



November 1, 2010

**BY RESS AND BY COURIER**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St., Suite 2700  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**RE: Horizon Utilities Corporation  
Licence: ED-2006-0031  
CDM Strategy: 2011-2014  
Board File No: EB-2010-0215**

The Ontario Energy Board (the "Board") issued the finalized Conservation and Demand Management ("CDM") Code (the "Code") on September 16, 2010 (EB-2010-0215). The Code specifies that as a condition of an LDC's license, LDCs must file a CDM Strategy with the Board by November 1, 2010.

In accordance with the aforementioned requirement, please find attached Horizon Utilities Corporation's ("Horizon Utilities") CDM Strategy for the four year period, 2011-2014. Horizon Utilities' Strategy focuses on OPA-Contracted Province-Wide CDM Programs, as well as the potential for Board-Approved CDM Programs. Horizon Utilities anticipates working in partnership with other utilities. Horizon Utilities may make an application to the Board in due course, for the delivery of Board-Approved CDM Programs.

At the time of filing, Horizon Utilities notes that the OPA funding mechanisms have not been finalized. Consequently, budget information is not included in the CDM Strategy

Horizon Utilities recognizes the importance of the CDM initiative and looks forward to continued participation.

Yours Truly,

*Original signed by Indy J. Butany-DeSouza*

Indy J. Butany-DeSouza  
Vice-President, Regulatory and Government Affairs  
Horizon Utilities Corporation  
Tel: (905) 317-4765



**Horizon Utilities Corporation**

**Distribution License ED-2006-0031**

**Conservation and Demand Management  
Strategy 2011 to 2014**

**Submitted: November 1, 2010**

## TABLE OF CONTENTS

1.0	INTRODUCTION .....	3
2.0	CDM STRATEGY .....	4
	2.1 TREATMENT OF SMART METER/TIME-OF-USE RATES SAVINGS .....	6
3.0	OPA–CONTRACTED PROVINCE–WIDE PROGRAMS .....	6
	3.1 CONSUMER PROGRAM.....	8
	3.2 LOW INCOME PROGRAM.....	11
	3.3 COMMERCIAL, INSTITUTIONAL PROGRAM (“C&I”) .....	12
	3.4 INDUSTRIAL PROGRAM.....	15
4.0	POTENTIAL BOARD–APPROVED CDM PROGRAMS.....	17
5.0	PROGRAM MIX.....	20
6.0	CDM PROGRAMS CO-ORDINATION.....	21
7.0	DEPENDENCIES AND ASSUMPTIONS .....	22
8.0	MONITOR AND CONTROL .....	23

## 1.0 Introduction

On April 23, 2010, the Ontario Energy Board (“OEB” or the “Board”) received a directive from the Minister of Energy and Infrastructure (“MEI”) requiring that mandatory Conservation and Demand Management (“CDM”) targets be established for local distribution companies (“LDCs”) to achieve reductions in electricity consumption (GWh) and peak demand (MW). The total reductions achieved by all LDCs must aggregate to a provincial total of 1,330 MW and 6,000 GWh over a four-year period commencing January 1, 2011 and ending December 31, 2014. The OEB was further directed to amend the license of each LDC to make it a condition of such to achieve their respective CDM targets through a mix of CDM programs for all consumer segments (residential, commercial, industrial).

On September 16, 2010, the OEB issued the CDM Code (the “Code”) for LDCs under Section 70.2 of the *Ontario Energy Board Act, 1998* (“the Act”). The OEB developed the new Code in compliance with an MEI directive dated March 31, 2010 and issued to the OEB under sections 27.1 and 27.2 of the Act (EB-2010-0215).

The Code defines the requirements that LDCs must comply with as a condition of their respective licenses. Such is inclusive of, but not limited to, the achievement of CDM targets (“CDM Targets”). The Code requires that LDCs must file a CDM Strategy with the OEB. Further, the Code provides requirements for LDCs that choose to apply for and deliver Board-Approved CDM Programs to meet their respective CDM Targets.

On June 22, 2010, the OEB released the proposed allocation of LDC-specific CDM Targets (EB-2010-0216). Horizon Utilities’ preliminary electricity consumption reduction target is 301 GWh (5.02% of the provincial target) and its peak demand reduction target is 60.4 MW (4.54% of the provincial target). Horizon Utilities understands that final targets will be issued shortly.

Horizon Utilities hereby submits its CDM Strategy in compliance with the requirements of the template defined in Appendix B of the Code.

## 2.0 CDM Strategy

Horizon Utilities' CDM Strategy provides a high-level description of how Horizon Utilities intends to achieve its CDM Targets from January 1, 2011 to December 31, 2014. As noted above, Horizon Utilities proposed energy and peak savings targets are 301 GWh and 60 MW, respectively. Horizon Utilities plans to meet such targets by delivering Ontario Power Authority ("OPA")-Contracted Province-Wide ("Tier 1") CDM programs and pursuing Board-Approved ("Tier 2" and "Tier 3") CDM programs within the four year period starting January 1, 2011.

In addition, it is expected that the OPA will issue a CDM program targeted to low income consumers. Horizon Utilities anticipates delivering the OPA-Contracted Province-Wide Low Income CDM Program to its consumers, when such becomes available. Further, Horizon Utilities intends to actively participate in OPA-Contracted Province-Wide CDM Programs. In so doing, Horizon Utilities expects to achieve approximately 80% of its proposed energy and peak saving targets. Horizon Utilities intends to work collaboratively with other market participants including other LDCs to develop Tier 2 programs. In the event that Horizon Utilities determines that it is necessary to change any of the elements of its CDM Strategy, Horizon Utilities will file such change with the Board.

Table 1 below specifies Horizon Utilities' estimated cumulative peak demand and energy reduction achieved through CDM activity from 2011 to 2014.

**Table 1 Estimated Cumulative Peak Demand and Energy Reduction**

	2011	2012	2013	2014	Estimated Total 2011-2014
Annual Incremental Peak (MW) Savings	17.1	17.1	18.2	8	60.4
Annual Energy (GWh) Savings	92	108.5	119.5	73	393

Table 2 below specifies Horizon Utilities' estimated incremental peak and energy savings achieved through Tier 1 programs and Tier 2 program from 2011 to 2014.

**Table 2 Estimated Incremental Peak and Energy Savings from OPA-Contracted and Board-Approved CDM Programs**

CDM Programs Descriptions	Cumulative Peak Potential Demand Reduction (MW) Estimated 2011- 2014	Cumulative Potential Energy Reduction (MWh) Estimated 2011- 2014
OPA-Contracted Province-Wide Programs	49.4	263,000
Board-approved Programs	11	130,000
Total	60.4	393,000

Table 3 below specifies Horizon Utilities' estimated percentage of cumulative peak demand and energy reduction achieved through CDM activity from 2011 to 2014.

**Table 3 Estimated % Cumulative Peak Demand and Energy Reduction**

Milestone	2011	2012	2013	2014
Stage	Stage 1- Program launch	Stage 2 - Programs settle /provide fine tuning	Stage 3 – Program matures	Stage 4 – Program full performance
	% of target MW	20%	50%	85%
% of targetGWh	25%	50%	90%	100.00%

Tables 1-3, as set out above, and the tables that follow in Section 3.0 of this Strategy document are subject to the Dependencies and Assumptions and the associated risks as outlined in Section 7.0 of this document. The tables capture Horizon Utilities' best estimate of what it would hope to achieve; actual results may differ.

## **2.1 Treatment of Smart Meter/Time-Of-Use Rates Savings**

The CDM targets assigned to electricity LDCs amount to, in aggregate, approximately 308 MW of savings related to smart meters and Time-of-Use (“TOU”) rates. These savings projections were derived from a 2005 study commissioned by the OPA and filed with the OEB as part of the Integrated Power System Plan (“IPSP”) proceeding.

In total, 1330 MW of electricity demand reduction targets have been assigned to electricity LDCs. The 308 MW related to TOU represents more than 23% of each LDC’s demand reduction target. This is a significant component of LDC targets. However, to date, no mechanism has been put into place to accommodate the verification and recognition of TOU related savings as a contribution towards the mandatory LDC targets.

Demand and energy savings, from the implementation of TOU and smart meters, are excluded from Horizon Utilities’ targets. The assessment of the impacts of TOU rates on electricity demand should be done on a province-wide basis, perhaps by the OPA. It is reasonable to expect that these impacts will generally be consistent across LDC service areas. Horizon Utilities submits that the expense of having each LDC individually assess TOU rate impacts is not cost efficient. When the final results of energy savings resulting from TOU and smart meters become available, such will be counted towards Horizon Utilities overall targets.

## **3.0 OPA–Contracted Province–Wide Programs**

Horizon Utilities intends to participate in all OPA-Contracted Province-Wide Programs for the four year period commencing January 1, 2011. Such includes Consumer Programs, Low Income Program, Commercial, Institutional and Multi-Family Programs, and Industrial Programs.

An outline for each program is provided in the following sections and the estimated savings for peak demand and energy reductions have been derived from an assessment of the achievable potential for each program in Horizon Utilities’ service territory. At the time of the development of this Strategy, the funding formula for the OPA-Contracted Province-Wide programs has not yet been finalized and is therefore not included in this document.

OPA-Contracted Province-Wide Program details are found on the OPA's website: <http://icon.powerauthority.on.ca/nonsec/2011-conservation-programs.htm>

Table 4 below specifies Horizon Utilities' estimated cumulative electricity energy reduction that will be achieved through OPA-Contracted Province-Wide programs from 2011 to 2014.

**Table 4 Estimated OPA-Contracted Province-Wide Programs Cumulative Energy Reduction**

OPA Program	Estimated Cumulative Electricity Consumption Reduction (GWh)				
	2011	2012	2013	2014	Total
Consumer Program	14	28	34	15	91
Commercial and Institutional Program	70	20	22	6	118
Industrial Program	6	13	16	7	42
Low Income Program	2	3.5	4.5	2	12
Smart Meters/Time-of-Use Rates	-	-	-	-	-
<b>Total</b>	<b>92</b>	<b>64.5</b>	<b>76.5</b>	<b>30</b>	<b>263</b>
<b>% of Target (301 GWh)</b>	30.6%	21.4%	25.4%	10%	87.4%

Table 5 below specifies Horizon Utilities' estimated peak demand savings to be achieved through OPA-Contracted Province-Wide programs from 2011 to 2014.

**Table 5 Estimated OPA-Contracted Province-Wide Program Cumulative Peak Demand Savings**

OPA Program	Estimated Cumulative Peak Demand Savings (MW)				
	2011	2012	2013	2014	Total
Consumer Program	3	5	6	1	15
Commercial and Institutional Program	12	5	5	2	24
Industrial Program	2	3	4	1	10
Low Income Program	0.1	0.1	0.2	0	0.4
Smart Meters/Time-of-Use Rates	-	-	-	-	-
<b>Total</b>	<b>17.1</b>	<b>13.1</b>	<b>15.2</b>	<b>4</b>	<b>49.4</b>
<b>% of Target (60.4 MW)</b>	28.3%	21.7%	25.2%	6.6%	81.8%

### 3.1 Consumer Program

**Year(s) of Operation for the Program:** 2011 – 2014

**Targeted Customer Type(s):** Residential customers

**Description:** The Consumer Program will provide incentives to both existing home owners to motivate the installation of energy efficiency measures, and to homebuilders to encourage the construction of energy efficiency single family homes. Horizon Utilities will deploy the Consumer Program in accordance with the program rules as designed by the OPA.

Table 6 summarizes and describes the initiatives under the Consumer Program.

**Table 6 Consumer Program Initiative Descriptions**

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

**Instant Discounts (Rebates)**

This is a carry forward of the Power Savings Event with some enhancements that now include year round coupons and bi-annual in-store instant discounts (“Rebates”). Horizon Utilities will conduct local marketing to identify potential opportunities for LDC in-store presence with participating retailers.

**Mid-Stream Incentives**

This is a carry over and enhancement of the midstream television incentive from the PowerSavings Event. In addition to providing incentives for retailers to promote energy efficient televisions, such will include incentives for satellite and cable providers to use high-efficiency set-top boxes and network configurations. This program will also focus on pool pumps by 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 respective residential customer base.

**HVAC Discounts (Rebates)**

This is a carry forward of the existing Cool Savings Rebate initiative with some enhancements. Horizon Utilities will be involved in the recruitment of contractors, as supported by OPA recruitment efforts. The HVAC rebates will be delivered to consumers through participating contractors and such rebates will be centrally fulfilled by the OPA. This program will also feature local marketing and engagement opportunities. Capability building is also part of this initiative, as the OPA will make training available for contractors to educate them on quality installation principles.

**HVAC Contractor Capability Building**

This program focuses on quality installations in the HVAC industry to ensure that efficiency anticipated from newly designed products is not compromised by the manner in which the product is installed. This will be achieved by:

- implementing a quality installation standard;
- executing a training program for existing technicians; and
- influencing apprenticeship and journeyman training.

**Appliance Retirement/Exchange**

This initiative is a carry forward and enhancement of the Great Refrigerator Roundup. Such includes free pick-up and decommissioning of old and inefficient but working, appliances.

**Residential New Construction**

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

**Builder Training**

This training will focus on “building in” energy efficiency and green attributes to new homes. Currently 15-20% of builders already build to higher levels of energy efficiency but the aim is to increase the penetration beyond the 20%.

**Residential Demand Response**

This is a re-design of *peakSaver*®, the residential demand response initiative. Existing program features will continue to be offered through June 30, 2011 pursuant to existing agreements between the OPA and Horizon Utilities. The OPA and the Residential Demand Response Work Group are currently conducting pilot projects to test new technologies for use in the future province wide residential demand response initiative with an anticipated start of July 1, 2011.

Table 7 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide Consumer programs from 2011 – 2014.

**Table 7 Consumer Program Estimated Cumulative Peak Demand and Energy Reduction**

<b>Consumer Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Estimated Total</b>
Cumulative peak demand reduction (MW)	3	5	6	1	<b>15</b>
Cumulative electricity consumption reduction (GWh)	14	28	34	15	<b>91</b>
Annual Budget	Not available				

### **3.2 Low Income Program**

**Year(s) of Operation for the Program:** 2011- 2014

**Targeted Customer Type(s):** Residential Customers

**Description:** This is a turn-key program for low income consumers. It offers low income residents the opportunity to take advantage of free turnkey installation of energy efficient measures which will improve the comfort of their home and help them save money.

**Background:**

This is a new program that has been specifically developed to meet the needs of the low income consumer. This comprehensive program involves a variety of activities intended to improve the energy efficiency of low income homes. The program is intended to reduce electricity demand by providing consumers with the information they need to manage their energy use and influence behaviour change that will support the outcomes in the Program Description. The program will pay 100% for the purchase and installation of the electricity saving products.

The process begins with an in-home audit which will identify the opportunities within the home. Installation measures available range from basic measures (compact fluorescent light bulbs “CFL’s”, weather-stripping, water heater blanket and more) to a

full list of extended measures (light fixtures, air conditioning units, freezers, refrigerators, dehumidifiers, draft-proofing and insulation).

### **3.3 *Commercial, Institutional Program (“C&I”)***

The Commercial, Institutional and Multi-Family (“C&I”) Program is designed to assist building owners and operators as well as tenants and occupants in achieving demand and energy reductions and related savings. This is achieved by offering incentives for the primary end-use measures that represent the greatest potential for reduced electricity use including: lighting, space cooling and ventilation, auxiliary plug load, and space and water heating. Horizon Utilities will deploy the eight program components as they apply to the customer segments in its service territory. The focus will be on customer segments that have the largest demand reduction and energy savings potential, but the program will be available to all the customer segments in the Commercial, Institutional and Multi-Family sectors.

**Year(s) of Operation for the Program:** 2011- 2014

**Targeted Customer Type(s):** All Commercial and Institutional Customers

**Description:** Table 8 outlines the initiatives of the C&I program

**Table 8 Commercial and Institutional Program Initiative Descriptions**

Initiative	Description
C&I New Construction	Incentives for new buildings to exceed existing codes and standards for energy efficiency
ERIP	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures
Power Savings Blitz	Direct install of energy efficiency measures in the premises of small business customers in the General Service <50kW class
Small Commercial Demand Response	Free, installed direct load control devices and display systems/capability. Non-DR offers: subsidized display systems/capabilities
DR1	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability
DR3	An initiative where distribution-connected electricity customers provide DR capability to mandatorily reduce peak demand and increase system reliability

**Description of Program Initiatives**

The scope of the C&I Program includes both existing and new buildings in all business market segments. Examples of types of qualifying buildings and further program details are available on the OPA website in the C&I summary guidelines dated October 2010.

The specific program offerings available to customers are largely determined by their respective size based on electricity demand. The OPA guidelines provide a list of the primary customer types.

The program focuses on the following end-uses and measures:

- Lighting – this program aspect uses a segment-specific approach such as, for example, small business, large building, etc.

- Space cooling and ventilation – this program aspect also uses a segment-specific approach such as, for example, small business, large building.
- Electric auxiliary/plug load and other measures – this program aspect uses a segment-specific approach
- Project Measurement & Verification (“M&V”) - standardized assessment of electricity savings of Equipment Replacement custom projects as well as Commissioning projects
- Capability Building - for training, certifying and educating building owners, managers, operators and/or tenants

### **Program Objectives**

The C&I sector is the most heterogeneous and complex of the market sectors in the Province with over 135,000 commercial and institutional buildings, approximately 30,000 multi-family buildings (including social and assisted housing), and approximately 57,000 agricultural operations. Together these building types represent over 40% of Ontario’s total electricity consumption and such offer significant potential for demand and energy savings, as evidenced by the Integrated Power System Plan and as well as more recent studies conducted by the OPA.

The objectives of the C&I Program are to:

- assist owners and operators of C&I buildings, farms, and multi-family residences to reduce demand and save energy through the purchase and operation of energy efficient equipment and to participate in demand response initiatives;
- provide education to tenants and occupants, particularly with respect to multi-family buildings regarding in-suite energy efficiency and demand response opportunities; and
- facilitate a culture of conservation among these communities and the supply chain that serves them.

Table 9 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide C&I program from 2011 -2014.

**Table 9 Estimated C&I Program Cumulative Peak Demand and Energy Saving Projections**

Commercial and Institutional Program Projections	2011	2012	2013	2014	Estimated Total
Cumulative peak demand reduction (MW)	12	5	5	2	24
Cumulative electricity consumption reduction (MWh)	70	20	22	6	118

### 3.4 Industrial Program

**Year(s) of Operation for the Program:** 2011 -2014

**Targeted Customer Type(s):** Industrial Customers

**Description:** The Industrial Program will provide incentives to both existing and new industrial customers to motivate the installation of energy efficiency measures. Horizon Utilities will deploy the Industrial Program in accordance with OPA program rules. Horizon Utilities expects to deliver this program over the 4 year period beginning January 1, 2011.

The following table summarizes and describes the initiatives of the Industrial Program.

**Table 10 Industrial Program Initiative Descriptions**

Initiative	Description
ERIP	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.
DR1	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability
DR3	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability
Industrial Accelerator	Incentives and enabling initiatives aimed at improving the energy efficiency of equipment and production processes

**Initiative Description:****Electricity Retrofit Incentive Program (“ERIP”)**

ERIP is designed to assist Commercial, Industrial, Institutional, and Agricultural customers to conserve energy and shift their loads from periods of peak demand to lower cost times of the day. The objective of this program is to leverage energy conservation and load management opportunities by offering incentives for sustainable, measurable and verifiable energy retrofits that result in on-peak demand savings and/or annual energy savings.

**Demand Response 1 (“DR1”)**

The commercial and industrial DR program includes two initiatives: DR1 and DR3. DR1 is available for industrial and commercial customers, of 50Kw or greater and with interval meters, to reduce the amount of power being used during certain periods of the year.

**Demand Response 3 (“DR3”)**

DR 3 will be available to the LDCs’ customers in its service area with peak demand of 50kW or more that have Interval Meters supported by recorders with 5 minute interval capability. Customers that have participated in DR3 to date have included universities, automotive manufacturers, office buildings and retail outlets.

**Industrial Accelerator (“IA”)**

Industrial Accelerator (also referred to simply as “Accelerator”) is an initiative aimed at improving the energy efficiency of equipment and production processes. Accelerator offers capital incentive and enabling initiatives stated in the OPA summary guidelines.

Table 11 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide Industrial programs from 2011 -2014.

**Table 11 - Industrial Program Cumulative Peak Demand and Energy Savings**

Industrial Summary	2011	2012	2013	2014	Estimated Cumulative Total 2014
Projected reductions in Peak provincial demand (MW)	2	3	4	1	10
Accumulative reductions in electricity consumption (MWh)	6	13	16	7	42
Program Budget	To be determined	To be determined	To be determined	To be determined	Not applicable

## 4.0 Potential Board–Approved CDM Programs

It is expected that the OPA-Contracted Province-Wide programs will contribute up to 80% of Horizon Utilities' four year target. In order to meet its allocated target and mitigate the risks of Tier 1 program failure, Horizon Utilities intends to submit application to the Board for Board-Approved programs for implementation starting in January 1, 2011 and throughout the four year period to 2014. The application for Board-Approved programs will be submitted separately to the OEB for approval. This CDM Strategy document presents some of the Board-Approved programs that Horizon Utilities is interested in submitting to the OEB for approval.

**Years of Operation for the Program:** 2011 – 2014

**Targeted Customer Type(s):** These Board-Approved programs will target residential, commercial and industrial customers.

**Description:** The following table summarizes and describes programs that Horizon Utilities intends to submit to the Board for approval. Horizon Utilities will evaluate these program designs for cost effectiveness including synergies that may be available through joint delivery with other LDCs. Horizon Utilities intends to investigate other opportunities for Board-Approved CDM programs in order to meet its mandated CDM target.

**Table 12–Summary of Potential Board-Approved Programs**

<b>Program Name</b>	<b>Year (s) of operation</b>	<b>Program description</b>	<b>Projected budget</b>	<b>Peak demand reductions (kW)</b>	<b>Electricity consumption reductions (MWh)</b>
Residential Customer Energy Use Benchmarking	2011 through 2014	See description below	NA	NA	NA
Monitoring and Targeting	2011 through 2014	See description below	NA	NA	NA
LED Lighting	2011 through 2014	See description below	NA	NA	NA
Small Commercial Demand Response	2011 through 2014	See description below	NA	NA	NA
Residential Hot Water Program	2011 through 2014	See description below	NA	NA	NA
Generation Conservation	2011 through 2014	See description below	NA	NA	NA

### **Board-Approved Program Initiative Descriptions**

#### **Residential Customer Energy Use Benchmarking**

Customers will receive a paper-based “Home Energy Report” that offers insights about their individual energy use, as well as a comparison with their neighbourhood energy use.

#### **Monitoring and Targeting**

The proposed Monitoring & Targeting (“M&T”) program may be offered to medium and large size commercial and industrial businesses with average demand of 200kW and above. The M&T program is aimed at helping mid and large size commercial customers: better understand their energy performance: benchmarking their consumption with other

similar businesses for best practice and results: and enabling them to achieve sustainable proactive behavioural and process changes.

### **LED Lighting**

The LED Street and Public Lighting Program is a proposed CDM program designed to assist municipal and regional customers and parking facility owners in implementing LED lighting technologies in order to reduce both their peak kW demand and their overall energy consumption by 50% or more. This custom prescriptive program will promote new installations and retrofits of existing roadway and parking area lighting to the latest LED technology.

### **Small Commercial Demand Response**

This is an Energy Management and Demand Response (“DR”) Program that is aimed at helping approximately 2,200 Horizon Utilities small and medium-size General Service customers with average monthly peak demand of up to 200kW, to reduce their energy consumption and peak system demand over the term of the program.

### **Residential Hot Water Program**

This program is available to residential customers with electric hot water heating and would complement the OPA consumer demand response offering. This program would deliver more frequent control of hot water heaters, and provide greater incentives for participation (e.g. portion of the cost of the rental) and an energy saving kit (including pipe wrap, hot water heater blankets, low-flow shower heads and faucet aerators).

### **Education Program**

#### **Generation Conservation**

Generation Conservation targets grade 5 students. This program has been designed with a take-home component so that the student involves parents/guardians in assessing energy use at home and developing conservation plans. The take-home component ensures that the program reaches into as many residences as there are students in grade 5 in the service area.

## **5.0 Program Mix**

Horizon Utilities intends to apply for delivery of the entire complement of OPA-Contracted Province-Wide CDM programs and Board-Approved programs in order to address the needs of all customer classes in its service territory. In order for Horizon Utilities to meet its CDM targets, there must be participation from all customer classes. Horizon Utilities will assess the CDM needs of its customers to ensure that the complement of the OPA-Contracted Province-Wide Programs and Board-Approved programs meet their needs. Horizon Utilities also intends to apply for the OPA Low Income CDM program so that its most vulnerable consumers have an opportunity to participate in CDM. Table 13 below highlights Horizon Utilities' intended program mix for CDM programs.

**Table 13–Program Mix by Customer Type**

<b>Program Coverage By Customer Type</b>				
<b>Program or Program Initiative</b>	<b>Residential</b>	<b>Residential Low Income</b>	<b>Commercial, Institutional , Multi-family buildings &amp; farms</b>	<b>Industrial</b>
Instant Rebates	X	X		
Midstream Electronics Incentive	X	X		
Midstream Pool Incentive	X	X		
HVAC Rebates	X	X		
Appliance Retirement	X	X		
Exchange Events	X	X		
Residential New Construction	X	X		
Residential Demand Response	X	X		
Residential Low Income		X		
C&I New Construction			X	
ERIP			X	
Power Savings Blitz			X	
Small Commercial DR			X	
DR1 – Commercial & Institutional			X	
DR3 – Commercial & Institutional			X	
ERIP - Industrial				X
DR1 - Industrial				X
DR3 - Industrial				X
Industrial Accelerator				X

### **Pilot Projects and Educational Programs**

Pilot projects will be used to test new products, services and technologies in order to assess potential CDM opportunities for inclusion as new measures in existing programs or for the development of new programs.

## **6.0 CDM Programs Co-ordination**

Horizon Utilities has been successfully delivering CDM programs to its customers for a number of years. Drawing on its past experiences, Horizon Utilities intends to continue

to collaborate with other LDCs including the Coalition of Large Distributors, natural gas distributors, social service agencies, the OPA, and government agencies, where it proves to be cost effective and operationally feasible. Horizon Utilities will leverage existing relationships with channel partners and their in-house team of CDM specialists in order to optimize the results and cost effectiveness of its CDM program delivery.

## 7.0 Dependencies and Assumptions

The achievement of the above-noted targets is highly dependent on a number of factors. Such factors include, but are not limited to, the following:

- Economic stability that maintains or improves Horizon Utilities' customer contributions to energy consumption and demand.
- The final measurement and verification process adopted by the OPA is not yet defined and it could have significant impacts on the gross to net savings ratio for Horizon Utilities. Understanding this process is a critical component to CDM program delivery.
- The availability of a final OPA Master Agreement and Schedules for Tier 1 programs for execution by Horizon Utilities on or before January 1, 2010.
- Tier 1 funding from OPA, which must be sufficient to achieve targets.
- Timely processing of Horizon Utilities' Application for approval of Tier 2 programs so that entry into the market can be bundled with Tier 1 programs.

As noted earlier in this Strategy, many of the OPA-Contracted Province-Wide Programs represent a continuation of existing programs; other initiatives are entirely new. It is difficult for Horizon Utilities to determine actual uptake of the latter programs, particularly as such relates to participation rates. Free rider impacts will be adjusted by the OPA which may have a significant impact on the results in Horizon Utilities' service territory. Horizon Utilities is committed to the Province's conservation mandate and to the delivery and achievement of CDM targets. However, it is impossible to guarantee the specific outcome each year, at this time.

Horizon Utilities anticipates that it will achieve 80% of its CDM Targets through the OPA Contracted Province-Wide Programs and the remaining 20% of its CDM Targets through the OEB-Approved CDM Programs. Such will be contingent on the ability to finalize the

OPA contract and to have Horizon Utilities' Application for Tier 2 Programs approved quickly, as well.

## **8.0 Monitor and Control**

Horizon Utilities plans to closely monitor the ongoing delivery of CDM programs, expenditures and the actual results from the programs relative to anticipated results. Any significant change in circumstances will be reported to the OEB on an annual basis through, at a minimum, the submission of Horizon Utilities' Annual Report to the OPA. Such reporting will commence in September 2012, as required by the CDM Code.