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Newmarket-Tay Power Distribution Ltd.

Conservation and Demand Management Strategy

November 1, 2010

1. **Distributor's Name:**
Newmarket-Tay Power Distribution Ltd.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:**
9 MW
3. **Total Reduction in Electricity Consumption (MWh) Target:**
34,000 MWh
4. **CDM Strategy**
 - 4.1. High Level Description of CDM Strategy

Newmarket – Tay Power Distribution Ltd's ("NTPDL") Conservation and Demand Management ("CDM") strategy is based on the understanding that this genre of system management tools in the electric industry, unless specifically addressing an identifiable and quantifiable local system constraint provide measurable system wide benefits to all electricity consumers in Ontario. NTPDL initially plans to offer only Ontario Power Authority ("OPA") Contracted Province-Wide CDM Programs to Consumer, Business and Industrial class customers including any OPA low income programs that are developed.

To develop this CDM strategy, NTPDL utilized the OPA's Resource Planning Tool (the "Resource Planning Tool") to forecast its reductions in Peak Provincial Electricity Demand and Electricity Consumption. As recommended by the OPA, the streamlined version of the Resource Planning Tool was used to forecast results for the Consumer, Business and Industrial programs. The Ontario Energy Board's (the "Board") 2009 Yearbook class customer counts were used to determine NTPDL's percent of the OPA's provincial forecasted program participation for the years 2011-2014.

NTPDL took into consideration service area and customer (residential, commercial and industrial) profiles as well as past CDM program results to evaluate the results of the Resource Planning Tool. From this analysis, NTPDL plans to achieve 110% of its electricity consumption target and 66% of its peak demand target over the 2011 – 2014 periods.

4.1 (a) Year by Year Plan:

The table below shows NTPDL's year by year plan for CDM savings:

<u>Annual Savings</u>	2011	2012	2013	2014
Peak Demand Reduction – MW	1.32	1.50	1.60	2.17
Electricity Consumption Reduction - MWh	4,095	4,031	3,587	3,569

4.1 (b) Annual Milestones

The following CDM annual milestones are planned in terms of cumulative savings:

<u>Cumulative Savings</u>	2011	2012	2013	2014
Peak Demand Reduction – MW	1.32	2.64	3.99	5.90
Electricity Consumption Reduction - MWh	4,095	12,114	23,228	37,437

5. OPA Contracted Province-Wide CDM Programs

In undertaking all OPA – Contracted Province Wide CDM Programs, NTPDL has assumed that sufficient funding will be made available to operate these programs. To date, NTPDL is unaware of any funding formula announced by the OPA. As such, budget projections have not been made; and planned results may need to be modified when specific funding is known.

Detailed information on each program follows.

5.1. Program Descriptions

Consumer Programs

Name	Years	Description	Target Customers	MW Reduction	MWh Reduction
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential	.05	3,453
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient electronics	Residential	.01	47
Midstream Pools Incentive	2011-14	Retail promotion of “right sized” pool equipment	Residential	.02	467
HVAC Rebates	2011-14	Rebates on high efficiency replacement of heating/cooling systems	Residential	.55	2,112
Appliance Retirement	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential	.11	1,957
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential	.03	107
Residential New Construction	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential	.07	417
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	1.31	4,532
TOTAL				2.15	13,092

Business Programs

Name	Years	Description	Target Customers	MW Reduction	MWh Reduction
ERIP	2011-14	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Commercial Institutional	1.48	5,386
Power Savings Blitz	2011-14	Existing building retrofit projects for small business customers in the General Service >50kW	Commercial Institutional	1.11	9,884
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	.03	48
DR1 ¹	2011-14	An initiative where distribution-connected electricity customers when notified <u>voluntary</u> provide DR capabilities to reduce peak demand.	Commercial Institutional	.05	2
DR3 ¹	2011-14	An initiative where distribution-connected electricity customers when notified <u>must</u> provide DR capability to reduce peak demand.	Commercial Institutional	.07	8
TOTAL				2.74	15,328

¹ At present, NTPDL's Newmarket service area is subject to the OPA's York DR program and does not qualify for DR1 or DR3 initiatives. The York DR is expected to expire at the end of 2011.

Industrial Programs

Name	Years	Description	Target Customers	MW Reduction	MWh Reduction
ERIP	2011-14	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Industrial	.52	9,012
DR1 ²	2011-14	An initiative where distribution-connected electricity customers when notified <u>voluntary</u> provide DR capabilities to reduce peak demand.	Industrial	.05	1
DR3 ²	2011-14	An initiative where distribution-connected electricity customers when notified <u>must</u> provide DR capability to reduce peak demand.	Industrial	.44	4
TOTAL				1.01	9,017

² At present, NTPDL's Newmarket service area is subject to the OPA's York DR program and does not qualify for DR1 or DR3 initiatives. The York DR is expected to expire at the end of 2011.

6. Potential Board-Approved CDM Programs

6.1 At this time NTPDL does not have any potential Board-Approved (“Tier 2”) programs planned for submission to the Board. NTPDL understands that details associated with other LDC’s Board approved Tier 2 programs will be made available. NTPDL will actively monitor published Tier 2 programs and may seek Board approval to implement any programs that demonstrate value for its customers.

7. Program Mix

7.1 The programs described in Section 5 will be delivered to all residential, commercial, industrial, and institutional customers in NTPDL’s service area. The strategy was developed having regard to the composition of NTPDL’s customer base, which based on customer count is:

- Ø Residential 80%
- Ø Business 4%
- Ø Institutional 5%
- Ø Industrial 1%
- Ø Low Income 10%

NTPDL fully intends to provide OPA developed low income program(s) as they become available within its service area. To date there have been no formal low income program(s) announced by the OPA.

8. CDM Programs Co-ordination

8.1 NTPDL plans to work both with other LDCs providing service within the Region of York in the case of its Newmarket service area and the County of Simcoe in the case of its Tay service area and those of a similar size in the administration, marketing and implementation of the OPA and possible Board-Approved programs being offered. Through this collaboration NTPDL expects to achieve efficiencies in the delivery of programs and potential cost savings.

NTPDL has held preliminary discussions with some local Social Agencies on the prospect of delivery of OPA low income programs and also expects to engage the local natural gas distributor in this initiative when it becomes available.