



IN BUSINESS TO SERVE.

November 1, 2010

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, Ontario  
M4P 1E4

Attn: Kirsten Walli, Board Secretary

**RE: Norfolk Power Distribution Inc. (Board File No.: EB-2010-0215)  
Conservation and Demand Management (CDM) Code for Electricity  
Distributors – CDM Strategy**

Dear Ms. Walli,

Norfolk Power Distribution Inc. hereby submits its Conservation and Demand Management (CDM) Strategy. This submission is filed in accordance with the Ontario Energy Boards (the Boards) "*Conservation and Demand Management Code for Electricity Distributors*", issued on September 16, 2010.

Two hard copies of the Application are enclosed. An electronic copy of the Norfolk Power Distribution Inc. CDM Strategy in PDF format will be submitted through the Board's *Regulatory Electronic Submission System* ("RESS").

Norfolk Power Distribution Inc. collaborated with 13 other electricity distributors, known as the "Niagara Erie Power Alliance (NEPA) GEA Group", on the development of its Conservation and Demand Management (CDM) Strategy. The following table lists the NEPA participating distributors and their respective customer counts and CDM proposed targets issued by the Ontario Energy Board on June 22, 2010.

NEPA Participating Distributors:

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

The CDM Strategy is respectfully submitted for the Boards consideration.

Sincerely,  
Norfolk Power Distribution Inc.

*Original signed by*

Brad Randall, P. Eng.  
President & CEO

# **Norfolk Power Distribution Inc.**

**(ED-2002-0521)**

Conservation and Demand Management (CDM) Strategy

2011 to 2010

Filed: November 1, 2010

# Norfolk Power Distribution Inc.

## Conservation and Demand Management (CDM) Strategy

2011 to 2010

Filed: November 1, 2010

1. **Distributor's Name:** Norfolk Power Distribution Inc. (NPDI) is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's September 16, 2010 Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215).
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 5 MW per the proposed CDM Targets for Electricity Distributors issued by the Ontario Energy Board (OEB) on June 22, 2010. On September 30<sup>th</sup>, 2010 in response to an OEB request, NPDI filed a request for target review based on the embedded load with Hydro One Networks Inc. This submission does not take into account the requested target adjustment.
3. **Total Reduction in Electricity Consumption (KWh) Target:** 18,000,000 KWh per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. On September 30<sup>th</sup>, 2010 in response to an OEB request, NPDI filed a request for target review based on the embedded load with Hydro One Networks Inc. This submission does not take into account the requested target adjustment.
4. **High Level CDM Strategy:**

Norfolk Power Distribution Inc. utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration NPDI's service territory's residential profile and past CDM program results, to forecast its reductions in Peak Demand and Energy Consumption.

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

The following tables summarize both annual and cumulative savings by year which at this time represents a preliminary review of the expected annual milestones of both peak

demand and energy consumption through the delivery of the OPA-contracted Province-Wide programs. The streamlined version of the Resource Planning Tool was used, along with the OEB 2009 Yearbook data to forecast the 2011-2014 results for the Consumer, Commercial & Institutional, and Industrial programs.

Annual Resource Savings	2011	2012	2013	2014
Peak Demand Reduction – MW	1.14	2.21	3.25	4.40
Electricity Consumption Reduction - MWh	2,466	5,057	7,162	9,399

Cumulative Savings	2011	2012	2013	2014
Electricity Consumption Reduction - MWh	2,466	7,524	14,685	24,084

## 5. OPA Contracted Province-Wide CDM Programs

Norfolk Power Distribution Inc. will continue to utilize a customer-centric marketing approach. Where there is opportunity for local marketing initiatives, NPDI will be using the following media to reach our customers:

- Billing inserts
- On-Bill promotion
- Norfolk Power Customer Newsletter
- Website: Promote the program and feature a link to the OPA program website prominently on the NPDI homepage
- CSR Training: Scripts will be provided to customer service representatives for each program.
- Promotional material for reception area: print material and brochures for use in NPDI's reception area
- Media Events: including a media advisory and press release
- Local community events: Attend events, and provide handouts to promote programs to customers.

For NPDI's commercial, institutional and industrial customers, information sessions and face to face meetings have proven to be effective in the past. Going forward, NPDI will focus on building and maintaining strong customer relationships with commercial, institutional and industrial customers in addition to the traditional marketing efforts listed above. In addition, collaboration with other LDCs to educate local contractors about the conservation programs available to their clients will be fundamental in the ability to meet CDM Targets.

NPDI's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-contracted Province-Wide programs. Due to the fact that NPDI's CDM Targets are currently under review and the funding formula has yet to be announced, NPDI's participation in programs and total expected reductions are preliminary. Should the "soon to be announced" Tier One Program budget not provide adequate funding, NPDI will need to re-evaluate its CDM Strategy. NPDI's plan assumes that there will be sufficient funding available to manage and promote the OPA-Contracted Province-Wide programs. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

The following information outlines the OPA-Contracted Province-Wide programs by name, years of operation and target customers.

## 5.1. Consumer Programs

<b>Name</b>	<b>Years</b>	<b>Description</b>	<b>Target Customers</b>
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pools Incentive	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Rebates	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Residential New Construction	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential
Residential Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential
<b>TOTAL</b>	2011-14	1,640 KW	9,214 MWh

## 5.2. Commercial & Institutional Programs

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

TOTAL	2011-14	2,640 KW	12,891 MWh
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### 5.3. Industrial Programs

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

<b>TOTAL</b>	2011-14	120 KW	1,979 MWh
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### 5.4. Low Income Programs

Norfolk Power Distribution Inc. intends on participating in the OPA-Contracted Province-Wide Low Income Program. NPDI's strategy and forecasted reductions in provincial peak electricity demand and electricity consumption will be identified once this program has been finalized and its details regarding funding and program components are made available and an application has been made to the OPA for delivery.

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

At this time Norfolk Power Distribution Inc. does not have any Board-Approved programs planned. It is our intent to meet energy and demand reduction requirements by delivering OPA-Contracted Province-Wide programs but we will also review several options including Board-Approved programs collaborated with other LDC's if there is an inability to deliver OPA-Contracted Province-Wide programs within the prescribed OPA funding model.

## **7. Program Mix**

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

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

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

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

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