



1 Greendale Drive, Caledonia, ON, N3W 2J3 Tel: (905) 765-5344 Fax: (905) 765-5316

June 10, 2011

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Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli
Board Secretary

**Subject: Haldimand County Hydro Inc. (EB-2010-0215)
Conservation and Demand Management (CDM) Code for Electricity
Distributors – Amended CDM Strategy**

Dear Ms. Walli:

Haldimand County Hydro Inc. submitted a Conservation and Demand Management (CDM) Strategy on October 29, 2010 in accordance with item 2.1 of the CDM Code. In a letter dated November 29, 2010, the Board directed "... *Haldimand County Hydro Inc. (HCHI) to file an addendum to its CDM Strategy that contains estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM Programs and Board-Approved CDM Programs. Budgets associated with the OPA's low-income program do not need to be included.*" In order to have all information contained in one document, we are submitting an amended CDM Strategy.

The budget information is Haldimand County Hydro's best estimate and includes proposed administration costs, participant based funding, and customer incentives. We have also updated HCHI's targets, which were finalized by the Board in its Decision and Order dated November 12, 2010. Revised forecasts are also being included that take into account the OPA-Contracted Province Wide CDM program Master Agreement and program Schedules received after the submission of our October 29, 2010 CDM Strategy.

Two hard copies of the submission are enclosed. An electronic copy of this submission in PDF format will be submitted through the Board's *Regulatory Electronic Submission System* ("RESS").

Haldimand County Hydro Inc. collaborated with 13 other electricity distributors, known as the “Niagara Erie Power Alliance (NEPA) GEA Group”, on the development of its Conservation and Demand Management Strategy. The following Table 1 lists the NEPA participating distributors and their respective customer counts and CDM proposed targets issued by the Ontario Energy Board on November 12, 2010.

Table 1: NEPA Participating Distributors

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	7.370	1.280
Brant County Power Inc.	9,614	9.850	3.300
Brantford Power Inc.	37,668	48.920	11.380
Canadian Niagara Power Inc.	28,291	15.810	4.070
Espanola Regional Hydro Distribution Corp.	3,383	2.760	0.520
Greater Sudbury Hydro Inc.	46,539	43.710	8.220
Grimsby Power Inc.	10,073	7.760	2.060
Haldimand County Hydro Inc.	20,911	13.300	2.850
Niagara Peninsula Energy Inc.	50,823	58.040	15.490
Niagara-on-the-Lake Hydro Inc.	7,880	8.270	2.420
Norfolk Power Distribution Inc.	18,895	15.680	4.250
PUC Distribution Inc.	32,825	30.830	5.580
Welland Hydro-Electric System Corp.	21,916	20.600	5.560
Westario Power Inc.	21,805	20.950	4.240
Total	322,311	303.85	71.22

This amended CDM Strategy is respectfully submitted for the Board's consideration.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Jacqueline A. Scott
 Finance Manager

Haldimand County Hydro Inc.
(ED-2002-0539)

CONSERVATION and DEMAND MANAGEMENT (CDM) STRATEGY
2011 to 2014

Filed: October 29, 2010

Amended: June 10, 2011

Haldimand County Hydro Inc.

Conservation and Demand Management (CDM) Strategy

2011 to 2014

Filed: October 29, 2010

Amended: June 10, 2011

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1. **Distributor's Name:** Haldimand County Hydro Inc. (HCHI) is filing its amended CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's November 29, 2010 letter and in accordance with the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215) issued on September 16, 2010.
 2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 2.85MW per the revised CDM Targets for Electricity Distributors issued by the OEB on November 12, 2010 as part of our amended Distribution Licence. HCHI, in response to an OEB request, filed on October 7, 2010 a request for target reduction based on the embedded loads of Hydro One Networks Inc. and Norfolk Power Distribution Inc. This submission takes into account the target adjustment.
 3. **Total Reduction in Electricity Consumption (kWh) Target:** 13,300,000 kWh per the revised CDM Targets for Electricity Distributors issued by the OEB on November 12, 2010 as part of our amended Electricity Distribution Licence. HCHI, in response to an OEB request, filed on October 7, 2010 a request for target reduction based on the embedded loads of Hydro One Networks Inc. and Norfolk Power Distribution Inc. This submission takes into account the target adjustment.

4. High Level CDM Strategy

HCHI utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration the HCHI service territory's residential profile and past CDM program results, to forecast its reductions in peak demand and energy consumption. At the time of this amended filing, there are initiatives, or portions/processes of initiatives, in each program segment that are not ready for launch and/or delivery.

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. OPA has advised that the CDM targets assigned to all electricity distributors should collectively

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.

The following tables summarize both annual and cumulative savings by year, which at this time, represents a preliminary summary of the expected annual milestones of both peak demand and energy consumption reductions through the delivery of the OPA-contracted Province-Wide programs. Along with annual projected results, HCHI's four year projected budget is included. HCH's projected budget is \$2,633,544 which is comprised of our available fixed funding, expected variable funding requirement and the projected customer incentives to be paid out.

OPA Provincial Programs		2011	2012	2013	2014	Total Projected Budget
Consumer	kW	110	270	440	600	\$ 1,085,737
	MWh	350	1459	2904	4200	
Commercial	kW	310	670	1110	1400	\$1,247,765
	MWh	653	2025	3887	6263	
Industrial	kW	0	40	80	140	\$300,042
	MWh	0	235	700	1498	
Total Annual Peak Demand	kW	420	980	1630	2140	
Total Cumulative Energy	MWh	1003	3719	7491	11961	
Projected Budget	\$	\$676,808	\$782,010	\$700,873	\$473,853	\$2,633,544

5. OPA Contracted Province-Wide CDM Programs

HCHI will continue to utilize a customer-centric marketing approach, including elements ranging from bill inserts to attending community events. HCHI's strategy for commercial and industrial customers will further build on developing and maintaining strong customer relationships in addition to traditional marketing approaches.

A fully allocated and cost effective strategy requires a minimum funding level. As noted in our October 29, 2011 filing, "*Should the "soon to be announced Tier One Program budget not provide adequate funding, HCHI will need to re-evaluate its CDM Strategy."* Adjustments to our strategy are incorporated to accommodate our revised targets and our finalized portion of the Program Administrative Budget (PAB) as provided at the time of signing the Master Agreement. Further adjustments to this plan may be required should program deliverables change or market conditions alter.

The following information outlines the OPA-Contracted Province-Wide programs by name, years of operation, target customers and projected portfolio energy and peak demand reductions.

5.1 Consumer Programs

Name	Years	Description	Target Customers
Conservation Instant Coupon Booklet Initiative and Bi-Annual Retailer Event Initiative - Initiative Schedule B1	2011-14	In-store discounts on energy efficient products	Residential
* Midstream Electronics Initiative - Initiative Schedule B1	2011-14	Retail promotion of energy efficient televisions	Residential
* Midstream Pool Equipment Initiative - Initiative Schedule B1	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Incentives Initiative - Initiative Schedule B1	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement Initiative - Initiative Schedule B1	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Appliance Exchange Initiative - Initiative Schedule B1	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
* Home Energy Assessment Tool Initiative - Initiative Schedule B1	2011-14	On-line home energy assessment with recommendations on how energy consumption can be reduced	Residential
Residential New Construction - Initiative Schedule B2	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes or for major renovations to older homes	Residential
* Residential Demand ("DR") 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
Forecast	2011-14	600KW	4,200 MWh

* At the time of this filing, the OPA has not made this initiative available to the LDC.

5.2 Commercial, Agriculture and Institutional Programs

Name	Years	Description	Target Customers
Energy Audit - Initiative Schedule C1	2011-14	An incentive program designed to encourage commercial and institutional facilities to undertake assessments to identify reductions in electricity demand and consumption	Commercial Institutional
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures	Commercial Institutional
Direct Install Lighting and Water Heating - Initiative Schedule C3	2011-14	A retrofit incentive program for small business customers in the General Service < 50kW class.	Commercial Institutional
* Direct Service Space Cooling Refrigeration Initiative – Initiative Schedule C5	2011-14	An initiative that provides incentive towards servicing of rooftop and ground-mounted air conditioners with a capacity of 25 tons or less.	Commercial Institutional
New Construction and Major Renovation - Initiative Schedule C4	2011-14	An initiative, which provides incentives for energy efficient new building design as well as installation of energy efficient measures.	Commercial Institutional
Existing Building Commissioning - Initiative Schedule C6	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	Commercial Institutional
* Small Commercial Demand Response (“DR”)	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
Demand Response 1 (“DR1”) - Initiative Schedule D5	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Commercial Institutional
Demand Response 3 (“DR3”) - Initiative Schedule D6	2011-14	An initiative where distribution-connected electricity customers provide firm, contract DR capability to reduce peak demand and increase system reliability	Commercial Institutional
Forecast	2011-14	1,400 KW	6,263 MWh

* At the time of this filing, the OPA has not made this initiative available to the LDC.

5.3 Industrial Programs

Name	Years	Description	Target Customers
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures	Industrial
Preliminary Engineering Study, Detailed Engineering Study, Project Incentive and Monitoring & Targeting – Initiative Schedules D1 & D2	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 - Initiative Schedule D3	2011-14	Access funding for customer-employed energy manager(s) for eligible consumers. Access funding for LDC-employed roving energy manager(s)	Industrial
Key Account Manager – Initiative Schedule D4	2011-14	Join with other LDCs in close geographical proximity to apply for a shared Key Accounts Manager	Industrial
Demand Response 1 (“DR1”) - Initiative Schedule D5	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Industrial
Demand Response 3 (“DR3”) - Initiative Schedule D6	2011-14	An initiative where distribution-connected electricity customers provide firm, contract DR capability to reduce peak demand and increase system reliability	Industrial
Forecast	2011-14	140 KW	1,498 MWh

5.4 Low Income Program

HCHI intends to participate in the OPA-Contracted Province-Wide Low Income Program.

6. **Potential Board-Approved CDM Programs**

At this time HCHI does not have any Board-Approved programs planned. It is the intent to meet energy and demand reduction requirements by delivering OPA-Contracted Province-Wide programs should funding be available to do so. Requirement to participate in Board-Approved programs may result from an inability to deliver OPA-Contracted Province-Wide programs within the determined prescribed OPA funding model or the net results do not meet expected demand and energy savings. It is our intent to review opportunities to collaborate with other LDCs in Tier Two programs.

7. Program Mix

Section 5 above illustrates the programs which will be delivered to all customer types in HCHI's service territory, including residential, commercial, industrial, agricultural and institutional customers. The programs are amended to reflect the program name as depicted in the Master Agreement and Program Schedules. The strategy was developed having regard to the composition of HCHI's customer base with a range of customers in both rural and urban settings requiring program delivery throughout the second largest service territory in the province.

HCHI intends on participating in the OPA-Contracted Province-Wide Low Income Program.

8. CDM Programs Co-ordination

HCHI has been working closely with other LDCs of similar size and/or geographical proximity in the administration, marketing and implementation of the current OPA Contracted Province-Wide programs being offered. Through this continued collaboration HCHI is projecting to achieve similar delivery efficiencies.

HCHI will, where appropriate, work closely with local Social Service Agencies, local municipal government, 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.