

*Corporation de distribution électrique de Hearst
Hearst Power Distribution Company Limited
925 rue Alexandra Street
Hearst ON*

CDM Strategy

1. Distributor's Name: **Hearst Power Distribution Company Limited**
2. Total Reduction in Peak Provincial Electricity Demand (MW) Target: **1 MW**
3. Total Reduction in Electricity Consumption (kWh) Target: **4 000 000 kWh**
4. CDM Strategy

The following chart depicts the nature of programming proposed to be undertaken by Hearst Power Distribution Company Limited (Hearst Power), and the expected savings from each program area, towards meeting the overall peak demand and electricity consumption targets.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Consumer Program	1,640	0.02	96	989	0.04	270	987	0.06	515	986	0.08	832
Business Program	46	0.79	1,217	38	0.86	2,610	39	0.91	4,037	36	0.99	5,591
Industrial Program	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Low Income Program	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		0.81	1,313		0.89	2,880		0.97	4,552		1.07	6,423
OEB Target											1.00	4,000
surplus/deficiency											0.07	2,423

Please see Appendix A for a further breakdown of individual programming for each program area as per the summarized table above.

5. OPA-Contracted Province-Wide CDM Programs

Hearst Power proposes to undertake the following programs to meet their CDM Target requirements for years 2011-2014. Program budgets will be a function of funding formulae being finalized at the OPA. No specific budget information or allocation of provincial program funding was available at the time of this submission.

Consumer Programs

Appliance Retirement/Exchange Events

This initiative is a carry forward and enhancement of the Great Refrigerator Roundup. It includes free pick-up and decommissioning of old, inefficient, working, appliances. As well, the Exchange events target room air conditioners and dehumidifiers at retail locations:

The Exchange Events portion of the Program is a carry forward and enhancement of exchange events previously hosted by retailers. It includes exchange events held biannually at participating retailers for room air conditioners and dehumidifiers. The Spring exchange event will feature a \$50 coupon toward the purchase of a high efficiency replacement unit; the Fall event will feature a \$25 gift card.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Appliance Retirement	49	0.00	23	46	0.01	68	42	0.01	128	37	0.01	200
Exchange Events	4	0.00	1	4	0.00	3	4	0.00	7	4	0.00	11

Instant Discounts (Rebates)

This is a carry forward of the Power Savings Event with some enhancements. It will now include year round coupons and bi-annual in-store instant discounts (Rebates) for energy efficient products.

Measures for this program include: Energy Star CFLs, Energy Star qualified fixtures, Energy Star Ceiling fans, Lighting Control products, Hot water pipe wrap, Water Heater Blanket, Weather-stripping, Heavy Duty Plug In Timer, Advanced Power strips, Clotheslines, and Baseboard Programmable thermostats for electric baseboard heaters.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Instant Rebates	1,438	0.00	46	787	0.00	120	787	0.00	222	787	0.01	352

HVAC Discounts (Rebates)

This offer is a carry forward of the Cool Savings Rebate. It has been enhanced to include local marketing and engagement. Measures include: High Efficiency furnaces equipped with electronically commutated motors (ECM) and Energy Star qualified Central Air conditioners.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
HVAC Rebates	57	0.01	21	60	0.03	63	63	0.04	128	66	0.06	216

Midstream Incentives

This is a carry over and enhancement of the midstream television incentive from the Power Savings Event. In addition to providing incentives for retailers to promote energy efficient televisions, it will include incentives for satellite and cable providers to use high-

efficiency set-top boxes and network configurations. It will also include pool pumps, providing contractors with incentives to install “right sized” pool equipment. Savings from the midstream initiatives will be proportionally allocated to LDCs based on the size of their residential customer base.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Midstream Electronics Incentive	91	0.00	5	91	0.00	14	91	0.00	29	91	0.00	48
Midstream Pools Incentive	1	0.00	0	1	0.00	1	1	0.00	3	1	0.00	5

Residential New Construction

This is a new initiative. It includes incentives for builders to construct new, single family homes that include energy efficiency standards that are above current building codes. It includes incentives for:

- Prescriptive measures:
 - “All-off” Switches
 - ECM Motors
 - SEER 15 CAC
 - Lighting Control Products
 - Energy Efficient Lighting Fixtures
 - Residential Demand Responses Devices (subject to results of the pilots)

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Residential New Construction	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0

Note the Residential New Construction program does not have any proposed target associated with it in that the savings and peak estimates are difficult to assess at this time. A close review of savings achievement in the early part of 2011 will determine further savings opportunities to contribute towards final target achievement towards 2014.

Business Programs

Direct Install – Lighting

The Direct Installed Lighting initiative targets customers in the General Service <50kW account category. Participation for the existing version of this initiative, the Power Savings Blitz, has been very high. In addition to offering eligible customers up to \$1,000 in equipment upgrades at no charge, standard prescriptive incentives will now be available for eligible equipment beyond the initial \$1,000 limit. There will also be a similar initiative for servicing of space cooling equipment, as described below.

A customer can qualify for Direct Installed Lighting incentives for a given building or premises only once during the Program period (through December 31, 2014). The customer can, however, take advantage of other Program initiatives including Equipment Replacement incentives (assuming they satisfy the criteria for the other initiative(s)) with regard to the particular building or premises.

Please note the following table includes projected savings for both Direct Install Lighting and Direct Install Space Cooling.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
Power Savings Blitz	29	0.01	44	22	0.01	122	15	0.01	190	8	0.01	246

Direct Install – Space cooling

The Direct Serviced Space Cooling initiative is available to customers with roof-top or ground-mounted air conditioning systems with a capacity of 25 tons or less. The initiative is intended to target the same customer base as the Direct Install Lighting initiative, although in some cases customers in the General Service >50 kW account category will also be eligible. Basing the eligibility criteria on air conditioner size is intended to simplify the determination of possible participants by HVAC Contractors. This initiative provides for up to \$750 of services and labour to service the customer's air-conditioning unit(s).

Equipment Replacement

Equipment replacement projects have traditionally been categorized in ERIP and other similar programs as either Prescriptive or Custom. The Prescriptive approach utilizes a list of specific measures for which the incentive is prescribed. The Custom approach requires a more sophisticated, and in some cases complex, process to determine the potential for demand reductions or energy savings. The Program will continue these two approaches, but will also include an Engineered approach.

	2011			2012			2013			2014		
	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh	No. Of participants	MW	MWh
MultiRes, Secondary Schools, Large Office	3	0.72	968	0	0.75	1,997	0	0.78	2,996	0	0.83	4,061
Small Office	1	0.00	7	1	0.01	24	1	0.02	49	1	0.02	83
Agriculture	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Small Retail	0	0.00	4	1	0.00	15	1	0.01	31	1	0.01	54
MultiResidential	11	0.01	42	14	0.01	131	21	0.02	257	25	0.03	416
Elementary Schools	2	0.05	137	0	0.05	275	0	0.05	416	0	0.05	560
Large Office	0	0.01	14	0	0.01	46	0	0.02	98	0	0.03	172

Pre-Project Assessments

For this initiative, eligible participants will receive incentives to complete energy audits or studies of potential energy and demand savings from equipment replacement projects, operational practices and procedures, and participation in demand response initiatives. The incentives are intended to cover up to 50% of the cost of the energy audit, based on requirements commensurate with the size and complexity of the buildings. The energy audits must be completed by a professional engineer, a certified engineering technologist, an architect, or a Certified Energy Manager; customers can select their own Energy Auditor meeting these criteria. Irrespective of the type of energy audit conducted, it is intended that the energy audit address all electricity efficiency opportunities for the building, so the customer can consider all possible options.

A customer can qualify for Pre-Project Assessment incentives for a given building or premises only once during the Program period (through December 31, 2014).

Industrial Programs

In consideration of larger mills within the service area of Hearst Power, it is expected that there will be interest in Industrial Tier 1 programs though the degree of interest is not known at this time. Hearst Power will implement OPA contracted Industrial programs to serve this group but are uncertain which program(s) will be implemented, at the time of this submission.

Low Income Programs

Hearst Power is interested in the contribution that low income programs can potentially make to help meet and/or exceed CDM target savings, and provide financial savings to low income customers in its service territory. Hearst Power will evaluate the feasibility and benefit of these new programs once further details have been released to LDCs.

6. Potential Board-Approved CDM Programs

At this time Hearst Power is not intending to develop Board-Approved programming, in consideration that the OPA model output on portfolio of programming and associated OPA allocations result in a portfolio of Tier 1 programs that expects to meets overall energy and peak savings targets.

7. Program Mix

Hearst Power will strive to ensure that CDM Programming is provided to all customer type(s) through the implementation of the portfolio of programs specified in this strategy. Further review will be made of OPA or Board-Approved programming to address specific options for lower income groups. Regardless of changes made to the strategy, the intent will remain to strive for an effective mix of programming that addresses all customer groups.

8. CDM Programs Co-ordination

To date and with further emphasis after the November 1st submission deadline, Hearst Power is considering the current infrastructure and organization of our company and the demands of upcoming and new programming and operational responsibilities.

In going forward in the most efficient way, our organization will be interested to build alliances with other local LDCs, natural gas distributors, social services and other government agencies, and the OPA. We will consider these partnerships where they enable the most efficient use of resources related to energy savings programs and work to remove operational and marketing redundancies.

Hearst Power will coordinate or participate in programs with other parties for the best benefit the rate payer and partnering organizations, towards continued energy savings initiatives.

