

October 31, 2010

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

RE: Conservation and Demand Management Code for Electricity Distributors
Board File No.: EB-2010-0215

Dear Ms. Walli,

Niagara Peninsula Energy Inc. hereby submits its CDM Strategy. Our 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 Niagara Peninsula Energy Inc. CDM Strategy in PDF format will be submitted through the Board's *Regulatory Electronic Submission System* ("RESS").

Niagara Peninsula Energy Inc. worked closely with 13 other electricity distributors known as the "NEPA GEA Group" on the development of their Conservation and Demand Management (CDM) Strategy. The table below lists the participating distributors and their respective customer counts and CDM targets issued by the Ontario Energy Board on June 22, 2010.

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

Collaborating as a group enabled Niagara Peninsula Energy Inc. to gain an in-depth understanding of the Green Energy Act, which assisted in the development of our CDM Strategy. Niagara Peninsula Energy Inc. expects to meet our target using the OPA Province-Wide Programs. Should this expectation need to be readdressed due to actual participation results, we will be willing to develop or adopt Board-Approved Programs as needed in order to meet target.

The CDM Strategy is respectfully submitted for the Boards consideration.

Sincerely,



Sue Forcier

Manager of Marketing, Communications and Public Affairs

Niagara Peninsula Energy Inc.

(ED-2007-0749)

CDM/GEA 2011-2014 Strategy Filing

November 1, 2010

Niagara Peninsula Energy Inc.

CDM Strategy Filing

November 1, 2010

1. **Distributor's Name:** Niagara Peninsula Energy Inc. (NPEI, ED-2007-0749) is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the September 16, 2010 issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). This Strategy outlines how NPEI will meet the electricity demand and consumption targets set out in its license.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 15 MW per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.
3. **Total Reduction in Electricity Consumption (KWh) Target:** 59,000,000 KWh per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.
4. **CDM Strategy**

4.1. High Level Description of CDM Strategy

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

This strategy does not take into consideration the portion of the target that the OPA expects to result from smart meter and time-of-use rate implementation. The 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.

Assuming that the funding received from the OPA is adequate; NPEI will continue to employ several educational and marketing approaches which are appropriate to their specific customer classes. To promote the Consumer Program, NPEI will create awareness

of the CDM initiatives via traditional methods such as bill inserts, newspaper ads, online advertising and attendance at community events. To promote the Commercial & Institutional and Industrial Programs, information sessions and face-to-face meetings, which have proven to be effective in the past, will be utilized. In addition, collaboration with other LDCs to educate local contractors about the conservation programs available to their clients will be fundamental in our ability to meet our CDM Targets. Finally, working closely with the natural gas distributors will result in significant Provincial Peak Electricity Demand and Electricity Consumption savings.

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

Annual Resource Savings	2011	2012	2013	2014
Peak Demand Reduction – MW	2.25	3.00	4.50	5.25
Electricity Consumption Reduction - MWh	14,750	18,880	14,750	10,620

Cumulative Savings	2011	2012	2013	2014
Peak Demand Reduction – MW	2.25	5.25	9.75	15.00
Electricity Consumption Reduction - MWh	14,750	33,630	48,380	59,000

5. OPA-Contracted Province-Wide CDM Programs

5.1. Program Descriptions

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

5.2. Consumer Programs

Name	Years	Description	Target Customers
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pools Incentive	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Rebates	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Residential New Construction	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential
Residential Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential
TOTAL	2011-14	3.00 MW	17,700 MWh

5.3. Commercial & Institutional Programs

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

TOTAL	2011-14	9.00 MW	35,400 MWh
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5.4. Industrial Programs

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

TOTAL	2011-14	3.00 MW	5,900 MWh
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5.5. Low Income Programs

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

6. Potential Board-Approved CDM Programs

6.1. At this time Niagara Peninsula Energy Inc. does not have any Board-Approved programs planned. Our current assumption is that the OPA CDM programs will allow NPEI to achieve its targets. Should this assumption need to be readdressed in order for us to meet our CDM Targets, we will potentially develop, or join with another Local Distribution Company (LDC), in seeking a Board-Approved CDM Program.

7. Program Mix

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

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

8. CDM Programs Co-ordination

8.1. NPEI 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 NPEI expects to achieve efficiencies of delivery and cost savings in the future.

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