. Our strategy for Commercial and Industrial customers will be built on the capacity to build and maintain strong customer relationships in addition to traditional marketing approaches.

In keeping with OPA advice on establishing 2011-2014 LDC CDM targets, API expects to reach our target using a combination of OPA Province-Wide programs, Board-Approved programs, and Smart Metering/TOU.

The following tables summarize both our annual and cumulative savings, by year, which at this time is our preliminary review of the expected annual milestones of both peak demand and energy consumption through the delivery of the OPA-Contracted Province-Wide programs.

Annual Resource Savings	2011	2012	2013	2014
Peak Demand Reduction – MW	0.36	0.68	1.03	1.42
Electricity Consumption Reduction - MWh	859	1,788	2,512	3,304

Cumulative Savings	2011	2012	2013	2014
Electricity Consumption Reduction - MWh	859	2,647	5,159	8,463

## 5. OPA-Contracted Province-Wide CDM Programs

### 5.1. Program Descriptions

The following information outlines the OPA-Contracted Province-Wide programs name, years of operation and target customer. API's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-Contracted Province-Wide programs. Due to the fact that our CDM Targets are currently under review and the funding formula has yet to be announced, the above listing of programs and total expected reductions are preliminary. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

## 5.2. Consumer Programs

Name	Years	Description	Target Customers
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pools Incentive	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Rebates	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Residential New Construction	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential
Residential Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential
TOTAL	2011-14	380 KW	2,540 MWh

### 5.3. Commercial & Institutional Programs

Name	Years	Description	Target Customers
Equipment Replacement (currently ERIP)	2011-14	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Commercial Institutional
Direct Install – Lighting (currently Power Savings Blitz)	2011-14	Continuation of existing lighting retrofit incentive program (PSB) for small business customers in the General Service < 50kW.	Commercial Institutional
Direct Install – Space Cooling	2011-14	New initiative that provides incentive towards servicing of roof-top and ground-mounted air conditioners with a capacity of 25 tons or less.	Commercial Institutional
New Construction (currently HPNC)	2011-14	Inclusion of existing HPNC program which provides incentives for energy efficient new building design as well as installation of energy efficient measures.	Commercial Institutional
Small Commercial Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Commercial Institutional
DR1	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Commercial Institutional
DR3	2011-14	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability	Commercial Institutional
Building Commissioning	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	Commercial Institutional

TOTAL	2011-14	940 KW	5,145 MWh
-------	---------	--------	-----------

#### 5.4. Industrial Programs

Name	Years	Description	Target Customers
Equipment Replacement (currently ERIP)	2011-14	Incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Industrial
Industrial Accelerator	2011-14	New component aimed at improving the energy efficiency of equipment and production processes by offering capital incentive and enabling initiatives.	Industrial
Energy Manager / Roving Energy Manager	2011-14	Access funding for customer-employed energy manager(s) for eligible consumers. Access funding for LDC-employed roving energy manager(s).	Industrial
Key Accounts Manager	2011-14	Join with other LDCs in close geographical proximity to apply for a shared Key Accounts Manager.	Industrial
DR1	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Industrial
DR3	2011-14	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability	Industrial

<b>TOTAL</b>	2011-14	100 KW	778MWh
--------------	---------	--------	--------

#### 5.5. Low Income Programs

API intends on participating in the OPA-Contracted Province-Wide Low Income Program. Our strategy and forecasted reductions in provincial peak electricity demand and electricity consumption will be filed with the Board once this program has been finalized and its details regarding funding and program components are made available.



## **6. Potential Board-Approved CDM Programs**

6.1. At this time API does not have any Board-Approved programs planned. In order to meet its proposed CDM targets API will develop and submit, as required, potential Board-Approved programs.

## **7. Program Mix**

7.1. Section 5 above illustrates the programs which will be delivered to all customer types in API's service territory, including residential, commercial, industrial, and institutional customers. The strategy was developed having regard to the composition of API's customer base.

API intends on participating in the OPA-Contracted Province-Wide Low Income Program once additional information has been made available regarding program options and funding.

## **8. CDM Programs Co-ordination**

8.1. API has been working closely with other LDCs of similar size and/or geographical closeness in the administration, marketing and implementation of the current OPA-Contracted Province-Wide programs being offered. Through this continued collaboration API expects to achieve efficiencies of delivery and cost savings in the future.

API will work closely with local Social Service Agencies, local municipal governments, natural gas distributors and other LDC's to deliver its portfolio of OPA-Contracted Province-Wide CDM Programs, including an OPA-Contracted Low Income program.