



June 13, 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: Niagara-on-the-Lake Hydro Inc. (Board File No.: EB-2010-0215)
Conservation and Demand Management (CDM) Code for Electricity Distributors – Amended
CDM Strategy**

Dear Ms. Walli,

Niagara-on-the-Lake Hydro Inc. (NOTL) submitted a Conservation and Demand Management (CDM) Strategy on November 1, 2010 in accordance with item 2.1 of the CDM Code. In a November 30th, 2010 letter, the Board directed Niagara-on-the-Lake Hydro Inc. 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. Niagara-on-the-Lake Hydro Inc. is therefore submitting an amended CDM Strategy to update NOTL's final CDM targets and include estimated budget information.

The budget information is NOTL's best estimate using the best available information at this time. The proposed budget includes administration costs; participant based funding and customer incentives. We have also updated the targets, which were finalized by the Board after we had submitted our Strategy. Revised forecasts are also being included as OPA-Contracted Province Wide CDM program Master Agreement and program Schedules were posted after we submitted our 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”).

Niagara-on-the-lake 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 (CDM) Strategy. The following table lists the NEPA participating distributors and their respective customer counts and revised CDM proposed targets issued by the Ontario Energy Board on November 12, 2010.

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

The amended CDM Strategy is respectfully submitted for the Board’s consideration.

Sincerely,
Niagara-on-the-Lake Hydro Inc.

Originally Signed By:

Jim Huntingdon
President

Niagara-on-the-Lake Hydro Inc.

(ED-2002-0547)

Conservation and Demand Management (CDM) Strategy

2011 to 2014

Filed: November 1, 2010

Amended: June 13, 2011

Niagara-on-the-Lake Hydro Inc.

Conservation and Demand Management (CDM) Strategy Filing

2011 to 2014

Filed: November 1, 2010

Amended: June 13, 2011

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1. **Distributor's Name:** Niagara-on-the-Lake Hydro Inc. (NOTL) is filing its amended CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's November 30th, 2010 letter and in accordance to the Issuance of the Conservation and Demand Management Code for Electricity Distributors (ED-2010-0215) issued on September 16, 2010.
 2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 2.42 MW per the Local Distribution Company (LDC) CDM Targets for Electricity Distributors issued by the Ontario Energy Board (OEB) on November 12, 2010.
 3. **Total Reduction in Electricity Consumption (KWh) Target:** 8,270 MWh per the LDC CDM Targets for Electricity Distributors issued by the Ontario Energy Board (OEB) on November 12, 2010.
 4. **High Level CDM Strategy**

It is NOTL's intent to meet energy and demand reduction requirements by delivering OPA-Contracted Province-Wide programs should funding be available. At the time of this amended filing, there are initiatives, or portions/processes of initiatives, in each OPA program segment that are not available to LDCs or 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.

NOTL utilized the Ontario Power Authority’s (OPA) Resource Planning Tool, taking into consideration NOTLs service territory’s residential profile and past CDM program results, to forecast it’s reductions in peak demand and energy consumption.

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, NOTL’s four year projected budget is included. NOTL’s projected budget is \$1,796,636 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	111.8	167.7	167.7	559	\$ 704,514
	MWh	624	800	800	2625	
Commercial	kW	220	300	300	905	\$ 862,206
	MWh	653	1100	1500	3439	
Industrial	kW	0	100	110	389	\$ 229,915
	MWh	0	235	700	1213	
Total Annual Peak Demand	kW	331.8	567.7	577.7	1853	
Total Cumulative Energy	MWh	1277	2135	3000	7277	
Projected Budget	\$	\$437,805	\$538,991	\$491,021	\$ 328,819	\$ 1,796,636

5. OPA Contracted Province-Wide CDM Programs

NOTL will utilize a customer-centric marketing approach, including elements ranging from bill inserts to attending community events. NOTL’s strategy for commercial and industrial customers will further build on developing and maintaining strong customer relationships in addition to traditional marketing approaches. NOTL will also collaborate with other LDCs to educate local contractors about the conservation initiatives available to their clients.

A fully allocated and cost effective strategy requires a minimum funding level. Adjustments to NOTL’s strategy are incorporated to accommodate targets and 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 Incentive – 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 and 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	Residential
** Residential 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	Residential
Forecast	2011-14	559 kW	2,625 MWh

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

**Niagara-on-the-Lake Hydro will be participating in a “version” of a residential demand response program with plans to pursue their recent Load Control Pilot as a Board Approved Program going forward. Also at the time of this filing, the new RDR schedule was not made available to LDCs from the OPA.

5.2 Commercial, Agricultural & 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 assessment 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.	Commercial Institutional
* Direct Service Space Cooling Refrigeration Initiative – Initiative Schedule C5	2011-14	An 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 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
** 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
Demand Response 1 – 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 – 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
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
Forecast	2011-14	905 kW	3,439 MWh

* At the time of this filing, this initiative was not made available by the OPA to the LDC.
 **Niagara-on-the-Lake Hydro will be participating in a “version” of a small commercial demand response program with plans to pursue their recent Load Control Pilot as a Board Approved Program going forward. Also at the time of this filing, the new SCDR schedule was not made available to LDCs from the OPA.

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 Accounts 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 – 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 – 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	389 kW	1,213 MWh

5.4 Low Income Program

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

6. Potential Board-Approved CDM Programs

At this time, NOTL is researching the opportunity to further develop their recent Residential Load Control Pilot (which was funded through the OPA custom program), in hopes to migrate over to a full Tier 3 (or Tier 2) initiative. NOTL hopes to further develop this opportunity to include small commercial. NOTL plans to work diligently with other LDC's to discover other potential program opportunities to further expand their CDM 2011-2014 portfolio through Board Approved Programs.

7. Program Mix

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

8. CDM Programs Co-ordination

Niagara-on-the-Lake Hydro 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, Niagara-on-the-Lake Hydro expects to achieve efficiencies of delivery and cost savings going forward. Niagara-on-the-Lake Hydro 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.