
Enersource Hydro Mississauga Inc.

Conservation and Demand Management

2012 Annual Report

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September 30, 2013

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Executive Summary

This annual report is submitted by Enersource Hydro Mississauga Inc. (“Enersource”) in accordance with the filing requirements set out in the Conservation and Demand Management Code for Electricity Distributors, Board File No. EB-2010-0215 (“CDM Code”), and specifically, the Appendix C Annual Report Template, as a progress report and update to the Enersource CDM Strategy filed with the Ontario Energy Board (“Board” or “OEB”) on November 1, 2010. Accordingly, this report outlines Enersource’s CDM activities for the period of January 1, 2012 to December 31, 2012. It includes net peak demand and net energy savings achieved in 2011 and 2012, discussion of the current/future CDM framework, CDM program activities, successes and challenges, as well as forecasted savings to the end of 2014.

Enersource did not apply for any Board-approved CDM programs during 2012; however, as noted in the Guidelines for Electricity Distributors Conservation and Demand Management (“CDM Guidelines”), released April 26, 2012, the Board has deemed Time-of-Use (“TOU”) pricing to be a province-wide Board-approved CDM program. The Ontario Power Authority (“OPA”) is to provide measurement and verification on TOU. At the time of this report the OPA has not released any verified results of TOU savings to Enersource.

In 2011, Enersource contracted with the OPA to deliver a portfolio of OPA-contracted province-wide CDM programs (“OPA Programs”) to all customer segments including residential, commercial, institutional, industrial and low income. Most of these programs were rolled-out by the OPA in June 2011. These 2011 program activities were centered on building a foundation for full program execution over the next three years of the program term, including staffing, procurement, and program delivery.

In 2012, Enersource has achieved 36,523 MWh in energy savings and 15.2 MW in peak demand savings (note: the peak demand figure consists of 8.1 MW of various energy efficiency program savings and 7.1 MW of various demand response program savings). The cumulative savings from the programs implemented in 2011 and 2012 that are expected to be achieved over the four year period, 2011-2014, are 277,354 MWh of energy savings and 18.008 MW of demand savings, representing 66.5% and 19.4% of Enersource’s 2014 energy and demand savings targets, respectively. These results are shown in Table 1 and Table 2 below.

These results are reflective of a considerable effort expended by Enersource, in cooperation with other LDCs, customers, channel partners and stakeholders to overcome many operational and structural issues that limited program effectiveness across all market sectors. This achievement is a success and the relationships built within the 2011-2014 CDM program term will aid results in a subsequent CDM term.

Despite continuing improvements to existing programs, Enersource faces challenges in the remaining years of the current CDM framework. With the current slate of available OPA Programs, and the current forecast of implementation and projected savings, Enersource expects to meet 96% of its 417,220 MWh energy consumption target but will struggle to meet its 92.98 MW demand savings target. As a result, Enersource has forecast a 17% MW shortfall to its demand target by the end of 2014.

Table 1: Enersource Net Energy Consumption CDM Savings Results for Programs Implemented 2011 - 2012

CDM PROGRAM	As At December 31, 2012 Net Incremental MWh Savings			2011 - 2014 Net Cumulative MWh Savings		
	Target Savings	Actual Savings	% Targets Achieved	Target Savings	Actual Savings	% Targets Achieved
Residential	4,955	3,856	78	123,357	36,960	30
Commercial & Institutional	21,260	32,561	153	197,517	232,086	118
Industrial	567	106	19	96,346	8,308	9
TOTAL CDM	26,782	36,523	136	417,220	277,354	66.5

Table 2: Enersource Net Peak Demand CDM Savings Results for Programs Implemented 2011 - 2012 (1)

CDM PROGRAM	As at December 31, 2012 Net Incremental MW Savings			2011 - 2014 Net Annual MW Savings		
	Target Savings	Actual Savings	% Targets Achieved	Target Savings	Actual Savings	% Targets Achieved
Residential	1.757	1.063	61	18.500	3.283	18
Commercial & Institutional	4.113	7.001	170	48.079	14.301	30
Industrial	0.213	0.003	1	26.401	0.424	2
TOTAL CDM	6.083	8.067	133	92.980	18.008	19.4

(1) The net incremental actual savings as at December 31, 2012 shown on Table 2 are based on Scenario 1 OPA Results, which exclude the savings of demand response programs, or 7.105 MW.

Enersource will continue delivering all available OPA Programs in order to progress towards its CDM Targets by December 31, 2014. Enersource also expects to receive additional savings credits, not currently factored into the results shown on Table 1 and Table 2, in 2014 through the delivery of the OEB-approved CDM programs via the TOU pricing savings.

The updated forecast to 2014 prepared for this report shows that there will be a shortfall of approximately 16 MW, or 17%, versus Enersource's 2014 peak demand reduction target. Enersource also expects to achieve 96% of its 2014 energy savings target. To improve upon these expected shortfalls, Enersource continues to work actively on participant engagement. Enersource has partnered with other LDCs, and has been working with the OPA and the Electricity Distributors Association ("EDA") to improve program effectiveness.

Background

On March 31, 2010, the Minister of Energy and Infrastructure of Ontario, under the guidance of sections 27.1 and 27.2 of the *Ontario Energy Board Act, 1998*, directed the OEB to establish Conservation and Demand Management (“CDM”) targets to be met by electricity distributors. Accordingly, on November 12, 2010, the OEB amended the distribution license of Enersource to require Enersource, as a condition of its license, to achieve 417.2 GWh of energy savings and 92.98 MW of summer peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

In accordance with the same Minister’s directive, the OEB issued the Conservation and Demand Management Code for Electricity Distributors (the “Code”) on September 16, 2010. The Code sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses. To comply with the Code requirements, Enersource submitted its CDM Strategy on November 1, 2010 which provided a high level of description of how Enersource intended to achieve its CDM targets.

The Code also requires a distributor to file annual reports with the Board. This is the second Annual Report by Enersource and has been prepared in accordance with the Code requirement and covers the period from January 1, 2012 to December 31, 2012.

Enersource submitted its 2011 Annual Report on October 1, 2012 which summarized the CDM activities, successes and challenges experienced by Enersource for the January 1, 2011 to December 31, 2011 period. The OEB’s 2011 CDM Results Report identified that the delay in the full suite of CDM programs being made available by the OPA, and the absence of some programs negatively impacted the final 2011 results for the LDCs. This issue was also highlighted in Volumes I and II of the Environmental Commissioner’s *Report on Ontario’s Annual Energy Conservation Progress*.

On December 21, 2012, the Minister of Energy directed the OPA to fund CDM programs which meet the definition and criteria for OPA-contracted province-wide CDM programs for an additional one-year period from January 1, 2015 to December 31, 2015.

The Ministerial Directive did not amend the timelines for LDCs to achieve their energy savings and demand savings targets. Therefore, the main focus of the LDCs remains the achievement of CDM targets by December 31, 2014.

1 Conservation Framework

1.1 Current Framework

Ontario's current CDM framework is a key step towards creating a culture of conservation in the Province. The Ontario Government ("Government") Directive to the OEB to establish CDM targets that would be met by electricity distributors recognizes the importance of CDM for both electricity customers and the electricity system. CDM helps customers manage rising energy costs, supports the provincial integrated supply plan, and addresses local distribution and transmission supply constraints. The current framework was intended to enable customers to benefit from a suite of both Board-approved and OPA province-wide programs and provide a portfolio that would meet both broad and specific customer needs.

The state of Board-approved programs and the current suite of province-wide OPA programs has limited CDM offerings to customers. This has produced limited savings and has restricted the associated opportunity for LDCs to meet their targets. The process to introduce changes to current program initiatives or to pilot new initiatives has been challenging, involving considerable cost and effort, which has resulted in limited benefits to customers and CDM savings.

Moving forward, the future CDM framework should address the challenges of the current framework and build on its strengths. Currently overbuilt governance and excessive legal requirements results in a slow, bureaucratic process, with a burdensome administrative process. There is a misalignment of control and risk where LDCs have the accountability to achieve their respective CDM targets as a condition of distribution license, but the authority for design and funding are controlled substantially by the OPA.

The most-recent Ministerial Directive provides continuity of the conservation programs and associated compensation for the participants; however the subsequent savings would not be attributed to an LDC's target and in effect would be 'lost' due to misalignment of the current CDM framework and LDC targets. In addition, the establishment of defined administrative funding for 2015 is required to avoid a "stop and start" process.

1.2 Future Framework

LDCs are supportive of the Government's renewed commitment for CDM in Ontario. LDCs are committed to working with the Government and other stakeholders to develop the next framework for CDM in the Province.

Long-term commitment for CDM funding and a confirmation of the role of the LDCs are needed. This will allow LDCs to maintain current program infrastructure, including LDC staff and third party contracts, through 2015.

Providing clarity and continuity into the next framework is critical for all customers. To ensure a seamless and smooth transition that maintains and builds upon CDM momentum beyond 2014, a new CDM framework should be in place well before the expiry of the current one. Work involving key parties, including LDCs, government, customer groups and the OEB, should start now to allow for a new framework to be in place by early 2014. The remainder of 2014 would be utilized for program development and design, economic analysis, procurement and launching of new CDM program initiatives.

2 Board-Approved CDM Programs

2.1 Introduction

In its Decision and Order dated November 12, 2010 in EB-2010-0215 and EB-2010-0216, the OEB ordered that, to meet its mandatory CDM targets, “Each licensed electricity distributor must, as a condition of its licence, deliver Board-approved CDM programs, OPA-contracted province-wide CDM programs, or a combination of the two”.

At this time, the implementation of TOU pricing is the only Board-approved CDM program that is being offered in Enersource’s service area.

2.2 TOU Pricing

2.2.1 Background

In its April 26, 2012 CDM Guidelines, the OEB recognizes that a portion of the aggregate electricity demand target was intended to be attributable to savings achieved through the implementation of TOU pricing. The OEB establishes TOU prices and has made the implementation of this pricing mechanism mandatory for distributors. On this basis, the OEB has determined that distributors will not have to file a Board-approved CDM program application regarding TOU pricing. The OEB has deemed the implementation of TOU pricing to be a Board-approved CDM program for the purposes of achieving the CDM targets. The costs associated with the implementation of TOU pricing are recoverable through distribution rates, and not through the Global Adjustment Mechanism (“GAM”).

In accordance with a Directive dated March 31, 2010 by the Minister of Energy and Infrastructure, the OEB is of the view that any evaluation of savings from TOU pricing should be conducted by the OPA for the Province, and then allocated to distributors. Enersource will report these results upon receipt from the OPA.

At the time of preparation of this report the OPA had retained the Brattle Group as the TOU evaluation contractor and will be working with an expert panel convened to provide advice on methodology, data collection, and models. The initial evaluations were conducted with five LDCs – Hydro One Networks Inc., Toronto Hydro-Electric System Limited, Hydro Ottawa Limited, Thunder Bay Hydro Electricity Distribution Inc. and Newmarket-Tay Power Distribution Ltd. Preliminary results from these five LDCs were issued in August 2013 and preliminary provincial results were extrapolated to assist other LDC forecasts going forward.

As of September 30, 2013, the OPA has not released any verified results of TOU savings to Enersource. Therefore Enersource is not able to provide any verified savings

related to the TOU program at this time. In August 2013, the OPA released a preliminary estimate of 179 MW of province-wide peak demand savings from TOU. This is a 42% reduction from the 2010 business case estimate of 308 MW.

2.2.2 TOU Program Description

Target Customer Type(s): Residential and small business customers (up to 250,000 kWh per year)

Initiative Frequency: Year-round

Objectives: TOU pricing is designed to incent the shifting of energy usage. Therefore peak demand reductions are expected, and energy conservation benefits may also be realized.

Description: In August of 2010, the OEB issued a final determination to mandate TOU pricing for Regulated Price Plan (“RPP”) customers by June 2011, in order to support the Government’s expectation for 3.6 million RPP consumers to be on TOU pricing by June 2011, and to ensure that smart meters funded at ratepayer expense are being used for their intended purpose.

The RPP TOU price is adjusted twice annually by the OEB. A summary of the RPP TOU pricing is provided below.

Table 3: RPP TOU Pricing Summary

Effective Date	Prices (cents/kWh)		
	On Peak	Mid Peak	Off Peak
November 1, 2010	9.9	8.1	5.1
May 1, 2011	10.7	8.9	5.9
November 1, 2011	10.8	9.2	6.2
May 1, 2012	11.7	10	6.5
November 1, 2012	11.8	9.9	6.3
May 1, 2013	12.4	10.4	6.7

Delivery: The OEB sets the TOU prices; LDCs install and maintain the smart meters; LDCs convert customers to TOU billing.

2.2.3 TOU Initiative Activities/Progress

Enersource began transitioning its customers to TOU in September 2011. On December 31, 2011, 25,494 customers were on TOU. At December 31, 2012, 178,509 customers were on TOU.

2.3 Enersource's CDM-Related Applications with the OEB

By application dated January 27, 2011, seeking an extension to its mandated time-of-use pricing date, Enersource received Board approval for an exemption from the requirement to apply TOU pricing under the Standard Supply Service Code until May 31, 2012.

In its application for 2012 rates, EB-2011-0100, Enersource received approval for the recovery of lost revenues associated with its conservation efforts, per the Lost Revenue Adjustment Mechanism ("LRAM"). Enersource's LRAM claim in that proceeding represented lost revenues arising from the persistence of 2005-2009 CDM programs in 2010 and lost revenues from 2010 CDM programs in 2010. No claim was included for 2011 or 2012.

In a separate LRAM application, EB-2013-0024, Enersource received approval for the recovery of lost revenues in 2011 and 2012 from the persistence of CDM programs implemented prior to 2011. Enersource's LRAM claim in that proceeding represented lost revenues arising from the persistence of 2005-2010 CDM programs in 2011 and 2012.

On April 26, 2012, the Board issued "Guidelines for Electricity Distributor Conservation and Demand Management" ("CDM Guidelines"). In these CDM Guidelines, the Board established a new approach for LRAM for the 2011-2014 CDM period and authorized the establishment of an LRAM variance account ("LRAMVA") to capture variances between the actual results of CDM programs and the levels forecast in LDC load forecasts underpinning rates.

Enersource tracks and monitors the impacts of CDM activities from 2011-2014 and records these variances in the LRAMVA, in accordance with the CDM Guidelines.

3 OPA-Contracted Province-Wide CDM Programs

3.1 Introduction

Effective March 1, 2011, Enersource entered into an agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014. The programs included under this agreement are listed in Table 4 below. Further program details are included in Appendix A.

Table 4: OPA-Contracted Province-Wide CDM Program Initiatives

Initiative	Schedule	Date schedule posted	Customer Class
Residential Programs			
Appliance Retirement	Schedule B-1, Exhibit D	Jan 26, 2011	All residential rate classes
Appliance Exchange	Schedule B-1, Exhibit E	Jan 26, 2011	All residential rate classes
HVAC Incentives	Schedule B-1, Exhibit B	Jan 26, 2011	All residential rate classes
Conservation Instant Coupon Booklet	Schedule B-1, Exhibit A	Jan 26, 2011	All residential rate classes
Bi-Annual Retailer Event	Schedule B-1, Exhibit C	Jan 26, 2011	All residential rate classes
Retailer Co-op	n/a	n/a	All residential rate classes
Residential Demand Response	Schedule B-3	Aug 22, 2011	All general service classes
New Construction Program	Schedule B-2	Jan 26, 2011	All residential rate classes
Commercial & Institutional Programs			
Efficiency: Equipment Replacement	Schedule C-2	Jan 26, 2011	All general service classes
Direct Install Lighting	Schedule C-3	Jan 26, 2011	General Service < 50 kW
Existing Building Commissioning Incentive	Schedule C-6	Feb 2011	All general service classes
New Construction and Major Renovation Initiative	Schedule C-4	Feb 2011	All general service classes
Energy Audit	Schedule C-1	Jan 26, 2011	All general service classes
Commercial Demand Response (part of the Residential program schedule)	Schedule B-3	Jan 26, 2011	All general service classes
Demand Response 3 (part of the Industrial program schedule)	Schedule D-6	May 31, 2011	General Service 50 kW & above

Industrial Programs			
Process & System Upgrades	Schedule D-1	May 31, 2011	General Service 50 kW & above
Monitoring & Targeting	Schedule D-2	May 31, 2011	General Service 50 kW & above
Energy Manager	Schedule D-3	May 31, 2011	General Service 50 kW & above
Key Account Manager ("KAM")	Schedule D-4	May 31, 2011	General Service 50 kW & above
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Schedule C-2	May 31, 2011	General Service 50 kW & above
Demand Response 3	Schedule D-6	May 31, 2011	General Service 50 kW & above
Home Assistance Program			
Home Assistance Program	Schedule E-1	May 9, 2011	All residential rate classes

In addition, results were realized towards Enersource's 2011-2014 targets through the following pre-2011 OPA programs shown in Table 5.

Table 5: Pre-2011 OPA Programs

Pre-2011 Programs			
Electricity Retrofit Incentive Program	n/a	n/a	All general service classes
High Performance New Construction	n/a	n/a	All general service classes
Multifamily Energy Efficiency Rebates	n/a	n/a	All general service classes

As per Table 6 below, several OPA program initiatives are no longer available to customers or have not been launched in 2012.

Table 6: OPA CDM Programs Not in Market in 2012

Initiative Not in Market in 2012	Objective	Status
Residential Programs		
Midstream Electronics	The objective of this initiative is to encourage retailers to promote and sell high efficiency televisions, and for distributors to distribute high efficiency set top boxes.	Never launched and removed from Schedule in Q2, 2013.

Initiative Not in Market in 2012	Objective	Status
Midstream Pool Equipment	The objective of this initiative is to encourage pool installers to sell and install efficient pool pump equipment in residential in-ground pools.	Never launched and removed from Schedule in Q2, 2013.
Aboriginal Conservation Program	First Nations programs are delivered by the OPA and results are attributed to LDCs for reporting.	Launched in 2013 by OPA.
Home Energy Audit Tool	This is a provincial online audit tool to engage customers in conservation and help drive customer participation to CDM programs.	Never launched and removed from Schedule in Q2, 2013.
Commercial & Institutional Programs		
Direct Service Space Cooling	The objective of this initiative is to offer free servicing of air conditioning systems and refrigeration units for the purpose of achieving energy savings and demand reduction.	Not launched to market in 2011/2012. As per the OPA there are no plans to launch this Initiative in 2013.
Demand Response 1 ("DR1")	This initiative allows distribution customers to voluntarily reduce electricity demand during certain periods of the year pursuant to the DR 1 contract. The initiative provides DR payment for service for the actual electricity reduction provided during a demand response event.	No customer uptake for this initiative. As a result this Initiative was removed from the Schedule in Q4, 2012.
Industrial Programs		
DR1	As above	No customer uptake for this initiative. Removed in Q4, 2012.

The Master CDM Program Agreement between LDCs and the OPA includes a program change management provision in Article 3. Collaboration between the OPA and the LDCs commenced in 2011, and continued in 2012, as the change management process was implemented to enhance the saveONenergy program suite. The change management process allows for modifications to the Master CDM Program Agreement and Initiative Schedules. The program enhancements give LDCs additional tools and

greater flexibility to deliver programs in a way that meets the needs of customers and further drives participation in the initiatives.

3.2 Program Descriptions

Full descriptions of OPA-contracted province-wide CDM programs are available on the OPA's website at <http://www.powerauthority.on.ca/lcd-province-wide-program-documents> and additional initiative information can be found on the saveONenergy website at <https://saveonenergy.ca>. The targeted customer types, objectives, and individual descriptions for each program initiative are detailed in Appendix A. Discussion of Enersource's experience with these programs is provided below.

3.2.1 RESIDENTIAL PROGRAMS

Description: Provides residential customers with programs and tools to help them understand and manage the amount of energy they use throughout their entire home and help the environment.

Objective: To provide incentives to both existing homeowners and developers/builders to motivate the installation of energy efficiency measures in both existing and new home construction.

Discussion:

The inclusion of LED technology into the Bi-annual Retailers events in 2012 and the annual coupons in 2013, as well as some LDC custom coded coupons, has had a positive effect on consumer engagement. The revamped **peaksaver PLUS[®]** program is the main Residential initiative which drives savings for LDCs and has been well received by consumers eager to utilize an In-Home Display ("IHD") to help manage their energy consumption.

The Residential Program portfolio is predominately a carryover of initiatives from previous programs. It is mostly driven by retailers and contractors who may not have fully delivered what was anticipated. Three new initiatives were never launched and subsequently removed from the schedule in 2013 with no new additions. Delays in communication with regards to initiative offerings and results reporting have hampered LDCs' abilities to engage customers and promote participation. Province-wide advertising has provided limited value due to inconsistency and non-specific messaging.

Work to revitalize and increase the effectiveness and breadth of the initiatives through the Residential Program needs to be a high priority. There are opportunities within the Residential marketplace that need to be identified, developed and offered to customers. A revised home audit and other initiatives which could engage an average residential customer could be considered. Increased control by the LDCs such as 100% attributable coupons for LDCs and/or LDC hosted exchange events may present an opportunity for improved saving.

3.2.1.1 *Appliance Retirement Initiative*

Initiative Activities/Progress:

- Enersource received credit for 1,075 appliances collected, down from 2,062 in 2011, contributing 21% and 23% of Enersource's 2012 kW and kWh targets, respectively.
- There has been a steep decline in program results in comparison to 2011, despite increased marketing efforts.
- However, Enersource will continue to promote this initiative in combination with the saveONenergy residential programs in order to increase program uptake.

Additional Comments:

- With the increase in appliance age to 20 years in 2013, many LDCs increased marketing and outreach throughout 2012 in an effort to increase uptake and achieve savings.
- Due to the duration of the program, and the revised appliance eligibility requirements to a minimum age of 20 years old, this initiative appears to have reached market saturation and has been under consideration for removal from the portfolio.
- Rather than strictly remove this initiative from the schedules, the OPA and LDCs could review opportunities for other similar measures for stoves, dishwashers, washers and dryers. The framework of this initiative may be a suitable foundation for a more holistic Residential appliance retirement program. As such, the Residential portfolio could be strengthened through program evolution rather than weakened through diminished program offerings.
- As results are very responsive to province-wide advertising, OPA provincial marketing should continue to play a key role.
- The OPA and LDCs can continue working to establish partnerships with independent retailers and municipalities.

3.2.1.2 *Appliance Exchange Initiative*

Initiative Activities/Progress:

- Promotion of this program in Enersource's territory has been made difficult with the short notices of the timing of retail exchange events and the incentive involved. Enersource continues to make best efforts in booking media slots for this initiative.

- Enersource continues to promote this program through social media channels in addition to radio and print.
- This program is not a major contributor in terms of savings for Enersource. Enersource targets to collect 300 units annually through this initiative, but only 118 units were collected in 2012, contributing 24% and 32% of Enersource's 2012 kW and kWh targets, respectively.

Additional Comments:

- This initiative, eligible measures and incentive amounts are influenced by the retail partner with no direct involvement from the LDCs. The restrictive, limited and sometimes non-participation of local stores can diminish the savings potential for this initiative.
- To date there has only been one retailer participant in the Appliance Exchange Initiative. The Fall events have not had retailer participation, therefore savings budgeted by the LDCs have not materialized.
- Evaluation, Measurement, and Verification ("EM&V") results indicated that the value of savings for retired room air conditioners ("AC") has dropped resulting in the retail participant not accepting window ACs during the Spring 2013 event.
- Notification regarding retailer participation and eligible measures continues to be delayed. Improved communications will aid in appropriate resource allocation and marketing of the initiative.
- This initiative may benefit from the disengagement of the retailer and allowing LDCs to conduct these events, possibly as part of a larger community engagement effort, with the backing of the OPA's contractor for appliance removal.
- The initiative appears to require more promotion from retailers and LDCs.

3.2.1.3 HVAC Incentives Initiative

Initiative Activities/Progress:

- The HVAC incentives program continues to bring in the bulk of energy and demand savings for Enersource. However, a decline is observed in the number of incentive rebate credits in 2012 in comparison to 2011. Combined with the reduced net to gross adjustment, Enersource is now further from achieving the established 2012 kW and kWh targets.
- Enersource continues to market this program heavily utilizing social media, print, TV and radio with a focus on either "cool savings" or "warm up to" messaging,

depending on the season, in addition to utilizing an events team to promote the program at local events to create awareness for the program.

Additional Comments:

- Incentive levels appear to be insufficient to prompt participants to upgrade HVAC equipment prior to end of useful life. It is hoped that the introduction of an Air Miles incentive in 2013 may help with this.
- This initiative is contractor driven with LDCs responsible for marketing efforts to customers. More engagement with the HVAC contractor channel should be undertaken to drive a higher proportion of furnace and central air conditioner sales to eligible units.
- Channel partners require timeliness of the rebate process to maintain a positive relationship between consumers, contractors, the OPA, and the participating LDC. Due to a contracting delay no applications were processed from approximately the end of October 2012 to February 2013.
- LDC HVAC reports have been delayed and are not as complete and accurate as are required by LDCs to make adjustments to their marketing strategies.
- In an effort to build capacity, mandatory training has been instituted for all participating HVAC contractors. This could present too much of a barrier for participation for some contractors as the application process already presents a restriction to contractor sales. It has been noted that there are approximately 4500 to 5000 HVAC contractors in the Province, however only 1500 are participating in this program.
- There are cases where non-participating contractors are offering their own incentives (by discounting their installations to match value of the OPA incentive) to make the sale. This occurs outside of the initiative, but these installations should be attributed to the appropriate LDC.

3.2.1.4 Conservation Instant Coupon Initiative

Initiative Activities/Progress:

- Coupons were made available on Enersource's website for only a short period of time in 2012 and hence, the low achievement of related savings. Should the coupons be made available all year, printed versions would be made available for customers to pick up at Enersource service counters, given out at local events and included in bills as an insert.

Additional Comments:

- This initiative was ineffective for most of 2012 as the instant coupons (annual) were not available to consumers until September 2012. As such, savings budgeted by LDCs did not materialize.
- The timeframe for retailer submission of redeemed coupons vary from retailer to retailer, and in some cases has been lengthy. The delays and incomplete results reporting limits the ability to react and respond to initiative performance or changes in consumer behaviour. This also resulted in the delayed launch of the initiative in 2012.
- Coupon booklets were not printed and mailed out in 2012. As such, coupons were not widely available to consumers without the ability to download and print them.
- Without provincial coupon distribution, and delay in initiative launch, consumers may not have been aware of the online coupons. This initiative could benefit from provincial marketing as a substitute to distribution.
- LDCs should be able to custom code all coupons to provide 100% allocation and push specific coupons based on localized needs.
- The product list could be distinctive from the Bi-Annual Retailer Event Initiative in order to gain more consumer interest and uptake.
- Program evolution, including new products and review of incentive pricing for the coupon initiatives, should be a regular activity to ensure continued consumer interest.

3.2.1.5 *Bi-Annual Retailer Event Initiative***Initiative Activities/Progress:**

- As Enersource does not have direct influence over the actual savings as a result of this event (i.e. regardless of the number of coupons claimed by Enersource customers, only approximately 4% is attributed to Enersource), Enersource utilizes best efforts to promote this program.
- Enersource published flyer jackets in The Mississauga News, dispatched events teams to all The Home Depot locations in its service territory at least once during the span of the program month and hired a Mississauga based online radio station to do live broadcasting as a kick off to the event.

- Enersource views this as a good opportunity to promote energy efficient products, cross promote other residential initiatives and to survey customer satisfaction/response to saveONenergy programs.

Additional Comments:

- This initiative is strongly influenced by the retail participants and has no direct involvement from the LDCs.
- The product list has changed very little over the past four years.
- Limited engagement of local retailers can restrict the savings potential for this initiative.
- Program evolution, including new products and review of incentive pricing for the coupon initiatives, must be a regular activity to ensure continued consumer interest.
- The product list could be distinctive from the Conservation Instant Coupon Initiative in order to gain more consumer interest and uptake.
- A review conducted by the EDA Residential Working Group in Q4 2011 identified three areas of need for initiative evolution: 1) introduction of product focused marketing; 2) enhanced product selection; and 3) improved training for retailers as retail staff tend not to be knowledgeable regarding the products or promotion.
- LDCs should be able to custom code all coupons to provide 100% allocation and push specific coupons based on localized needs.
- Communications regarding retailer participation continues to be delayed. Improved communications will aid in appropriate resource allocation and marketing of the initiative.
- This initiative may benefit from a more exclusive relationship with a retailer appropriate to the program. There should be a value proposition for both the retailer and LDC.

3.2.1.6 Retailer Co-op

Initiative Activities/Progress:

- This initiative is strongly influenced by the retail participants and has no direct involvement from the LDCs. In 2012, Enersource had no interest from local retailers in this program.

Additional Comments:

- This is strictly a retailer initiative with no direct benefit to the LDCs. Limited engagement of local retailers can restrict the savings potential for this initiative.
- The availability of retailer and/or LDC staff with product knowledge and the ability to conduct demonstration in store during the events would be an asset. This could be a valuable role for LDCs, however many LDCs are limited by available resources and unable to participate.

3.2.1.7 *New Construction Program*

Initiative Activities/Progress:

- Enersource has not received any interest from builders as the opportunity in Mississauga for new builds is limited.

Additional Comments:

- This initiative provides incentives to home builders for incorporating energy efficiency into their buildings. To support this, LDCs need to provide education to the consumers regarding the importance of choosing the energy efficient builder upgrade options without an immediate benefit to the consumer.
- Following limited participation in 2011, the application process was revisited in 2012 to streamline administration in response to builder feedback. Participation levels are expected to grow but there will be a lag to when results materialize as homes pre-approved could take a year or more to be completed.
- Administrative requirements, in particular individual home modeling, must align with perceived stakeholder payback. Through the EDA Working Group, modifications are being processed through the change management process for 2012. However, the lengthy change management process has resulted in continued non-participation from builders.

3.2.1.8 *Residential Demand Response Program*

Initiative Activities/Progress:

- Enersource experienced a late start to this program due to the complexity in procuring a delivery agent in addition to uncertainties regarding the available energy displays in the market.
- Enersource resolved technology issues and made the program available on September 1, 2012. Enrollment was limited as Enersource's delivery agent ramped up its marketing. Achievement in 2012 was low with a total of 654 enrollments, of which 416 were converted Peaksaver customers.

Additional Comments:

- Enersource has approximately 11,867 existing participants (“continuing” participants in OPA terms) from the prior Peaksaver program and will continue to aggressively market and promote the In-Home Display (“IHD”) device to these customers. Also, Enersource’s existing contracts with pre-2011 customers are open ended and the OPA continues to provide funding for maintenance and are including these devices in demand response events up to December 2014. In this regard, Enersource expects the OPA to provide demand response savings for continuing participants at December 31, 2014, regardless if they signed on to a new agreement or not.
- The schedule for Peaksaver Plus was posted in August 2011, but this did not provide adequate time for product procurement for 2011, and part of 2012. The product procurement process uncovered that the IHD units required to communicate with installed smart meter technology were still in development and not ready for market deployment. Consequently, LDCs could not be in market with the Peaksaver Plus program until 2012, or later, which has resulted in delayed savings.
- The variable funding associated with installing a load controllable thermostat is not sufficient unless it is combined with an IHD. This might not be possible at all times or when IHD is optional.
- Smart meters installed by most LDCs do not have the capability to communicate directly to an IHD. When proposing technical initiatives that rely on existing LDC hardware or technology there should be a consultative process in order to prevent this type of problem in the future
- Introduction of new technology requires incentives for the development of such technology. Appropriate lead times for LDC analysis and assessment, product procurement, and testing and integration into the smart meter environment are also required. Making seemingly minor changes to provincial technical specifications can create significant issues when all LDCs attempt to implement the solution in their individual environments.
- This is the main initiative within the residential portfolio that drives savings for LDCs.
- Given the different LDCs smart meter environments and needs, each LDC is positioning the initiative with subtle differences. As such, greater program flexibility is required to address unique LDC needs.
- Province-wide marketing needs to be sensitive to the variations of the initiative and provide solid, consistent messaging.

- There currently is not an avenue for participants without the ability to provide demand response capabilities to obtain an IHD and gain energy saving benefits.

3.2.2 COMMERCIAL AND INSTITUTIONAL PROGRAMS

Description: Provides commercial, institutional, agricultural and industrial organizations with energy-efficiency programs to help reduce their electrical costs while helping Ontario defer the need to build new generation and reduce its environmental footprint. Programs help fund energy audits, replace energy-wasting equipment or pursue new construction that exceeds existing codes and standards. Businesses can also pursue incentives for controlling and reducing their electricity demand at specific times.

Targeted Customer Type(s): Commercial, Institutional, Agricultural, Multi-family buildings, Industrial.

Objective: Designed to assist building owners and operators as well as tenants and occupants in achieving demand and energy savings, and to facilitate a culture of conservation among these communities as well as the supply chains which serve them.

Discussion:

Throughout 2011 and 2012, the EDA Commercial and Institutional (“C&I”) Working Group has strived to enhance the existing C&I programs and rectify identified program and system deficiencies. This has proven to be a challenging undertaking, normally taking months to complete sometimes relatively minor changes due to the current CDM framework. Overbuilt governance, numerous initiative requirements, complex program structure and lengthy change management have restricted growth without providing the anticipated improved measurement and verification results. In addition, EM&V has not yet achieved transparency. LDCs are held accountable for these results yet are mostly completely removed from the process.

LDC program management has been hampered by varying rule interpretation, limited marketing ability, a somewhat inflexible online system of checks and balances and revolving OPA support personnel.

Despite these challenges the EDA C&I Working Group, working in cooperation with the OPA, have managed to iron out many of the issues which could be rectified. In particular, an accomplishment in 2012 was the advent of the expedited change management as a means to accelerate certain program changes.

Looking ahead there is minimal opportunity to make valuable changes to the current program suite and have these changes reflected in LDC 2014 results. LDCs and the OPA should look beyond the current initiatives and work to launch new programs, built

on the strengths of the 2011-2014 programs, which will meet the needs of the industry and consumers.

3.2.2.1 Efficiency: Equipment Replacement Incentive (“ERII”)

Initiative Activities/Progress:

- Enersource received credit for 359 retrofit project applications completed in 2012, a significant increase by 81% from 198 in 2011, contributing 4,531 kW net incremental demand savings and 24,393 MWh net incremental energy savings in 2012.
- Enersource achieved 98% and 179% of demand and energy savings targets, respectively for 2012.
- The delivery approach involves utilizing largely internal resources for managing program delivery and utilizes a third party vendor to complete technical evaluations, sales and marketing.

Additional Comments:

- It appears that the marketplace largely understands the programs now and a large proportion of LDC savings are attributed to ERII.
- The centralized process review used for 2012 project payment has been streamlined by the OPA and payments for projects were greatly improved – faster and more consistently compared to 2011.
- Capability building programs from industrial programs have had very positive contributions to ERII program.
- This initiative is limited by the state of the economy and the ability of commercial/institutional facility to complete capital upgrades.
- A number of customer facing issues in CRM (the OPA’s centralized application system) have been resolved; however key LDC administrative back office processing issues continue to be a challenge.
- Applicants and applicant representatives continue to express dissatisfaction and difficulty with the online application system. This issue has been addressed by LDCs through application training workshops, Key Account Managers, channel partner/contractor training and LDC staff acting as customer application representatives. Although this has been an effective method of overcoming these issues and encouraging submissions, it also reflects on the complexity and time consuming nature of the application process. As such, applicant representatives

continue to influence the majority of applications submitted. Continued development of channel partners is essential to program success.

- Lighting is still the most popular measure. Other market sectors are not as engaged yet, specifically the mechanical world. There continues to be significant barriers to program participation from HVAC (Unitary AC) and compressed air channel partners
- Prescriptive and engineered worksheets provide a much needed simplified application process for customers. However, the eligible measures need to be updated and expanded in both technology and incentive amounts to address changing product costs and evolution of the marketplace.
- Expanding the capacity of the engineered applications can offer customers an opportunity to maximize savings and incentives. Recognizing this, Toronto Hydro and London Hydro worked together to develop and provide the OPA with compressed air engineered worksheets for inclusion in the initiative in Q3, 2012. To date, these have not been accepted and provided to LDCs for use.
- An identified deficiency in the various renditions of the equipment replacement is the “hard stop” of the program as of a specific date. Without a streamlined transition into a new program, many customers became frustrated and refused to participate. LDCs struggle to repair customer and channel partner relationships and gain momentum in the market place once again.
- While the Ministerial Directive provides continuity of the conservation programs for the participant, unclear direction on LDC administrative funding could result in many LDCs ‘ramping down’ programs in 2015. The establishment of defined administrative funding for 2015 is required to avoid a “stop and start” process.

3.2.2.2 *Direct Install Initiative (“DIL”)*

Initiative Activities/Progress:

- Enersource received credit for 1,556 small business retrofit upgrades in 2012, a significant decrease in activities level of 119% compared to 3,407 retrofit upgrades completed in 2011.
- Enersource achieved 1,340 kW net incremental demand savings and 4,890 MWh net incremental energy savings which represent 47% and 58% achievement towards 2012 targets, respectively.
- The delivery approach involves utilizing largely internal resources for marketing and promotion activities and utilizes the third party vendor to complete sales, assessment and retrofit installations.

Additional Comments:

- Successful execution of the previous rendition of this initiative has resulted in diminished potential for the 2011-2014 initiative in some LDC's territories.
- The inclusion of a standard incentive for additional measures increased project size and drove higher energy and demand savings results in some situations.
- Electrical contractor's margins have been reduced due to no labour rate increase, increase cost of materials, greater distances between retrofits, more door knocking required before a successful sale and no funding for lifts. This has led to a reduction in vendor channel participation in some regions.
- Ambiguity with regard to eligibility resulted in large lists of customers rejected following installation due to perceived ineligibility. Due to this, some LDCs were forced to carry considerable financial burden while this was worked through.
- The eligibility requirements have now been revamped and expanded however there has been limited communication and documentation of this to the marketplace.
- Currently LDCs are unable to offer these standard incentives to prior participants. The ability to return to prior participants and offer a standard incentive on the remaining measures has potential to provide additional energy and demand savings.

3.2.2.3 Existing Building Commissioning Incentive Initiative**Initiative Activities/Progress:**

- Enersource has not received any applications or expressions of interest to date in this program.
- The delivery approach involves utilizing a third party vendor to complete sales, marketing and promotion and technical assessments for application approvals. Internal resources were used to complement third party vendor services to drive program uptake.

Additional Comments:

- Initiative name does not properly describe the initiative.
- There was minimal participation for this initiative. It is suspected that the lack of participation in the program is a result of the initiative being limited to space cooling and a limited window of opportunity (cooling season) for participation.

- Participation is mainly channel partner driven, however the particulars of the initiative have presented a too significant barrier for many channel partners to participate.
- The customer expectation is that the program be expanded to include a broader range of measures for a more holistic approach to building recommissioning and chilled water systems used for other purposes should be made eligible and considered through change management.
- This initiative should be reviewed for incentive alignment with ERII, as currently a participant will not receive an incentive if the overall payback is less than 2 years.

3.2.2.4 New Construction and Major Renovation Initiative (“HPNC”)

Initiative Activities/Progress:

- Enersource received credit for one HPNC application that contributed 97 kW net incremental demand savings and 247 MWh net energy savings for 2012 which represent 7% and 9% achievement towards 2012 targets, respectively.
- The delivery approach involves utilizing third party vendors to complete sales, marketing and promotion and technical assessments for application approvals. Internal resources were used to complement third party vendor services to drive program uptake.

Additional Comments:

- There is typically a long sales cycle for these projects, followed by a long project development cycle. As the program did not launch until mid-2011 and had limited participation, results did not appear in 2011. Minimum results are expected to appear in 2012. The majority of the results are expected in 2013-2014, with a reduced benefit to cumulative energy savings targets.
- The latest Ministerial Directive provided facilities with a completion date near the end of 2014 with some security that they will be compensated for choosing efficiency measures.
- Participants estimated completion dates tend to be inaccurate and are usually six months longer. This could result in diminished savings towards targets when facilities are not substantially completed by December 31, 2014.
- The custom application process requires considerable customer support and skilled LDC staff. As there has been no defined administrative funding beyond 2014, many LDCs are unsure how these project applications will be finalized.

- The effort required to participate through the custom stream exceeds the value of the incentive for many customers.
- This initiative has a very low net-to-gross ratio, which results in half the proposed target savings being 'lost'.

3.2.2.5 Energy Audit Initiative

Initiative Activities/Progress:

- Enersource received credit for 37 energy audit applications in 2012, compared to zero uptake in 2011.
- Enersource achieved 192 kW net incremental demand savings and 932 MWh net energy savings which represent 10% and 27% achievement towards 2012 targets, respectively.
- The delivery approach involves utilizing a third party vendor to complete sales, marketing and promotion and technical assessments for application approvals. Internal resources were used to complement third party vendor services to drive program uptake.

Additional Comments

- Customer uptake was limited in 2011, however improved throughout 2012 especially with the new audit component for one system (i.e. compressed air).
- The Energy Audit Initiative is considered an 'enabling' initiative and 'feeds into' other saveONenergy initiatives. There are no savings attributed to LDC targets from an audit.
- Audit reports from consultants vary considerably and in some cases, while they adhere to the initiative requirements, do not provide value for the participant. A standard template with specific energy saving calculation requirements should be considered.
- Customers look to the LDCs to recommend audit companies. A centralized prequalified list provided by the OPA may be beneficial.
- Participants are limited to one energy audit which restricts enabling and direction to the other initiatives. This initiative should be evaluated for additional customer participation when presented with a new scope of work.

3.2.3 INDUSTRIAL PROGRAMS

Targeted Customer Type(s): Industrial, Commercial, Institutional, Agricultural

Objective: The objectives of this initiative are to:

- Offer distribution customers capital incentives and enabling initiatives to assist with the implementation of large projects and project portfolios;
- Implement system optimization project in systems which are intrinsically complex and capital intensive; and
- Increase the capability of distribution customers to implement energy management and system optimization projects.

Description: Process and System Upgrade Initiative (“PSUI”) is an energy management initiative that includes three components: a preliminary engineering study; a detailed engineering study; and a project incentive initiative. The incentives are available to large distribution connected customers with projects or portfolio projects that are expected to generate at least 350 MWh of annualized electricity savings or, in the case of micro-projects, 100 MWh of annualized electricity savings. The capital incentive for this initiative is the lowest of:

- a) \$200/MWh of annualized electricity savings;
- b) 70% of projects costs; or
- c) A one year pay back.

Discussion:

The industrial program portfolio has been able to provide valuable resources to large facilities such as energy managers and enabling engineering studies. The engineering studies in particular provide a unique opportunity for a customer to complete a comprehensive analysis of an energy intensive process that they would not otherwise be able to undertake. Energy managers provide customers with a skilled individual whose only role is to assist them with conservation initiatives. To date these energy managers have played a key role in customer participation. The key account manager (“KAM”) has also been instrumental in managing the embedded energy managers (“EEM”) and promoting activity to the Class A customers.

Due to the size, scope and long lead time of these initiatives and associated projects, the Ministerial Directive provides some security for the continuation of the conservation

programs and associated compensation for the participant; however the subsequent savings would not be attributed to any LDC target.

Extensive legal documents, complex program structure and lengthy change management have restricted the change and growth of this portfolio. While the expedited change management has benefited the commercial portfolio, the industrial portfolio has not seen the same results due to the narrow scope of the process. Looking ahead there is minimal opportunity to make valuable changes to the current program suite and have these changes reflected in LDC 2014 results

3.2.3.1 Process and Systems Upgrades Initiative (PSUI)

Initiative Activities/Progress:

- The PSUI programs include the project incentive stream and engineering studies.
- Enersource has been actively promoting the PSUI program to its key customer base.
- PSUI Project Incentive: Enersource has held seven breakfast sessions with customers and held training sessions to promote PSUI. Enersource has one signed PSUI agreement to date with a potential of signing three more by end of 2013.
- Engineering studies: Enersource has engaged in five studies in 2012 with a total potential of 4 MW. Enersource has promoted the studies to its customers through the seven information sessions, sponsoring events and working with associations like Canadian Manufacturers Association and Canadian Plastics Association.

Additional Comments:

- Approximately 100 engineering study applications have been submitted by all LDCs This is a strong indication that there is the potential for large projects with corresponding energy savings. Most of these studies have been initiated through the Energy Manager and Key Account Manager resources.
- This initiative is limited by the state of the economy and the ability of a facility to complete large capital upgrades.
- There is typically a long sales cycle for these projects, and then a long project development cycle. As such, limited results are expected to be generated in 2012. The majority of the results are expected in 2013-2014, with a much reduced benefit to cumulative energy savings targets.
- Delays with processing funding payments have caused delayed payments to participants beyond contract requirements. In some cases, LDCs have developed a

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separate side agreement between the LDC and participant acknowledging that the participant cannot be paid until the funds are received.

- Given the size of the projects involved, the contract required for PSUI is a lengthy and complicated document. A key to making PSUI successful is a new agreement for 'small' projects with simplified and less onerous conditions for the customer.
- To partially address this, changes were made to the ERII program which allowed smaller projects to be directed to the Commercial stream.
- A business case was submitted by the EDA Industrial Working Group in July 2012 which would change the limit for a small project from 350 MWh to \$1 million in incentives. This would allow more projects to be streamlined with simplified documentation and increase participant uptake, while still protecting the ratepayer. This change has just been implemented. The micro project contract was finalized through change management in September 2013.
- With the considerable customer interest in on-site load displacement (co-generation) projects, the initiative should be reviewed to ensure that these projects may be accepted as part of the PSUI Initiative. Currently the OPA is reviewing waste heat projects only and all other co-generation projects are on hold awaiting a decision from the Ministry of Energy on whether PSUI will fund these types of projects.

3.2.3.2 *Monitoring and Targeting ("M&T") Initiative*

Initiative Activities/Progress:

- Enersource has promoted the M&T program through breakfast seminars. However, due to the eligibility criteria discussed below, Enersource had no applications under this program in 2012. Enersource is also working with vendors in this space who may offer their products to benefit the customer.

Additional Comments:

- The M&T initiative is targeted at larger customers with the capacity to review the M&T data. This review requires the customer facility to employ an Energy Manager, or a person with equivalent qualifications, which has been a barrier for some customers. As such, a limited number of applications have been received to date.
- The savings target required for this initiative can present a significant challenge for smaller customers.
- Through the change management process in 2013, changes are being made to ERII to allow smaller facilities to employ M&T systems.

3.2.3.3 Energy Manager Initiative

Initiative Activities/Progress:

- Enersource has two Roving Energy Managers (“REM”) and six Embedded Energy Managers (“EEM”), who have helped drive activity in studies and retrofit.
- The EEMs have undertaken five studies and submitted over 600 kW in project applications. Enersource is in touch with its EEMs every two weeks through meetings to track progress of projects and start new projects. Enersource has also been actively inviting EEMs to training sessions such as Certified Energy Manager. The majority of PSUI applications have come from facilities with an EEM.

Additional Comments:

- The EEMs have proven to be a popular and useful resource for larger customers. There are approximately 70 EEMs and 25 REMs being utilized by customers across the province.
- LDCs that are too small to qualify for their own REM are teaming up with other utilities to hire a REM to be shared by the group of utilities.
- At the beginning, it took longer than expected to set up the energy manager application process and unclear communication resulted in marketing and implementation challenges for many LDCs.
- Some LDCs and customers are reporting difficulties in hiring capable REMs and EEMs, in some instances taking up to seven months to have a resource in place.
- New energy managers require training, time to familiarize with facilities and staff and require time to establish “credibility”. Energy managers started filling their pipeline with projects but few projects were implemented in 2012.
- Delays with processing EEM payments have caused LDCs to delay payments to participants beyond contract requirements.
- There have been a number of studies identified by Energy Managers and they have been able to build capacity and deliver energy saving projects within their respective large commercial/industrial facilities.
- The requirement that 30% of targets must come from non-incented projects is identified as an issue for most EEMs/REMs, although final targets are not due until 2013. The EDA Industrial Working group has proposed to remove this requirement for REM's only as they are not resident full time at a customer facility to find the non-incented savings.

- This is an important initiative which should continue beyond 2014.

3.2.3.4 Key Account Manager

Initiative Activities/Progress:

- Enersource has funding for one full time KAM. The KAM has provided support to the energy managers and key customers resulting in 6 MW of potential projects in 2012, but savings should be realized by December 2014. The KAM meets with key customers on a monthly basis and every two weeks with the EEM to ensure the projects are progressing towards completion.

Additional Comments

- Customers appreciate dealing with a single contact to interface with an LDC, a resource that has both the technical and business background who can communicate easily with the customer and the LDC.
- Finding this type of skill set has been difficult. In addition, the short-term contract and associated energy targets discourage some skilled applicants resulting in longer lead times to acquire the right resource.
- This resource has been found by some LDCs to be of limited value due to the part-time nature of the position and limited funding. In addition, the position role has been too narrow in scope to provide assistance to the wider variety of projects with which LDCs may be struggling.

3.2.3.5 Demand Response 3 (“DR3”)

Initiative Activities/Progress:

- Enersource has held two demand response promotion sessions inviting customers, OPA and aggregators. These sessions are a way for the customer to interact directly with the aggregators and set up meetings.
- Enersource also promoted the DR3 program with Partners in Project Green as a “Smart shift challenge”, thus accessing a new membership base and creating a competition among participants to curtail load.
- Enersource has not seen the expected uptake in 2012 of the two promotional strategies mentioned above due to the hurdles mentioned below.

Additional Comments:

- Until early 2013 customer data was not provided on an individual customer basis due to contractual requirements with the aggregators. This limited LDCs' ability to effectively market to prospective participants and verify savings.
- The EDA Industrial Working Group had a discussion with the OPA and representatives of the Ministry on proposed changes for the DR3 program. No program improvements were made in 2012. However, it was accepted that prior participants who renew their DR3 contract within the 2011-2014 term will contribute to LDC targets.
- As of 2013, aggregators are able to enter into contracts beyond 2014. This has allowed them to offer a more competitive contract price (five year) than the previously limited one- to two-year contracts.
- Metering and settlement requirements are complicated and can reduce customer compensation amounts, and present a barrier to some customers.
- Compensation amounts have been reduced from the previous rendition of this program and subsequently there has been a corresponding decrease in renewal rates.

3.2.4 LOW INCOME INITIATIVE (HOME ASSISTANCE PROGRAM)**Initiative Activities/Progress:**

- Enersource introduced the Home Assistance Program in its service territory in March 2012 and has completed 246 applications, resulting in 40 kW and 261.84 MWh of demand and energy savings, respectively, in 2012.
- Enersource continues to work closely with local social agencies as well as Peel Living to increase awareness and program uptake in its service area.

Additional Comments:

- Awareness of the program amongst social agencies took time to develop. Benefits started to become evident in late 2012.
- Centralized payment processes were not developed in 2011. The payment process was established in 2012.
- The process for enrolling in social housing was complicated and time consuming. This was addressed in late 2012 and is showing benefits in 2013.

- The financial scope, complexity, and customer privacy requirements of this initiative are challenging for LDCs and most have contracted this program out. This initiative may benefit from an OPA contracted centralized delivery agent.

3.2.5 PRE-2011 PROGRAMS

Savings were realized towards all LDCs' 2011-2014 targets through pre-2011 programs. The targeted customer types, objectives, descriptions, and activities of these programs are detailed in Appendix B.

4 2012 LDC CDM Results

4.1 Participation and Savings

Table 7: 2011 - 2012 CDM Program Activities – Enersource Participation Results

#	Initiative	Activity Unit	Uptake/ Participation Units	
			2011	2012
Consumer Programs				
1	Appliance Retirement	Appliances	2,062	1,075
2	Appliance Exchange	Appliances	98	118
3	HVAC Incentives	Equipment	7,261	5,640
4	Conservation Instant Coupon Booklet	Coupons	20,386	1,213
5	Bi-Annual Retailer Event	Coupons	34,173	41,656
6	Retailer Co-op	Items	5	0
7	Residential Demand Response (switch / Programmable Thermostat)	Devices	533	2,742
8	Residential Demand Response (IHD)	Devices	0	587
9	New Construction Program	Houses	0	0
Business Programs				
10	Efficiency: Equipment Replacement - Retrofit	Projects	198	359
11	Direct Installed Lighting	Projects	3,407	1,556
12	Existing Building Commissioning Incentive	Buildings	0	0
13	New Construction and Major Renovation Incentive	Buildings	0	1
14	Energy Audit	Audits	0	37
15	Commercial Demand Response (part of the Residential program schedule)	Devices	0	0
16	Demand Response 3 (part of the Industrial program schedule)	Facilities	10	12
Industrial Programs				
17	Process & System Upgrades	Projects	0	0

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#	Initiative	Activity Unit	Uptake/ Participation Units	
18	Monitoring & Targeting	Projects	0	0
19	Energy Manager	Managers	0	1
20	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Projects	32	0
21	Demand Response 3	Facilities	8	10
Home Assistance Program				
22	Home Assistance Program	Homes	0	246
Pre-2011 Programs Completed in 2012				
23	Electricity Retrofit Incentive Program	Projects	185	0
24	High Performance New Construction	Projects	4	5
25	Toronto Comprehensive	Projects	0	0
26	Multifamily Energy Efficiency Rebates	Projects	2	0
27	Data Centre Incentive Program	Projects	0	0
28	EnWin Green Suites	Projects	0	0

4.2 OPA's Evaluation Measurement & Verification ("EM&V") Results

Table 8: EM&V Results for Enersource

#	Initiative	Realization Rate		Gross Savings		Net-to-Gross Ratio		Net Savings		Contribution to Targets	
		Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings in 2014 (kW)	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Programs											
1	Appliance Retirement	100%	100%	127	916,136	47%	47%	59	430,436	168	4,538,853
2	Appliance Exchange	100%	100%	33	58,856	52%	52%	17	30,332	20	130,441
3	HVAC Incentives	100%	100%	2,405	4,095,259	50%	49%	1,202	2,016,291	3,197	20,505,151
4	Conservation Instant Coupon Booklet	100%	100%	9	52,061	100%	105%	9	54,900	56	3,218,422
5	Bi-Annual Retailer Event	100%	100%	64	1,147,400	91%	92%	58	1,051,579	124	7,770,316
6	Retailer Co-op	0%	0%			0%	0%	0	0	0	349
7	Residential Demand Response*	-	-	1,262	10,075	-	-	1,262	10,075	0	10,848
8	Residential New Construction	-	-	0	0	-	-	0	0	0	0
Business Programs											
9	Efficiency: Equipment Replacement	91%	105%	5,941	31,781,439	76%	77%	4,531	24,392,637	6,688	121,114,305
10	Direct Install Lighting	69%	85%	1,421	5,191,103	94%	94%	1,340	4,890,220	4,182	46,783,921
11	Existing Building Commissioning Incentive	-	-	0	0	-	-	0	0	0	0
12	New Construction and Major Renovation Incentive	100%	100%	197	504,084	49%	49%	97	247,001	97	741,003
13	Energy Audit	-	-	192	931,521	-	-	192	931,521	192	2,794,564
14	Commercial Demand Response (part of the Residential program schedule)	-	-	0	0	-	-	0	0	0	0

#	Initiative	Realization Rate		Gross Savings		Net-to-Gross Ratio		Net Savings		Contribution to Targets	
		Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings in 2014 (kW)	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
15	Demand Response 3* (part of the Industrial program schedule)	-	-	2,171	31,557	-	-	2,171	31,557	0	101,828
Industrial Programs											
16	Process & System Upgrades	-	-	0	0	-	-	0	0	0	0
17	Monitoring & Targeting	-	-	0	0	-	-	0	0	0	0
18	Energy Manager	-	-	3	19,155	-	-	3	17,296	3	51,887
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	-	-	0	0	-	-	0	0	0	0
20	Demand Response 3*	-	-	3,670	88,449	-	-	3,670	88,449	0	278,410
Home Assistance Program											
21	Home Assistance Program	12%	100%	246	261,837	100%	100%	40	261,837	40	785,510
Pre-2011 Programs completed in 2012											
22	Electricity Retrofit Incentive Program	-	-	0	0	-	-	0	0	2,148	49,398,684
23	High Performance New Construction	100%	100%			50%	50%	189	418,130	350	4,570,284
24	Toronto Comprehensive	-	-	0	0	-	-	0	0	0	0
25	Multifamily Energy Efficiency Rebates	-	-	0	0	-	-	0	0	0	1,258
26	Data Centre Incentive Program	-	-	0	0	-	-	0	0	0	0
	Adjustments to previous year's verified results			592	2,929,071			331	1,650,430	322	6,580,127

*Assumes demand response resources have a persistence of 1 year

Table 9: Summarized 2012 Program Results for Enersource

Program	Gross Savings		Net Savings		Contribution to Targets	
	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings in 2012 (kW)	Incremental Energy Savings in 2012 (kWh)	Program-to-Date: Net Annual Peak Demand Savings in 2014 (kW)	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program Total	3,900	6,279,788	2,608	3,593,614	3,566	36,174,380
Business Program Total	9,921	38,439,704	8,331	30,492,936	11,158	171,535,623
Industrial Program Total	3,673	107,604	3,673	105,744	424	8,308,286
Home Assistance Program Total	40	261,837	40	261,837	40	785,510
Pre-2011 Programs completed in 2012 Total	189	418,130	189	418,130	2,498	53,970,226
Adjustments to Previous Year's Verified Results	592	2,929,071	331	1,650,430	322	6,580,127
Total OPA-Contracted Province-Wide CDM Programs	18,314	48,436,134	15,171	36,522,691	18,008	277,354,152

The net incremental peak demand savings in 2012 are based on Scenario 2 OPA Results, which include demand response program savings of 7.105 MW.

4.3 Evaluation, Measurement and Verification (“EM&V”) Findings

The following table provides a summary of the 2012 EM&V findings for the evaluated saveONenergy program initiatives.

Table 10: Evaluation Findings

#	Initiative	OPA Province-Wide Key Evaluation Findings
Consumer Programs		
1	Appliance Retirement	<ul style="list-style-type: none"> • Decrease in 2012 participation by 39% compared to 2011. • In-suite metering provided updated per unit assumptions: <ul style="list-style-type: none"> ○ Small decrease (3.5%) in savings for refrigerators; and ○ Sizeable increase (17.5%) in savings for freezers
2	Appliance Exchange	<ul style="list-style-type: none"> • Increase of 30% for exchanged dehumidifiers over 2011, leading to an increase of 4% in overall participation. • Higher per unit savings for dehumidifiers drove the overall increase in 2012 savings.
3	HVAC Incentives	<ul style="list-style-type: none"> • Small decrease (10%) in per unit savings assumptions for furnace with ECM due to change in 2012 customer mix and furnace fan usage. • Small increase (10%) in free-ridership related to the furnace with ECM measure. • Participation remains relatively steady once 2011 true-up values are included.
4	Conservation Instant Coupon Booklet	<ul style="list-style-type: none"> • The number of coupons associated with the redemption of 2012 Annual Coupons was 90% lower than 2011 Instant Coupon Booklet. Key factors for the decrease include: <ul style="list-style-type: none"> ○ Shorter duration of available coupons (September 2012 – December 2012) ○ In 2012, only online coupons were available. <ul style="list-style-type: none"> ▪ 2011 had both online coupons AND coupon mailing booklets.

#	Initiative	OPA Province-Wide Key Evaluation Findings
5	Bi-Annual Retailer Event	<ul style="list-style-type: none"> • 15% lower net savings due to a change in the net-to-gross factors (increased free-ridership, less participant behavior spillover, and less non-participant like spillover). • Majority of participation, energy, & demand savings are from standard CFLs. • 15% of net savings due to ~73,000 coupons for new LED measures.
6	Retailer Co-op	<ul style="list-style-type: none"> • Initiative was not evaluated in 2012
7	Residential Demand Response	<ul style="list-style-type: none"> • Province-wide per-unit ex-ante estimates for a 1-in-10 August peak day were determined to be 0.50 kW for residential CACs and 0.64 kW for small commercial CACs. • Evaluation to date has indicated savings from in-home displays (IHDs) are not statistically significant (in and around zero). <ul style="list-style-type: none"> ○ However, since 2012 evaluation did not include full year analysis (specifically the summer months), these results have been deemed inconclusive. • The IHD offer had a positive influence on enrollment and re-enrollment with between 20 to 35% of new enrollees said they wouldn't have enrolled without the IHD offer.
8	Residential New Construction	<ul style="list-style-type: none"> • All projects are opting for the prescriptive or performance path - there have been no custom project applications to date.

Business Programs

9	Efficiency: Equipment Replacement	<ul style="list-style-type: none"> • Reported savings for prescriptive lighting projects continue to be overstated: <ul style="list-style-type: none"> ○ Verified wattage reductions were 15% higher than assumed; and ○ Verified operating hours were 11% higher than assumed. • A lower realization rate in the engineered measure track can be partially explained by overstated lighting operation hour assumptions reported on the application. • Net-to-gross ratios for the initiatives were above 75% in 2012, which is consistent with 2011.
10	Direct Install Lighting	<ul style="list-style-type: none"> • Reported hours of usage continue to be inaccurate - only 12% of site visits had verified annual hours of use within +/-10% of the assumed value. • The saturation of eligible customers and preferred business types are resulting in participation from building types that may not fully operate during the summer peak period. <ul style="list-style-type: none"> ○ This trend contributes to lower realization rates for demand savings in 2012. • Due to changing regulations in lighting measures, the assumed baseline technology will eventually be phased out. This regulation impacts the persistence of savings over the lifetime of lighting measures.
11	Existing Building Commissioning Incentive	<ul style="list-style-type: none"> • There were no applications in 2012. • Market feedback suggests that EBC's focus on chilled-water space-cooling systems may be too narrow, and participation could be expanded by incenting a wider range of measures.
12	New Construction and Major Renovation Incentive	<ul style="list-style-type: none"> • Custom projects account for 66% of program savings, with the remainder coming from the prescriptive track.

13	Energy Audit	<ul style="list-style-type: none"> • Through Audit Funding, 280 projects were completed in 2012 based on recommendations from the auditors, resulting in 1.4 MW and 7 GWh of Program Enabled Savings. • Office buildings represented the largest portion of applicants for 2012.
14	Commercial Demand Response (part of the Residential program schedule)	<ul style="list-style-type: none"> • See residential demand response (#7)
15	Demand Response 3 (part of the Industrial program schedule)	<ul style="list-style-type: none"> • See Demand Response 3 (#20)
Industrial Programs		
16	Process & System Upgrades	<ul style="list-style-type: none"> • Energy managers are seen as important drivers of Program Enabled savings projects. • 88% of survey respondents indicated that the assistance provided by energy managers was “somewhat” or “very” important to implementing projects. • Energy Managers indicated that additional support (additional training and guides) may further help influence the adoption of energy efficiency measures by the participants. • Documentation for Program Enabled Savings projects varied substantially by LDC. More guidance on documentation requirements would be beneficial to all parties.
17	Monitoring & Targeting	<ul style="list-style-type: none"> • Initiative was not evaluated in 2012, no completed projects in 2012
18	Energy Manager	<ul style="list-style-type: none"> • Initiative was not evaluated in 2012, no completed projects in 2012

19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	<ul style="list-style-type: none"> • See Efficiency: Equipment Replacement (#9)
20	Demand Response 3	<ul style="list-style-type: none"> • 2012 saw improvements in the performance of DR-3 participants resulting higher ex-ante realization rates, particularly for the industrial participants.
Home Assistance Program		
21	Home Assistance Program	<ul style="list-style-type: none"> • Participation in the initiative ramped up in 2012, with over 5,000 homes participating in the initiative. • Majority of energy savings (62%) comes from lighting measures, while 21% of energy savings resulting from refrigerator and freezer replacements.
Pre-2011 Programs completed in 2012		
22	Electricity Retrofit Incentive Program	<ul style="list-style-type: none"> • Initiative was not evaluated • Net-to-Gross ratios used are consistent with the 2010 evaluation findings (multifamily buildings 99% realization rate and 62% net-to-gross ratio and C&I buildings 77% realization rate and 52% net-to-gross ratio)
23	High Performance New Construction	<ul style="list-style-type: none"> • Initiative was not evaluated • Net-to-Gross ratios used are consistent with the 2010 evaluation findings (realization rate of 100% and net-to-gross ratio of 50%)
24	Toronto Comprehensive	<ul style="list-style-type: none"> • Initiative was not evaluated • Net-to-Gross ratios used are consistent with the 2010 evaluation findings
25	Multifamily Energy Efficiency Rebates	<ul style="list-style-type: none"> • Initiative was not evaluated • Net-to-Gross ratios used are consistent with the 2010 evaluation findings
26	Data Centre Incentive Program	<ul style="list-style-type: none"> • Initiative was not evaluated

27	EnWin Green Suites	<ul style="list-style-type: none">• Initiative was not evaluated
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4.4 Spending

Table 11: Enersource 2012 CDM Program Spending (\$)

Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Consumer Programs					
Appliance Retirement	114,104.21				114,104.21
Appliance Exchange	24,704.67				24,704.67
HVAC Incentives	152,933.41				152,933.41
Conservation Instant Coupon Booklet	21,464.04				21,464.04
Bi-Annual Retailer Event	139,624.83				139,624.83
Retailer Co-op					
Residential Demand Response	249,021.90	24,281.53			273,303.43
New Construction Program	7,123.77				7,123.77
Business Programs					
Efficiency: Equipment Replacement	1,467,565.97		4,863,576.94		6,331,142.91
Direct Installed Lighting	103,231.41	467,320.00	1,780,671.75		2,351,223.16

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Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Existing Building Commissioning Incentive	3,087.30				3,087.30
New Construction and Major Renovation Initiative	24,591.52				24,591.52
Energy Audit	207,098.64		32,225.00		239,323.64
Small Commercial Demand Response (part of the Residential program schedule)	13,260.69				13,260.69
Demand Response 3 (part of the Industrial program schedule)	2,782.77				2,782.77
Industrial Programs					
Process & System Upgrades					
a) preliminary engineering study	12,976.96				12,976.96
b) detailed engineering study	12,305.37		95,800.00		108,105.37
c) program incentive	142,790.29	10,330.00	1,434,960.00		1,588,080.29

Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Monitoring & Targeting	311.94				311.94
Energy Manager	1,598.70			210,624.00	212,222.70
Roving Energy Manager				84,453.28	84,453.28
Key Account Manager ("KAM")				171,280.80	171,280.80
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)					
Demand Response 3	12,773.43				12,773.43
Home Assistance Program					
Home Assistance Program	51,821.78		106,455.24		158,277.02
Pre-2011 Programs					
Electricity Retrofit Incentive Program					
High Performance New Construction					
Toronto Comprehensive					

Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Multifamily Energy Efficiency Rebates					
Data Centre Incentive Program					
EnWin Green Suites					
Total CDM Program Spending	2,765,173.60	501,931.53	8,313,688.93	466,358.08	12,047,152.14

Table 12 details the allocation of total funds utilized on certain OPA-contracted province-wide CDM programs that were not in market in 2012.

Table 12: Allocation of PAB funding for Programs Not in Market (\$)

#	Initiative	Program Administration Budget (PAB)
Initiatives Not In Market		
1	Midstream Electronics	0.00
2	Midstream Pool Equipment	0.00
3	Demand Service Space Cooling	0.00
4	Demand Response 1 (Commercial)	0.00
5	Demand Response 1 (Industrial)	715.04
6	Home Energy Audit Tool	929.88
Total Province-wide CDM Programs Not In Market		1,644.92

4.5 Additional Comments

NA

5 Combined CDM Reporting Elements

5.1 Progress Towards CDM Targets

Table 13 and Table 14 below provide a summary of Enersource's progress towards meeting its CDM Targets. In 2012 Enersource achieved 18 MW of peak demand reductions and 277 GWh of energy savings.

Table 13: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual (MW)			
	2011	2012	2013	2014
2011 - Verified	15.9	10.6	10.5	10.1
2012 - Verified		15.2	8.0	7.9
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				18.0
Enersource 2014 Annual CDM Capacity Target:				93.4
Verified Portion of Peak Demand Savings Target Achieved (%):				19.4%
Enersource Milestone submitted for 2012				42.4
Variance in Demand Savings for 2012				-24.38

Table 14: Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
2011 - Verified	42.3	42.1	41.8	40.7	166.9
2012 - Verified		36.5	36.3	35.9	110.4
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					277.4
Enersource 2011-2014 Cumulative CDM Energy Target:					417.2
Verified Portion of Cumulative Energy Target Achieved (%):					66.5%
Enersource Milestone submitted for 2012					309
Variance in Energy Savings for 2012					-31.6

5.2 Variance from Strategy

Table 13 and Table 14 above show a Peak Demand reduction shortfall of 24.4 MW and an Energy Savings shortfall of 31.6 GWh towards Enersource's 2012 milestone targets as submitted within the CDM Strategy on November 1, 2010.

The main reasons for the shortfall towards the savings targets include the following factors:

- (i) The withdrawal of several program initiatives in the marketplace in 2012 including Residential Program Midstream Electronics and Midstream Pool Equipment, Small Business Direct Service Space Cooling, and Demand Response 1.
- (ii) Several program initiatives continued to attract zero or very low uptake by participants, including Residential New Construction, New Construction and Major Renovations, Building Commissioning, Process and Systems Upgrade Initiatives.
- (iv) The average savings achieved in 2012 for some program initiatives continued to be much lower than forecasted. This includes Equipment Replacement Initiative and all residential programs with the exception of Heating and Cooling Incentives.

- (v) Enersource continued to receive delays and cancellations in 2012 for several CDM projects due to restrictions in capital budget allocations relating to the economic climate in Ontario.
- (vi) Long lead times are expected for project completion under the Industrial Programs Process and Systems Upgrade Initiative, which would result in savings being achieved beyond December 31, 2014.
- (vii) Some of the program initiatives or similar programs were being run prior to 2011 and are now experiencing the market saturation phase, along with smaller average project savings, including Residential Appliance Retirement, Small Business Direct Install Program, and Equipment Replacement Incentive Initiative.

5.3 CDM Strategy Modifications

Enersource now forecasts it will achieve approximately 83% of its peak demand savings and 96% of its energy savings targets by December 2014. Enersource will not provide any modification to its strategy filed in November 1, 2010 at this time since new programs or enhancements of existing programs by the OPA are not likely to be effected in a timely manner in order to create significant market impact before December 2014.

Enersource will continue with best efforts in delivering all available OPA-contracted programs in order to progress towards its CDM targets by December 31, 2014. Enersource also expects to receive additional savings credits in 2014, which are not currently factored into the results shown in the tables below, through the delivery of the OEB-approved CDM programs via the TOU pricing savings.

Table 15: Enersource's Updated Forecast of Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual (MW)			
	2011	2012	2013	2014
2011 – Verified	15.88	10.56	10.47	10.08
2012 – Verified		15.17	8.00	7.90
2013			19.55	15.25
2014				44.13
Forecast Net Annual Peak Demand Savings in 2014:				77.36
2014 Annual CDM Capacity Target				92.98
Forecast Demand Savings Target Achieved 2014 (%):				83%

Table 16: Enersource's Updated Forecast of Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
2011 – Verified	42.3	42.1	41.8	40.7	167.0
2012 – Verified		36.5	36.3	35.9	110.4
2013			38.5	37.1	75.6
2014				45.2	45.2
Forecast Net Cumulative Energy Savings 2011-2014:					398.2
2011-2014 Cumulative CDM Energy Target:					417.2
Forecast Portion of Energy Target Achieved 2011 - 2014 (%):					95.6%

6.0 Conclusion

Over the course of 2012, Enersource has achieved 36,523 MWh in energy savings and 15.2 MW in peak demand savings, which represents 16.3% and 8.8% of Enersource's 2011-2014 demand and energy targets, respectively. As a result, the cumulative savings achieved for the 4 year period, 2011-2014, through programs implemented in 2011-2012 are 277,354 MWh energy savings and 18 MW demand savings, which represent 66.5% and 19.4% of Enersource's 2014 savings targets, respectively.

These results are representative of a considerable effort expended by Enersource, in cooperation with other LDCs, customers, channel partners and stakeholders to overcome many operational and structural issues that limited program effectiveness across all market sectors. This achievement is a success and the relationships built within the 2011-2014 CDM program term will aid results in a subsequent CDM term.

However, despite continuing improvements to existing programs, Enersource faces challenges in the remaining years of the current CDM framework. With the current slate of available OPA Programs, and the current forecast of implementation and projected savings, Enersource expects to meet 96% of its 417,220 MWh energy consumption target but will struggle to meet its 93 MW demand savings target. Enersource expects a 17% shortfall to its demand target by the end of 2014.

Looking ahead there is limited opportunity to make valuable changes to the current program portfolios and have these changes reflected in an LDC's 2014 results. However, LDCs and the OPA can build on the strengths and key successes of the 2011-2014 programs to launch new programs which will meet the needs of the industry and consumers.

Appendix A: Initiative Descriptions

Residential Program

APPLIANCE RETIREMENT INITIATIVE (Exhibit D)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objectives: Achieve energy and demand savings by permanently decommissioning certain older, inefficient refrigeration appliances.

Description: This is an energy efficiency Initiative that offers individuals and businesses free pick-up and decommissioning of old large refrigerators and freezers. Window air conditioners and portable dehumidifiers will also be picked up if a refrigerator or a freezer is being collected.

Targeted End Uses: Large refrigerators, large freezers, window air conditioners and portable dehumidifiers.

Delivery: OPA centrally contracts for the province-wide marketing, call centre, appliance pick-up and decommissioning process. LDC's provides local marketing and coordination with municipal pick-up where available.

Additional detail is available:

- Schedule B-1, Exhibit D:
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholder_s/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer/Programs/Appliance-Retirement.aspx>

In Market Date: March 5, 2011

APPLIANCE EXCHANGE INITIATIVE (Exhibit E)

Target Customer Type(s): Residential Customers

Initiative Frequency: Spring and Fall

Objective: The objective of this Initiative is to remove and permanently decommission older, inefficient window air conditioners and portable dehumidifiers that are in Ontario.

Description: This Initiative involves appliance exchange events. Exchange events are held at local retail locations and customers are encouraged to bring in their old room air conditioners (AC) and dehumidifiers in exchange for coupons/discounts towards the purchase of new energy efficient equipment.

Targeted End Uses: Window air conditioners and portable dehumidifiers

Delivery: OPA contracts with participating retailers for collection of eligible units. LDCs provide local marketing.

Additional detail is available:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholder/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: March 5, 2011

HVAC INCENTIVES INITIATIVE (Exhibit B)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage the replacement of existing heating systems with high efficiency furnaces equipped with Electronically Commutated Motors (ECM), and to replace existing central air conditioners with ENERGY STAR qualified systems and products.

Description: This is an energy efficiency Initiative that provides rebates for the replacement of old heating or cooling systems with high efficiency furnaces (equipped with ECM) and Energy Star qualified central air conditioners by approved Heating, Refrigeration, and Air Conditioning Institute (HRAI) qualified contractors.

Targeted End Uses: Central air conditioners and furnaces

Delivery: OPA contracts centrally for delivery of the program. LDCs provide local marketing and encourage local contractors to participate in the Initiative.

Additional detail is available:

- Schedule B-1, Exhibit B
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: March 5, 2011

CONSERVATION INSTANT COUPON INITIATIVE (Exhibit A)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage households to purchase energy efficient products by offering discounts.

Description: This Initiative provides customers with year round coupons. The coupons offer instant rebates towards the purchase of a variety of low cost, easy to install energy efficient measures and can be redeemed at participating retailers. Booklets were directly mailed to customers and were also available at point-of-purchase. Downloadable coupons were also available at www.saveoneenergy.ca.

Targeted End Uses: ENERGY STAR® qualified Standard Compact Fluorescent Lights (“CFLs”), ENERGY STAR® qualified Light Fixtures lighting control products, weather-stripping, hot water pipe wrap, electric water heater blanket, heavy duty plug-in Timers, Advanced power bars, clothesline, baseboard programmable thermostats.

Delivery: The OPA develops the electronic version of the coupons and posts them online for download. Three LDC specific coupons were made available for local marketing and utilization by LDCs. The OPA enters into agreements with retailers to honour the coupons.

Additional detail is available:

- Schedule B-1, Exhibit A
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholder

[s/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf](#) and

- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: March 5, 2011

BI-ANNUAL RETAILER EVENT INITIATIVE (Exhibit C)

Target Customer Type(s): Residential Customers

Initiative Frequency: Bi-annual events

Objective: The objective of this Initiative is to provide instant point of purchase discounts to individuals at participating retailers for a variety of energy efficient products.

Description: Twice a year (Spring and Fall), participating retailers host month-long rebate events. During the months of April and October, customers are encouraged to visit participating retailers where they can find coupons redeemable for instant rebates towards a variety of low cost, easy to install energy efficient measures.

Targeted End Uses: As per the Conservation Instant Coupon Initiative

Delivery: The OPA enters into arrangements with participating retailers to promote the discounted products, and to post and honour related coupons. LDCs also refer retailers to the OPA and market this initiative locally.

Additional detail is available:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: March 2011

In Market Date: March 5, 2011

RETAILER CO-OP

Target Customer Type(s): Residential Customers

Initiative Frequency: Year Round

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Objective: Hold promotional events to encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Description: The Retailer Co-op Initiative provides LDCs with the opportunity to work with retailers in their service area by holding special events at retail locations. These events are typically special promotions that encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Targeted End Uses: As per the Conservation Instant Coupon Initiative

Delivery: Retailers apply to the OPA for co-op funding to run special promotions that promote energy efficiency to customers in their stores. LDCs can refer retailers to the OPA. The OPA provides each LDC with a list of retailers who have qualified for Co-Op Funding as well as details of the proposed special events.

In Market Date: March 5, 2011

NEW CONSTRUCTION PROGRAM (Schedule B-2)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to provide incentives to participants for the purpose of promoting the construction of energy efficient residential homes in the Province of Ontario.

Description: This is an energy efficiency Initiative that provides incentives to homebuilders for constructing new homes that are efficient, smart, and integrated (applicable to new single family dwellings). Incentives are provided in two key categories as follows:

- Incentives for homebuilders who install electricity efficiency measures as determined by a prescriptive list or via a custom option.
- Incentives for homebuilders who meet or exceed aggressive efficiency standards using the EnerGuide performance rating system.

Targeted End Uses: All off switch, ECM motors, ENERGY STAR qualified central a/c, lighting control products, lighting fixtures, Energuide 83 whole home, EnerGuide 85 whole homes

Delivery: Local engagement of builders will be the responsibility of the LDC and will be supported by OPA air coverage driving builders to their LDC for additional information.

Additional detail is available:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-2%20New%20Construction%20Program.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: March 5, 2011

RESIDENTIAL DEMAND RESPONSE PROGRAM (Schedule B-3)

Target Customer Type(s): Residential and Small Commercial Customers

Initiative Frequency: Year round

Objective: The objectives of this Initiative are to enhance the reliability of the IESO-controlled grid by accessing and aggregating specified residential and small commercial end uses for the purpose of load reduction, increasing consumer awareness of the importance of reducing summer demand and providing consumers their current electricity consumption and associated costs.

Description: In *peaksaver* PLUS[®] participants are eligible to receive a free programmable thermostat or switch, including installation. Participants also receive access to price and real-time consumption information on an In-Home Display (IHD).

Targeted End Uses: central air conditioning, electric hot water heaters and pool pumps

Delivery: LDC's recruit customers and procure technology

Additional detail is available:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/SCHED_2011_ResDR_B_3_110727%28MJB%29v15_redacted.pdf and
- SaveONenergy website <https://saveonenergy.ca/Consumer.aspx>

In Market Date: June 27, 2011

C&I Program

EFFICIENCY: EQUIPMENT REPLACEMENT INCENTIVE (ERII) (Schedule C-2)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives to non-residential distribution customers to achieve reductions in electricity demand and consumption by upgrading to more energy efficient equipment for lighting, space cooling, ventilation and other measures.

Description: The Equipment Replacement Incentive Initiative (ERII) offers financial incentives to customers for the upgrade of existing equipment to energy efficient equipment. Upgrade projects can be classified into either: 1) prescriptive projects where prescribed measures replace associated required base case equipment; 2) engineered projects where energy and demand savings and incentives are calculated for associated measures; or 3) custom projects for other energy efficiency upgrades.

Targeted End Uses: lighting, space cooling, ventilation and other measures

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-2
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-2%20ERII%20Initiative.pdf
and
- SaveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Retrofit-for-Commercial.aspx>

In Market Date: Enersource registered with the OPA in March 2011 for this initiative, but experienced delays in program launch due to the OPA CRM / ICON system not fully functional and the requirements for competitive procurement process.

Lessons Learned:

DIRECT INSTALL INITIATIVE (DIL) (Schedule C-3)

Target Customer Type(s): Small Commercial, Institutional, Agricultural facilities and multi-family buildings

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer a free installation of eligible lighting and water heating measures of up to \$1,000 to eligible owners and tenants of small commercial, institutional and agricultural facilities and multi-family buildings, for the purpose of achieving electricity and peak demand savings.

Description: The Direct Installed Lighting Initiative targets customers in the General Service <50kW account category. This Initiative offers turnkey lighting and electric hot water heater measures with a value up to \$1,000 at no cost to qualifying small businesses. In addition, standard prescriptive incentives are available for eligible equipment beyond the initial \$1,000 limit.

Target End Uses: Lighting and electric water heating measures

Delivery: Participants can enroll directly with the LDC, or would be contacted by the LDC/LDC-designated representative.

Additional detail is available:

- Schedule C-3
<http://www.powerauthority.on.ca/sites/default/files/page/Schedule%20C-3%20Direct%20Install%20Initiative%20-%20redacted.pdf> and
- SaveONenergy website <https://saveonenergy.ca/Business.aspx>

Initiative Activities/Progress:

High penetration of the previous version of this initiative within the BPI service territory has resulted in limited uptake potential for the 2011-2014 program. BPI utilized the previous programs Service Provider to aid in maintaining Initiative momentum, however the diminished number of eligible customers limited program uptake. BPI continued to provide local marketing and customer support for this Initiative.

In Market Date: Enersource registered with the OPA in March 2011 for this initiative, but experience delays in launching the program to small business customers until June 2011 due to the competitive procurement process.

EXISTING BUILDING COMMISSIONING INCENTIVE INITIATIVE (Schedule C-6)

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives for optimizing (but not replacing) existing chilled water systems for space cooling in non-residential facilities for the purpose of achieving implementation phase energy savings, implementation phase demand savings, or both.

Description: This Initiative offers Participants incentives for the following:

- scoping study phase
- investigation phase
- implementation phase
- hand off/completion phase

Targeted End Uses: Chilled water systems for space cooling

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-6
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-6%20Commissioning%20Initiative.pdfand
- SaveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Existing-Building-Commissioning.aspx>

Initiative Activities/Progress:

BPI provided local marketing and customer support for this Initiative, but had no customer interest or uptake.

In Market Date: Enersource registered with the OPA in March 2011 for this initiative, but experience delays in launching program to business customer until June 2011 due to competitive procurement process.

NEW CONSTRUCTION AND MAJOR RENOVATION INITIATIVE (HPNC) (Schedule C-4)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage builders/major renovators of commercial, institutional, and industrial buildings (including multi-family buildings and agricultural facilities) to reduce electricity demand and/or consumption by designing and building new buildings with more energy-efficient equipment and systems for lighting, space cooling, ventilation and other Measures.

Description: The New Construction initiative provides incentives for new buildings to exceed existing codes and standards for energy efficiency. The initiative uses both a prescriptive and custom approach.

Targeted End Uses: New building construction, building modeling, lighting, space cooling, ventilation and other Measures

Delivery: LDC delivers to customers and design decision makers.

Additional detail is available:

- Schedule C-4
<http://www.powerauthority.on.ca/sites/default/files/page/ScheduleC-4NewConstructionInitiativeV2.pdf> and
- SaveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/New-Construction.aspx>

Initiative Activities/Progress:

BPI provided local marketing and customer support for this Initiative, however received no applications in 2011.

In Market Date: Enersource registered with the OPA in March 2011 for this initiative, but experience delays in launching program to business customer until June 2011 due to competitive procurement process.

ENERGY AUDIT INITIATIVE (Schedule C-1)

Target Customer Type(s): Commercial, Institutional, Agricultural and Industrial Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to offer incentives to owners and lessees of commercial, institutional, multi-family buildings and agricultural facilities for the purpose of undertaking assessments to identify all possible opportunities to reduce electricity demand and consumption within their buildings or premises.

Description: This Initiative provides participants incentives for the completion of energy audits of electricity consuming equipment located in the facility. Energy audits include development of energy baselines, use assessments and performance monitoring and reporting.

Targeted End Uses: Various

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-1
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-1%20Energy%20Audit%20Initiative.pdf and
- SaveONenergy website <https://saveonenergy.ca/Business/Program-Overviews/Audit-Funding.aspx>

Initiative Activities/Progress:

BPI marketed this Initiative to its commercial and institutional customers and received one application in 2011.

In Market Date: Enersource registered with the OPA in March 2011 for this initiative but experienced further delays in launching the program to business customers due to the competitive procurement process, thus in market date was June 2011.

Industrial Program

PROCESS & SYSTEMS UPGRADES INITIATIVE (PSUI) (Schedule D-1)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objectives: The objectives of this Initiative are to:

- Offer distribution customers capital incentives and enabling initiatives to assist with the implementation of large projects and project portfolios;
- Implement system optimization project in systems which are intrinsically complex and capital intensive; and
- Increase the capability of distribution customers to implement energy management and system optimization projects.

Description: PSUI is an energy management Initiative that includes three Initiatives: (preliminary engineering study, detailed engineering study, and project incentive Initiative). The incentives are available to large distribution connected customers with projects or portfolio projects that are expected to generate at least 350 MWh of annualized electricity savings or, in the case of Micro-Projects, 100 MWh of annualized electricity savings. The capital incentive for this Initiative is the lowest of:

- a) \$200/MWh of annualized electricity savings
- b) 70% of projects costs
- c) A one year pay back

Targeted End Uses: Process and systems

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-1
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholder_s/current_electricity_contracts/pdfs/Schedule%20D-1%20Process%20and%20Systems%20Upgrades%20Initiative.pdf and
- SaveONenergy website <https://saveonenergy.ca/Business.aspx>

In Market Date: This initiative was available from June 2011.

MONITORING & TARGETING INITIATIVE (Schedule D-2)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This Initiative offers access to funding for the installation of Monitoring and Targeting systems in order to deliver a minimum savings target at the end of 24 months and sustained for the term of the M&T Agreement.

Description: This Initiative offers customers funding for the installation of a Monitoring and Targeting system to help them understand how their energy consumption might be reduced. A facility energy manager, who regularly oversees energy usage, will now be able to use historical energy consumption performance to analyze and set targets.

Targeted End Uses: Process and systems

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-2
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-2%20Monitoring%20and%20Targeting%20Initiative.pdf and
- SaveONenergy website <https://saveonenergy.ca/Business.aspx>

In Market Date: This initiative was available June 2011.

ENERGY MANAGER INITIATIVE (Schedule D-3)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: The objective of this initiative is to provide customers and LDCs the opportunity to access funding for the engagement of energy managers in order to deliver a minimum annual savings target.

Description: This Initiative provides customers the opportunity to access funding to engage an on-site, full time embedded energy manager, or an off-site roving energy manager who is engaged by the LDC. The role of the energy manager is to take control of the facility's energy use by monitoring performance, leading awareness programs, and identifying opportunities for energy consumption improvement, and spearheading projects. Participants are funded 80% of the embedded energy manager's salary up to \$100,000 plus 80% of the energy manager's actual reasonable expenses incurred up to \$8,000 per year. Each embedded energy manager has a target of 300 kW/year of energy savings from one or more facilities. LDCs receive funding of up to \$120,000 for a Roving Energy Manager plus \$8,000 for expenses.

Targeted End Uses: Process and systems

Enersource Hydro Mississauga Inc. 2012 CDM Annual Report

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-3
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-3%20Energy%20Manager%20Initiative%202011-2014.pdf and
- SaveONenergy website <https://saveonenergy.ca/Business.aspx>

In Market Date: May 2011

KEY ACCOUNT MANAGER (KAM) (Schedule D-4)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This initiative offers LDCs the opportunity to access funding for the employment of a KAM in order to support them in fulfilling their obligations related to the PSUI.

Description: This Initiative provides LDCs the opportunity to utilize a KAM to assist their customers. The KAM is considered to be a key element in assisting the consumer in overcoming traditional barriers related to energy management and help them achieve savings since the KAM can build relationships and become a significant resource of knowledge to the customer.

Targeted End Uses: Process and systems

Delivery: LDC delivered

Additional detail is available:

- ScheduleD-4
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/projects_programs/pdfs/PSUI%20Initiative%20Schedule%20D-4.Key%20Account%20Manager.20110322.pdf

In Market Date: Enersource had the key account manager start in December 2011.

DEMAND RESPONSE 3 (Schedule D-6)

Target Customer Type(s): Industrial, Commercial, Institutional and Agricultural Customers

Initiative Frequency: Year round

Objective: This Initiative provides for Demand Response (“DR”) payments to contracted participants to compensate them for reducing their electricity consumption by a pre-defined amount during a DR event.

Description: Demand Response 3 (“DR3”) is a demand response Initiative for commercial and industrial customers, of 50 kW or greater to reduce the amount of power being used during certain periods of the year. The DR3 Initiative is a contractual resource that is an economic alternative to procurement of new generation capacity. DR3 comes with specific contractual obligations requiring participants to reduce their use of electricity relative to a baseline when called upon. This Initiative makes payments for participants to be on standby and payments for the actual electricity reduction provided during a demand response event. Participants are scheduled to be on standby approximately 1,600 hours per calendar year for possible dispatch of up to 100 hours or 200 hours within that year depending on the contract.

Targeted End Uses: Commercial and Industrial Operations

Delivery: DR3 is delivered by Demand Response Providers (“DRPs”), under contract to the OPA. The OPA administers contracts with all DRPs and Direct Participants (who provide in excess of 5 MW of demand response capacity). OPA provides administration including settlement, measurement and verification, and dispatch. LDCs are responsible for local customer outreach and marketing efforts.

Additional detail is available:

- Schedule D-6
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-6%20Demand%20Response%203%202011-2014.pdf and
- SaveONenergy website <https://saveonenergy.ca/Business.aspx>

In Market Date: January 2011

It is noted that while the Schedule for this Initiative was not posted until May 2011, the Aggregators reported that they were able to enroll customers as of January 2011.

Target Customer Type(s): Income Qualified Residential Customers

Initiative Frequency: Year Round

Objective: The objective of this Initiative is to offer free installation of energy efficiency measures to income qualified households for the purpose of achieving electricity and peak demand savings.

Description: This is a turnkey Initiative for income qualified customers. It offers residents the opportunity to take advantage of free installation of energy efficient measures that improve the comfort of their home, increase efficiency, and help them save money. All eligible customers receive a Basic and Extended Measures Audit, while customers with electric heat also receive a Weatherization Audit. The Initiative is designed to coordinate efforts with gas utilities.

Targeted End Uses: End use measures based on results of audit (i.e. compact fluorescent light bulbs)

Delivery: LDC delivered.

Additional detail is available:

- Schedule E
<http://www.powerauthority.on.ca/sites/default/files/page/Low%20Income%20Schedule%20-%20redacted%20version.pdf>

Initiative Activities/Progress:

BPI took the lead on a group RFP for Home Assistance Program provider in 2011. Due to the delay in schedule release, and the time required for the RFP process, BPI was not in market in 2011, however launched in early 2012.

In Market Date: Not in market

Appendix B: Pre-2011 Programs

ELECTRICITY RETROFIT INCENTIVE PROGRAM

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year Round

Objective: The objective of this Initiative is to offer incentives to non-residential distribution customers to achieve reductions in electricity demand and consumption by upgrading to more energy efficient equipment for lighting, space cooling, ventilation and other measures.

Description: The Equipment Replacement Incentive Program (ERIP) offered financial incentives to customers for the upgrade of existing equipment to energy efficient equipment. This program was available in 2010 and allowed customers up to 11 months following Pre-Approval to complete their projects. As a result, a number of projects Pre-Approved in 2010 were not completed and in-service until 2011. The electricity savings associated with these projects are attributed to 2011.

Targeted End Uses: Electricity savings measures

Delivery: LDC Delivered

HIGH PERFORMANCE NEW CONSTRUCTION

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year round

Objective: The High Performance New Construction Initiative provided incentives for new buildings to exceed existing codes and standards for energy efficiency. The Initiative uses both a prescriptive and custom approach and was delivered by Enbridge Gas under contract with the OPA (and subcontracted to Union Gas), which ran until December 2010.

Description: The objective of this Initiative is to encourage builders of commercial, institutional, and industrial buildings (including multi-family buildings and agricultural facilities) to reduce electricity demand and/or consumption by designing and building

new buildings with more energy-efficient equipment and systems for lighting, space cooling, ventilation and other Measures.

Targeted End Uses: New Building construction, building modeling, lighting, space cooling, ventilation and other measures

Delivery: Through Enbridge Gas (and subcontracted to Union Gas)

TORONTO COMPREHENSIVE INITIATIVE

This Initiative is not within Enersource's Service Area.

MULTIFAMILY ENERGY EFFICIENCY REBATES

Target Customer Type(s): Residential Multi-unit buildings

Initiative Frequency: Year round

Objective: Improve energy efficiency of Multi-unit building

Description: OPA's Multifamily Energy Efficiency Rebates (MEER) Initiative applies to multifamily buildings of six units or more, including rental buildings, condominiums, and assisted social housing. The OPA contracted with GreenSaver to deliver the MEER Initiative outside of the Toronto Hydro service territory. Activities delivered in Toronto were contracted with the City.

Similar to ERII and ERIP, MEER provides financial incentives for prescriptive and custom measures, but also funds resident education. Unlike ERII, where incentives are paid by the LDC, all incentives through MEER are paid through the contracted partner (i.e. GreenSaver).

Targeted End Uses: Electricity saving measures

Delivery: OPA contracted with Greensaver

DATA CENTRE INCENTIVE PROGRAM

This Initiative is not within Enersource's Service Area.