



Westario Power Inc.

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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,

Westario Power Inc., hereby submits its CDM Strategy for the four years 2011 to 2014. Our submission is filed in accordance with the Ontario Energy Board's (the OEB) "*Conservation and Demand Management Code for Electricity Distributors*", issued on September 16, 2010.

Westario Power Inc., worked closely with 13 other electricity distributors collectively known as the "NEPA GEA Group", on the development of our 2011 – 2014 Conservation and Demand Management (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 within the group enabled Westario Power Inc. to gain an in-depth understanding of the Green Energy Act and CDM Code, which assisted in the development of our 2011 - 2014 CDM Strategy. Westario Power 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 the proposed targets.

Westario Power Inc. is pleased to submit its' 2011 – 2014 CDM Strategy for consideration. Two hard copies of the application are enclosed and an electronic copy of Westario Power Inc.'s CDM Strategy in PDF format will be submitted through the OEB's *Regulatory Electronic Submission System* ("RESS").

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alvin Allim", is written over a light blue rectangular background.

Alvin Allim
Chief Financial Officer



Westario Power Inc.

CDM/GEA 2011-2014 Strategy Filing

EB-2010-0215

November 1, 2010

Westario Power Inc.

CDM Strategy Filing

November 1, 2010

1. **Distributor's Name:** Westario Power Inc. (Westario Power, ED-2002-0515) 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). This Strategy outlines how Westario Power will meet the electricity demand and consumption targets set out in its license.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 4 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:** 21,000,000 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**

Westario Power utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration Westario Power'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 significant 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; Westario Power will continue to employ several different educational and marketing approaches depending on the customer class it is targeting. With the consumer program, Westario Power 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 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 | 0.97 | 1.89 | 2.87 | 3.97 |
| Electricity Consumption Reduction - MWh | 2,212 | 4,673 | 6,685 | 8,820 |

| Cumulative Savings | 2011 | 2012 | 2013 | 2014 |
|---|-------|-------|--------|--------|
| Electricity Consumption Reduction - MWh | 2,212 | 6,885 | 13,570 | 22,390 |

5. OPA Contracted Province-Wide CDM Programs

Westario Power's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-Contracted Province-Wide 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.

5.1. Program Descriptions

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 | 1,320 KW | 8,039 MWh |

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 | 2,480 KW | 13,570 MWh |

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 | 170 KW | 781 MWh |

Low Income Programs

Westario Power 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**

At this time Westario Power Inc. does not have any Board-Approved programs planned. Our current assumption is that the OPA CDM programs will allow Westario Power to achieve 100% of 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**

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

Westario 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

Westario Power will, where applicable, 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.