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Sent via RESS and Courier

September 30, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700,
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli,

RE: Erie Thames Powerlines Corporation – 2013 Conservation and Demand Management (CDM) Annual Report

In accordance with Section 2.2.1 of the CDM Code for Electricity Distributors, please find enclosed Erie Thames Powerlines Corporation's 2013 CDM Annual Report. This report covers the period of January 1, 2013 to December 31, 2013.

Sincerely,

Original Signed By

Tyler Moore
General Counsel & Corporate Secretary
Erie Thames Powerlines Corporation



Erie Thames Powerlines Corporation

Conservation and Demand Management 2013 Annual Report

**Submitted to:
Ontario Energy Board**

Submitted on September 30, 2014

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Executive Summary

Erie Thames Powerlines Corporation (ETPL) is a regulated Local Distribution Company (LDC) servicing the communities of Port Stanley, Aylmer, Belmont, Ingersoll, Thamesford, Otterville, Norwich, Burgessville, Beachville, Embro, Tavistock, Clinton, Mitchell and Dublin. ETPL is working hard to be 'Best in Class' and provide superior service to its community of customers.

This annual report is submitted by ETPL in accordance with the filing requirements set out in the CDM Code (Board File No. EB-2010-0215), specifically Appendix C Annual Report Template, as a progress report and modification to ETPL's CDM Strategy. Accordingly, this report outlines ETPL's CDM activities for the period of January 1, 2013 to December 31, 2013. It includes net peak demand and net energy savings achieved from 2011, 2012 and 2013, with discussion of the current/future CDM framework, CDM program activities, successes and challenges, as well as forecasted savings to the end of 2014.

ETPL did not apply for any Board-Approved CDM Programs in 2013; however, as noted in the CDM guidelines, released April 26, 2012, the Ontario Energy Board (OEB) has deemed Time-of-Use (TOU) pricing 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 ETPL.

In 2011, ETPL contracted with the Ontario Power Authority (OPA) to deliver a portfolio of OPA-Contracted Province-Wide CDM Programs to all customer segments including residential, commercial, institutional, industrial and low income. These programs were rolled-out by the OPA in June 2011. In 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, ETPL offered the full suite of CDM programs available from the OPA for its residential, commercial, and industrial customers, with the exception of the Peaksaver Plus Program. ETPL's role in delivery of the initiatives included promotion, customer service, acting as the local "face" for the initiatives in the community, managing channel partner networks, reporting to the OPA, reviewing applications, referral of participants to the OPA, and contracting for delivery with third-party service providers.

In 2013, ETPL continued to offer the full suite of CDM programs to its customers, with the exception of the Peaksaver Plus Program. To date ETPL has achieved 1.1 MW of net incremental peak demand savings and 5.9 GWh of net incremental energy savings in 2013. A summary of the achievements towards the CDM targets is shown below:

OPA-Contracted Province-Wide CDM Programs Draft Verified 2013 Results

LDC: Erie Thames Powerlines Corporation

| FINAL 2013 Progress to Targets | 2013 Incremental | Program-to-Date Progress to Target (Scenario 1) | Scenario 1: % of Target Achieved | Scenario 2: % of Target Achieved |
|--|---------------------|---|-------------------------------------|-------------------------------------|
| Net Annual Peak Demand Savings (MW) | 1.1 | 1.4 | 26.4% | 34.1% |
| Net Energy Savings (GWh) | 5.9 | 25.1 | 109.1% | 109.1% |

Scenario 1 = Assumes that demand response resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in your territory until 2014

ETPL has already exceeded its Cumulative Energy Savings target before the 2014 deadline. ETPL is forecasting to achieve between 60% and 70% of its Peak Demand Savings target by the 2014, but may fall short due to circumstances beyond its control, as discussed below. As a result, ETPL continues to work actively on participant engagement, particularly on high-impact initiatives, such as those targeted to business customers, while still supporting all residential programs. In addition ETPL has partnered with other LDCs, and has been working with the Ontario Power Authority (“OPA”) and the Electrical Distribution 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 Ontario Energy Board (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 ETPL to require ETPL, as a condition of its license, to achieve 22.97 GWh of energy savings and 5.22 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, ETPL submitted its CDM Strategy on June 11, 2011 which provided a high level of description of how ETPL intended to achieve its CDM targets.

The Code also requires a distributor to file annual reports with the Board. This is the third Annual Report by ETPL and has been prepared in accordance with the Code requirement and covers the period from January 1, 2013 to December 31, 2013.

ETPL submitted its 2011 Annual Report on September 28, 2012 which summarized the CDM activities, successes and challenges experienced by ETPL 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 & II of the Environmental Commissioner's Report on Ontario's Annual Energy Conservation Progress.

On December 21, 2012, the Minister of Energy directed the Ontario Power Authority (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.

ETPL submitted its 2012 Annual Report on September 30th, 2013 which summarized the CDM activities undertaken by ETPL for the January 1, 2012 to December 31, 2012 period. The OEB's 2012 CDM Results report identified that the majority of LDCs achieved close to 20% of their net peak demand (MW) target from their 2012 results. However, LDCs generally advised the Board that meeting their peak demand (MW) target is not likely and that a shortfall is expected.

LDCs collectively achieved approximately 8% of the energy savings (GWh) target, which is slightly below the 10% incremental annual savings needed each year to achieve the energy savings target. Overall the cumulative results represent approximately 65% of the net energy target of 6,000 GWh.

The report identified that although there have been improvements to programs there still remains some shortcoming to the design and delivery of certain initiatives that have resulted in a negative impact to some programs. In particular, the change management process still requires improvements to expedite enhancements to initiatives. The report also noted that certain initiatives may be reaching the point of market saturation and that new initiatives may need to be developed in order to take the place of the existing initiatives.

1 Board-Approved CDM Program

No Board-Approved CDM Programs are currently being offered in the ETPL service area.

1.1 Introduction

In its Decision and Order dated November 12 2010 (**EB-2010-0215 & EB-2010-0216**), the OEB ordered that, (to meet its mandatory CDM targets), “Each licensed electricity distributor must, as a condition of its license, deliver Board-Approved CDM Programs, OPA-Contracted Province-Wide CDM Programs, or a combination of the two”.

At this time, the implementation of Time-of-Use (“TOU”) Pricing has been deemed as a Board-Approved Conservation and Demand Management (“CDM”) program that is being offered in ETPL’s service area.

1.2 TOU Pricing

1.2.1 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 evaluations of savings from TOU pricing should be conducted by the OPA for the province, and then allocated to distributors. ETPL will report these results upon receipt from the OPA.

The OPA had retained The Brattle Group as the evaluation contractor and has been working with an expert panel convened to provide ongoing advice on methodology, data collection, models, savings allocation, etc. The initial evaluations were conducted in 2013 with five LDCs – Hydro One, THESL, Ottawa Hydro, Thunder Bay and Newmarket. Preliminary results from these five LDCs were issued to the five LDCs involved in the study in August 2013 and are now publically available on the OPA website. Preliminary results demonstrated load shifting behaviours from the residential customer class.

Three additional LDCs were added to the study in 2014 – Cambridge-North Dumphries, Powerstream and Sudbury. Preliminary results from this study are planned to be issued to the eight LDCs in September 2014. The OPA advised that the TOU study will be complete in the summer of 2015 and final verified savings will be available for LDCs to include in the 2014 Annual Report.

As of September 30, 2014, the OPA has not released any verified results of TOU savings to ETPL. Therefore, ETPL is not able to provide any verified savings related to LDC’s TOU program at this time.

1.2.2 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:

| RPP TOU Effective Date | Rates (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 | 10.0 | 6.5 |
| November 1, 2012 | 11.8 | 9.9 | 6.3 |
| May 1, 2013 | 12.4 | 10.4 | 6.7 |
| November 1, 2013 | 12.9 | 10.9 | 7.2 |
| May 1, 2014 | 13.5 | 11.2 | 7.5 |

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

Initiative Activities/Progress:

ETPL began transitioning its RPP customers to TOU billing on September 1, 2011. At December 31st, 2013, 17,000 RPP customers were on TOU billing.

1.3 Applications with the OEB

ETPL did not apply for any Board-approved programs to the OEB in 2013.

ETPL recognizes that OPA Province-wide programs were never designed to meet 100% of LDCs’ targets, and sees Board-approved programs as a potential means for extending the savings realized from the province-wide programs. In ETPL’s CDM strategy, it projected to achieve its targets through the delivery of the OPA Province-Wide CDM Programs, but did not rule out the possibility of including Board-approved programs at a later date.

As discussed in earlier Annual Reports, there have been significant barriers to the approval of Board-Approved Programs, which has proven to be a deterrent to any meaningful development of programs among LDCs to date. The cost to develop Board-Approved Programs is also prohibitive for smaller LDCs, such as ETPL. However, ETPL does see a worthwhile benefit to offering tailor-made programs to its customers that can do a better job of meeting their needs and taking advantage of community-specific opportunities. Therefore, ETPL is exploring opportunities including partnering with other LDCs and the private sector to develop Board-Approved Programs as early as 2014.

1.4 ETPL's Application to the OPA Conservation Fund

In 2013, the OPA introduced the Conservation Fund to help meet LDCs' interest in the development and launch of new local, regional and province-wide initiatives. The Conservation Fund's LDC Program Innovation Stream fast-tracks LDC-led program design and the launch of successfully piloted initiatives prior to full scale deployment. By driving program innovation through the Conservation Fund, LDCs have the opportunity to both realize additional savings through the piloting and implementation of initiatives not currently addressed by the OPA portfolio and the means to test concepts for future local or province wide programs post 2014. As per the OPA, as of March 2014, three pilots have been contracted and are underway with Toronto Hydro and Niagara Peninsula Energy and ten others are in various stages of the contracting and development process.

In addition, building on LDC interest in social benchmarking services for the residential sector, in 2013 the Conservation Fund in collaboration with Hydro One, Milton Hydro and Horizon Utilities completed the procurement of three social benchmarking pilot projects. Beginning in 2014 these services will be offered to more than 100,000 customers for a one year period, with evaluation reports published shortly thereafter.

ETPL has submitted a draft conservation program, the Residential ECM Motor Upgrade Program, to the OPA for further review. A furnace fan is a critical electrically-powered device used in residential central heating, ventilation, and air conditioning (HVAC) systems for the purposes of circulating air through duct work. It is has been known for a number of years that an Electronically Commutated Motor (ECM) greatly decreasing the energy consumption of the HVAC system. ECMs can save the typical homeowner money on overall energy costs, and offer benefits to the environment through reductions in greenhouse gases associated with conventional electric power generation. The OPA has expressed interest in the program and is working with ETPL on a design and funding formula for a pilot project.

2. OPA-Contracted Province-Wide CDM Programs

2.1 Introduction

Effective March 31, 2012, ETPL entered into an agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014, which are listed below. Program details are included in Appendix A. In addition, results include projects started pre 2011 which were completed in 2011:

| Initiative | Schedule | Date schedule posted | ETPL in Market Date |
|---|-------------------------|----------------------|---------------------|
| Residential Programs | | | |
| Appliance Retirement | Schedule B-1, Exhibit D | Jan 26, 2011 | January 2011 |
| Appliance Exchange | Schedule B-1, Exhibit E | Jan 26, 2011 | March 2011 |
| HVAC Incentives | Schedule B-1, Exhibit B | Jan 26, 2011 | February 2011 |
| Conservation Instant Coupon Booklet | Schedule B-1, Exhibit A | Jan 26, 2011 | February 2011 |
| Bi-Annual Retailer Event | Schedule B-1, Exhibit C | Jan 26, 2011 | March 2011 |
| Retailer Co-op | n/a | n/a | N/A |
| Residential Demand Response | Schedule B-3 | Aug 22, 2011 | Not in Market |
| New Construction Program | Schedule B-2 | Jan 26, 2011 | February 2011 |
| Home Assistance Program | Schedule E-1 | May 9, 2011 | January 2012 |
| Commercial & Institutional Programs | | | |
| Efficiency: Equipment Replacement | Schedule C-2 | Jan 26, 2011 | March 2011 |
| Direct Install Lighting <ul style="list-style-type: none"> • General Service <50 kW | Schedule C-3 | Jan 26, 2011 | June 2011 |
| Existing Building Commissioning Incentive | Schedule C-6 | Feb 2011 | February 2011 |
| New Construction and Major Renovation Initiative | Schedule C-4 | Feb 2011 | June 2011 |
| Energy Audit | Schedule C-1 | Jan 26, 2011 | February 2011 |
| Commercial Demand Response <ul style="list-style-type: none"> • General Service <50 kW | Schedule B-3 | Jan 26, 2011 | Not in Market |
| Industrial Programs - General Service 50 kW & above | | | |
| Process & System Upgrades | Schedule D-1 | May 31, 2011 | November 2011 |
| Monitoring & Targeting | Schedule D-2 | May 31, 2011 | November 2011 |
| Energy Manager | Schedule D-3 | May 31, 2011 | August 2011 |
| Key Account Manager ("KAM") | Schedule D-4 | May 31, 2011 | August 2011 |
| Efficiency Equipment Replacement Incentive <ul style="list-style-type: none"> • (part of the C&I program schedule) | Schedule C-2 | May 31, 2011 | March 2011 |
| Demand Response 3 | Schedule D-6 | May 31, 2011 | January 2011 |

In addition, results were realized towards LDCs' 2011-2014 target through the following pre-2011 programs:

- Electricity Retrofit Incentive Program
- High Performance New Construction
- Toronto Comprehensive
- Multifamily Energy Efficiency Rebates

- Data Centre Incentive Program
- EnWin Green Suites

As per the table below, several program initiatives are no longer available to customer or have not been launched in 2013.

| Not in Market | Objective | Status |
|---|---|--|
| Residential Program | | |
| Midstream Electronics | Encourages retailers to promote and sell high efficiency televisions, and for distributors to distribute high efficiency set top boxes. | Did not launch and removed from Schedule in Q2, 2013. |
| Midstream Pool Equipment | Encourage pool installers to sell and install efficient pool pump equipment in residential in-ground pools. | Did not launch and removed from Schedule in Q2, 2013. |
| Home Energy Audit Tool | This is a provincial online audit tool to engage customers in conservation and help drive customer participation to CDM programs. | Did not launch and removed from Schedule in Q2, 2013. |
| Commercial & Institutional Program | | |
| Direct Service Space Cooling | Offers free servicing of air conditioning systems and refrigeration units for the purpose of achieving energy savings and demand reduction. | Did not launch in 2011/2012. As per the OPA there 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 Program | | |
| DR1 | As above | No customer uptake for this initiative. Removed in Q4, 2012. |

The Master CDM Program Agreement includes program change management provision in Article 3. Collaboration between the OPA and the Local Distribution Companies (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 Service 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.

2.2 Program Descriptions

Full OPA-Contracted Province-Wide CDM Program descriptions 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.

2.2.1 RESIDENTIAL PROGRAM

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:

ETPL 2013 Results:

The portfolio of OPA Residential Programs, ETPL made available to its customers in 2013 was similar to 2012 and 2011 and included: Appliance Retirement, Appliance Exchange, HVAC Incentives, Conservation Instant Coupon Booklet, Bi-annual Retailer Event, and Residential New Construction.

ETPL marketed these programs through direct customer outreach including participating in several community events and engaging customers through social media. ETPL also continued its engagement, in partnership with our shareholder municipalities, in a municipal energy committee that will assist in identifying new conservation programs and initiatives. The mandate of this committee is to provide leadership and educate citizens within the Township of South-West Oxford's community in energy conservation.

While the specific results of each of those programs are discussed below, overall, participation in the programs offered by ETPL was mixed in 2013, with some programs beginning to decline in participation, likely due to market saturation, and others increasing or maintaining participation levels. Mixed results were also achieved at a provincial level.

The OPA Residential Programs available in 2013 that were not offered by ETPL or saw no uptake included Peak Saver Plus and Retailer Co-Op. As discussed in further detail below, ETPL explored options to introduce Peaksaver Plus to residents in 2013/14 but ultimately could not find a product to offer to customers that would prove sustainable in the long-term and opted to delay implementation until such time as a sustainable solution could be offered to potential customers. The Retailer Co-Op program saw no uptake by retailers in ETPL's territory in 2013.

The addition of LED measures to the Bi-Annual Retailer Event and in the Annual Coupon initiative in July 2013 has had a positive impact on customer participation. There was the added benefit of three LDC custom coded coupon options for LDCs to utilize in 2013.

The Residential Program Portfolio is predominately a carryover of Initiatives from previous programs. It is mostly driven by retailers and contractors who many not have fully delivered what was anticipated. Three new initiatives (Midstream Electronics, Midstream Pool Equipment and Home Energy Audit Tool) were not 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 was re-introduced in Q3 2013. This provided limited value due to the late market entry.

Work to revitalize and increase the effectiveness and breadth of the Initiatives through the Residential Program should continue to be a high priority. Opportunities within the Residential marketplace need to be identified, developed and offered to customers. The Version 5 Schedule changes implemented in Q1/Q2 2014 have increased the number of LDC coded coupons available and added new installations to the Heating and Cooling Incentive.

2.2.1.1 Appliance Retirement Initiative (Exhibit D)

Initiative Activities/Progress:

The Appliance Retirement Initiative has been offered by ETPL since 2007 (previously called *The Great Refrigerator Round-Up*). ETPL continued marketing the program to residents through direct engagement with local appliance retainers, promotion to customers at community events, and through social media and bill inserts, as well as province-wide marketing. Beginning in 2013, the eligibility requirement for appliances changed from a minimum 20 years to a minimum of 15.

Participation in this initiative in ETPL territory declined in 2013 over 41% compared to 2012, with a total of 172 appliances collected, likely due to market saturation.

Due to the duration of the program this initiative is under consideration for removal from the Portfolio. However, rather than strictly remove this initiative, the OPA and LDCs could review opportunities to expand the list eligible equipment to include such items as 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.

If this initiative is to continue, OPA province-wide advertising will be critical to any further success it might achieve as participation is very responsive to province wide advertising. Furthermore, building better relationships with retailers may play a role the future success of this initiative. Retailers can provide opportunities to capture replacement appliances and have them decommissioned after a sale has been committed.

2.2.1.2 Appliance Exchange Initiative (Exhibit E)

Initiative Activities/Progress:

The design and modification of this initiative, including the eligible measures and incentive amounts are developed through the Residential Working Group. Retail Partners are contracted by the OPA to deliver the initiative province-wide and individual LDCs are expected to market the initiative.

Despite ETPL maintaining similar marketing initiatives in 2013 when compared to 2012, including customer engagement sessions, bill inserts, and social media advertising, participation in the Appliance Exchange Initiative

declined significantly in 2013 with a total of 11 units collected, representing an 84% decline over 2012. The decline is likely due to market saturation. While there was a modification to the program in 2013 which removed window air conditioners as eligible appliances for exchange, this likely had little to no impact on participation in the program as the number of these appliances submitted for exchange had been decreasing.

If this initiative is to continue, consideration should be given to disengaging with retailers and allowing LDCs to conduct the appliance removal in partnership with other organizations. To date, there has only been one retailer participant in this initiative, which may have had a serious impact on its success. Greater promotion activities on a province-wide basis and at the LDC level may also be beneficial in driving up participation. Lastly, improved communication to LDCs regarding retailer participation and eligible measures will also assist in improving participation.

2.2.1.3 HVAC Incentives Initiative (Exhibit B)

Initiative Activities/Progress:

In 2013, ETPL continued to promote participation in the HVAC Incentives Initiative directly to customers through participation in community events, bill inserts, and notifications on the ETPL website and through social media. ETPL also hosted an event for contractors to promote the initiative and encourage them to register with the OPA to become eligible to offer the incentive to their customers. Currently, 12 contractors have registered for the program within ETPL's service territory.

During the 2013 period, ETPL realized 30% increase in program uptake from over 2012. The increase may be attributed to ETPL's increase in efforts to market the OPA-suite of saveONenergy programs, additional HVAC contractors offering the program, and the introduction of the Air Miles incentive in 2013.

There may be opportunities to increase participation in the program in the future if some key issues are addressed. Specifically:

- Incentive levels appear to be insufficient to prompt customers to upgrade HVAC equipment prior to end of useful life, therefore a review of incentives, in addition to the new Air Miles incentive, may be beneficial.
- 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 CAC sales to eligible units.
- In an effort to build capability, 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 4500-5000 HVAC contractors in the Province, however in 2013, only a total of 1,587 contractors completed the mandatory HVAC training and can participate in the program.
- There are cases where non-participating contractors are offering their own incentives (by discounting their installations to match value of the OPA incentive). As this occurs outside of the Initiative, savings are not credited to LDCs. OPA should consider this in future program impact evaluation studies.

- Changes to in 2014 to allow for incentives for new installations, rather than strictly replacement units, may provide greater Initiative results in the future.

2.2.1.4 Conservation Instant Coupon Initiative (Exhibit A)

Initiative Activities/Progress:

The Conservation Instant Coupon Initiative was considerably more successful in 2013 over 2012, with a 91% increase in uptake. LDCs were provided with three custom-coded coupons. The initiative proved to be one of the best performing programs for ETPL. ETPL marketed the program at all of its community events, as well as on social media and through its website. The lack of printed coupon booklets likely did have a negative impact on program uptake as those who were not able to download and print the coupons could not participate.

Going forward, to ensure the continued and increased success of the initiative the following changes are recommended:

- The Initiative may benefit from province-wide marketing as a substitute to a mail out campaign.
- 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.
- Consumer experience varies amongst retailers offering Coupon discounts which can limit redemptions. For example, a particular high volume ‘participating retailer’ does not accept coupons and have their own procedure. In addition, some retailers have static lists of eligible products and will not discount eligible products unless the product on the list.
- The saveONenergy programs in general would benefit from specific end cap displays, aisle product stands and product-specific areas. Having products throughout a retail environment weakens the impact.

2.2.1.5 Bi-Annual Retailer Event Initiative (Exhibit C)

Initiative Activities/Progress:

ETPL does not have any direct involvement in driving retailer participation in this program as it is negotiated at the provincial level. However, once a local retailer agrees to participate LDCs have the opportunity to stage in-store events to drive the distribution of LDC coded Coupons and promotion of other programs in the portfolio. As with 2012, ETPL found the Bi-Annual Retailer Event Initiative to be one of the most effective community engagement events to communicate with customers about conservation and the residential programs available to them. In total, ETPL participated in 15 retail events in 2013. Unfortunately, there was a slight decline of 11% in uptake in the program over 2012.

Going forward, ETPL recommends the following changes to the program to ensure its continued success:

- Regular program review and renewal, including new products and review of incentive pricing for the coupon Initiatives, 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 more exclusive relationship with a retailer appropriate to the program. There should be a value proposition for both the retailer and LDC.

Additionally, a review conducted by the Residential Working Group 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.

2.2.1.6 *Retailer Co-op*

Initiative Activities/Progress:

The Retailer Co-Op Initiative is one that is primarily retailer and OPA-driven, with little involvement from the LDC until the retailer applies for and receives funding from the OP to run special promotions in its retail location. Similar to the rest of the province, there was no activity in this initiative in 2012.

The OPA may want to explore options to attract retail participation in 2014 and beyond, such as providing training to retail store employees to increase product knowledge and conducting demonstrations for customers.

2.2.1.7 *New Construction Program (Schedule B-2)*

Initiative Activities/Progress:

Although ETPL saw no results for this program in 2013, progress was made and is expected to be reflected in 2014 as a number of Energy Star 83 or 85 rated houses reach completion. ETPL is working with a builder in the Ingersoll area in conjunction with this initiative and, to date, eight houses have been paid out under this program and it is expected that another ten will be completed and paid out in 2014.

2.2.1.8 *Residential Demand Response Program (Schedule B-3)*

Initiative Activities/Progress:

ETPL explored options to introduce Peaksaver Plus to residents in 2013/14 but ultimately could not find a product to offer to customers that would prove sustainable in the long-term and opted to delay implementation until such time as a sustainable solution could be offered to potential customers. ETPL's concern is that the speed of

technological advancement in the areas of in home displays (IHM) and residential demand response will result in stranded assets if LDCs rush to introduce yesterday's technology. In particular, ETPL is monitoring Cambridge-North Dumphries' pilot program with the Nest thermostat.

2.2.2 COMMERCIAL AND INSTITUTIONAL PROGRAM

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 to help fund energy audits, to replace energy-wasting equipment or to pursue new construction that exceed our 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:

The net incremental energy savings realized in 2013 through the Commercial and Institutional ("C&I") Programs represented 27% of the total net incremental energy savings for the year. The number of retrofit projects increased over 2012 but the number of direct install lighting projects declined. This was an expected result as the market for lighting projects was reaching saturation levels in 2012. ETPL saw uptake in the Energy Audit program in 2012, but participation in other C&I programs remained stagnant due to the lack of eligible participants within ETPL's service territory.

Throughout 2011 to 2013 the Commercial and Institutional (C&I) Working Group strived to enhance the existing C&I programs and rectify identified program and system deficiencies. This has proven to be a challenging undertaking. 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, Evaluation, Measurement and Verification (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 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 of 2012 was the advent of the expedited change management as means to accelerate certain program changes. 2013 saw the benefits of expedited change management 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. 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.

To that end, ETPL submitted an application to the OPA's Conservation Fund for pilot funding of a Residential ECM motor upgrade program, which would enable residents to upgrade their furnace fans to an Electronically Commutated Motor (ECM). ECMs can save the typical homeowner money on overall energy costs, and offer benefits to the environment through reductions in greenhouse gases associated with conventional electric power generation. The OPA has expressed interest in the program and is working with ETPL on a pilot program design and funding framework.

2.2.2.1 Efficiency: Equipment Replacement Incentive (ERII) (Schedule C-2)

Initiative Activities/Progress:

For 2013, ETPL realized a 27% increase in the number of projects over 2012, and expects to see upward momentum in this initiative continuing into 2014 and beyond. ETPL is working very closely with medium and large-size commercial customers to encourage additional retrofit projects in the future.

To improve the program and ensure its future success, ETPL recommends examining the following opportunities:

- Continued development of Channel Partners is essential to program success. 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.
- Enhancement of non-demand incentives. A focus on demand incentives has limited some kWh project opportunities. In particular, night lighting projects have significant savings potential for customers but tend to have incentives of 10% of project cost or less.
- Removing the requirement to have a customer invoice the LDC for their incentive. It is very burdensome for the customer and results in a negative customer experience and another barrier to participation.
- Removing redundancy in the application process. Customers may need to complete a worksheet and then enter most of that information over to the online application form. This can be cumbersome.
- Improving the application process for Head Office projects. Applicants need to manually enter one application per facility associated with the project can be extremely onerous, often requiring a dedicated resource.

2.2.2.2 Direct Install Initiative (DIL) (Schedule C-3)

Initiative Activities/Progress:

While the number of projects in 2013 declined from 85 to 65 over 2012, participation in the program remained fairly strong and improvements to the program will likely help to ensure that it continues to be a strong contributor to energy savings for ETPL in future years. In addition to working with business partners in the community, ETPL is going to continue its strategy of working with municipal partners to identify of the municipal buildings that have not participated in the program and encourage future participation as it can fit in with the municipality's Municipal Plan under the *Green Energy Act*.

LED lighting was introduced in 2013 as a new measure and has been well received by customers who may not have previously qualified for DIL eligible upgrades. This is an efficient product with a long estimate useful life. On the downside, cold start high output lighting was removed from the program. This particularly affected the farming customers who now have limited options within the program to utilize.

The inclusion of a standard incentive for additional measures increased project size and drove higher energy and demand savings results in some situations. However, 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 upgrades has potential to provide additional energy and demand savings.

2.2.2.3 Existing Building Commissioning Incentive Initiative (Schedule C-6)

Initiative Activities/Progress:

Similar to the rest of the province, ETPL achieved no savings in the Existing Building Commissioning Incentive Initiative in 2013. This is likely due to the initiative being limited to space cooling and a limited window of opportunity (i.e. summer months) for participation. Additionally, it does not appear as though the incentive provided is enough to sway potential participants to take part.

Participation is mainly channel partner driven, however the particulars of the Initiative have presented a significant 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 re-commissioning 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.

If the program remains unchanged, ETPL does not expect much, if any, uptake in the initiative.

2.2.2.4 New Construction and Major Renovation Initiative (HPNC) (Schedule C-4)

Initiative Activities/Progress:

Although ETPL achieved no savings in this initiative in 2013, it did initiate a project with the largest industrial business in its service territory in 2012 and expects to see results in 2014. There is typically a long and complicated

application process and development cycle for these types of projects, so ETPL's results are similar to the rest of the province as most LDCs do not expect to see results until 2014.

ETPL has found some issues with the program that have caused delays and possibly barriers to participation:

- The custom application process requires considerable customer support and skilled LDC staff or LDC-hired 3rd party consultants to guide the customer through. As such, the LDC incurs a significant amount of expense – sometimes equivalent to as much as 50% of the incentive that will be received by the customer. 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.
- Participants estimated completion dates tend to be inaccurate and are usually 6 months longer. This could result in diminished savings towards target when facilities are not substantially completed by December 31, 2014.
- This Initiative has a very low Net-to-Gross ratio, which results in half the proposed target savings being 'lost'.

2.2.2.5 Energy Audit Initiative

While ETPL showed low results (1 audit) in 2013, several applications for energy audits were submitted and approved to move forward in 2012 and are currently underway. It is important to note that the initiative is considered an 'enabling' program to feed into other saveONenergy Initiatives, therefore there are no savings attributed to LDC targets from the completion of an audit.

The province may want to explore further improvements to the initiative in future years to make it more consistent and encourage more flow-through to other initiatives, including:

- A standard template with specific energy saving calculation requirements that can be used by the consultants performing the audits. Currently, audit reports vary considerably and in some cases, while they adhere to the Initiative requirements, do not provide value for the participant.
- A centralized list of prequalified energy audit consultants provided by the OPA. Customers usually look to the LDC to recommend consultants but it would be more beneficial to the customer if the consultants were vetted through a centralized and standardized process.
- Consideration should be given to allowing a building owner to undertake an audit limited to their lighting system. This way they may receive valuable information from neutral third party regarding the appropriate lighting solution for their facility instead of what a local supplier wants to sell

The introduction of a new audit component for one system (i.e. compressed air) has the potential to increase customer participation. ETPL expects to have positive results for this initiative in 2014 and beyond as the audits that were approved in 2012 get underway and are completed.

2.2.3 INDUSTRIAL PROGRAM

Description: Large facilities are discovering the benefits of energy efficiency through the Industrial Programs which are designed to help identify and promote energy saving opportunities. It includes financial incentives and technical expertise to help organizations modernize systems for enhanced productivity and product quality, as well as provide a substantial boost to energy productivity. This allows facilities to take control of their energy so they can create long-term competitive energy advantages which reach across the organization.

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

Objective: To provide incentives to both existing and new industrial customers to motivate the installation of energy efficient measures and to promote participation in demand management.

Discussion:

The Industrial Program Portfolio has been able to provide significant incentives and valuable resources to large facilities to help them with energy efficiency upgrades and process system improvements. The Engineering Studies in particular as well as the Monitoring and Targeting initiative provide a unique opportunity for a customer to complete a comprehensive analysis of an energy intensive process that they otherwise may not undertake. The Energy Manager Initiative provides 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.

ETPL realized significant results in the Industrial Program in 2013 over 2012, as ETPL's largest industrial partner took advantage of energy savings opportunities through utilization of the Embedded Energy Manager. Furthermore, progress was made in the Process and Systems Upgrades Initiative, although the results likely will not be realized until 2014 or beyond.

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 an LDC's current target for projects that go into service after 2014.

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. For 2013 the change to the threshold for small capital projects and the new small capital project agreement are expected to improve the number of projects and savings achieved within PSUI. Likewise, a decision to proceed with 2012 natural gas load displacement generation projects applications will also increase uptake although the limited time to bring new projects into service is a barrier.

2.2.3.1 *Process & Systems Upgrades Initiative (PSUI) (Schedule D-1)*

Initiative Activities/Progress:

ETPL had no savings results in this initiative in 2013. The majority of the results for this initiative are expected in 2014 because of complex application process and delays, some significant, in the application review and approval process.

Province-wide, approximately 100 engineering study applications have been submitted to the OPA to-date which 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 KAM resources. Of the 100 applications, three have come from within ETPL's service territory. The first was submitted in early 2012 (one of the first submitted province-wide) for a combined 4 megawatt gas-fired project. ETPL and the applicant decided to split the 2012 application into two separate applications and resubmit it to the OPA in late 2012 when it became clear that, due to political issues beyond ETPL's control, all gas-fired generation project applications were being held from approval.

In mid-2013, one of the applications, for a 1.0 megawatt steam generation project, received approval to move ahead. The project is expected to be completed by the end of 2014, in time to be counted towards ETPL's demand savings target.

The other application for a 3 megawatt gas-fired project was not approved due to its size, reflecting a decision within the Ministry of Energy. The applicants are currently considering resubmitting the application for a smaller project size or whether to go ahead and not seek funding under this initiative. Regardless, as a result of the application's denial and the long delay by the OPA/Ministry of Energy in reaching a decision, ETPL will likely not meet its demand target despite having been one of the earliest applicants to the program.

The same applicant has had their application for a Detailed Engineering Study (DES) approved. This study will review cooling tower operation. The main purpose of carrying out a Detailed Engineering Study is to evaluate the current chiller, cooling tower and associated pumps and fans (the "Cooling System") through a preliminary scoping and data analysis and provide in-depth technical and financial information required to develop an Energy Efficiency Project that will incorporate operational, replacement, and retrofit opportunities that will provide energy and cost savings for the facility. Savings from this project will likely not be felt until 2015 or beyond.

2.2.3.2 Monitoring & Targeting Initiative (Schedule D-2)

Initiative Activities/Progress:

ETPL had no results for this initiative in 2013. The Monitoring and Targeting initiative is targeted at larger customers with the capacity to baseline and then set targets and monitor their energy usage. 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. ETPL's largest industrial customer does employ an EEM and is currently the only business to qualify for this initiative in ETPL's service territory. While no projects were completed in 2012, ETPL is expecting that it will be submitting a project application in 2013/14.

Through the 2013 change management process in 2013, improvements are being made to ERII to allow smaller facilities to employ monitoring and targeting systems. It is not clear when changes to the initiative will be

introduced and therefore whether any associated results will be eligible towards ETPL or other LDC targets in 2013 or 2014 in addition to the current project may be moving forward.

2.2.3.3 Energy Manager Initiative (Schedule D-3)

Initiative Activities/Progress:

In 2013, the Energy Manager Initiative accounted for more than 50% of ETPL's net incremental energy savings in 2013. The Energy Manager Initiative has proven to be popular and useful for larger customers, including the largest customer in ETPL's service territory. ETPL has one EEM but is not using an REM. Some LDCs that are too small to qualify for their own REM are teaming up with other utilities to hire an REM to be shared by the group of utilities. ETPL is doing something similar with other LDCs in sharing the use of a Key Account Manager (KAM) who is acting somewhat as an REM.

At the beginning of the initiative launch, it took longer than expected to set up the energy manager application process. Unclear communication resulted in marketing and implementation challenges for many LDCs. The EEM in ETPL's service territory started in March 2012 but time was required to train both the EEM on his role and the facility and staff on his role and eligible projects.

The EEMs in the province have faced challenges in that they have been provided little direction from the OPA in terms of eligible incented and non-incented projects and reporting requirements. Despite these challenges, there have been a number of studies identified by EEMs, including ETPL's EEM, and they have been able to build capacity and deliver energy saving projects within their respective facilities. Therefore ETPL was very pleased to have the funding for the EEM renewed for 2013. .

Going forward, ETPL is expecting to see significant additional savings attributed to the EEM. ETPL, along with other LDCs who have EEMs employed in their territories, were pleased with the decision from the OPA on extending funding for EEMs beyond 2014.

2.2.3.4 Key Account Manager (Schedule D-4)

Initiative Activities/Progress:

The KAM has been an invaluable addition to ETPL, even though it is sharing the resource among other LDCs and only has the equivalent of 1/10th of his available time. The technical knowledge and business experience the KAM brought to the role has been very helpful to ETPL and the other LDCs he is working with, as well as to other KAMs in the province because he is assisting in transferring his knowledge and skills to them. Also, customers appreciate dealing with a single contact to interface with an LDC, especially one who can communicate easily with both parties. Finding a KAM with this mix of skills was not easy and therefore took some time, particularly with the addition of short term contract terms and associated energy target requirements.

ETPL is confident that the KAM will continue to provide value to it and its customers and contribute to ETPL achieving further energy savings in 2014. ETPL was disappointed to learn that the OPA will not commit to funding KAMs beyond 2014.

2.2.3.5 Demand Response 3 (D-6)

Initiative Activities/Progress:

ETPL customer are in a discounted zone in southwestern Ontario, therefore the incentives provided is less than other areas which makes it difficult to get customers to participate. Despite this challenge, there are now two customers participating in the DR-3 initiative in ETPL's service territory. One signed up in late 2012 and the other in 2013, so ETPL expects to see the associated demand and energy savings moving forward.

Some improvements to the DR-3 initiative were made in 2013 that may also attract more participants. For example, individual customer data is now available, which will help LDC's to market the program to prospective participants as well as verify customer savings. Additionally, aggregators are now able to enter into longer-term contracts that run beyond 2014 which has allowed them to offer a more competitive contract prices.

There are still some issues with the program that may cause barriers to participation. The most impactful challenge is that compensation amounts for new contracts and renewals have been reduced from the initial launch of this initiative which has reduced the revenue received by participants and may deter renewals and new participants. Metering and settlement requirements are expensive and complicated, which can reduce customer compensation amounts and deter participation from smaller customers.

2.2.4 LOW INCOME INITIATIVE (HOME ASSISTANCE PROGRAM) (Schedule E-1)

Initiative Activities/Progress:

ETPL partnered with other LDCs whose service territories share the same counties to market the Home Assistance Program to municipalities and social agencies. ETPL focused on the municipalities and social agencies operating in the County of Oxford in 2012 and targeted those in other counties within its service territory using a similar approach in 2013 and beyond.

ETPL also hired a third party to assist in managing the program, in part due to the financial scope, complexity and customer privacy requirements. Greensaver has expertise in the delivery of these types of programs to Ontario residents, and ETPL is confident that participants will benefit as a result. Greensaver is also assisting in Home Assistance Program delivery for over 30 other LDCs in the province.

ETPL's results for 2013 were much improved over 2012 with 51 homes participating compared to 12 homes in 2012. While the participation rates are low compared to the rest of the province, it is important to note that there are very few designated social housing units within ETPL's service territory. Therefore, unless there are a large number of eligible participants to the program that own their homes, this places a restriction on the number of eligible participants/units in ETPL's service territory because certain incentives are only available for rental units that are dedicated to low-income tenants.

ETPL expects to see similar or slightly better results in 2013 as it expands its marketing outreach. Uptake in the program might increase further if issues such as the program design flaws are addressed by the OPA. For example, the program appear to penalize those who have initiated energy efficiency measures on their own and reward those who have not. Currently, the way eligibility for the various incentives is determined is based on an overall

score. Those who have taken some steps toward energy efficiency will achieve a lower score than those who have not, which means they are eligible for fewer incentives, in particular, some of the larger incentives..

2.2.5 PRE-2011 PROGRAMS

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

3 2013 LDC CDM Results

3.1 Participation and Savings

Table 1: Erie Thames Powerlines Corporation Initiative and Program Level Net Savings by Year (Scenario 1)

| Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | | Program-to-Date Verified Progress to Target (excludes DR) | | | |
|--|------------|--|-------|-------|------|---|------------|--------------|------|--|------------------|---|------|--|---|--------|--|
| | | 2011* | 2012* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) | | |
| | | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | | |
| Consumer Program | | | | | | | | | | | | | | | | | |
| Appliance Retirement | Appliances | 282 | 293 | 200 | | 17 | 17 | 13 | | 119,727 | 115,287 | 86,185 | | 47 | 996,635 | | |
| Appliance Exchange | Appliances | 39 | 69 | 13 | | 4 | 10 | 3 | | 4,458 | 17,409 | 4,803 | | 14 | 77,261 | | |
| HVAC Incentives | Equipment | 299 | 278 | 362 | | 104 | 66 | 82 | | 196,514 | 118,578 | 148,404 | | 253 | 1,438,596 | | |
| Conservation Instant Coupon Booklet | Items | 2,007 | 109 | 1,226 | | 5 | 1 | 2 | | 74,929 | 4,943 | 27,247 | | 8 | 369,039 | | |
| Bi-Annual Retailer Event | Items | 3,366 | 3,750 | 3,340 | | 6 | 5 | 4 | | 103,886 | 94,675 | 60,732 | | 15 | 821,034 | | |
| Retailer Co-op | Items | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Residential Demand Response | Devices | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Residential Demand Response (IHD) | Devices | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Residential New Construction | Homes | 0 | 2 | 0 | | 0 | 0 | 0 | | 0 | 540 | 0 | | 0 | 1,620 | | |
| Consumer Program Total | | | | | | 136 | 99 | 104 | | 499,515 | 351,431 | 327,370 | | 336 | 3,704,185 | | |
| Business Program | | | | | | | | | | | | | | | | | |
| Retrofit | Projects | 8 | 33 | 42 | | 17 | 302 | 220 | | 106,770 | 2,366,501 | 2,205,842 | | 519 | 11,827,600 | | |
| Direct Install Lighting | Projects | 59 | 85 | 65 | | 75 | 72 | 66 | | 202,377 | 269,533 | 234,744 | | 193 | 2,026,797 | | |
| Building Commissioning | Buildings | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| New Construction | Buildings | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Energy Audit | Audits | 0 | 0 | 1 | | 0 | 0 | 9 | | 0 | 0 | 48,451 | | 9 | 96,902 | | |
| Small Commercial Demand Response | Devices | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Small Commercial Demand Response (IHD) | Devices | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Demand Response 3 | Facilities | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Business Program Total | | | | | | 92 | 375 | 295 | | 309,147 | 2,636,034 | 2,489,037 | | 721 | 13,951,298 | | |
| Industrial Program | | | | | | | | | | | | | | | | | |
| Process & System Upgrades | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Monitoring & Targeting | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Energy Manager | Projects | 0 | 0 | 10 | | 0 | 0 | 280 | | 0 | 0 | 2,990,081 | | 212 | 5,312,493 | | |
| Retrofit | Projects | 5 | 0 | 0 | | 11 | 0 | 0 | | 61,631 | 0 | 0 | | 11 | 246,522 | | |
| Demand Response 3 | Facilities | 0 | 1 | 2 | | 0 | 87 | 387 | | 0 | 2,104 | 8,802 | | 0 | 10,906 | | |
| Industrial Program Total | | | | | | 11 | 87 | 667 | | 61,631 | 2,104 | 2,998,883 | | 223 | 5,569,921 | | |
| Home Assistance Program | | | | | | | | | | | | | | | | | |
| Home Assistance Program | Homes | 0 | 12 | 51 | | 0 | 1 | 7 | | 0 | 11,757 | 50,224 | | 8 | 133,327 | | |
| Home Assistance Program Total | | | | | | 0 | 1 | 7 | | 0 | 11,757 | 50,224 | | 8 | 133,327 | | |
| Aboriginal Program | | | | | | | | | | | | | | | | | |
| Home Assistance Program | Homes | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Direct Install Lighting | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Aboriginal Program Total | | | | | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | | | | |
| Electricity Retrofit Incentive Program | Projects | 8 | 0 | 0 | | 61 | 0 | 0 | | 228,469 | 0 | 0 | | 61 | 913,876 | | |
| High Performance New Construction | Projects | 1 | 0 | 0 | | 0 | 0 | 0 | | 1,452 | 387 | 0 | | 1 | 6,970 | | |
| Toronto Comprehensive | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Multifamily Energy Efficiency Rebates | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| LDC Custom Programs | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Pre-2011 Programs completed in 2011 Total | | | | | | 61 | 0 | 0 | | 229,921 | 387 | 0 | | 62 | 920,846 | | |
| Other | | | | | | | | | | | | | | | | | |
| Program Enabled Savings | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Time-of-Use Savings | Homes | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Other Total | | | | | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | | |
| Adjustments to 2011 Verified Results | | | | | | | 24 | 0 | | | 176,172 | 0 | | 24 | 704,688 | | |
| Adjustments to 2012 Verified Results | | | | | | | | 9 | | | | 35,972 | | 9 | 107,841 | | |
| Energy Efficiency Total | | | | | | 301 | 476 | 686 | | 1,100,214 | 2,999,610 | 5,856,712 | | 1,350 | 24,268,672 | | |
| Demand Response Total (Scenario 1) | | | | | | 0 | 87 | 387 | | 0 | 2,104 | 8,802 | | 0 | 10,906 | | |
| Adjustments to Previous Years' Verified Results Total | | | | | | 0 | 24 | 9 | | 0 | 176,172 | 35,972 | | 33 | 812,529 | | |
| OPA-Contracted LDC Portfolio Total (inc. Adjustments) | | | | | | 301 | 587 | 1,081 | | 1,100,214 | 3,177,886 | 5,901,486 | | 1,382 | 25,092,107 | | |
| Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively). | | | | | | | | | | | | The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available. | | | | | |
| *Includes adjustments after Final Reports were issued | | | | | | | | | | | | Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated | | | | | |
| | | | | | | | | | | | | Full OEB Target: | | | | | |
| | | | | | | | | | | | | 5,220 | | 22,970,000 | | | |
| | | | | | | | | | | | | % of Full OEB Target Achieved to Date (Scenario 1): | | 26.5% | | 109.2% | |

Table 1: Summarized Program Results

| Program | Gross Savings | | Net Savings | | Contribution to Targets | |
|--|--------------------------------------|----------------------------------|--------------------------------------|----------------------------------|--|--|
| | Incremental Peak Demand Savings (MW) | Incremental Energy Savings (GWh) | Incremental Peak Demand Savings (MW) | Incremental Energy Savings (GWh) | Program-to-Date: Net Annual Peak Demand Savings (MW) in 2014 | Program-to-Date: 2011-2014 Net Cumulative Energy Savings (GWh) |
| Consumer Program Total | 0.210344 | 0.587350 | 0.104005 | 0.327370 | 0.33642 | 3.704185 |
| Business Program Total | 0.394079 | 3.447581 | 0.294845 | 2.4890369 | 0.720928 | 13.951298 |
| Industrial Program Total | 0.698086 | 3.331114 | 0.666931 | 2.998884 | 0.222887 | 5.569921 |
| Home Assistance Program Total | 0.006869 | 0.050224 | 0.006869 | 0.050224 | 0.007706 | 0.133327 |
| Pre-2011 Programs completed in 2011 Total | 0 | 0 | 0 | 0 | 0.061595 | 0.920846 |
| Other Adjustments | 0.010208 | 0.04289 | 0.00882 | 0.359723 | 0.032867 | 0.812529 |
| Total OPA Contracted Province-Wide CDM Programs *please make sure you complete the total line | 1.319586 | 7.456558 | 1.08147 | 5.901486 | 1.382403 | 25.092107 |

3.2 Evaluation

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

| EQUATIONS | |
|---|---|
| Prescriptive Measures and Projects | <p>Gross Savings = Activity * Per Unit Assumption Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</p> |
| Engineered and Custom Projects | <p>Gross Savings = Reported Savings * Realization Rate Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</p> |
| Demand Response | <p>Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)</p> |
| Adjustments to Previous Years' Verified Results | <p>All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.</p> |

| Initiative | Attributing Savings to LDCs | Savings 'start' Date | Calculating Resource Savings |
|-------------------------------------|--|---|---|
| Consumer Program | | | |
| Appliance Retirement | Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection. | Savings are considered to begin in the year the appliance is picked up. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| Appliance Exchange | When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput. | Savings are considered to begin in the year that the exchange event occurred. | |
| HVAC Incentives | Results directly attributed to LDC based on customer postal code. | Savings are considered to begin in the year that the installation occurred. | |
| Conservation Instant Coupon Booklet | LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput. | Savings are considered to begin in the year in which the coupon was redeemed. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| Bi-Annual Retailer Event | Results are allocated based on average of 2008 & 2009 residential throughput. | Savings are considered to begin in the year in which the event occurs. | |

| | | | |
|------------------------------|--|---|---|
| Retailer Co-op | When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput. | Savings are considered to begin in the year of the home visit and installation date. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| Residential Demand Response | Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists. | Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement. | Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated. |
| Residential New Construction | Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case. | Savings are considered to begin in the year of the project completion date. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |

| Business Program | | | |
|-----------------------------------|--|---|---|
| Efficiency: Equipment Replacement | Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping. | Savings are considered to begin in the year of the actual project completion date on the iCON CRM system. | Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track). |
| | Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2013) | | |

| | | | |
|---|---|--|--|
| Direct Installed Lighting | Results are directly attributed to LDC based on the LDC specified on the work order. | Savings are considered to begin in the year of the actual project completion date. | Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net). |
| Existing Building Commissioning Incentive | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012. | Savings are considered to begin in the year of the actual project completion date. | Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| New Construction and Major Renovation Incentive | Results are directly attributed to LDC based on LDC identified in the application. | Savings are considered to begin in the year of the actual project completion date. | Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |

| | | | |
|---|--|---|--|
| Energy Audit | Projects are directly attributed to LDC based on LDC identified in the application. | Savings are considered to begin in the year of the audit date. | Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| Commercial Demand Response (part of the Residential program schedule) | Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists | Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement. | Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated. |

| | | | |
|--|---|--|---|
| <p>Demand Response 3 (part of the Industrial program schedule)</p> | <p>Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.</p> | <p>Savings are considered to begin in the year in which the contributor signed up to participate in demand response.</p> | <p>Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.</p> |
| <p>Industrial Program</p> | | | |
| <p>Process & System Upgrades</p> | <p>Results are directly attributed to LDC based on LDC identified in application.</p> | <p>Savings are considered to begin in the year in which the incentive project was completed.</p> | <p>Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).</p> |

| | | | |
|------------------------|---|--|---|
| Monitoring & Targeting | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011, 2012 or 2013. | Savings are considered to begin in the year in which the incentive project was completed. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| Energy Manager | Results are directly attributed to LDC based on LDC identified in the application. | Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |

| | | | |
|---|---|--|--|
| <p>Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)</p> | <p>Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.</p> | <p>Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.</p> | <p>Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).</p> |
| <p>Demand Response 3</p> | <p>Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.</p> | <p>Savings are considered to begin in the year in which the contributor signed up to participate in demand response.</p> | <p>Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.</p> |

| Home Assistance Program | | | |
|--|---|---|---|
| Home Assistance Program | Results are directly attributed to LDC based on LDC identified in the application. | Savings are considered to begin in the year in which the measures were installed. | Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| Aboriginal Program | | | |
| Aboriginal Program | Results are directly attributed to LDC based on LDC identified in the application. | Savings are considered to begin in the year in which the measures were installed. | Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| Pre-2011 Programs completed in 2011 | | | |
| Electricity Retrofit Incentive Program | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013 assumptions as per 2010 evaluation. | Savings are considered to begin in the year in which a project was completed. | Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into |

| | | | |
|---------------------------------------|--|---|--|
| High Performance New Construction | Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation. | Savings are considered to begin in the year in which a project was completed. | account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports). |
| Toronto Comprehensive | Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation. | | |
| Multifamily Energy Efficiency Rebates | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation. | Savings are considered to begin in the year in which a project was completed. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports). |
| Data Centre Incentive Program | Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation. | | |

| | | | |
|--------------------|--|--|---|
| EnWin Green Suites | Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation. | | measurement-and-verification/evaluation-reports). |
|--------------------|--|--|---|

3.3 Spending

Table 3 and 4 summarize the total spending by initiative that ETPL has incurred in 2013 and cumulatively since 2011. It is detailed by the Program Administration Budget (PAB), Participant Based Funding (PBF), Participant Incentives (PI) and Capability Building Funding (CBF).

Table 3: 2013 Spending

| Initiative | PAB | PBF | PI | CBF | TOTAL |
|--|------------------|-----------------|------------------|-----|------------------|
| Consumer Program | | | | | |
| Appliance Retirement | \$6,450 | | 6,874 | | \$13,324 |
| Appliance Exchange | \$6,450 | | 0 | | \$6,450 |
| HVAC Incentives | \$6,450 | | 0 | | \$6,450 |
| Annual Coupons | \$12,400 | | \$777 | | \$13,177 |
| Bi-Annual Retailer Event | \$6,200 | | \$7,105 | | \$13,305 |
| Retailer Co-op | -- | | | | |
| Residential Demand Response | \$12,425 | | | | \$12,425 |
| New Construction Program | \$9,300 | | | | \$9,300 |
| Business Program | | | | | |
| Equipment Replacement | \$53,050 | | \$312,981 | | \$366,031 |
| Direct Installed Lighting | \$19,450 | \$12,426 | \$78,140 | | \$110,016 |
| Existing Building Commissioning Incentive | \$2,400 | | 0 | | \$2,400 |
| New Construction and Major Renovation Initiative | \$2,400 | | 0 | | \$2,400 |
| Energy Audit | \$5,700 | | 0 | | \$5,700 |
| Small Commercial Demand Response | -- | | 0 | | |
| Demand Response 3 | -- | | 0 | | |
| Industrial Program | | | | | |
| Process & System Upgrades | -- | | | | |
| a) preliminary engineering study | \$641 | | | | \$641 |
| b) detailed engineering study | \$932 | | | | \$932 |
| c) program incentive | \$786 | | | | \$786 |
| Monitoring & Targeting | \$495 | | | | \$495 |
| Energy Manager | \$5,128 | | \$144,000 | | \$149,128 |
| Key Account Manager ("KAM") | \$3,264 | | | | \$3,264 |
| Equipment Replacement | -- | | | | |
| Demand Response 3 | \$1,573 | | | | \$1,573 |
| Home Assistance Program\$ | | | | | |
| Home Assistance Program | \$7,000 | | \$9,777 | | |
| Aboriginal Program | | | | | |
| Home Assistance Program | | | \$137 | | \$137 |
| Direct Install Lighting | | | \$145 | | \$145 |
| TOTAL SPENDING | \$144,044 | \$12,426 | \$559,369 | | \$715,839 |

Table 4: Cumulative Spending (2011-2014)

| Initiative | PAB | PBI | PI | CBF | TOTAL |
|--|------------------|-----------------|--------------------|-----|--------------------|
| Consumer Program | | | | | |
| Appliance Retirement | \$23,753 | | \$31,336 | | \$55,089 |
| Appliance Exchange | \$23,703 | | \$1,230 | | \$24,933 |
| HVAC Incentives | \$17,726 | | \$6,000 | | \$23,726 |
| Annual Coupons | \$52,022 | | \$3,788 | | \$55,810 |
| Bi-Annual Retailer Event | \$71,402 | | \$12,335 | | \$83,737 |
| Retailer Co-op | \$9,675 | | -- | | \$9,675 |
| Residential Demand Response | -- | | -- | | |
| New Construction Program | \$19,826 | | \$28 | | \$19,854 |
| Business Program | | | | | |
| Equipment Replacement | \$260,370 | | \$446,375 | | \$706,745 |
| Direct Installed Lighting | \$90,233 | \$32,226 | \$227,356 | | \$349,815 |
| Existing Building Commissioning Incentive | \$11,619 | | | | \$11,619 |
| New Construction and Major Renovation Initiative | \$11,619 | | | | \$11,619 |
| Energy Audit | \$20,364 | | | | \$20,364 |
| Small Commercial Demand Response | | | | | |
| Demand Response | | | | | |
| Industrial Program | | | | | |
| Process & System Upgrades | 0 | | \$50,000 | | \$50,000 |
| a) preliminary engineering study | | | | | |
| b) detailed engineering study | | | | | |
| c) program incentive | | | | | |
| Monitoring & Targeting | \$2,101 | | | | \$2,101 |
| Energy Manager | \$32,318 | | \$168,000 | | \$32,318 |
| Key Account Manager ("KAM") | | | | | |
| Equipment Replacement Incentive | | | | | |
| Demand Response 3 | | | | | |
| Home Assistance Program | | | | | |
| Home Assistance Program | \$2,000 | | \$9,777 | | \$11,777 |
| Aboriginal Program | | | | | |
| Home Assistance Program | | | \$137 | | \$137 |
| Direct Install Lighting | \$90,233 | | \$145 | | \$90,378 |
| Pre 2011 Programs | | | | | |
| Electricity Retrofit Incentive Program | | | \$206,643 | | \$206,643 |
| TOTAL SPENDING | \$738,964 | \$19,800 | \$1,163,150 | | \$1,921,914 |

4 Combined CDM Reporting Elements

4.1 Progress Towards CDM Targets

ETPL is exceeded its Net Energy Savings target in 2013 and will further exceed it into 2014. ETPL is not hopeful that it will be able to achieve its Net Peak Demand Savings target by the end of 2014, however, as discussed in further detail in Section 3.2.3.1, significant program approval delays and application rejections that were out of ETPL's control are the reason why ETPL will not meet its target.

Table 4: Net Peak Demand Savings at the End User Level (MW)

| Implementation Period | Annual (MW) | | | |
|---|-------------|------|------|--------------|
| | 2011 | 2012 | 2013 | 2014 |
| 2011 – Verified by OPA | 0.3 | 0.3 | 0.3 | 0.3 |
| 2012 – Verified by OPA | | 0.6 | 0.5 | 0.5 |
| 2013 – Verified by OPA | | | 1.1 | 0.6 |
| 2014 | | | | |
| Verified Net Annual Peak Demand Savings in 2014: | | | | 1.4 |
| ETPL 2014 Annual CDM Capacity Target: | | | | 5.2 |
| Verified Portion of Peak Demand Savings Target Achieved (%): | | | | 26.5% |

Table 5: Net Energy Savings at the End-User Level (GWh)

| Implementation Period | Annual (GWh) | | | | Cumulative (GWh) |
|---|--------------|------|------|------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2011-2014 |
| 2011 – Verified by OPA | 1.1 | 1.1 | 1.1 | 1.0 | 4.3 |
| 2012 – Verified by OPA | 0.2 | 3.2 | 3.1 | 3.1 | 9.6 |
| 2013 – Verified by OPA | | | 5.9 | 5.2 | 11.2 |
| 2014 | | | | | |
| Verified Net Cumulative Energy Savings 2011-2014: | | | | | 25.1 |
| ETPL 2011-2014 Cumulative CDM Energy Target: | | | | | 23.0 |
| Verified Portion of Cumulative Energy Target Achieved (%): | | | | | 109.2% |

4.2 Variance from Strategy

ETPL did not deviate from its original strategy in 2012, continuing with a similar marketing strategy for programs that was employed in 2011. As discussed below in Section 5.3, ETPL will be altering its strategy for 2014 to take a

more grass-roots approach and working more closely with municipal leaders to develop a culture of conservation within the communities ETPL serves.

4.3 Outlook to 2014 and Strategy Modifications

ETPL's goals, continuing in 2014, are to become the face of energy conservation within its service territory and beyond and transform from a delivery agent of the OPA's conservation programs to an innovator and leader in conservation. ETPL wants to be the place its municipalities, business owners and residential customers turn to for energy conservation programs, ideas, partnerships and engagement.

Up to this point, ETPL focused its efforts on building a culture of conservation within its communities through a strategy of community engagement and offering its customers the OPA Contracted Province-Wide Programs. ETPL recognizes that participation in consumer programs, with the exception of the Peaksaver Plus program (which ETPL will launch in 2013/2014), has likely already piqued and demand for them will continue to fall through 2013 and 2014. Therefore, ETPL must shift its strategy if it wants to keep conservation on the minds of its customers. While ETPL believes that the business and industrial programs will continue to provide positive results into 2014, they could benefit in the future through the development of new and innovative Board-Approved Programs, such as those recently introduced by PowerStream Inc.

ETPL's strategy going forward is one that will put it in the best position to meet the above-stated goals and includes the following elements:

- Development and launch of Tier 2 and Tier 3 Board-Approved Programs that target and meet the unique needs of ETPL's residential customers. ETPL is currently partnering with another LDC to launch a Tier 2 program in 2014 and is in discussions with a third party on the development of a Tier 3 program that would also launch in 2014.
- Continue to explore ways to collaborate with other LDCs and channel partners.
- Ensure CDM efforts are dovetailed with smart grid planning to ensure consistency and efficiency in these efforts.
- Building on the success of the energy committee established in partnership with the municipality Southwest Oxford to establish energy committees with all of the municipalities ETPL serves. The energy committees will work with each municipality on conducting energy audits to ensure that they have successful business plans in place to meet the requirements of the Green Energy Act. The committees will also identify opportunities, working in partnership with local businesses and builders, to take advantage of incentives under the High Performance New Construction initiative.
- Increased personal engagement with local business owners and channel partners to assist them in identifying energy conservation opportunities and incentives.
- Educating youth and working closely with post-secondary educational institutions to identify opportunities and assist in the development and training of skilled workers in the field of conservation.
- Developing sustainability expertise that can be shared with others in ETPL's community through introducing a sustainability plan within ETPL's business operations and promoting a sustainable lifestyle to ETPL's employees.

- Expanding ETPL's outreach to business owners on the benefits of outdoor LED-lighting to achieve significant energy savings.
- Explore additional funding for CDM efforts.

5 Conclusion

Over the course of 2013, ETPL has achieved 1.1 MW in peak demand savings and 5.9 GWh in energy savings, which represents 26.45 and 109.2% of ETPL 2014 target, respectively. These results are representative of a considerable effort expended by ETPL, 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 ETPL 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, ETPL has already exceeded its 23 GWh consumption target but will struggle to meet its 5.2 MW savings target.

Looking ahead there is limited opportunity to make valuable changes to the current program portfolios and have these changes reflected in LDC 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: Schedule B-1, Exhibit D on the OPA extranet and SaveONEnergy website

In Market Date: January 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. Window ACs were discontinued from the program in 2013.

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: Schedule B-1, Exhibit C on the OPA extranet and SaveONenergy website

In Market Date: March 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: Schedule B-1, Exhibit B on the OPA extranet and SaveONenergy website

In Market Date: February 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: Schedule B-1, Exhibit A on the OPA extranet and SaveONEnergy website

In Market Date: February 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: Schedule B-1, Exhibit C on the OPA extranet and saveONEnergy website

In Market Date: March 2011

RETAILER CO-OP

Target Customer Type(s): Residential Customers

Initiative Frequency: Year Round

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: NOT IN MARKET

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: Schedule B-1, Exhibit C on the OPA extranet and SaveONenergy website

In Market Date: February 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: Schedule B-1, Exhibit C on the OPA extranet and SaveONEnergy website

In Market Date: Not in market

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: Schedule C-2 on the OPA extranet and saveONenergy website

In Market Date: March 2011

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: Schedule C-3 on the OPA extranet and SaveONenergy website

Initiative Activities/Progress:

In Market Date: June 2011

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: Schedule C-6 on the OPA extranet and SaveONenergy website Additional detail is available:

Initiative Activities/Progress:

In Market Date: February 2011

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: Schedule C-4 on the OPA extranet and SaveONenergy website

Initiative Activities/Progress:

In Market Date: June 2011

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: Schedule C-1 on the OPA extranet Schedule C-1 and SaveONenergy website

<https://saveonenergy.ca/Business/Program-Overviews/Audit-Funding.aspx>

Initiative Activities/Progress:

In Market Date: February 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: Schedule D-1 on the OPA extranet and saveONenergy website
<https://saveonenergy.ca/Business.aspx>

In Market Date: November 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: Schedule D-2 on the OPA extranet and saveONenergy website
<https://saveonenergy.ca/Business.aspx>

In Market Date: November 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

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

Additional Detail: Schedule D-3 on the OPA extranet and SaveONenergy website
<https://saveonenergy.ca/Business.aspx>

In Market Date: August 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: Scheduled-4 on the OPA extranet.

In Market Date: August 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: Schedule D-6 available on the OPA 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.

LOW INCOME INITIATIVE (HOME ASSISTANCE PROGRAM) (Schedule E-1)

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: Schedule E available on the OPA extranet.

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: January 2012

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)