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September 28, 2012

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Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli
Board Secretary

**Subject: Haldimand County Hydro Inc. (ED-2002-0539)
Conservation and Demand Management (CDM)
2011 Annual Report (EB-2010-0215)**

Dear Ms. Walli:

Haldimand County Hydro Inc. hereby submits its Conservation and Demand Management (CDM) 2011 Annual Report (the "Annual Report"). This submission is filed in accordance with the Ontario Energy Board's (the Board's) "*Conservation and Demand Management Code for Electricity Distributors*", issued on September 16, 2010.

This Annual Report was prepared based upon a template developed by Hydro One Networks Inc. The template was reviewed by the Reporting and Evaluation Working Group and the Ontario Power Authority (the "OPA") through May and June 2012. Board staff were consulted on May 28, 2012. The template was then sent to the Electricity Distributors Association (the "EDA") on July 17, 2012 for circulation to all local distribution companies to use for their reporting requirement to the Board.

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

This CDM 2011 Annual Report is respectfully submitted for the Board's consideration.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Lloyd E. Payne
President & CEO
Conservation Officer

Haldimand County Hydro Inc.

(ED-2002-0539)

Conservation and Demand Management

2011 Annual Report

(EB-2010-0215)

Submitted to:

Ontario Energy Board

Submitted on September 28, 2012

HALDIMAND COUNTY HYDRO INC. 2011 CDM Annual Report

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Executive Summary

On October 29, 2010, Haldimand County Hydro Inc. (HCHI) submitted its initial Conservation and Demand Management (CDM) strategy outlining our plan to meet mandated targets set by the Ontario Energy Board (the Board). Subsequent to our filing, the Board issued further direction May 20, 2011 requesting budgetary information. HCHI resubmitted our amended CDM Strategy on June 10, 2011 with budgetary information derived from the Ontario Power Authority (the OPA), revised CDM targets, which were finalized by the Board in its Decision and Order dated November 12, 2011, and revised energy and demand forecasts to reflect actual Master Agreement and program Schedules. HCHI's final strategy submission reflected mandated targets of: Net Cumulative Energy Savings of 13.3 GWh (between 2011 and 2014) and a Net Annual Peak Demand Savings Target of 2.85 MW (summer 2014).

As detailed in *Section 3.1 Progress Towards CDM Targets*, HCHI has exceeded our 2011 energy cumulative forecast of 1.003 GWh by 39.19% and fell short of meeting our demand forecast of 0.42 MW for 2011 by 2.82%. Based on the verified results provided by the OPA for the 2011 Tier 1 provincial programs, HCHI has achieved: Net Cumulative Energy Savings of 6.21 GWh (between 2011 and 2014) and a Net Annual Peak Demand Savings Target of 0.34 MW (summer 2014). Despite progressing favourably towards overall target achievement, it should be noted that 25% of our energy savings were attributed to 2010 projects completed in 2011, making our results slightly higher than if just from 2011-2014 saveONenergy programs as detailed in *Section 2.5.2 Evaluation Results Table 4*.

In 2011, HCHI moved from offering four OPA CDM programs, to a suite of over 20 Tier 1 saveONenergy CDM Programs making 2011 a year of transition. Although the majority of the program schedules may have been officially launched for quarter one of 2011 much of the marketing materials, applications and payment procedures were not fully implemented until quarter three of 2011. As well, some programs did not make it into market at all (see *Section 2.1*) The process of launching these programs to our customers was not as fast as anticipated, proving 2011 to be a year spent in "start-up mode" including building new branding under the saveONenergy banner, and securing third party vendors for delivery and verification services. However, it should be noted that momentum from 2009 and 2010 did play a significant role in achieving our current results as customer engagement and interaction started in 2006.

HCHI's CDM Strategy filed with the Board June 21, 2011 forecasted achieving 75% of our demand target and 90% of our energy target through OPA saveONenergy programs. Given the lack of favourable results from two of Ontario largest electrical utilities with Tier 2 applications before the Board, HCHI is reluctant to pursue such at this time. Mandated OEB Targets may be achieved with the saveONenergy programs available to HCHI should four fundamental principles proceed. First, continued customer participation levels are maintained. 72% of our forecast demand savings result from our large general service customers. The sales cycle for these customers/projects is an average 12 month. Large projects not submitted for approval by June 2013 are unlikely to be installed and functional for the December 31, 2014 cut-off date, making these projects ineligible for the saveONenergy incentives and subsequently will not count towards HCHI's CDM targets. Second, programs yielding high demand results need to be in market.

Should programs geared to deliver the significant portion of demand targets, such as *peaksaver*[®] PLUS and Demand Response 3, fail to get into market successfully in 2012/13, our verified demand savings as of December 31, 2014 will not result in achieved target. Third, any further elimination of programs, initiatives or measures jeopardizes expected results as well as creates customer confusion in the market place. Lastly, fourth, Time-of-Use (TOU) savings realized from the provincial smart meter initiative must be determined and allocated in time for 2014 verified results.

HCHI maintains a strong commitment to our customer's wise and wider use of electricity through education, and saveONenergy programming.

Background

On March 31, 2010, the Minister of Energy and Infrastructure of Ontario, under the guidance of sections 27.1 and 27.2 of the *Ontario Energy Board Act, 1998*, directed the Ontario Energy Board (OEB) to establish Conservation and Demand Management (CDM) targets to be met by electricity distributors. Accordingly, on November 12, 2010, the OEB amended the distribution licence of HCHI to require HCHI, as a condition of its licence, to achieve 13.3 GWh of energy savings and 2.85 MW of summer peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

In accordance with the same Minister's directive, the OEB issued the Conservation and Demand Management Code for Electricity Distributors (the Code) on September 16, 2010. The code sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licences. To comply with the Code requirements, HCHI submitted its original CDM Strategy on October 29, 2010 and the amended CDM Strategy on June 10, 2011 which provided a high level of description of how HCHI intended to achieve its CDM targets.

The Code also requires a distributor to file annual report with the Board. This Annual Report is therefore prepared accordingly and covers the period from January 1, 2011 to December 31, 2011.

This document was developed based a template prepared by Hydro One Networks Inc. The template was reviewed by the Reporting and Evaluation Working Group and the Ontario Power Authority (OPA) through May and June 2012. OEB Staff were consulted on May 28th, 2012. It was sent to the Electricity Distributors Associate (EDA) on July 17th, 2012, for circulation to all LDCs to use for their reporting requirement to the OEB.

1 Board-Approved CDM Programs

1.1 Introduction

In its Decision and Order dated November 12 2010 (**EB-2010-0215 & EB-2010-0216**), the OEB ordered that, (to meet its mandatory CDM targets), “Each licensed electricity distributor must, as a condition of its licence, deliver Board-Approved CDM Programs, OPA-Contracted Province-Wide CDM Programs, or a combination of the two”.

At this time, the implementation of Time-of-Use (“TOU”) Pricing is the only Board-Approved Conservation and Demand Management (“CDM”) program that is being offered in HCHI’s service area.

1.2 TOU Pricing

1.2.1 BACKGROUND

In its April 26, 2012 CDM Guidelines, the OEB recognizes that a portion of the aggregate electricity demand target was intended to be attributable to savings achieved through the implementation of TOU Pricing. The OEB establishes TOU prices and has made the implementation of this pricing mechanism mandatory for distributors. On this basis, the OEB has determined that distributors will not have to file a Board-Approved CDM program application regarding TOU pricing. The OEB has deemed the implementation of TOU pricing to be a Board-Approved CDM program for the purposes of achieving the CDM targets. The costs associated with the implementation of TOU pricing are recoverable through distribution rates, and not through the Global Adjustment Mechanism (“GAM”).

In accordance with a Directive dated March 31, 2010 by the Minister of Energy and Infrastructure, the OEB is of the view that any evaluations of savings from TOU pricing should be conducted by the OPA for the province, and then allocated to distributors. HCHI will report these results upon receipt from the OPA. As of September 30, 2012, the OPA has not released its preliminary results of TOU savings to distributors. Therefore HCHI is not able to provide any verified savings related to HCHI’s TOU program at this time.

1.2.2 TOU PROGRAM DESCRIPTION

Target Customer Type(s): Residential and small business customers (up to 250,000 kWh per year)

Initiative Frequency: Year-Round

Objectives: TOU pricing is designed to incent the shifting of energy usage. Therefore peak demand reductions are expected, and energy conservation benefits may also be realized.

Description: In August of 2010, the OEB issued a final determination to mandate TOU pricing for Regulated Price Plan (“RPP”) customers by June 2011, in order to support the Government’s expectation for 3.6 million RPP consumers to be on TOU pricing by June 2011, and to ensure that smart meters funded at ratepayer expense are being used for their intended purpose.

The RPP TOU price is adjusted twice annually by the OEB. A summary of the RPP TOU pricing is provided below:

RPP TOU		Rates (cents/kWh)	
Effective Date	On Peak	Mid Peak	Off Peak
November 1, 2010	9.9	8.1	5.1
May 1, 2011	10.7	8.9	5.9
November 1, 2011	10.8	9.2	6.2
May 1, 2012	11.7	10.0	6.5

Delivery: OEB set rates; LDC installation and maintenance of the meter; LDC converts customers to TOU billing.

Initiative Activities/Progress:

HCHI began transitioning its RPP customers to TOU billing September 2011. Currently, 20,978 RPP customers are on TOU billing.

1.3 HALDIMAND COUNTY HYDRO INC.'s Application with the OEB

HCHI does not currently have an application before the Board to deliver Board-Approved CDM Programs.

2 OPA-Contracted Province-Wide CDM Programs

2.1 Introduction

Effective February 4, 2011 HCHI entered into an agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014, which are listed below. In addition, results will be reported from projects started pre 2011 which completed in 2011:

Initiative	Schedule	Date schedule posted	Customer Class
Residential Program			
Appliance Retirement	Schedule B-1, Exhibit D	Jan 26 2011	All residential rate classes
Appliance Exchange	Schedule B-1, Exhibit E	Jan 26 2011	All residential rate classes
HVAC Incentives	Schedule B-1, Exhibit B	Jan 26 2011	All residential rate classes
Conservation Instant Coupon Booklet	Schedule B-1, Exhibit A	Jan 26 2011	All residential rate classes
Bi-Annual Retailer Event	Schedule B-1, Exhibit C	Jan 26 2011	All residential rate classes
Retailer Co-op		Jan 26 2011	All residential rate classes
Residential Demand Response	Schedule B-3	Aug 22 2011	All general service classes
New Construction Program	Schedule B-2	Jan 26 2011	All residential rate classes
Commercial & Institutional Program			
Efficiency: Equipment Replacement	Schedule C-2	Jan 26 2011	All general service classes
Direct Install Lighting	Schedule C-3	Jan 26 2011	General Service < 50 kW
Existing Building Commissioning Incentive	Schedule C-6	Feb 2011	All general service classes
New Construction and Major Renovation Initiative	Schedule C-4	Feb 2011	All general service classes
Energy Audit	Schedule C-1	Jan 26, 2011	All general service classes
Commercial Demand Response (part of the Residential program schedule)	Schedule B-3	Jan 26, 2011	All general service classes
Demand Response 3 (part of the Industrial program schedule)	Schedule D-6	May 31, 2011	General Service 50 kW & above
Industrial Program			
Process & System Upgrades	Schedule D-1	May 31, 2011	General Service 50 kW & above

Initiative	Schedule	Date schedule posted	Customer Class
Monitoring & Targeting	Schedule D-2	May 31, 2011	General Service 50 kW & above
Energy Manager	Schedule D-3	May 31, 2011	General Service 50 kW & above
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Schedule C-2	May 31, 2011	General Service 50 kW & above
Demand Response 3	Schedule D-6	May 31, 2011	General Service 50 kW & above
Home Assistance Program			
Home Assistance Program	Schedule E-1	May 9, 2011	All residential rate classes
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	n/a	n/a	All general service classes
High Performance New Construction	n/a	n/a	All general service classes
Toronto Comprehensive	n/a	n/a	All general service classes
Multifamily Energy Efficiency Rebates	n/a	n/a	All general service classes
Data Centre Incentive Program	n/a	n/a	All general service classes
EnWin Green Suites	n/a	n/a	All general service classes

Several initiatives that were included in the schedules were not in market in 2011. The OPA has communicated that the initiatives listed in the table below were not in market in 2011 and that they represent a very small percentage of the forecasted energy and demand savings. During the 2011 program year, the OPA placed emphasis on supporting the implementation of initiatives that would offer the greatest ratepayer value and greatest amount of persisting savings.

Initiative Not in Market in 2011	Objective	Status
Residential Program		
Midstream Electronics	The objective of this initiative is to encourage retailers to promote and sell high efficiency televisions, and for distributors to distribute high efficiency set top boxes.	Not launched to market

Initiative Not in Market in 2011	Objective	Status
Midstream Pool Equipment	The objective of this initiative is to encourage pool installers to sell and install efficient pool pump equipment in residential in-ground pools.	Not launched to market
First Nations Program	First Nations programs are delivered by OPA and results are attributed to LDCs for reporting.	Not launched to market
Home Energy Audit Tool	This is a provincial online audit tool to engage customers in conservation and help drive customer participation to CDM programs.	Not launched to market
Commercial & Institutional Program		
Direct Service Space Cooling	The objective of this initiative is to offer free servicing of air conditioning systems and refrigeration units for the purpose of achieving energy savings and demand reduction.	Not launched to market in 2011. The OPA has no plans to launch this initiative 2012
Demand Response 1	This initiative allows distribution customers to voluntarily reduce electricity demand during certain periods of the year pursuant to the DR 1 contract. The initiative provides DR payment for service for the actual electricity reduction provided during a demand response event.	No customer uptake for this initiative
Industrial Program		
Demand Response 1	As above	No customer uptake for this initiative

The Master CDM Program Agreement includes program change management provisions in Article 3. Collaboration between the OPA and the Local Distribution Companies (LDCs) commenced in 2011 as the change management process was implemented to enhance the saveONenergy program suite. The change management process allows for modifications to the Master Service Agreement and initiative Schedules. The program enhancements give LDCs additional tools and greater flexibility to deliver programs in a way that meets the needs of customers and further drives participation in the initiatives.

2.2 Program Descriptions

2.2.1 RESIDENTIAL PROGRAM

2.2.1.1 APPLIANCE RETIREMENT INITIATIVE (Exhibit D)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objectives: Achieve energy and demand savings by permanently decommissioning certain older, inefficient refrigeration appliances located in Ontario.

Description: This is an energy efficiency Initiative that offers individuals and businesses free pick-up and decommissioning of old large refrigerators and freezers. Window air conditioners and portable dehumidifiers will also be picked up if a refrigerator or a freezer is being collected.

Targeted End Uses: Large refrigerators, large freezers, window air conditioners and portable dehumidifiers.

Delivery: OPA centrally contracts for province-wide marketing, call centre, appliance pick-up and decommissioning process. LDC provides local marketing and coordination with municipal pick-up where available.

Additional detail is available:

- Schedule B-1, Exhibit D http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer/Programs/Appliance-Retirement.aspx>

Initiative Activities/Progress:

- On-bill messages
- Quarterly customer newsletters
- HCHI website
- Advertising in community coupon booklet for local businesses
- Handouts for community events – area Home & Garden Shows
- Advertising on community display sign

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-1 we officially offered the Appliance Retirement program. However, as a roll-over program we did not stop promoting for January 2011. As well, HCHI is only responsible for marketing this initiative. The OPA is responsible for appliance pick-up and decommissioning.

Lessons Learned:

- The Appliance Retirement Initiative (previously The Great Refrigerator Round-Up) has been offered by LDCs since 2007. This initiative is approaching market saturation.
- While the OPA and the LDCs have reviewed this initiative to assess whether to include other products, appliances have a natural life cycle and the initiative cannot be expected to continually deliver the high level of results in perpetuity. These lower expectations have been taken into account when developing conservation portfolios.
- This initiative now faces some competition from independent retailers and municipalities.
- Results are very responsive to province wide advertising.

2.2.1.2 APPLIANCE EXCHANGE INITIATIVE (Exhibit E)**Target Customer Type(s):** Residential Customers**Initiative Frequency:** Spring and Fall**Objective:** The objective of this Initiative is to remove and permanently decommission older, inefficient window air conditioners and portable dehumidifiers that are in Ontario.**Description:** This Initiative involves appliance exchange events. Exchange events are held at local retail locations and customers are encouraged to bring in their old room air conditioners (AC) and dehumidifiers in exchange for coupons/discounts towards the purchase of new energy efficient equipment.**Targeted End Uses:** Window air conditioners and portable dehumidifiers**Delivery:** OPA contracts with participating retailers for collection of eligible units.

Additional detail is available:

- Schedule B-1, Exhibit C http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters
- HCHI website
- Handouts for community events – area Home & Garden Shows

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-1 we officially offered the Appliance Exchange program. However, the first event was not until Spring 2011 and marketing materials were not available until late March.

Lessons Learned:

- The spring event had the participation of 3 retailers with 300 – 400 locations across the province. However, the Fall 2011 event had no retailer participation, therefore savings budgeted by the LDCs did not materialize.
- Evaluation, Measurement, and Verification (EMV) results indicated that the value of savings for retired room AC has dropped.
- The initiative may be achieving market saturation.
- The type of unit turned in is very dependent upon what is promoted by the retailers.

2.2.1.3 HVAC INCENTIVES INITIATIVE (Exhibit B)**Target Customer Type(s):** Residential Customers**Initiative Frequency:** Year round

Objective: The objective of this Initiative is to encourage the replacement of existing heating systems with high efficiency furnaces equipped with Electronically Commutated Motors (ECM), and to replace existing central air conditioners with ENERGY STAR qualified systems and products.

Description: This is an energy efficiency Initiative that provides rebates for the replacement of old heating or cooling systems with high efficiency furnaces (equipped with ECM) and Energy Star qualified central air conditioners by approved Heating, Refrigeration, and Air Conditioning Institute (HRAI) qualified contractors.

Targeted End Uses: Central air conditioners and furnaces

Delivery: OPA contracts centrally for delivery of the program and LDCs are encouraged to convince local contractors to participate in the Initiative.

Additional detail is available:

- Schedule B-1, Exhibit B http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- On-bill messages
- Quarterly customer newsletters
- HCHI website
- Advertising in community coupon booklet for local businesses
- Handouts for community events – area Home & Garden Shows
- Advertising on community display sign

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-1 we officially offered the HVAC incentive and began promoting to customers and contractors in Feb 2011.

Lessons Learned:

- Channel engagement is a highly effective method of connecting with customers; however channel partners require timeliness of the Rebate process to maintain a positive relationship between consumers, contractors, the OPA, and the participating LDC.
- There appears to be spillover from non-HRAI contractors who are ineligible for this initiative.
- There are cases where smaller independent contractors are offering their own incentives (by discounting their installations to match value of the OPA incentive) to make the sale. As this occurs outside of the initiative, these installations not being attributed to any LDC.

2.2.1.4 CONSERVATION INSTANT COUPON BOOKLET INITIATIVE (Exhibit A)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage households to purchase energy efficient products by offering discounts.

Description: This Initiative provides customers with year round coupons. The coupons offer instant rebates towards the purchase of a variety of low cost, easy to install energy efficient measures and can be redeemed at participating retailers. Booklets were directly mailed to customers and were also available at point-of-purchase. Downloadable coupons were also available at www.saveoneenergy.ca.

Targeted End Uses: ENERGY STAR® qualified Standard Compact Fluorescent Lights (CFLs), ENERGY STAR® qualified Light Fixtures lighting control products, weather stripping, hot water pipe wrap, electric water heater blanket, heavy duty plug-in Timers, Advanced power bars, clothesline, baseboard programmable thermostats

Delivery: OPA contracts centrally for the distribution of the coupon booklets across Ontario. LDC distributes coupons at local events. The OPA enters into agreements with retailers to honour the coupons.

Additional detail is available:

- Schedule B-1, Exhibit A http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters

- HCHI website
- Advertising coupon initiative in-store with booklets handed out and display of items available with coupons (Canadian Tire)
- Promotion with HCHI Staff
- Handout at community events – area Home & Garden Shows
- Advertising on community display sign
- Low Income Kits for the Food Banks

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-1 we officially offered the Coupon Booklet. However, the coupons were not mailed out until late March and HCHI did not receive our shipment of customized coupons until late April.

Lessons Learned:

- The downloadable coupons proved to be more successful than the mailed out booklets.
- This Initiative may benefit from an enabler such as a Conservation Card / Loyalty Card to increase customer participation.
- The timeframe for retailer submission of redeemed coupons vary from retailer to retailer. This delays the results reporting, which in turn limits the OPA and LDC abilities to react and respond to initiative performance or changes in consumer behaviour.

2.2.1.5 BI-ANNUAL RETAILER EVENT INITIATIVE (Exhibit C)

Target Customer Type(s): Residential Customers

Initiative Frequency: Bi-annual events

Objective: The objective of this Initiative is to provide instant point of purchase discounts to individuals at participating retailers for a variety of energy efficient products.

Description: Twice a year (Spring and Fall), participating retailers host month-long rebate events. During the months of April and October, customers are encouraged to visit participating retailers where they can find coupons redeemable for instant rebates towards a variety of low cost, easy to install energy efficient measures.

Targeted End Uses: Same as the conservation instant coupon booklet initiative

Delivery: The OPA enters into arrangements with participating retailers to promote the discounted products, and to post and honour related coupons. LDCs also refer retailers to the OPA.

Additional detail is available:

- Schedule B-1, Exhibit C http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and

- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters
- HCHI website
- Handouts for community events – area Home & Garden Shows

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-1 we officially offered the Bi-Annual Event. However, the first event was promoted in late March (for April start).

Lessons Learned:

- The Product list has changed very little over the past four years.
- Program evolution, including new products (for example, LED lighting) and review of incentive pricing for the coupon initiatives, must be a regular activity to ensure continued consumer interest.
- A review conducted by the Residential Working Group in Q4 2011 identified three areas of need for initiative evolution: 1) introduction of product focused marketing; 2) enhanced product selection and 3) improved training for retailers.

2.2.1.6 RETAILER CO-OP

Target Customer Type(s): Residential Customers

Initiative Frequency: Year Round

Objective: Hold promotional events to encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Description: The Retailer Co-op Initiative provides LDCs with the opportunity to work with retailers in their service area by holding special events at retail locations. These events are typically special promotions that encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Targeted End Uses:

Delivery: Retailers apply to the OPA for co-op funding to run special promotions that promote energy efficiency to customers in their stores. LDCs can refer retailers to the OPA. The OPA provides each LDC with a list of retailers who have qualified for Co-Op Funding as well as details of the proposed special events.

Initiative Activities/Progress: No participation by retailers in HCHI service territory.

In Market Date: No participation by retailers in HCHI service territory.

Lessons Learned:

- The availability of retailer and/or LDC staff with product knowledge and the ability to conduct demonstration in store during the events would be an asset. This could be a valuable role for LDCs.

2.2.1.7 NEW CONSTRUCTION PROGRAM (Schedule B-2)**Target Customer Type(s):** Residential Customers**Initiative Frequency:** Year round**Objective:** The objective of this initiative is to provide incentives to participants for the purpose of promoting the construction of energy efficient residential homes in the Province of Ontario.**Description:** This is an energy efficiency Initiative that provides incentives to homebuilders for constructing new homes that are efficient, smart, and integrated (applicable to new single family dwellings). Incentives are provided in two key categories as follows:

- Incentives for homebuilders who install electricity efficiency measures as determined by a prescriptive list or via a custom option.
- Incentives for homebuilders who meet or exceed aggressive efficiency standards using the EnerGuide performance rating system.

Targeted End Uses: All-off switch, ECM motors, ENERGY STAR qualified central a/c, lighting control products, lighting fixtures, Energuide 83 whole home, Energuide 85 whole homes**Delivery:** Local engagement of builders will be the responsibility of the LDC and will be supported by OPA air coverage driving builders to their LDC for additional information.

Additional detail is available:

- Schedule B-1, Exhibit
C http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-2%20New%20Construction%20Program.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters
- HCHI website
- Handouts for community events – area Home & Garden Shows

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule B-2 we officially offered the New Construction program and promoted to local builders.

Lessons Learned:

- There were limited (5) participants in the program. Because the online application system is a one to one relationship, this program was only practical for custom builders who were building one home at a time. Tract builders who might build 250 homes in a single phase would have to submit 250 applications to qualify for incentives. This administrative challenge has deterred all tract builders from participating in the program to date.
- Administrative requirements must align with perceived stakeholder payback. Changes are being processed through change management for 2012.

2.2.1.8 RESIDENTIAL DEMAND RESPONSE PROGRAM (Schedule B-3)

Target Customer Type(s): Residential and Small Commercial Customers

Initiative Frequency: Year round

Objective: The objectives of this Initiative are to enhance the reliability of the IESO-controlled grid by accessing and aggregating specified residential and small commercial end uses for the purpose of load reduction, increasing consumer awareness of the importance of reducing summer demand and providing consumers their current electricity consumption and associated costs.

Description: In *peaksaver* PLUS™ participants are eligible to receive a free programmable thermostat or switch, including installation. Participants also receive access to price and real-time consumption information on an In Home Display (IHD). LDCs were given the choice to continue to offer the standard load control program (programmable thermostat or switch with a \$25 bill credit) for the first 8 months of 2011 (referred to as *peaksaver*® Extension). After August 2011, the Extension ended and the program (including marketing) ceased until new IHD products were available.

Targeted End Uses: central air conditioning, water heaters and pool pumps

Delivery: LDC's recruit customers and procure technology

Additional detail is available:

- Schedule B-1, Exhibit
C http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/SCHED_2011_ResDR_B_3_110727%28MJB%29v15_redacted.pdf and
- saveONenergy website <https://saveonenergy.ca/Consumer.aspx>

Initiative Activities/Progress:

- Promotion at community events – area Home & Garden Shows

- Bill Inserts
- HCHI website
- High degree of spillover from previous years marketing efforts.

In Market Date: The *peaksaver*® Extension was a roll-over from 2010 and was in market for January, 2011. Although HCHI signed the Master Agreement February 4, 2011 and Schedule B-3 for *peaksaver*® PLUS August 22, 2011, this program was not in market for 2011.

Lessons Learned:

- The schedule for Peaksaver Plus was posted in August 2011, but this did not provide adequate time for product procurement for 2011, and part of 2012. The product procurement process uncovered that the In Home Display units that communicate with installed smart meter technology were still in development and not ready for market deployment. Consequently, LDCs could not be in market with the Peaksaver Plus program until 2012.
- Introduction of new technology requires incentives for the development of such technology. Appropriate lead times for LDC analysis and assessment, product procurement, and testing and integration into the Smart Meter environment are also required. Making seemingly minor changes to provincial technical specifications can create significant issues when all LDCs attempt to implement the solution in their individual environments.
- Where a provincial solution is not available to all participants, attention to addressing specific LDC concerns is needed.

2.2.2 COMMERCIAL AND INSTITUTIONAL PROGRAM

2.2.2.1 EFFICIENCY: EQUIPMENT REPLACEMENT INCENTIVE (ERII) (Schedule C-2)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives to non-residential distribution customers to achieve reductions in electricity demand and consumption by upgrading to more energy efficient equipment for lighting, space cooling, ventilation and other measures.

Description: The Equipment Replacement Incentive Initiative (ERII) offers financial incentives to customers for the upgrade of existing equipment to energy efficient equipment. Upgrade projects can be classified into either: 1) prescriptive projects where prescribed measures replace associated required base case equipment; 2) engineered projects where energy and demand savings and incentives are calculated for associated measures; or 3) custom projects for other energy efficiency upgrades.

Targeted End Uses: lighting, space cooling, ventilation and other measures

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-2 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-2%20ERII%20Initiative.pdf and
- saveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Retrofit-for-Commercial.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters – with participant profiles/cheque presentations
- HCHI website
- Handouts for community events – area Home & Garden Shows and large business info session
- Information Session for local large business customers
- Site visits to large business customers
- HCHI Contractor making cold calls and building from the momentum created in 2009 and 2010.

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule C-2 we officially offered ERII to our customers. However, the online application system was not in place until March 2011.

Lessons Learned:

- ERII (previously Equipment Replacement Incentive Program – ERIP) has been offered by LDCs for many years. It is a high performing, cost-effective program, and there were many pre-2011 projects completing in 2011 (via ERIP).
- A major challenge for the ERII program in 2011 was payment delays. The centralized electronic processes were not ready as required by the Master Agreement. The lack of having these automated processes, exasperated by a greater than expected volume of pre-2011 projects completing in 2011, caused considerable payment delays. Based on the lessons learned in the 2011 process, the centralized process review used for 2012 project payment has been streamlined.
- In March 2011, the revised iCON system was launched by the OPA. This is the major online application system implemented to aid the 2011-2014 ERII application process. With system applications of this size and functionality, it was expected that there would be various issues identified at the time of the release, and on-going, to prove that the system was “ready for market.” Unfortunately, the resolution of these issues, with the corresponding time lags and workarounds, was seen to be a barrier to some customer participation in the 2011 program year. In addition, there were also on-going issues and limitations with the back-end CRM system that affected LDCs ability to effectively review and approve applications. Some LDCs (and their third party service providers) have developed parallel systems to monitor their applications.

2.2.2.2 DIRECT INSTALL INITIATIVE (DIL) (Schedule C-3)

Target Customer Type(s): Small Commercial, Institutional, Agricultural facilities and multi-family buildings

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer a free installation of eligible lighting and water heating measures of up to \$1,000 to eligible owners and tenants of commercial, institutional and agricultural facilities and multi-family buildings, for the purpose of achieving electricity savings and peak demand savings.

Description: The Direct Installed Lighting Initiative targets customers in the General Service <50kW account category. This Initiative offers turnkey lighting and electric hot water heater measures with a value up to \$1,000 at no cost to qualifying small businesses. In addition, standard prescriptive incentives are available for eligible equipment beyond the initial \$1,000 limit.

Target End Uses:

Delivery: Participants can enroll directly with the LDC, or would be contacted by the LDC/LDC-designated representative.

Additional detail is available:

- Schedule C-3 <http://www.powerauthority.on.ca/sites/default/files/page/Schedule%20C-3%20Direct%20Install%20Initiative%20-%20redacted.pdf> and

- saveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

- Quarterly customer newsletters – with participant profiles
- HCHI website
- Handouts for community events – area Home & Garden Shows and large business info session
- Advertising on community display sign
- HCHI Contractor making cold calls and building from the momentum created in 2009 and 2010.
- Outbound calls by Contractor.

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule C-3 we officially offered DIL to our customers. After third party delivery agent procurement, we began installations in July 2011.

Lessons Learned:

- The Direct Installed Lighting Initiative is a continuation of the Power Saving Blitz Initiative offered by LDCs from 2008-2010. Successful execution of the previous rendition of this Initiative has resulted in diminished potential for the 2011-2014 Initiative for HCHI.
- The inclusion of a standard incentive for additional measures increased project size and drove higher energy and demand savings results.
- The cost of materials has experienced price volatility, reducing the margins of the electrical contractors and has led to a reduction in vendor channel participation in some regions.
- Due to backlogs in the payment system, participant incentive payment from the OPA to the LDC, and therefore to the contractor, was commonly delayed.
- To address these issues, the LDCs have been working with the OPA through Change Management to address:
 - extending the target initiative population to include small agricultural customers;
 - increasing the incentive envelope of \$1,000 to \$1,500 to ensure ongoing marketability of the program; and
 - reviewing the eligible measure price list to support contractor participation.

2.2.2.3 EXISTING BUILDING COMMISSIONING INCENTIVE INITIATIVE (Schedule C-6)

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives for optimizing (but not replacing) existing chilled water systems for space cooling in non-residential facilities for the purpose of achieving implementation phase energy savings, implementation phase demand savings, or both.

Description: This Initiative offers Participants incentives for the following:

- scoping study phase
- investigation phase
- implementation phase
- hand off/completion phase

Targeted End Uses: Chilled water systems for space cooling

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-6 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-6%20Commissioning%20Initiative.pdf and
- saveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Existing-Building-Commissioning.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website
- Specific sell sheet

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule C-6 we officially offered the Existing Building Commissioning Incentive Initiative to our customers.

Lessons Learned:

- There was no customer uptake for this Initiative. It is suspected that the scope of the Initiative being limited to space cooling contributed to the lack of participation. Accordingly chilled water systems used for other purposes should be made eligible and considered through Change Management.
- The customer expectation is that the program be expanded to include broader building improvements for a more holistic approach to building recommissioning.

2.2.2.4 NEW CONSTRUCTION AND MAJOR RENOVATION INITIATIVE (HPNC) (Schedule C-4)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage builders of commercial, institutional, and industrial buildings (including multi-family buildings and agricultural facilities) to reduce electricity demand and/or consumption by designing and building new buildings with more energy-efficient equipment and systems for lighting, space cooling, ventilation and other Measures.

Description: The New Construction initiative provides incentives for new buildings to exceed existing codes and standards for energy efficiency. The initiative uses both a prescriptive and custom approach.

Targeted End Uses: Building modeling, lighting, space cooling, ventilation and other Measures

Delivery: LDC delivers to customers and design decision makers.

Additional detail is available:

- Schedule C-4
<http://www.powerauthority.on.ca/sites/default/files/page/ScheduleC-4NewConstructionInitiativeV2.pdf> and
- saveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/New-Construction.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website
- Specific sell sheet

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule C-4 we officially offered HPNC to our customers.

Lessons Learned:

- This is a continuation of the High Performance New Construction program previously delivered by Enbridge Gas under contract with the OPA (and subcontracted to Union Gas), which ran until December 2010.
- For 2011, new industry participation was limited due to the delays in redesign of certain aspects of the Initiative such as:
 - 2011 prescriptive incentives needed to be aligned with ERII incentives
 - In the cases of delivering large projects (i.e. custom applications), 2011 participation was limited due to 1) building code changes and 2) level of documentation required.

2.2.2.5 ENERGY AUDIT INITIATIVE (Schedule C-1)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives to owners and lessees of commercial, institutional, multi-family buildings and agricultural facilities for the purpose of undertaking assessments to identify all possible opportunities to reduce electricity demand and consumption within their buildings or premises.

Description: This Initiative provides participants incentives for the completion of energy audits of electricity consuming equipment located in the facility. Energy audits include development of energy baselines, use assessments and performance monitoring and reporting.

Targeted End Uses: Various

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-
1 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-1%20Energy%20Audit%20Initiative.pdf and
- saveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Audit-Funding.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website
- Specific sell sheet

In Market Date: February 4, 2011 – once HCHI signed the Master Agreement and Schedule C-1 we officially offered the Energy Audit Initiative to our customers.

Lessons Learned:

- Customer uptake in 2011 was slow. Hence, little if any savings were realized in 2011, but projects are expected for 2012.
- Customers expect a greater connection with other CDM Initiatives as a result of completing the Energy Audit. The Initiative should be reviewed under Change Management for the means to readily incent Participants with Audits in hand to implement other electricity savings Initiatives.

2.2.3 INDUSTRIAL PROGRAM

2.2.3.1 PROCESS& SYSTEMS UPGRADES INITIATIVE (PSUI) (Schedule D-1)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objectives: The objectives of this Initiative are to:

- Offer distribution customers capital incentives and enabling initiatives to assist with the implementation of large projects and project portfolios;
- Implement system optimization project in systems which are intrinsically complex and capital intensive; and
- Increase the capability of distribution customers to implement energy management and system optimization projects.

Description: PSUI is an energy management Initiative that includes three Initiatives: (preliminary engineering study, detailed engineering study, and project incentive Initiative). The incentives are available to large distribution connected customers with projects or portfolio projects that are expected to generate at least 350 MWh of annualized electricity savings or, in the case of Micro-Projects, 100 MWh of annualized electricity savings. The capital incentive for this Initiative is the lowest of:

- a) \$200/MWh of annualized electricity savings
- b) 70% of projects costs
- c) A one year pay back

Targeted End Uses: Process and systems

Delivery: LDC delivered.

Additional detail is available:

- Schedule D-1 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-1%20Process%20and%20Systems%20Upgrades%20Initiative.pdf and
- saveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website

- Site visits with potential participants
- Specific sell sheets

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule D-1 was posted May 31, 2011 – at which time we officially offered PSUI to our customers.

Lessons Learned:

- The PSUI program targets large customers that are undertaking large capital projects. There is typically a long sales cycle to sell these projects, and then a long project development cycle. As such, results from PSUI did not appear in 2011. Limited results are expected to appear in 2012. The majority of the results are expected in 2013-2014, with a much reduced benefit to cumulative energy savings targets.
- Steps are being taken in the 2012 change management process to simplify and streamline the micro-project application process and to allow smaller projects to be directed to the ERII stream.
- Given the size of the projects involved, the contract required for PSUI is a lengthy and complicated document. Attempts are being made through change management in 2012 to simplify the document while still protecting the ratepayer.
- With the considerable customer interest in on-site Load Displacement projects, the Initiative should be reviewed to ensure that these projects may be accepted as part of the PSUI Initiative.

2.2.3.2 MONITORING & TARGETING INITIATIVE (Schedule D-2)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This Initiative offers access to funding for the installation of Monitoring and Targeting systems in order to deliver a minimum savings target at the end of 24 months and sustain for the term of the M&T Agreement.

Description: This Initiative offers customers funding for the installation of a Monitoring and Targeting system to help them understand how their energy consumption might be reduced. A facility energy manager, who regularly oversees energy usage, will now be able to use historical energy consumption performance to analyze and set targets.

Targeted End Uses:

Delivery: LDC delivered.

Additional detail is available:

- Schedule D-2 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current

[electricity_contracts/pdfs/Schedule%20D-2%20Monitoring%20and%20Targeting%20Initiative.pdf](#) and

- saveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website
- Specific sell sheet

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule D-2 was posted May 31, 2011 – at which time we officially offered the Monitoring & Targeting Initiative to our customers.

Lessons Learned:

- The M&T initiative was originally targeted at larger customers with the capacity to review the M&T data. This review requires the customer facility to employ an Energy Manager, or a person with equivalent qualifications, which has been a barrier for some customers. Through the change management process in 2012, changes are being made to both the M&T schedule and ERII to allow smaller facilities to employ M&T systems.

2.2.3.3 ENERGY MANAGER INITIATIVE (Schedule D-3)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: The objective of this initiative is to provide customers and LDCs the opportunity to access funding for the engagement of energy managers in order to deliver a minimum annual savings target.

Description: This Initiative provides customers the opportunity to access funding to engage an on-site, full time embedded energy manager, or an off-site roving energy manager who is engaged by the LDC. The role of the energy manager is to take control of the facility's energy use by monitoring performance, leading awareness programs, and identifying opportunities for energy consumption improvement, and spearheading projects. Participants are funded 80% of the embedded energy manager's salary up to \$100,000 plus 80% of the energy manager's actual reasonable expenses incurred up to \$8,000 per year. Each embedded energy manager has a target of 300 kW/year of energy savings from one or more facilities. LDCs receive funding of up to \$120,000 for a Roving Energy Manager (REM) plus \$8,000 for expenses.

Targeted End Uses:

Delivery: LDC delivered.

Additional detail is available:

- Schedule D-3 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-3%20Energy%20Manager%20Initiative%202011-2014.pdf and
- saveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

- HCHI evaluated the opportunity for a shared REM with other area LDCs, however, application process involving required energy plans completed by a Key Account Manager (KAM) was not feasible as we did not have a KAM and there was limited interest from large industrial customers.
- HCHI Website

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule D-3 was posted May 31, 2011 – at which time we officially offered the Energy Manager Initiative to our customers.

Lessons Learned:

- The energy managers have proven to be a popular resource.
- At the beginning, it took longer than expected to set up the energy manager application process.
- Some LDCs are reporting difficulties in hiring capable Roving Energy Managers.
- LDCs that are too small to qualify for their own REM are teaming up with other utilities to hire a REM.

2.2.3.4 KEY ACCOUNT MANAGER (KAM) (Schedule D-4)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This initiative offers LDCs the opportunity to access funding for the employment of a KAM in order to support them in fulfilling their obligations related to the PSUI. The KAM is considered to be a key element in assisting the consumer in overcoming traditional barriers related to energy management and help them achieve savings since the KAM can build relationships and become a significant resource of knowledge to the customer.

Description:

Targeted End Uses:

Delivery: LDC delivered.

Additional detail is available:

- Schedule D-4 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/projects_programs/pdfs/PSUI%20Initiative%20Schedule%20D-4.Key%20Account%20Manager.20110322.pdf

Initiative Activities/Progress: HCHI does not meet the criteria to have a KAM

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule D-4 was posted May 31, 2011 – however, this initiative is not applicable for HCHI due to lack of qualifying large use customer(s).

Lessons Learned: n/a for HCHI

2.2.3.5 DEMAND RESPONSE 3 (DR3) (Schedule D-6)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This Initiative provides for Demand Response (DR) payment for service to DR3 participants to compensate them for making available electricity demand response during a demand response event.

Description: Demand Response 3 is a demand response Initiative for commercial and industrial customers, of 50 kW or greater to reduce the amount of power being used during certain periods of the year. The DR3 Initiative is a contractual resource that is an economic alternative to procurement of new generation capacity. DR3 comes with specific contractual obligations requiring participants to reduce their use of electricity relative to a baseline when called upon. This Initiative makes payments for participants to be on standby and energy payments for the actual energy reduction provided during a demand response event. Participants are scheduled to be on standby approximately 1,600 hours per calendar year for possible dispatch of up to 100 hours or 200 hours within that year depending on the contract.

Targeted End Uses:

Delivery: DR3 is delivered by Demand Response Providers, under contract to the OPA. The OPA administers contracts with all DRPs and Direct Participants that provide in excess of 5 MW of demand response capacity. OPA provides administration including settlement, measurement and verification, and dispatch. LDCs are responsible for outreach and marketing efforts.

Additional detail is available:

- Schedule D-6 http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current

[_electricity_contracts/pdfs/Schedule%20D-6%20Demand%20Response%203%202011-2014.pdf](#)

and

- saveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

- Handouts at community events - area Home & Garden Shows and large business info session
- HCHI Website
- Site visits with potential participants (large business customers)
- Established a relationship with an Aggregator to cross promote the program.

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule D-6 was posted May 31, 2011 – at which time we officially offered DR3 to our customers.

Lessons Learned:

- Customer data is not provided by the OPA on an individual customer basis due to contractual requirements with the aggregators. This limits LDCs' ability to effectively market to prospective participants. LDCs are now approaching the Aggregators individually and working to develop agreements in order to identify potential customers of this initiative.

2.2.4 LOW INCOME INITIATIVE (HOME ASSISTANCE PROGRAM) (Schedule E)

Target Customer Type(s): Income Qualified Residential Customers

Initiative Frequency: Year Round

Objective: The objective of this Initiative is to offer free installation of energy efficiency measures to income qualified households for the purpose of achieving electricity and peak demand savings.

Description: This is a turnkey Initiative for income qualified customers. It offers residents the opportunity to take advantage of free installation of energy efficient measures that improve the comfort of their home, increase efficiency, and help them save money. All eligible customers receive a Basic and Extended Measures Audit, while customers with electric heat also receive a Weatherization Audit. The Initiative is designed to coordinate efforts with gas utilities.

Targeted End Uses: End uses based on results of audit

Delivery: LDC delivered.

Additional detail is available:

- Schedule
E <http://www.powerauthority.on.ca/sites/default/files/page/Low%20Income%20Schedule%20-%20redacted%20version.pdf>

Initiative Activities/Progress:

- HCHI website
- Customer newsletter
- Brochure in area food bank Christmas Hampers
- HCHI Call Centre
- Utilized our LEAP Agent.

In Market Date: HCHI signed the Master Agreement February 4, 2011 and Schedule E was posted May 9, 2011. However, after third party delivery agent procurement, we did not begin to market this program until December 2011.

Lessons Learned:

- Difficulty identifying eligible customers.
- This Initiative Schedule was finalized later (May 2011) than the rest of the OPA Initiatives and in 2011 only 2 LDCs were in market.
- Centralized payment processes were not developed in 2011, but were in place mid-2012. This resulted in some LDCs delaying their launch to market, or for some pulling out of the market until the payment processes were completed.
- The financial scope, complexity, and customer privacy requirements of this Initiative resulted in a lengthy procurement process. Some LDCs must adhere to very transparent procurement processes which meant that delivery of the program did not start in 2011.

2.2.5 PRE-2011 PROGRAMS COMPLETED IN 2011

2.2.5.1 ELECTRICITY RETROFIT INCENTIVE PROGRAM

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year Round

Description: Refer to section 2.2.2.1

Initiative Activities/Progress: This program was not marketed in 2011

In Market Date: 2010 Initiative with projects completed in 2011

2.2.5.2 HIGH PERFORMANCE NEW CONSTRUCTION

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year round

Description: Refer to section 2.2.2.5

Initiative Activities/Progress: n/a for HCHI

In Market Date: 2010 Initiative through Enbridge Gas with projects completed in 2011 going towards HCHI targets

2.2.5.3 MULTIFAMILY ENERGY EFFICIENCY REBATES (MEER)

Target Customer Type(s): Multifamily Residential Buildings

Initiative Frequency: Year round

Objective: The objective of this Initiative was to offer incentives for multifamily building specific measures that achieve reductions in electricity demand and consumption by upgrading to more energy efficient equipment for lighting, space cooling, ventilation and other measures including an occupant educational component.

Description: OPA's Multifamily Energy Efficiency Rebates (MEER) Initiative applies to multifamily buildings of six units or more, including rental buildings, condominiums, and assisted social housing. The OPA contracted with GreenSaver to deliver the MEER Initiative outside of the Toronto Hydro service territory. Activities delivered in Toronto were contracted with the City.

Similar to ERII and ERIP, MEER provides financial incentives for prescriptive and custom measures, but also funds resident education. Unlike ERII, where incentives are paid by the LDC, all incentives through MEER are paid through the contracted partner (i.e. GreenSaver).

Targeted End Uses: lighting, HVAC, Energy Star® appliances and other measures

Initiative Activities/Progress: n/a for 2011

In Market Date: 2010 Initiative through GreenSaver with projects completed in 2011 going toward HCHI target. However, no projects completed in HCHI's service territory.

2.3 Participation

Table 1: Participation

#	Initiative	Activity Unit	Uptake/ Participation Units
Consumer Program			
1	Appliance Retirement	Appliances	270
2	Appliance Exchange	Appliances	22
3	HVAC Incentives	Equipment	375
4	Conservation Instant Coupon Booklet	Coupons	2155
5	Bi-Annual Retailer Event	Coupons	3694
6	Retailer Co-op	Items	0
7	Residential Demand Response	Devices	19
10	New Construction Program	Houses	0
Business Program			
11	Efficiency: Equipment Replacement	Projects	4
12	Direct Installed Lighting	Projects	44
14	Existing Building Commissioning Incentive	Buildings	0
15	New Construction and Major Renovation Incentive	Buildings	1
16	Energy Audit	Audits	0
17	Commercial Demand Response (part of the Residential program schedule)	Devices	0
19	Demand Response 3 (part of the Industrial program schedule)	Facilities	0
Industrial Program			
20	Process & System Upgrades*	Projects	
	a) preliminary study		1
	b) engineering study		0
	c) project incentive		0

#	Initiative	Activity Unit	Uptake/ Participation Units
21	Monitoring & Targeting	Projects	0
22	Energy Manager	Managers	0
23	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Projects	0
25	Demand Response 3	Facilities	1
Home Assistance Program			
26	Home Assistance Program	Units	0
Pre 2011 Programs Completed in 2011			
27	Electricity Retrofit Incentive Program	Projects	3
28	High Performance New Construction	Projects	2
29	Toronto Comprehensive	Projects	Not Applicable to HCHI
30	Multifamily Energy Efficiency Rebates	Projects	0
31	Data Centre Incentive Program	Projects	Not Applicable to HCHI
32	EnWin Green Suites	Projects	Not Applicable to HCHI

2.4 Spending

Table 2: Spending

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Consumer Program						
1	Appliance Retirement	\$14,999.39				\$14,999.39
2	Appliance Exchange	\$1,139.83				\$1,139.83
3	HVAC Incentives	\$7,561.50				\$7,561.50
4	Conservation Instant Coupon Booklet	\$12,831.23				\$12,831.23
5	Bi-Annual Retailer Event	\$1,139.83				\$1,139.83

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
6	Retailer Co-op					
7	Residential Demand Response	\$11,296.33				\$11,296.33
10	New Construction Program	\$3,145.87				\$3,145.87
Business Program						
11	Efficiency: Equipment Replacement	\$22,617.17		\$2,803.60		\$25,420.77
12	Direct Installed Lighting	\$17,806.69	\$10,780.00	\$42,011.25		\$70,597.94
14	Existing Building Commissioning Incentive	\$1,655.26				\$1,655.26
15	New Construction and Major Renovation Initiative	\$7,501.36				\$7,501.36
16	Energy Audit	\$7,598.87				\$7,598.87
17	Commercial Demand Response (part of the Residential schedule)					
19	Demand Response 3 (part of the Industrial schedule)					
Industrial Program						
20	Process & System Upgrades					
	a) preliminary study	\$635.25				\$635.25
	b) engineering study	\$565.69				\$565.69
	c) program incentive	\$565.70				\$565.70
21	Monitoring & Targeting	\$680.62				\$680.62
22	Energy Manager	\$1,916.61				\$1,916.61
23	Efficiency: Equipment Replacement Incentive (part of the C&I schedule)					
25	Demand Response 3	\$1,471.56				\$1,471.56

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Home Assistance Program						
26	Home Assistance Program	\$2,966.44				\$2,966.44
Pre 2011 Programs Completed in 2011						
27	Electricity Retrofit Incentive Program			\$3,255.00		\$3,255.00
28	High Performance New Construction					
29	Toronto Comprehensive	Not Applicable to HCHI				
30	Multifamily Energy Efficiency Rebates					
31	Data Centre Incentive Program	Not Applicable to HCHI				
32	EnWin Green Suites	Not Applicable to HCHI				
	TOTAL Province-wide CDM PROGRAMS	\$118,095.20	\$10,780.00	\$48,069.85	\$0	\$176,945.05

Table 2a: Allocation of PAB funding for Programs Not In Market

#	Initiative	Program Administration Budget (PAB)
Initiatives Not In Market		
8	Midstream Electronics	
9	Midstream Pool Equipment	
13	Demand Service Space Cooling	
18	Demand Response 1 (Commercial)	
19	Demand Response 1 (Industrial)	\$1,397.93
33	Home Energy Audit Tool	
	TOTAL Province-wide CDM PROGRAMS Not In Market	\$1,397.93

2.5 Evaluation

2.5.1 EVALUATION FINDINGS

Table 3: Evaluation Findings

#	Initiative	Evaluation Findings
Consumer Program		
1	Appliance Retirement	<ul style="list-style-type: none"> *Overall participation continues to decline year over year <ul style="list-style-type: none"> *Participation declined 17% from 2010 (from over 67,000 units in 2010 to over 56,000 units in 2011) *97% of net resource savings achieved through the home pick-up stream <ul style="list-style-type: none"> *Measure Breakdown: 66% refrigerators, 30% freezers, 4% Dehumidifiers and window air conditioners *3% of net resource savings achieved through the Retailer pick-up stream <ul style="list-style-type: none"> *Measure Breakdown: 90% refrigerators, 10% freezers *Net-to-Gross ratio for the initiative was 50% <ul style="list-style-type: none"> *Measure-level free ridership ranges from 82% for the retailer pick-up stream to 49% for the home pick-up stream *Measure-level spillover ranges from 3.7% for the retailer pick-up stream to 1.7% for the home pick-up stream
2	Appliance Exchange	<ul style="list-style-type: none"> *Overall eligible units exchanged declined by 36% from 2010 (from over 5,700 units in 2010 to over 3,600 units in 2011) <ul style="list-style-type: none"> *Measure Breakdown: 75% window air conditioners, 25% dehumidifiers *Dehumidifiers and window air conditioners contributed almost equally to the net energy savings achieved <ul style="list-style-type: none"> *Dehumidifiers provide more than three times the energy savings per unit than window air conditioners *Window air conditioners contributed to 64% of the net peak demand savings achieved *Approximately 96% of consumers reported having replaced their exchanged units (as opposed to retiring the unit) *Net-to-Gross ratio for the initiative is consistent with previous evaluations (51.5%)

#	Initiative	Evaluation Findings
3	HVAC Incentives	<p>*Total air conditioner and furnace installations increased by 14% (from over 95,800 units in 2010 to over 111,500 units in 2011)</p> <p>*Measure Breakdown: 64% furnaces, 10% tier 1 air conditioners (SEER 14.5) and 26% tier 2 air conditioners (SEER 15)</p> <p>*Measure breakdown did not change from 2010 to 2011</p> <p>*The HVAC Incentives initiative continues to deliver the majority of both the energy (45%) and demand (83%) savings in the consumer program</p> <p>*Furnaces accounted for over 91% of energy savings achieved for this initiative</p> <p>*Net-to-Gross ratio for the initiative was 17% higher than 2010 (from 43% in 2010 to 60% in 2011)</p> <p>*Increase due in part to the removal of programmable thermostats from the program, and an increase in the net-to-gross ratio for both Furnaces and Tier 2 air conditioners (SEER 15)</p>
4	Conservation Instant Coupon Booklet	<p>*Customers redeemed nearly 210,000 coupons, translating to nearly 560,000 products</p> <p>*Majority of coupons redeemed were downloadable (~40%) or LDC-branded (~35%)</p> <p>*Majority of coupons redeemed were for multi-packs of standard spiral CFLs (37%), followed by multi-packs of specialty CFLs (17%)</p> <p>*Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings</p> <p>*Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed</p>
5	Bi-Annual Retailer Event	<p>*Customers redeemed nearly 370,000 coupons, translating to over 870,000 products</p> <p>*Majority of coupons redeemed were for multi-packs of standard spiral CFLs (49%), followed by multi-packs of specialty CFLs (16%)</p> <p>*Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings</p> <p>*Standard CFLs and heavy duty outdoor timers were reintroduced to the initiative in 2011 and contributed more than 64% of the initiative's 2011 net annual energy savings</p> <p>*While the volume of coupons redeemed for heavy duty outdoor timers was relatively small (less than 1%), the measure accounted for 10% of net annual savings due to high per unit savings</p> <p>*Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed.</p>
6	Retailer Co-op	<p>*Initiative was not evaluated in 2011 due to low uptake. Verified Bi-Annual Retailer Event per unit assumptions and free-ridership rates were used to calculate net resource savings</p>

#	Initiative	Evaluation Findings
7	Residential Demand Response	<ul style="list-style-type: none"> *Approximately 20,000 new devices were installed in 2011 <li style="padding-left: 20px;">*99% of the new devices enrolled controlled residential central AC (CAC) *2011 only saw 1 atypical event (in both weather and timing) that had limited participation across the province <li style="padding-left: 20px;">*The impact developed through the 2009/2010 evaluations was maintained for 2011; residential CAC: 0.56 kW/device, commercial CAC: 0.64 kW/device, and Electric Water Heaters: 0.30 kW/device
10	New Construction Initiative	<ul style="list-style-type: none"> *Initiative was not evaluated in 2011 due to limited uptake *Business case assumptions were used to calculate savings
Business Program		
11	Efficiency: Equipment Replacement	<ul style="list-style-type: none"> *Gross verified energy savings were boosted by lighting projects in the prescriptive and custom measure tracks *Lighting projects overall were determined to have a realization rate of 112%; 116% when including interactive energy changes <ul style="list-style-type: none"> *On average, the evaluation found high realization rates as a result of both longer operating hours and larger wattage reductions than initial assumptions *Low realization rates for engineered lighting projects due to overstated operating hour assumptions *Custom non-lighting projects suffered from process issues such as: the absence of required M&V plans, the use of inappropriate assumptions , and the lack of adherence to the M&V plan *The final realization rate for summer peak demand was 94% <ul style="list-style-type: none"> *84% was a result of different methodologies used to calculate peak demand savings *10% due to the benefits from reduced air conditioning load in lighting retrofits *Overall net-to-gross ratios in the low 70's represent an improvement over the 2009 and 2010 ERIP program where net-to-gross ratios were in the low 60's and low 50's, respectively. <ul style="list-style-type: none"> Strict eligibility requirements and improvements in the pre-approval process contributed to the improvement in net-to-gross ratios

#	Initiative	Evaluation Findings
12	Direct Installed Lighting	<p>*Though overall performance is above expectations, participation continues to decline year over year as the initiative reaches maturity</p> <p>*70% of province-wide resource savings persist to 2014</p> <ul style="list-style-type: none"> *Over 35% of the projects for 2011 included at least one CFL measure *Resource savings from CFLs in the commercial sector only persist for the industry standard of 3 years <p>*Since 2009 the overall realization rate for this program has improved</p> <ul style="list-style-type: none"> *2011 evaluation recorded the highest energy realization rate to date at 89.5% *The hours of use values were held constant from the 2010 evaluation and continue to be the main driver of energy realization rate *Lights installed in “as needed” areas (e.g., bathrooms, storage areas) were determined to have very low realization rates due to the difference in actual energy saved vs. reported savings
14	Existing Building Commissioning Incentive	*Initiative was not evaluated in 2011, no completed projects in 2011
15	New Construction and Major Renovation Initiative	<p>*Initiative was not evaluated in 2011 due to low uptake</p> <p>*Assumptions used are consistent with preliminary reporting based on the 2010 Evaluation findings and consultation with the C&I Work Group (100% realization rate and 50% net-to-gross ratio)</p>
16	Energy Audit	*The evaluation is ongoing. The sample size for 2011 was too small to draw reliable conclusions.
17	Commercial Demand Response (part of the Residential program schedule)	*See residential demand response (#7)
19	Demand Response 3 (part of the Industrial program schedule)	*See Demand Response 3 (#25)

#	Initiative	Evaluation Findings
Industrial Program		
20	Process & System Upgrades	*Initiative was not evaluated in 2011, no completed projects in 2011
21	Monitoring & Targeting	n/a
22	Energy Manager	n/a
23	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	*See Efficiency: Equipment Replacement (#11)
25	Demand Response 3	<p>*Program performance for Tier 1 customers increased with DR-3 participants providing 75% of contracted MW for both sectors</p> <p>*Industrial customers outperform commercial customers by provide 84% and 76% of contracted MW, respectively</p> <p>*Program continues to diversify but still remains heavily concentrated with less than 5% of the contributors accounting for the majority (~60%) of the load reductions.</p> <p>*By increasing the number of contributors in each settlement account and implementation of the new baseline methodology the performance of the program is expected to increase</p>
Home Assistance Program		
26	Home Assistance Program	<p>* Initiative was not evaluated in 2011 due to low uptake</p> <p>*Business Case assumptions were used to calculate savings</p>
Pre-2011 Programs completed in 2011		
27	Electricity Retrofit Incentive Program	<p>* Initiative was not evaluated</p> <p>*Net-to-Gross ratios used are consistent with the 2010 evaluation findings (multifamily buildings 99% realization rate and 62% net-to-gross ratio and C&I buildings 77% realization rate and 52% net-to-gross ratio)</p>

#	Initiative	Evaluation Findings
28	High Performance New Construction	* Initiative was not evaluated *Net-to-Gross ratios used are consistent with the 2010 evaluation findings (realization rate of 100% and net-to-gross ratio of 50%)
29	Toronto Comprehensive	Not Applicable to HCHI
30	Multifamily Energy Efficiency Rebates	* Initiative was not evaluated *Net-to-Gross ratios used are consistent with the 2010 evaluation findings
31	Data Centre Incentive Program	Not Applicable to HCHI
32	EnWin Green Suites	Not Applicable to HCHI

2.5.2 EVALUATION RESULTS

Table 4: Evaluation Results

#	Initiative	NTG	Gross Savings		Net Savings		Contribution to Targets	
			Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program								
1	Appliance Retirement	0.52	31	225,490	16	115,815	16	463,260
2	Appliance Exchange	0.52	4	5,080	2	2,618	1	9,156
3	HVAC Incentives	0.6	171	311,736	103	186,931	103	747,724
4	Conservation Instant Coupon Booklet	1.11	4	73,672	5	81,297	5	325,189
5	Bi-Annual Retailer Event	1.1	6	114,163	7	124,723	7	498,892
6	Retailer Co-op	-	0	0	0	0	0	0
7	Residential Demand Response	-	11	0	11	0	0	0
10	New Construction Program	-	0	0	0	0	0	0
Business Program								
11	Efficiency: Equipment Replacement	0.72	101	613,568	70	435,855	70	1,743,418
12	Direct Installed Lighting	0.93	57	168,900	61	156,830	47	586,862

#	Initiative	NTG	Gross Savings		Net Savings		Contribution to Targets	
			Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
14	Existing Building Commissioning Incentive	-	0	0	0	0	0	0
15	New Construction and Major Renovation Incentive	0.5	30	135,262	15	67,631	15	270,523
16	Energy Audit	-	0	0	0	0	0	0
17	Commercial Demand Response (part of the Residential program schedule)		0	0	0	0	0	0
19	Demand Response 3 (part of the Industrial program schedule)		0	0	0	0	0	0
Industrial Program								
20	Process & System Upgrades	-	0	0	0	0	0	0
21	Monitoring & Targeting	-	0	0	0	0	0	0
22	Energy Manager	-	0	0	0	0	0	0
23	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	-	0	0	0	0	0	0
25	Demand Response 3		25	1,237	21	1,237	0	1,237
Home Assistance Program								
26	Home Assistance Program	-	0	0	0	0	0	0

#	Initiative	NTG	Gross Savings		Net Savings		Contribution to Targets	
			Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Pre-2011 Programs completed in 2011								
27	Electricity Retrofit Incentive Program	0.52	8	47,364	4	24,629	4	98,518
28	High Performance New Construction	0.5	143	732,353	71	366,177	71	1,464,706
29	Toronto Comprehensive	-	-	-	-	-	-	-
30	Multifamily Energy Efficiency Rebates	-	0	0	0	0	0	0
31	Data Centre Incentive Program	-	-	-	-	-	-	-
32	EnWin Green Suites	-	-	-	-	-	-	-

Table 5: Summarized Program Results

Program	Gross Savings		Net Savings		Contribution to Targets	
	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Residential Program Total	228	730,141	144	511,385	132	2,044,221
Commercial & Institutional Program Total	188	917,729	147	660,315	132	2,600,803
Industrial Program Total	25	1,237	21	1,237	0	1,237
Home Assistance Program Total	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total	151	779,717	76	390,806	76	1,563,224
Total OPA Contracted Province-Wide CDM Programs	591	2,428,824	387	1,563,743	340	6,209,485

2.6 Additional Comments

When HCHI was preparing its CDM Strategy, we based our estimates on previous program participation. However, with only offering 4 CDM programs prior to 2011, we were unsure how some of our initiative assumptions would unfold.

With programs such as Direct Install Lighting and Appliance Retirement reaching market saturation, it was helpful to achieve higher than anticipated participation in initiatives such as the Heating & Cooling Incentive.

For 2011, a portion of our energy savings (25%) can be attributed to projects completed in 2010.

3 Combined CDM Reporting Elements

3.1 Progress Towards CDM Targets

Table 6: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual (MW)			
	2011	2012	2013	2014
2011 - Verified	0.39	0.36	0.36	0.34
2012				
2013				
2014				0.00
Verified Net Annual Peak Demand Savings in 2014:				0.34
HALDIMAND COUNTY HYDRO INC. 2014 Annual CDM Capacity Target:				2.85
Verified Portion of Peak Demand Savings Target Achieved (%):				11.92%
HCHI Strategy, Milestone* submitted for 2011				14.74%
Variance				-2.82%

*NOTE – milestone from our 2011 Forecast = 0.42MW

Table 7: Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
2011 - Verified	1.56	1.56	1.56	1.52	6.21
2012					
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					6.21
HALDIMAND COUNTY HYDRO INC. 2011-2014 Cumulative CDM Energy Target:					13.3
Verified Portion of Cumulative Energy Target Achieved (%):					46.69%
HCHI Strategy, Milestone* submitted for 2011					7.5%
Variance					39.19%

*NOTE – milestone from our 2011 Forecast = 1.003 GWh

3.2 CDM Strategy Modifications

As part of our CDM Strategy to the Board, HCHI forecasted energy and demand savings for each of the four years between 2011-2014. For 2011, HCHI fell short of reaching the forecasted 0.420 MW by 2.82%. However, HCHI exceeded our forecasted cumulative energy of 1.003 GWh target by 39.19%.

Several assumptions were made at the time forecasts were determined in October of 2010:

- That **ALL** saveONenergy Tier 1 programs would be available and marketable January 1, 2011.
- Historical customer participation could be used to reasonably forecast the next four years. This included both customer participation as well and anticipated energy and demand savings.
- Implementation of initiatives would follow the design concepts.
- There would be customer and retailer uptake where applicable.

HCHI is anticipating meeting or exceeding our strategy forecast for years 2012-2014 should our current level of customer participation continue. This however, is contingent on the following assumptions:

- Customer uptake of DR3.
- Resolution of *peaksaver*® PLUS operational challenges and implementation issues with the AMI.
- No further reduction in measures or programs being discontinued. Application process improvements continue for PSUI and Residential New Construction.
- TOU savings are determined and attributed in the 2014 OPA Verified Results.

Noting the above assumptions, HCHI intended to proceed to meet our CDM OEB Targets with the OPA saveONenergy Targets and smart meter/TOU savings.