

October 29, 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 (CDM) Code for Electricity Distributors  
Board File No.: EB-2010-0215**

Dear Ms. Walli,

Welland Hydro-Electric System Corp. (WHESC) hereby submits its 2011-2014 CDM Strategy. Our submission is filed in accordance with the Ontario Energy Board's (OEB) 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 Welland Hydro-Electric System Corp.'s 2011-2014 CDM Strategy in PDF format will be submitted through the OEB's Regulatory Electronic Submission System ("RESS").

WHESC has worked closely with 13 electricity distributors, collectively known as the "NEPA GEA Group", on the development of our 2011-2014 CDM Strategy. The table below lists the participating distributors, their respective customer counts and proposed 2011-2014 CDM targets issued by the OEB 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 has enabled WHESC to gain an in-depth understanding of the Green Energy Act and OEB's CDM Code. WHESC expects to meet its proposed targets using a combination of the Ontario Power Authority's Contracted Province-Wide Programs, Smart Meters/TOU rates and if necessary Board-Approved programs.

The WHESC 2011-2014 CDM Strategy is respectfully submitted for the OEB's consideration.

Sincerely,

Ross Peever  
President and C.E.O.  
Welland Hydro-Electric System Corp.

**Welland Hydro-Electric System Corp.**  
**(ED-2003-0002)**

Conservation and Demand Management Strategy 2011-2014

(EB-2010-0215)

November 1, 2010

# Welland Hydro-Electric System Corp.

## CDM Strategy Filing (EB-2010-0215)

November 1, 2010

1. **Distributor's Name:** Welland Hydro-Electric System Corp. (ED-2003-0002).
2. **Total Reduction in Provincial Peak Electricity Demand (MW) Target:** 5.57 MW per the proposed CDM Targets for Electricity Distributors issued by the Ontario Energy Board (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:** 22,418,000 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**

Welland Hydro-Electric System Corp. is filing this CDM Strategy in accordance with the OEB's September 16, 2010 issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). This Strategy outlines how Welland Hydro-Electric System Corp. will attempt to meet its Provincial Peak Electricity Demand and Electricity Consumption targets as set out in its license. This strategy does not take into consideration the significant portion of the target that the Ontario Power Authority (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 308 MW 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, Welland Hydro-Electric System Corp. will continue to employ several different educational and marketing approaches depending on the customer class it is targeting. With the consumer program, Welland Hydro-Electric System Corp. will create awareness and promote the CDM programs via traditional methods such as bill inserts, newspaper ads, online advertising and

attendance at community events. For our commercial, institutional and industrial customers, information sessions and face-to-face meetings have proven to be effective in the past. In addition, collaboration with other Niagara-area 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 and the inclusion of their new construction component (previously HPNC) will result in significant Provincial Peak Electricity Demand and Electricity Consumption savings.

#### 4.1. High Level Description of CDM Strategy

Welland Hydro-Electric System Corp. has utilized the Ontario Power Authority’s (OPA) Resource Planning Tool, along with past CDM performance, other supporting documentation (i.e. OPA residential profile, MPAC database, etc..) and in-depth knowledge of their service territory and customer base, to forecast their 2011 – 2014 reductions in provincial peak electricity demand and electricity consumption.

The following tables summarize both our forecasted annual and cumulative savings by year through the delivery of the OPA-Contracted Province-Wide programs.

##### 4.1.a. Forecasted CDM Target Achievement - Year by Year

Annual Savings	2011	2012	2013	2014
Peak Demand Reduction – kW	1,270	1,290	1,420	1,590
Electricity Consumption Reduction - MWh	2,504	2,700	1,900	502

##### 4.1.b. Forecasted CDM Target Achievement – Annual Milestones

Cumulative Savings	2011	2012	2013	2014
Peak Demand Reduction – kW	1,270	2,560	3,980	5,570
Electricity Consumption Reduction - MWh	2,504	7,708	14,812	22,418

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

### 5.1. Program Descriptions

Welland Hydro-Electric System Corp. is planning to participate and deliver all OPA-Contracted Province-Wide programs to its consumer base. The following tables outline the program name by customer segment.

#### 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
<b>TOTAL</b>	2011-14	1,350 kW	5,300 MWh

Welland Hydro-Electric System Corp.'s plan is based upon the assumption that there will be sufficient funding available to manage and promote the Consumer 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.

### Commercial and Institutional Programs

Name	Years	Description	Target Customers
Equipment Replacement (currently ERIP)	2011-14	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
<b>TOTAL</b>	2011-14	4,050 kW	16,500 MWh

Welland Hydro-Electric System Corp.'s plan is based upon the assumption that there will be sufficient funding available to manage and promote the Commercial and Institutional 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.

## 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 voluntarily 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
<b>TOTAL</b>	2011-14	170 kW	618 MWh

Welland Hydro-Electric System Corp.'s plan is based upon the assumption that there will be sufficient funding available to manage and promote the Industrial 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.

## Low Income Programs

Welland Hydro-Electric System Corp. 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 Welland Hydro-Electric System Corp. does not have any Board-Approved programs planned. Our current assumption is that the OPA-Contracted Province-Wide CDM Programs will allow us to achieve 100% of our 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 that programs will be delivered to all customer types in Welland Hydro-Electric System Corp.'s service area. Welland Hydro-Electric System Corp. 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. Welland Hydro-Electric System Corp. has been working with other LDCs of similar size and/or geographical closeness in the administration, marketing and implementation of the current suite of OPA CDM Programs. Through this continued collaboration, Welland Hydro-Electric System Corp. expects to achieve efficiencies of delivery and cost savings going forward. Welland Hydro-Electric System Corp. will also work closely with social service agencies, local municipal and regional governments, natural gas distributors and other LDCs to deliver its portfolio of OPA-Contracted Province-Wide CDM Programs.