



Energizing Our Community

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November 1, 2010

**Via RESS and by courier**

Ontario Energy Board  
2300 Yonge St., 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto ON  
M4P 1E4

Attn: Kirsten Walli, Board Secretary

**Re: CDM Strategy – Orillia Power Distribution Corporation ED-2002-0530**

Dear Ms Walli:

Orillia Power Distribution Corporation (Orillia Power”) hereby submits its CDM Strategy pursuant to the requirements stated in the OEB’s Conservation and Demand Management (CDM) Code (Board File No. EB-2010-0215) and references the energy and peak demand reduction targets (Board File No. EB-2010-0216) tentatively set by the Board in its letter to all electricity distributors dated June 22, 2010.

Orillia Power was allocated by the Board a CDM target of 3 MW of peak demand savings and 15 GWh of energy savings to be achieved over a four year period from 2011 through 2014.

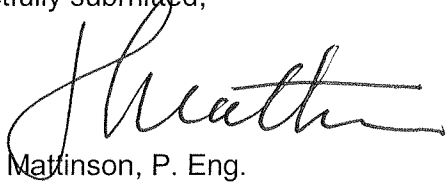
Orillia Power plans to achieve these targets through the delivery of OPA-contracted province wide (or Tier 1) programs beginning in January 2011. If necessary to achieve the targets, Orillia Power may consider the addition of Tier 2 and/or Tier 3 programs at a later date. All major customer groupings, including low income consumers, will be provided access to CDM programs over the course of the four years.

Orillia Power looks forward to working closely with customers, other distributors, the OPA and the OEB to further the objectives of conservation and demand management within its service territory.



Ms. Kirsten Walli  
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Mattinson". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

John F. Mattinson, P. Eng.  
President & Secretary  
Orillia Power Distribution Corporation

cc: P. Hurley  
T. Aung  
P. Welsh

## Orillia Power Distribution Corporation CDM Strategy

1. Outlined within this document is the 2011-2014 Conservation and Demand Management Strategic Plan (“CDM Strategy”) for Orillia Power Distribution Corporation (“Orillia Power”).
2. Orillia Power’s 4-year target for Total Reduction in Peak Provincial Electricity Demand (MW) is **3.0 MW**. This target represents 0.23% of the overall 4-year provincial demand reduction target.
3. Orillia Power’s 4-year target for Total Reduction in Electricity Consumption (kWh) is **15 GWh**. This target represents 0.25% of the overall provincial energy savings target.
4. **2011-2014 CDM Strategy Outline**

Orillia Power plans to take a measured approach to achieving the four-year targets established by the Ontario Energy Board. The company has had experience with implementing energy efficiency programs in the residential, commercial/institutional and industrial markets. Low income sector activities and demand reduction activities in all markets are relatively new to Orillia. Consequently, as shown in Table 1, energy efficiency targets are largely “front-end loaded” to take advantage of Orillia Power’s previous experience and the persistence of savings over the four year timeframe, while low income sector and demand reduction activities are scheduled to ramp up more gradually over the term. Orillia Power is planning to fully meet or exceed both its energy savings and demand reduction targets.

Implementation of Province-Wide or Tier 1 programs is expected to achieve at least 80 per cent of both energy and demand targets. Orillia Power will augment the Tier 1 results with Tier 2 and/or Tier 3 initiatives, if needed, once some further experience has been gained with Tier 1 implementation and participation figures. Orillia Power will work with the OPA and other LDCs to explore the opportunity for common Tier 2 initiatives.

Table 1 - CDM Programs Rollout Strategy

	RESIDENTIAL		COMMERCIAL/ INSTITUTIONAL		INDUSTRIAL		LOW INCOME <sup>1</sup>	
	Proportion of Res. Target		Proportion of C&I Target		Proportion of Inst. Target		Proportion of LI Target	
	Demand	Energy	Demand	Energy	Demand	Energy	Demand	Energy
<b>TIER 1</b>	80%		80%		80%		80%	
Year 1	10%	25%	5%	25%	10%	15%	5%	5%
Year 2	20%	25%	15%	25%	15%	25%	20%	20%
Year 3	20%	20%	25%	20%	25%	20%	25%	25%
Year 4	25%	10%	35%	10%	35%	10%	30%	30%
<b>TIER 2</b>	20%		20%		20%		20%	
<b>TIER 3</b>								
<b>TOTAL</b>	100%	100%	100%	100%	100%	100%	100%	100%

1. Assume mid-2011 introduction of Low Income program

## 5. 2011-2014 OPA-Contracted Province-Wide CDM Programs

Orillia Power intends to take advantage of the full suite of OPA-contracted province-wide CDM programs.

### Industrial Program

In order to meet and exceed CDM targets, Orillia Power plans to begin seeking participants to commence in the CDM Industrial Program in December 2010 for program commencement in January 2011 through to 2014. The initial focus will be on largest industrial consumers (based on demand and consumption), and progress through to smaller potential participants. Table 2 provides the detailed assumptions for program implementation in the industrial sector:

Table 2 – Industrial Program Details

	PROJECTED REDUCTION IN CONSUMPTION (MWH)	PROJECTED REDUCTION IN PEAK DEMAND (MW)
2011	1034.17	0.18
2012	2550.60	0.27
2013	4067.03	0.27
<b>2014</b>	<b>5585.73</b>	<b>0.52</b>

Enroll Industrial customers in each of:

1. DR3 Program
2. DR1 Program
  - Industrial customers which are not suitable candidates for DR3
3. Industrial Accelerator Program
  - Provide capital incentive and enabling initiatives
4. Industrial Equipment Replacement Programs

Commercial and Institutional Program

Similar to the Industrial Program, Orillia Power will initially focus on the largest commercial and institutional consumers (based on demand and consumption), and progress through to smaller potential participants. Commercial and Institutional customers’ consumption and peak demand make up a fair portion of Orillia Power’s customer base, and will be significant target for successful fulfillment of targets. Table 3 provides detailed assumptions for program implementation in the commercial/institutional markets:

Table 3 – Commercial/Institutional Program Details

	<b>PROJECTED REDUCTION IN CONSUMPTION (MWH)</b>	<b>PROJECTED REDUCTION IN PEAK DEMAND (MW)</b>
2011	728.92	0.25
2012	2211.19	0.50
2013	3719.78	0.58
<b>2014</b>	<b>5194.77</b>	<b>1.78</b>

Enroll Commercial & Institutional customers in each of:

1. Existing Building Retrofit Programs
2. New Construction Programs
3. DR3 Program
4. DR1 Program
  - a. Industrial customers which are not suitable candidates for DR3
5. Capability Building Programs

Residential Program

As Orillia Power does not have many large industrial customers, focusing on a high level of penetration at the commercial and industrial, as well as residential level will be crucial. Table 4 provides implementation details for program implementation in the residential sector:

Table 4 – Residential Program Details

	PROJECTED REDUCTION IN CONSUMPTION (MWH)	PROJECTED REDUCTION IN PEAK DEMAND (MW)
2011	370.36	0.10
2012	1124.12	0.25
2013	2219.39	0.39
<b>2014</b>	<b>3654.52</b>	<b>0.53</b>

Enroll Residential customers in each of:

1. Appliance Retirement/Exchange Events
2. Instant Discounts (Rebates)
3. HVAC Discounts (Rebates)
4. Midstream Incentives
5. New Construction
6. Enabling Tools

Low Income program

As information is not yet available for OPA’s province-wide Low Income program, it is not yet clear what the projected budget, or expected demand/consumption may be. A significant proportion of Orillia Power’s customer base is comprised of Low Income households, and as a result these programs will likely be marketed more aggressively. Low income implementation details will be provided once the Low Income program design is made available by the OPA.

Portfolio Roll Up

Table 5 provides a “roll up” of the entire Tier 1 program portfolio and demonstrates that Orillia Power’s intent is to maximize the energy savings and demand reduction potential of the Tier 1 portfolio. Tier 2 and 3 initiatives will be considered and developed in the event they are needed to augment results from Tier 1 programs and/or to exceed targeted results.

Table 5 – Tier 1 Portfolio Roll Up:

	PROJECTED REDUCTION IN CONSUMPTION (MWH)	PROJECTED REDUCTION IN PEAK DEMAND (MW)
2011	2133.46	0.52
2012	5885.92	1.01
2013	10006.21	1.23
<b>2014 TOTAL</b>	<b>14435.02</b>	<b>2.83</b>
2014 Target	15000.00	3.00
2014 Difference	-564.98 (96.2% of target)	-0.17 (94.2% of target)

Please note:

1. Consumption projections reflect cumulative energy savings, with savings in the first years, persisting through subsequent years
2. Low Income program is not yet included in these projections

## **6. 2011-2014 Potential Board-Approved CDM Programs**

As mentioned earlier in this document, Orillia Power intends to consider implementing board-approved CDM programs focusing on aspects specific to the customer base of Orillia Power and similar LDC's in the surrounding area. Pending cost effectiveness testing, Orillia Power will make decisions on which program(s) to approach the Board with for approval. Should any potential Tier 2 program(s) be published which may be advantageous for Orillia Power's service territory, these too will be considered for implementation. In the first year (2011), Orillia Power will focus its efforts on getting Tier 1 initiatives up and running smoothly, while it considers potential Tier 2 or 3 program possibilities, as many of the existing OPA-contracted province-wide programs are not yet implemented for Orillia Power's customer base. Emphasis will be placed on aggressively marketing province-wide programs and maximizing participation, particularly for initiatives which provide incremental and persistent energy savings over the four-year term.

There are a relatively large number of new construction projects underway or planned in the near future in the City of Orillia. Members of Orillia Power's team will be in communication with the City Economic Development Manager, the Director of Parks & Recreation and the Manager of Special Projects for more input on City of Orillia plans. Potential Board-approved CDM programs which may be considered in the future would target new building construction/renovation, such as alliances with manufacturers for energy efficient construction materials. More detail will be provided at the time of the first CDM plan amendment, which should allow for introduction of any Tier 2 or 3 programs the second year. Areas of potential focus include geothermal and solar PV fuel switching initiatives, distributed energy opportunities and enhanced appliance exchange opportunities. Also, as mentioned earlier, a significant portion of Orillia Power's customer base is comprised of Low Income customers. Depending on what the OPA offers in terms of its province-wide Low Income program, Orillia Power may choose to introduce complementary activities to further advance efficiency measures for low income consumers.

Further details of program descriptions, the metrics associated with implementation and collaboration opportunities will all be provided when and if Board-approved program proposals are deemed necessary.

## **7. 20011-2014 CDM Program Mix**

Orillia Power intends to offer energy savings program activities and measures to all customer types as outlined in the Tier 1 program descriptions. Some specific demand reduction activities, such as demand response initiatives, may be somewhat less ubiquitously offered in some customer groupings (e.g. low income) based upon low expected take up, but demand reduction will be sourced to some extent from all customer types.

Orillia Power's implementation activities will be conducted through a combination of internal staff and 3<sup>rd</sup> party contractors. Internal staff will focus on marketing, customer care and program/portfolio coordination activities while 3<sup>rd</sup> party contractors will engage in sales, measure implementation and evaluation, measurement and verification (if needed).

## **8. 2011-2014 CDM Programs Co-ordination**

Orillia Power has collaborated with other like-minded utilities, government agencies and local governments to improve the design and implementation of all types of customer-focused program initiatives. This collaboration will continue to improve understanding by customers (education and marketing), drive implementation efficiencies (e.g. common contractors operating in multiple jurisdictions to improve the economics of service delivery) and avoid duplication of effort. Initiatives have already begun in the low income sector, for example, to contact local social service agencies to assist with identification and referral of qualifying low income customers.

Orillia Power staff and contactors are also participating fully in webinars/seminars provided by the OPA to enhance understanding of the Tier 1 initiatives, to conduct cost effectiveness tests for potential Tier 2 and 3 initiatives and to fully utilize the OPA's iCon system for inputting data and tracking program initiatives.