



Kitchener-Wilmot Hydro Inc.

Conservation and Demand Management

2014 Annual Report

Submitted to:

Ontario Energy Board

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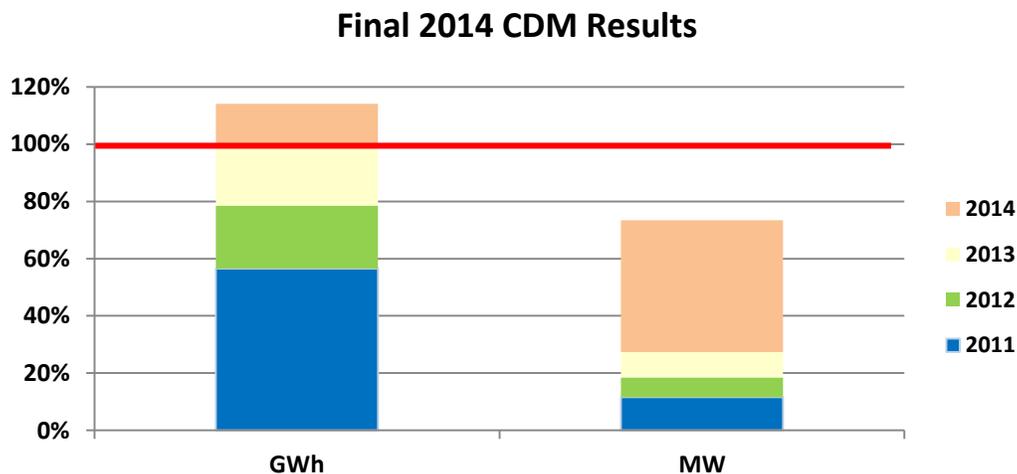
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Executive Summary

The completion of 2014 represented the final year of the Conservation and Demand Management (CDM) programs delivered under the Ontario Energy Board (OEB) CDM Code (Board File No. EB-2010-2015). The CDM Code required that Kitchener-Wilmot Hydro Inc. (KWHI) achieve a mandated 21.56 MW of peak demand savings and 90.29 GWh of energy savings during the period of January 1, 2011 until December 31, 2014. This report will provide details on KWHI's achievement towards those targets, including activities undertaken to increase participation rates in conservation across its service territory.

KWHI is very pleased to report that they successfully reached their energy target (GWh) early in Q1 2014 and by year's end had exceeded the energy target by more than 14%. As for the demand target (MW), similar to the majority of other Local Distribution Companies (LDCs) in the province, the demand target proved to be a challenge to reach. This can be attributed mainly to the discontinuation of the primary demand savings program that was removed from the marketplace in mid-2014 making it very difficult to achieve the necessary demand savings to reach target.

At the end of 2014 KWHI had achieved 15.8 MW of net incremental peak demand savings or 73.3% of target and 103 GWh of net cumulative energy savings or 114.1% of target. A summary of the achievements towards the CDM targets are shown below:



Building off a strong collaboration model within the Waterloo Region, KWHI continued to work closely with its neighboring LDCs (Cambridge and North Dumfries Hydro and Waterloo North Hydro and Kitchener Utilities Gas) to find efficiencies and drive greater uptake in conservation programs. Additionally, KWHI continued to find synergies with local partners where appropriate to find even greater value and support for the customer.

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 KWHI to require KWHI as a condition of its license, to achieve 90.29 GWh of energy savings and 21.56 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, KWHI submitted its CDM Strategy on November 1, 2010 which provided a high level description of how KWHI intended to achieve its CDM targets.

The Code also requires a distributor to file annual reports with the Board. This is the fourth and final CDM Annual Report produced by KWHI and it has been prepared in accordance with the Code requirements and covers the period from January 1, 2014 to December 31, 2014.

On December 21, 2012, the Minister of Energy directed the Independent Electricity Systems Operator ("IESO" formerly Ontario Power Authority) to fund CDM programs which meet the definition and criteria for IESO-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.

In 2014, LDCs collectively achieved approximately 24% of the energy savings (GWh) target, adding to the overall cumulative result of approximately 109% of the net energy target of 6,000 GWh. Provincial results echo the same struggle seen by KWHI to achieve the demand target. Final LDC collective results toward the MW target was 70%.

1 Conservation Framework

1.1 2011-2014 Framework

The 2011-2014 Conservation Framework was a key step towards creating a culture of conservation in the province. The Ministry's Directive to the OEB to establish CDM targets that would be met by electricity distributors recognized the importance of CDM for both electricity customers and the electricity system. CDM helps customers manage rising energy costs, support Ontario's Integrated Power Systems Plan, as well as address local distribution and transmission supply constraints. This framework was intended to enable customers to benefit from a suite of both Board-Approved and IESO Province-Wide programs and be a portfolio that would meet both broad and specific customer needs.

The state of Board-Approved programs and the 2011-2014 Province-Wide IESO programs limited CDM offerings to customers. This produced limited savings and restricted the associated opportunity for LDCs to meet their targets. The process to introduce changes to current program Initiatives or to pilot new Initiatives proved challenging, taking considerable cost and effort for LDCs who pursued this track.

1.2 Conservation First Framework

LDCs are supportive of the Government's renewed commitment for CDM in Ontario. LDCs are committed to working with the Government, IESO, Natural Gas Utilities and other stakeholders to develop programs for the new framework for CDM in the Province.

Long-term commitment for CDM funding and confirmation of the role of LDCs have been provided in the Minister's directive dated March 31, 2014, allowing LDCs to maintain current program infrastructure, including LDC staff and third party contracts as required.

The commitment also provided LDCs the program extensions required for continuity into the Conservation First Framework which was critical for all customers.

2 Board-Approved CDM Programs

2.1 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, IESO-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 KWHI service territory.

2.2 TOU Pricing

2.2.1 Background

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

In accordance with a Directive dated March 31, 2010 by the Minister of Energy and Infrastructure, the OEB is of the view that any evaluations of savings from TOU pricing should be conducted by the IESO for the province, and then allocated to distributors.

In 2013, the IESO retained the Brattle Group as the evaluation contractor and has been working with an expert panel convened to provide advice on methodology, data collection, models, savings allocation, etc. The initial evaluations were conducted in 2013 with five LDCs – Hydro One Networks Inc., Toronto Hydro-Electric System Limited, Hydro Ottawa Limited, Thunder Bay Hydro Electricity Distribution Inc. and Newmarket-Tay Power Distribution Ltd. Preliminary results from these five LDCs were issued to the five LDCs involved in the study in August 2013 and are now publically available on the IESO website. Preliminary results demonstrated load shifting behaviours from the residential customer class. Three additional LDCs were added to the study in 2014, Cambridge and North Dumfries, Powerstream and Sudbury. Verified results from this evaluation were included in the final 2014 report from the IESO.

2.2.2 TOU PROGRAM DESCRIPTION

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

Initiative Frequency: Year-Round

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

Description: In August of 2010, the OEB issued a final determination to mandate TOU pricing for Regulated Price Plan (“RPP”) customers by June 2011, in order to support the Government’s expectation for 3.6 million RPP

consumers to be on TOU pricing by June 2011, and to ensure that smart meters funded at ratepayer expense are being used for their intended purpose.

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

RPP TOU	Rates (cents/kWh)			
	Effective Date	On Peak	Mid Peak	Off Peak
	November 1, 2010	9.9	8.1	5.1
	May 1, 2011	10.7	8.9	5.9
	November 1, 2011	10.8	9.2	6.2
	May 1, 2012	11.7	10	6.5
	November 1, 2012	11.8	9.9	6.3
	May 1, 2013	12.4	10.4	6.7
	November 1, 2013	12.9	10.9	7.2
	May 1, 2014	13.5	11.2	7.5
	November 1, 2014	14.0	11.4	7.7

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

Initiative Activities/Progress: KWHI began transitioning its RPP customers to TOU billing on June 2, 2010. At December 31st, 2014, 100% of KWHI RPP customers were on TOU billing.

2.3 KWHI Application with the OEB

In 2013, the IESO introduced the Conservation Fund’s Program Innovation stream to support 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 IESO portfolio and the means to test concepts for future local or province wide programs post 2014.

In 2014 KWHI was successful in executing a Program Innovation pilot contract with the IESO. The pilot provided funding until Dec. 31, 2015 for the retrofit installation of Demand Control Kitchen Ventilation in commercial kitchens.

3 IESO-Contracted Province-Wide CDM Programs

3.1 Introduction

Effective February 17th, KWHI entered into an agreement with the IESO to deliver CDM programs extending from January 1, 2011 to December 31, 2014, which are listed in Table 1 below. Program details are included in Appendix A. In addition, results include projects started pre 2011 which were completed in 2011:

Table 1: CDM Programs

Initiative	Schedule	Date schedule posted	Customer Class
Residential Programs			
Appliance Retirement	Schedule B-1, Exhibit D	Jan 26, 2011	All residential rate classes
Appliance Exchange	Schedule B-1, Exhibit E	Jan 26, 2011	All residential rate classes
Heating & Cooling Incentives	Schedule B-1, Exhibit B	Jan 26, 2011	All residential rate classes
Conservation Instant Coupon Booklet	Schedule B-1, Exhibit A	Jan 26, 2011	All residential rate classes
Bi-Annual Retailer Event	Schedule B-1, Exhibit C	Jan 26, 2011	All residential rate classes
Retailer Co-op	n/a	n/a	n/a
Residential Demand Response	Schedule B-3	Aug 22, 2011	All residential and general service classes
New Construction Program	Schedule B-2	Jan 26, 2011	All residential rate classes
Home Assistance Program	Schedule E-1	May 9, 2011	All residential rate classes
Commercial & Institutional Programs			
Efficiency: Equipment Replacement	Schedule C-2	Jan 26, 2011	All general service classes
Direct Install Lighting <ul style="list-style-type: none"> • General Service <50 kW 	Schedule C-3	Jan 26, 2011	General Service < 50 kW
Existing Building Commissioning Incentive	Schedule C-6	Feb 2011	All general service classes
New Construction and Major Renovation Initiative	Schedule C-4	Feb 2011	All general service classes
Energy Audit	Schedule C-1	Jan 26, 2011	All general service classes
Industrial Programs - General Service 50 kW & above			
Process & System Upgrades	Schedule D-1	May 31, 2011	GS 50 kW & above
Monitoring & Targeting	Schedule D-2	May 31, 2011	GS 50 kW & above
Energy Manager	Schedule D-3	May 31, 2011	GS 50 kW & above
Key Account Manager ("KAM")	Schedule D-4	May 31, 2011	GS 50 kW & above
Demand Response 3	Schedule D-6	May 31, 2011	General Service 50 kW & above
Pre-2011 Programs			
Electricity Retrofit Incentive Program	n/a	n/a	All general service classes
High Performance New Construction	n/a	n/a	All general service classes

Table 2 outlines previous Initiatives from the IESO-Contracted Province Wide program portfolio that have been removed from the Schedule, were not offered by KWHI or were not released to market as of December 31, 2014.

Table 2: CDM Program Not In Market

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 IESO and the Local Distribution Companies (LDCs) commenced in 2011, and continued in 2012, 2013 and 2014, 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.

3.2 Program Descriptions

Full IESO-Contracted Province-Wide CDM Program descriptions are available on the IESO's saveONenergy website at <https://saveonenergy.ca>. The targeted customer types, objectives, and individual descriptions for each Program Initiative are detailed in Appendix A.

3.2.1 CONSUMER 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: The addition of LED measures to the Bi-Annual Retailer Event and in the Annual Coupon initiative in 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.

The Residential Program Portfolio was predominately a carryover of initiatives from previous programs. Three new initiatives were never launched and subsequently removed from the schedule in 2013 with no new additions. Delays in communication with regards to initiative offerings and results reporting hampered LDCs' ability to engage customers and promote participation.

Program Activities Undertaken: Co-promotion and co-branding techniques were frequently used in the Consumer program portfolio to maintain cost-effectiveness and increase overall brand awareness. Collaboration with Cambridge and North Dumfries and Waterloo North Hydro on creative, printing and publishing was effective in reaching a wider audience with consistent messaging while achieving overall cost-savings.

KWHI made consumer engagement a priority in 2014 and the following bulleted list provides an overview of the program activities undertaken for the Consumer programs in 2014.

- Print materials such as posters, banners, brochures, bill inserts were utilized at community events, City of Kitchener office, KWHI office.
- Advertising with the Kitchener Post included newsprint, special edition magazines, contests, retail event updates, newspaper inserts and online advertisements.
- Advertising with The Waterloo Region Record included newsprint, special edition magazines and online advertisements.
- Sponsorship for the 2014 season of the Ontario Hockey League Kitchener Rangers included commercial airplay on the scoreboard screen, game night sponsorship and concourse signage for the season.
- Co-Sponsorship with Kitchener Utilities for City Events
- Community events sponsorship included; ecoFest, Sustainability in the Park.
- Digital advertising with The Weather Network included online website ads and mobile smart phone application ads.

- Advertising buy with Rogers Radio Group in the Waterloo Region included a variety of promotions for Consumer and Business Initiatives depending on the season and focus.
- Commercial-style videos were posted to a youtube.com channel and have received more than 90,000 views to date combined.

3.2.1.1 Appliance Retirement Initiative (Exhibit D)

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Appliances	191	13	83,902

Marketing efforts relied heavily on integrated partnerships with neighboring utilities Cambridge and North Dumfries Hydro and Waterloo North Hydro. These partnerships were essential in extending the reach of marketing efforts while helping realize cost-efficiencies in delivering program information. In 2014 KWHI retired 191 refrigerators and freezers which were in line with 2013 results. Overall KWHI saw a decline from 2011, 2012, due in large part to modifications of program eligibility requirements, which made it increasingly difficult to find older eligible refrigerators and freezers.

Digital:

- Webpage on naturalcomforts.ca – a joint website shared between Kitchener Utilities Gas and KWHI
- Information included on our corporate website
- Messaging included on digital signage outside of our building and through our company’s on-hold messaging system
- 650,000 impressions delivered through geo-targeted online ads with the Waterloo Region Record

Print:

- One quarter page ad in the Kitchener Citizen which is distributed to more than 66,000 homes
- Advertisements in the East Avenue Blue publication offered by the Kitchener Rangers Hockey Club distributed to more than # fans throughout the regular season

Sponsorships:

- Kitchener Rangers sponsorship
 - Video Timeout sponsorship – with one thirty second video played at each home game
 - Concourse signage – seen by more than 7,500 fans at 33 scheduled home games
- Two Fairview Park Mall Outreach Events where we engaged with more than 2,000 shoppers from across the Waterloo Region, obtaining more than 250 customer emails who opted to receive information from us about programs and services via email
- EcoFest event sponsorship where we engaged with more than 1,300 customers
- Kitchener Market Outreach events with Kitchener Utilities speaking to more than 1,000 customers about saveonenergy FOR HOME programs in May and October
- 16 in-store retail events with various Home Depot and Home Hardware to promote all saveonenergy

Additional Comments:

- In an effort to capture additional savings in the perceived last year of the Initiative, the eligibility requirement for refrigerators was revised from 20 years old to 15 years old in Q2 2014.
- This program concluded December 31, 2014.

3.2.1.2

Appliance Exchange Initiative (Exhibit E)

Marketing Activities/Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Appliances	167	35	61,696

CDM staff members from KWHI attended the spring weekend event at a local retailer to help promote the program to customers.

Additional Comments:

- The restrictive, limited and sometimes non-participation of local stores can diminish the savings potential for this Initiative.
- To date there has only been one retailer participant in the Appliance Exchange Initiative.
- Evaluation, Measurement, and Verification (EMV) results indicated that the value of savings for retired room air conditioner (AC) dropped resulting in the retail participant not accepting window ACs. Dehumidifiers were the only eligible measure.

3.2.1.3 HVAC Incentives Initiative (Exhibit B)

Marketing Activities and Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Equipment	2,710	548	1,013,053

Marketing efforts relied heavily on integrated partnerships with neighboring utilities Cambridge and North Dumfries Hydro, Waterloo North Hydro, our local gas utility Kitchener Utilities and the participating contractor network in Waterloo Region. From September 1 to December 31, 2014 Kitchener Utilities Gas implemented a program that offered an additional \$250 incentive for all Kitchener residents that performed a furnace ECM upgrade – helping to increase program participation and strengthening our customer offering. In 2014 KWHI saw a 42% increase in participation year over year.

Contractor Engagement:

- HVAC Contractor breakfast session held in Spring & Fall to aggregate feedback from contractors
- Feedback forms distributed to the contractor network to aggregate feedback about program improvements, learn more about sales cycle and rebate offerings through manufacturers
- Continued to promote a residential HVAC calculator that estimates a range of savings customers could expect to see on their utility bill if they considered a new, energy-efficient unit
- Distribution of print materials, pop-up banners and other signage to dealers that they could display in their showrooms and office areas
- Sponsorship of Kitchener Utilities Annual Authorized Dealer Tournament hosted in August

Digital Advertising:

- Webpage on naturalcomforts.ca – a joint website shared between Kitchener Utilities and KWHI
- Information included on our corporate website
- 300,000 impressions delivered through geo-targeted CTV Media Pre-roll ads
- Over 1 million impressions delivered through geo-targeted online ads with the Weather Network
- 650,000 impressions delivered through geo-targeted online ads with the Waterloo Region Record
- Geo-targeted campaign with YouTube Trueview to increase visibility of our videos through our YouTube Channel – a shared outlet with Cambridge and North Dumfries Hydro and Waterloo North Hydro that boasts more than 40,000 views
- Extensive radio campaign with local radio stations including CHYM FM, KIX 106, KOOL FM and KFUN totalling roughly 900 spots throughout the year
- Email marketing campaign providing information on rebates sent out to more than 2,500 customers with an average open rate of 40%
- Email coordinated with FSA and Air Miles distributed to more than 9,000 registered Kitchener Air Miles card holders
- Developed new HVAC videos to be included in online digital campaigns, Kitchener Rangers sponsorship into 2014
- Developed new marketing campaign materials to be used into 2014

Sponsorships:

- EcoFest event sponsorship where we engaged with more than 1,300 customers

- Kitchener Market Outreach events with Kitchener Utilities speaking to more than 1,000 customers about saveonenergy FOR HOME programs in May and October
- 16 in-store retail events with various Home Depot and Home Hardware to promote all saveonenergy FOR HOME programs in April and October

Print:

- Eight quarter page ads plus two advertorial write-up features in Waterloo Region Air Conditioning Feature which is distributed to more than 65,000 subscribers
- Full page advertisement in Green Living magazine, a special feature in the Waterloo Region Record that is distributed to more than 25,000 homes across the Waterloo Region
- Regular quarter page ads in the Kitchener Citizen which is distributed to more than 66,000 homes each month
- Quarter page ads with the Kitchener Post which is distributed to more than 66,000 homes each month
- Two Kitchener-Wilmot Hydro utility bill inserts which are distributed to nearly 90,000 residential customers
- Two Kitchener Utilities bill inserts which are distributed to more than 66,000 gas customers
- Targeted direct mail piece sent to 6,000 customers chosen based on approximate age of the neighborhood and past program participation numbers
- Targeted direct mail piece sent to 2,500 small business owners who would be eligible for the HVAC incentive
- Full page advertisement in Natural Comforts joint print publication with Kitchener Utilities
- Six quarter page ads in Homes Plus magazine, which is distributed to more than 20,000 customers across the Waterloo Region

Additional Comments:

- Incentive levels appear to be insufficient to motivate participants to upgrade HVAC equipment prior to end of useful life. An Air Miles incentive continued through 2014 to try and encourage early replacement.
- This Initiative is contractor driven with LDCs responsible for marketing efforts to customers. More engagement with the HVAC contractor channel should be undertaken to drive a higher proportion of furnace and central air conditioner sales to eligible units.
- HVAC contractors have stressed the importance of timeliness of the incentive process to maintain a positive relationship between participants, contractors, the IESO and the participating LDC.
- There are cases where non-participating contractors are offering their own incentives (by discounting their installations to match value of the IESO incentive) to make the sale.
- Changes to the Schedule in 2014 to allow for incentives for new installations, rather than strictly replacement units, may provide greater Initiative results.

3.2.1.4 Conservation Instant Coupon Initiative (Exhibit A)

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Items	18,056	36	490,141

In addition to cobranding marketing between Initiatives, every effort was made to collaborate and share material, ad space and creative costs with Waterloo North Hydro and Cambridge North Dumfries Hydro in our endeavor to jointly deliver the program. The introduction of annual LED coupons in the latter half of the year proved to be well received by customers. With the introduction of annual coupons in January, it allowed us more time to create and deliver a comprehensive marketing strategy for this Initiative. Coupons proved to be a sought after giveaway at many sponsored events throughout the year and helped to elevate the profile of – program available to wide demographic participants

Digital:

- Webpage on naturalcomforts.ca – a joint website shared between Kitchener Utilities and Kitchener Wilmot Hydro
- Information included on our corporate website
- Online ads with the Weather Network
- 600,000 impressions delivered through geo-targeted online ads with the Waterloo Region Record
- Extensive radio campaign with local radio stations including CHYM FM, KIX 106, KOOL FM and KFUN
- Email marketing campaign providing information on rebates sent out to more than 2,500 customers

Print:

- Regular quarter page ads in the Kitchener Citizen which is distributed to more than 66,000 homes each month
- Two KWHI utility bill inserts which are distributed to nearly 90,000 residential customers
- Two Kitchener Utilities bill inserts which are distributed to more than 66,000 homes in Kitchener
- Regular full page ads in the Kitchener Leisure Guide which is distributed to more than 66,000 homes four times a year
- Design, printing and distribution of coupon booklets for residential customers containing most commonly used coupons such as CFL bulbs, LED bulbs, lighting controls and lighting fixtures.

Sponsorships:

- Kitchener Rangers sponsorship
 - Game Night coordinated with Cambridge and North Dumfries Hydro and Waterloo North Hydro where we interacted with more than 7,500 fans who attended for the night, with nearly 200 signing up to receive information from us about programs and services via email
 - Video Timeout sponsorship – with one thirty second video played at each home game
 - Concourse signage – seen by more than 7,500 fans at 33 scheduled home games

- Fan Appreciation BBQ Event Booth attended by roughly 2,500 customers from across the Waterloo Region, where we had nearly 150 customers sign up to receive more information about programs through our newsletter
- Kitchener Panthers sponsorship which included two large saveonenergy FOR HOME signs that were seen on Rogers Television broadcasts and by 1,400 spectators at 5 home games
- Kidspark sponsorship and booth where we interacted with close to 2,000 customers across the Waterloo Region and educated children on the benefits of energy conservation
- Two Fairview Park Mall Outreach Events where we engaged with more than 2,000 shoppers from across the Waterloo Region, obtaining more than 250 customer emails who opted to receive information from us about programs and services via email
- EcoFest event sponsorship where we engaged with more than 1,300 customers from across the Waterloo Region
- Kitchener Market Outreach events with Kitchener Utilities speaking to more than 1,000 customers about saveonenergy FOR HOME programs in May and October
- 16 in-store retail events with various Home Depot and Home Hardware to promote all saveonenergy FOR HOME programs in April and October

Additional Comments:

- The timeframe for retailer submission of redeemed coupons varies depending on the retailer and in some cases has been lengthy. The delays and incomplete results reporting limits the ability to react and respond to Initiative performance or changes in consumer behaviour.
- Coupon booklets were not printed and mailed out in 2013 so were not widely available to consumers without the ability to download and print online coupons. In addition, consumers may not have been aware of the online coupons. 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.
- In 2013, LDCs were provided with 3 custom coded coupons. All coupons have been provided with LDC custom coding in 2014 which allows LDCs to promote coupons based on local preferences.
- 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.

3.2.1.5

Bi-Annual Retailer Event Initiative (Exhibit C)

Marketing Activities and Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Items	78,692	131	2,004,558

KWHI hosted an extensive set of retail events in April and October 2014, at various Home Hardware and Home Depot locations across the City of Kitchener. The events were geared to help customers identify ways they could save on their electricity bill through the purchase of energy-efficient products for their home. For each event we had staff members on hand to provide information on saveONenergy conservation programs, distribute coupon booklets and field customer questions. The response to the event was positive, with customers appreciative of giveaways and happy to see KWHI employees out in the community.

KWHI was able engage with thousands of customers through the in-store kiosks and elevate the saveONenergy brand within the community. New this year, Kitchener Utilities joined our retail event space, distributing energy-saving kits to local customers to help them save on natural gas and water costs in their homes. These kits included pipe wrap, faucet aerators and energy-efficient showerheads. More than 200 kits were distributed on-site to Kitchener customers through the events. Through the Retailer Event Initiative, we added nearly 2,000 customers to our email newsletter distribution list. We also distributed more than 5,000 coupon booklets and 1,000 energy-saving tips handouts.

Marketing Activities

- Prominent signage at each participating location for the duration of the events – including coupon displays near eligible products, posters in-store, information and product displays at point of sale, overhead aisle signage in some locations and street signage with information to draw attention from passing customers
- Postcards with event information were provided at all participating Home Hardware locations one week prior to the event events and placed in shopper bags at checkouts
- HTML email campaign – emails sent out the Friday before each event to more than 2500 customers on our distribution list
- Targeted direct mail drop with weekly flyer bundles Friday before each event, sent to more than 60,000 homes
- Impressions with geo-targeted online ads with the Weather Network with an average click through rate of
- Webpage included on naturalcomforts.ca a joint website we share with Kitchener Utilities
- Information included on our official corporate website
- Radio advertisements with KOOL FM totalling thirty second spots run over a two week period
- KOOL FM, a local radio station sent Community Cruiser to help us kick off our event
- Kitchener Fire Department joined us at these events to draw in crowds with Fire trucks and giveaways for children (as part of their Fire Safety Awareness month)
- Targeted press release and pre-press announcement for both sets of events
- Write up for each event in local Kitchener Citizen which is distributed more than 66,000 homes
- Extensive internal awareness campaign that included an employee giveaway, paystub inserts, posters on prominent bulletin board and customer service information sessions

- Distribution of postcards at Kitchener Rangers game night, sponsored by Kitchener Wilmot Hydro and Kitchener Utilities, where we engaged with more than 7,000 fans
- Design, printing and distribution of coupon booklets that included some of the more commonly used coupons such as CFLs, LEDs, lighting controls and lighting fixtures

Additional Comments:

- This Initiative is strongly influenced by the retail participants and has no direct involvement from the LDCs.
- 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 however this requires cooperation from the local retailer and LDC staff bandwidth.
- Limited engagement of local retailers can restrict the savings potential for this Initiative.
- The Product list has changed very little over the past five years.
- Program evolution, including new products and review of incentive pricing for the coupon Initiatives, must be a regular activity to ensure continued consumer interest.
- The Product list could be distinctive from the Conservation Instant Coupon Initiative in order to gain more consumer interest and uptake.
- A review conducted by the 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.
- This Initiative may benefit from a more exclusive relationship with a retailer appropriate to the program. There should be a value proposition for both the retailer and LDC.
- Independently the Retailer Co-op and Bi-Annual Retailer Event Initiative may not present a value for the investment of LDC resources to support these events and should be backed by a strong Residential portfolio.

3.2.1.6 New Construction Program (Schedule B-2)

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Devices	28	16	106,463

Below is a list of marketing and activities undertaken by KWHI to promote the New Home Construction Initiative. KWHI pulled together a comprehensive list of expected growth areas – number of dwelling, dwelling sizes and eligible measures that could be installed to inform our forecasts and marketing strategies with the program.

- Reached out to local builders
- Partnered with Kitchener Utilities conservation staff to promote the program offering to their existing new home construction network

Additional Comments:

- This Initiative provides incentives to home builders for incorporating energy efficiency into their construction plans. To support this, LDCs need to provide education to the consumers regarding the importance of choosing the energy efficient builder upgrade options without an immediate benefit to the consumer.
- Administrative requirements, in particular individual home modeling, must align with perceived stakeholder payback
- The addition of LED light fixtures, application process improvement and moving the incentive from the builder to the home-owner may increase participation.
- Performance enhancements were made in 2014 to allow Energy Star homes to qualify for incentives which improved provincial.

3.2.1.7

Residential Demand Response Program (Schedule B-3)

Unit	Incremental Activity	Incremental kW	Incremental kWh
Devices	2,640	930	0

Marketing Activities/Progress:

KWHI continued to promote both the peaksaver thermostat as well as the in-home display reaching over 2,600 installs and reaching over 930kW in peak demand savings. Peaksaver plus attributed 55% of our residential demand savings in 2014. Peaksaver plus was made a priority in 2014 to help close the gap with peak demand savings targets.

Digital:

- Webpage on naturalcomforts.ca – a joint website shared between Kitchener Utilities and KWHI
- Information included on our official corporate website
- One million impressions delivered through geo-targeted online ads with the Weather Network
- Messaging included on digital signage outside of our building and through our company's on-hold messaging system
- 1.9 million impressions delivered through geo-targeted online ads with TC Media Email marketing campaign providing information to past program participants sent out to more than 1300 customers
- Email marketing campaign providing information to potential net new program participants sent out to nearly 1400 customers
- Developed new peaksaver PLUS videos to be included in online digital campaigns and Kitchener Rangers sponsorship

Print:

- Regular quarter page ads in the Kitchener Citizen which is distributed to more than 66,000 homes each month
- Quarter page ads with the Kitchener Post which is distributed to more than 66,000 homes each month
- Kitchener-Wilmot Hydro utility bill inserts which are distributed to nearly 90,000 residential customers
- Two Kitchener Utilities bill inserts which are distributed to more than 66,000 homes in Kitchener
- Targeted direct mail piece distributed to 2,500 eligible small businesses

Sponsorships:

- Kitchener Rangers sponsorship
 - Video Timeout sponsorship – with one thirty second video played at each home game
 - Concourse signage – seen by more than 7,500 fans at 33 scheduled home games
 - Fan Appreciation BBQ Event Booth attended by roughly 2,500 customers from across the Waterloo Region, where we had nearly 150 customers sign up to receive more information about programs through our newsletter
- Kitchener Market Outreach events with Kitchener Utilities speaking to more than 1,000 customers about saveonenergy FOR HOME programs in May and October

- 16 in-store retail events with various Home Depot and Home Hardware to promote all saveonenergy FOR HOME programs in April and October

Additional Comments:

- Smart Meters installed by most LDCs do not have the capability to communicate directly to an In Home Display and any mass replacement of newly installed meters with communicating abilities would not be fiscally responsible. When proposing technical Initiatives that rely on existing LDC hardware or technology there should be an extensive consultative process.
- Introduction of new technology requires incentives for the development of such technology. Appropriate lead times for LDC analysis and assessment, product procurement, and testing and integration into the Smart Meter environment are also required. Making seemingly minor changes to provincial technical specifications can create significant issues when all LDCs attempt to implement the solution in their individual environments.
- The variable funding associated with installing a load controllable thermostat is not sufficient unless it is combined with an In Home Display (IHD) which might not be possible all the time and when IHD is optional.
- Given the different LDC environments, and needs, each LDC is positioning the Initiative slightly differently. While a Thermostat has high marketability, it also carries a higher maintenance liability due to no-heat and no-AC calls. A switch with an independent IHD is seen as a lower liability option but also has a much lower marketability.
- This is the main Initiative within the Residential portfolio that was to drive savings for LDC, however the 2012 evaluation indicated savings realized from the IHD were not statistically significant. LDCs were advised that the evaluation of the IHDs would continue with 2013 data.
- Verified demand savings in 2012 from the load control devices were less than originally anticipated. This prompted an increase to the load cycling strategy in 2013 in order to increase savings closer to the original business case.

3.2.2

COMMERCIAL AND INSTITUTIONAL PROGRAM

Description: Provides commercial, institutional, agricultural and industrial organizations with energy-efficiency programs to help reduce their electricity costs while helping Ontario defer the need to build new generation and reduce its environmental footprint. Programs offer qualified participants funding towards energy audits, replacements or retrofits of inefficient equipment or incentives for pursuing new construction that exceeds our existing codes and standards. Businesses can also receive incentives for controlling and reducing their electricity demand at specific times.

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 Commercial and Institutional Program portfolio continues to be the flagship offering for KWHI's customer base. The savings attributed to participation in this portfolio are critical to the achievement of target.

Program Activities Undertaken: Co-promotion and co-branding techniques are frequently used in the Commercial and Institutional (C&I) programs to maintain cost-effectiveness and increase overall brand awareness. Collaboration with Cambridge and North Dumfries and Waterloo North Hydro on creative, event execution and sponsorship has been effective in reaching a wider audience with consistent messaging while achieving cost-savings.

Continuing to be the most effective activity to cultivate participation is actively engaging with customers on site-visits. An increase in staff for the department has allowed flexibility to meet the demands of the internal application support and review, along with outside sales required to run a success portfolio.

Joint focus by the Waterloo Region LDCs on educating and training channel partners and shared customers drove an increase in awareness of the saveONenergy initiatives. Using the channel partners as an extended sales force has resulted in a year over year increase to participation.

The following bulleted list provides an overview of the program activities undertaken for the C&I programs in 2014.

- Joint delivery of ten breakfast events focused on specific opportunities and end-uses.
- An executive luncheon was attended by 200+ community leaders from across the Waterloo Region. David Chilton (author of The Wealthy Barber series and featured on CBC's Dragon's Den) was the keynote speaker and touched on the value of investing in your own organization.
- Partnership with the KW Chamber of Commerce offers a variety of marketing avenues; event sponsorship.
- Advertising in Exchange Magazine offers print and earned media opportunities.
- Sponsorship of Manufacturing Innovation Network reaching over a 1000 manufacturers in the community
- Sponsorship of the joint Greater Kitchener Waterloo Chamber of Commerce and Cambridge Chamber of Commerce Business to Business show on 570News offers a new engagement opportunity through live radio segments and commercials.

- Presenting sponsors of Sustainable Waterloo Region connects with local businesses that have made a pledge to reduce greenhouse gas emissions and made energy efficiency a priority in their business.
- Produced video case studies on projects completed in the ERII and Direct Install Lighting program to showcase technology and participants and motivate others to do the same.
- Postcard sized mailers went out to G<50kW customers promoting the Direct Install Lighting program

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

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental Net kW	Incremental Net kWh
Projects	207	823	4,440,674

The Retrofit Program continued to be a primary focus for KWHI within the Commercial and Institutional customer segment. In 2014, the Retrofit Program accounted for 37% of the total Net Energy Savings. Promoting both program incentives as well as educating customers and channels on the application process was both critical to the overall success of the initiative.

KWHI continues to engage in planning and delivery efficiencies with both Cambridge and North Dumfries and Waterloo North Hydro. This has greatly expanded KWHI capabilities to support customers and channels through the following marketing activities:

- KWHI in collaboration with Cambridge and North Dumfries and Waterloo North Hydro ran eight breakfast sessions targeted at commercial customers focusing on a variety of energy efficient technologies.
- KWHI advertised in the Exchange Magazine focusing on news and success stories of businesses within the Kitchener, Waterloo Cambridge region.
- Helped to run organized the Kitchener Waterloo Chamber of Commerce Energy & Environment Tradeshow and advertised in their online newsletter. Additional advertising in the Advocate helped KWHI reach smaller businesses within the community.
- KWHI continued to execute on a channel partner engagement strategy in 2014. One on one meetings and presentations were conducted throughout 2014 thereby strengthening relationships and educating channel partners on the incentives and how it can help them sell more.
- KWHI continued to add to its commercial customer contact database and entered into several data updating initiatives to improve communication efficiency.
- KWHI regularly would perform on site visits to customer facilities to understand where opportunities existed and help the customer to attain the necessary information to perform a business case analysis.

Additional Comments:

- A large proportion of LDC savings are attributed to ERII.
- Capability building programs from Industrial programs have had very positive contributions to ERII program.
- This Initiative is limited by the state of the economy and the ability of commercial/institutional facility to complete capital upgrades.
- Applicants and Applicant Representatives continue to express dissatisfaction and difficulty with the online application system. This issue has been addressed by LDCs through application training workshops, Key Account Managers, channel partner/contractor training and LDC staff acting as customer Application Representatives. Although this has been an effective method of overcoming these issues and encouraging submissions, it also reflects on the complexity and time consuming nature of the application process. As such, Applicant Representatives continue to influence the majority of applications submitted. Continued development of Channel Partners is essential to program success.

- Prescriptive and Engineered worksheets provide a much needed simplified application process for customers. However, the eligible measures need to be updated and expanded in both technology and incentive amounts to address changing product costs and evolution of the marketplace.
- The requirement to have a customer invoice the LDC for their incentive is very burdensome for the customer and results in a negative customer experience and another barrier to participation.
- There is redundancy in the application process as customers may need to complete a worksheet and then enter most of that information over to the online application form. This can be cumbersome.
- Processing Head Office application became much easier for the Lead LDC after Schedule changes came into effect in August 2013. The changes implemented allowed the Lead LDC to review and approve all facilities in a Head Office application on behalf of all satellite LDCs under certain circumstances.
- The application process for Head Office projects remains a significant barrier. Applicants need to manually enter one application per facility associated with the project can be extremely onerous, often requiring a dedicated resource.
- Streamlining of the settlements systems resulted in significant improvement in the payment process in 2013.

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

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Projects	94	108	384,744

High participation of the previous version of this initiative within the KWHI service territory has resulted in limited uptake potential for the 2011-2014 program. KWHI continued to utilize their service provider in an effort to maintain program momentum, however the diminished number of eligible customers limited program uptake. KWHI focused its efforts on streamlining its efforts while focusing on marketing research tactics to target a very saturated market.

Other activities included:

- Use of a call center that contacted all remaining eligible customers and made record of reasons for customers not wanting to participate
- Provided local print marketing, radio broadcasting and newsletters aimed at local events through the local Chamber of Commerce
- Customer segment focused including the farming GS<50 kW customers with targeted messaging
- Direct Mails targeting customers who had not participated

Additional Comments:

- 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.
- 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
- Many customers are not taking advantage of any additional measures, which may present an opportunity to for future savings with a new program offering.
- Electrical contractor's margins have been reduced due to no labour rate increase, increase cost of materials, greater distances between retrofit and more door knocking required before a successful sale. This has led to a reduction in vendor channel participation in some regions.

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

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Buildings	0	0	0

To date there has been no uptake with this initiative in KWHI service territory. As the nature of this program only lends itself to a small number of KWHI customers; individual, on-site discussions and engagement was utilized as the primary strategy. Promotion and attention was given at customer breakfast sessions and the annual Technology Symposium.

Additional Comments:

- Initiative name does not properly describe the Initiative.
- There was minimal participation for this Initiative. It is suspected that the lack of participation in the program is a result of the Initiative being limited to space cooling and a limited window of opportunity (cooling season) for participation.
- Participation is mainly channel partner driven, however the particulars of the Initiative have presented a 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 recommissioning and chilled water systems used for other purposes should be made eligible and considered through Change Management.
- This initiative should be reviewed for incentive alignment with ERII, as currently a participant will not receive an incentive if the overall payback is less than 2 years.

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

Marketing Initiative / Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Buildings	3	5	9,538

KWHI continued to promote the HPNC program through its partners and within the community.

- Presented the program overview at breakfast sessions throughout the year
- Set up regular meeting with Union Gas to discuss the prospect list and identified target customers to approach
- Sent program information packages to architects and builders in our territory
- Marketing banners and sell sheets were created for promotional events and customer site visits.
- One-to-one relationships with School Boards, City and Region

Additional Comments

- With the Ministerial Directive issued December 21, 2012, facilities with a completion date near the end of 2014 currently have some security that they will be compensated for choosing efficient measures. However, buildings that are in the planning phase with completion dates post-2015 may not participate due to funding uncertainty.
- Participants estimated completion dates tend to be inaccurate and are usually six months longer. This could result in diminished savings towards target when facilities are not substantially completed by December 31, 2014.
- The custom application process requires considerable customer support and skilled LDC staff. The effort required to participate through the custom stream exceeds the value of the incentive for many customers.
- There are no custom measure options for items that do not qualify under the prescriptive or engineered track as the custom path does not allow for individual measures, only whole building modelling.
- This Initiative has a very low net-to-gross ratio, which results in half the proposed target savings being 'lost'.
- The requirement to have a customer invoice the LDC for their incentive is very burdensome for the customer and results in a negative customer experience and a potential barrier to participation.

3.2.2.5 Energy Audit Initiative

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Audits	11	147	718,009

KWHI provided ongoing local marketing and customer support for the initiative in various forms including promotion of the initiative at all key account events in short presentations and take away print material, directly to customers over the phone, by mail, by email as well as at face-to-face customer meetings.

- KWHI in partnership with Cambridge and North Dumfries Hydro and Waterloo North Hydro actively engaged local energy audit firms in order to educate them on the initiative and the application process, provide marketing support in the form of program focused print material as well as offered to join audit firms on customer calls to further encourage customer participation.
- Discussed and encouraged energy audit options with customers in one-on-one meetings

Additional Comments

- The introduction of the new audit component for one system (i.e. compressed air), has increased customer participation.
- The energy audit Initiative is considered an ‘enabling’ Initiative and ‘feeds into’ other saveONenergy Initiatives.
- Evaluators in 2012 and 2013 recognized savings towards LDCs targets as a result of customers implementing low/no cost recommendations from their energy audits.
- Audit reports from consultants vary considerably and in some cases, while they adhere to the Initiative requirements, do not provide value for the Participant. A standard template with specific energy saving calculation requirements should be considered.
- Customers look to the LDCs to recommend audit companies. A centralized prequalified list provided by the OPA may be beneficial.
- Participation has been limited to one energy audit per customer which has restricted enabling and direction to the other Initiatives. This has been revised in 2014 and LDCs are now able to consider additional customer participation when presented with a new scope of work.
- 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.

3.2.3 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.

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.

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

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Projects	0	0	0

KWHI continues to work with Energy Managers and KAM resources across the region to build awareness amongst the larger industrial customers. KWHI will continue to work directly with large users to provide technical and application support.

Additional Comments:

- Numerous energy studies have been submitted and completed. This is a strong indication that there is the potential for large projects with corresponding energy savings. Most of these studies have been initiated through the Energy Manager and KAM resources.
- This Initiative is limited by the state of the economy and the ability of a facility to complete large capital upgrades.
- There is typically a long sales cycle for these projects, and then a long project development cycle.
- Delays with processing funding payments have caused delayed payments to Participants beyond contract requirements. In some cases, LDCs have developed a separate side agreement between the LDC and Participant acknowledging that the Participant cannot be paid until the funds are received.
- The contract required for PSUI is a lengthy and complicated document. A key to making PSUI successful is a new agreement which is a simplified with less onerous conditions for the customer.
- To partially address this, changes were made to the ERII Initiative which allowed smaller projects to be directed to the Commercial stream. Most industrial projects to-date have been submitted as ERII projects due to less onerous contract and M&V requirements.

3.2.3.2 Monitoring & Targeting Initiative (Schedule D-2)

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Project	0	0	0

To date there has been no uptake with this initiative in KWHI service territory. KWHI uses a one-to-one sales strategy for communicating and promoting the program.

Additional Comments:

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

3.2.3.3 Energy Manager Initiative (Schedule D-3)

Unit	Incremental Activity	Incremental kW	Incremental kWh
Projects	14	124	358,215

Marketing Initiatives/ Progress:

This Initiative was presented to a variety of customers with great support for the Roving Energy Manager (REM) role and interest in the Embedded Energy Manager (EEM) role. The following activity occurred during 2014:

- Embedded Energy Manager:
 - One municipal EEM was hired in 2014 (shared with Cambridge and North Dumfries and Waterloo North Hydro)
- Roving Energy Manager:
 - One active REM was hired

Additional Comments:

- The Energy Managers have proven to be a popular and useful resource for larger customers.
- Some LDCs and Customers are reporting difficulties in hiring capable Roving and Embedded Energy Managers (REM/EEM), in some instances taking up to 7 months to have a resource in place.
- New energy managers require training, time to familiarize with facilities and staff and require time to establish “credibility”. Energy Managers started filling their pipeline with projects in 2012 but few projects were implemented until 2013.

3.2.3.4 Key Account Manager (Schedule D-4)

Marketing Initiatives/ Progress:

KWHI utilized the Key Account Manager to provide outreach and application review on specific technologies which helps the customer to receive internal approval for capital equipment upgrades. Access to technical capabilities is seen as a key component for success with both the energy and demand savings targets.

Additional Comments

- Customers appreciate dealing with a single contact to interface with an LDC, a resource that has both the technical and business background who can communicate easily with the customer and the LDC.
- Finding this type of skill set has been difficult. In addition, the short-term contract discourages some skilled applicants resulting in longer lead times to acquire the right resource.

2.2.3.5 Demand Response 3 (D-6)

Marketing Initiatives/ Progress:

Unit	Incremental Activity	Incremental kW	Incremental kWh
Facilities	7	5,273	0

KWHI continued to build on its marketing and sales plan focused on the demand response in 2014. One-to-one sales visits and collaboration with the aggregators led to some great prospects.

- Developed sell sheets and powerpoint presentations providing a thorough overview of the program value proposition
- One-to-one sales strategy and customer site visits

Additional Comments:

- Until early 2013 customer data was not provided on an individual customer basis due to contractual requirements with the aggregators. This limited LDCs' ability to effectively market to prospective participants and verify savings.
- No program improvements were made in 2013 however, it was accepted that prior participants who renew their DR3 contract within the 2011-2014 term will contribute to LDC targets.
- As of 2013, Aggregators were able to enter into contracts beyond 2014 which has allowed them to offer a more competitive contract price (5 year) than if limited to 1 or 2 year contracts.
- Metering and settlement requirements are expensive and complicated and can reduce customer compensation amounts, and present a barrier to smaller customers.
- Compensation amounts for new contracts and renewals have been reduced from the initial launch of this program (premium zones and 200 hour option have been discontinued) and subsequently there has been a corresponding decrease in renewal revenue.

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

Marketing Activities and Progress

Unit	Incremental Activity	Incremental kW	Incremental kWh
Homes	898	37	374,684

Partnership with Kitchener Utilities continued in 2014, allowing additional water and gas measures for participants with gas heated hot water heaters – helping to extend the set of basic measures that each Initiative participant would receive. The success of the program was largely in part to the engagement of key stakeholders including the Region of Waterloo Housing, Kitchener Housing, various social agencies, non-profit housing providers and co-operative housing providers. Below is a comprehensive list of marketing and activities undertaken by KWHI to promote the Low Income Initiative.

- Negotiated an insert with Ontario Works for their January cheque mail out
- Extensive engagement with a variety of local agencies, housing providers, municipalities,
- More than 10,000 brochures distributed through various channels, agencies and community partners across the Waterloo Region
- Advertisements in all issues of the Kitchener Leisure Guide, distributed four times annually to more than 62, 500 homes
- Insert distributed through Kitchener Utilities bill inserts to more than 66,000 customers
- More than 50 meetings with various social agencies, case workers, housing providers across the Waterloo Region
- Brochures included in the Region of Waterloo food hamper programs
- Engagement with the Region of Waterloo Housing and Kitchener Housing to roll out bulk scheduled
- Postcard drops in targeted postal codes to more than 5,000 homes
- Strategic partnership with ROW Housing, Kitchener Housing and various co-operative housing providers that could take advantage of the new application guidelines set in late 2013

Additional Comments:

- The process for enrolling in social housing was complicated and time consuming. This was addressed in late 2012 and showed some benefits in 2013.
- The financial scope, complexity, and customer privacy requirements of this Initiative are challenging for LDCs and most have contracted this program out. This Initiative may benefit from an OPA contracted centralized delivery agent.

3.2.5 PRE-2011 PROGRAMS

Savings were realized towards 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.

4 2014 LDC CDM Results

Participation and Savings

See next page.

Table 3: Kitchener-Wilmot Hydro Inc 2014 Savings Results

		Table 1: Kitchener-Wilmot Hydro Inc. Initiative and Program Level Net Savings by Year													
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	631	335	181	191	36	20	12	13	262,506	134,960	77,216	83,902	79	1,692,328
Appliance Exchange	Appliances	69	54	87	167	7	8	18	35	8,561	14,106	32,141	61,696	63	198,616
HVAC Incentives	Equipment	1,871	1,800	1,912	2,710	642	401	393	548	1,178,372	689,786	679,618	1,013,053	1,984	9,155,136
Conservation Instant Coupon Booklet	Items	8,318	504	5,975	18,056	19	4	8	36	305,679	22,805	125,711	490,141	67	2,032,696
Bi-Annual Retailer Event	Items	15,530	17,303	15,409	78,692	27	24	19	131	479,313	436,812	280,205	2,004,558	202	5,792,656
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	271	0	888	2,640	152	0	333	930	0	0	1,336	0	930	1,336
Residential Demand Response (HD)	Devices	0	0	652	2,311	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	28	0	0	0	16	0	0	0	106,463	16	106,463
Consumer Program Total						883	457	784	1,708	2,234,431	1,298,468	1,196,229	3,759,814	3,342	18,979,230
Business Program															
Retrofit	Projects	56	114	212	207	564	812	1,008	823	3,057,370	3,955,522	5,331,291	4,440,674	3,152	38,967,032
Direct Install Lighting	Projects	246	193	130	94	261	170	110	108	631,336	624,605	386,913	384,744	598	5,399,981
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	1	4	3	0	30	1	5	0	51,506	10,486	9,538	36	185,028
Energy Audit	Audits	2	5	5	11	0	21	35	147	0	100,705	193,803	718,009	203	1,407,730
Small Commercial Demand Response	Devices	9	0	32	65	6	0	20	36	0	0	10	0	36	10
Small Commercial Demand Response (HD)	Devices	0	0	10	24	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	7	8	6	6	455	580	513	449	17,768	8,426	7,326	0	449	33,520
Business Program Total						1,285	1,612	1,688	1,568	3,706,474	4,740,764	5,929,829	5,552,964	4,475	45,993,301
Industrial Program															
Process & System Upgrades	Projects	0	0	0	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	0	0	0
Energy Manager	Projects	0	0	3	14	0	0	0	124	0	0	0	358,215	124	358,215
Retrofit	Projects	10	0	0	0	40	0	0	0	271,185	0	0	0	40	1,084,740
Demand Response 3	Facilities	4	3	8	7	1,453	1,275	6,242	5,273	85,285	30,717	165,702	0	5,273	281,704
Industrial Program Total						1,493	1,275	6,242	5,397	356,470	30,717	165,702	358,215	5,437	1,724,659
Home Assistance Program															
Home Assistance Program	Homes	0	174	911	898	0	14	44	37	0	171,520	412,584	374,684	94	1,711,562
Home Assistance Program Total						0	14	44	37	0	171,520	412,584	374,684	94	1,711,562
Aboriginal Program															
Home Assistance Program	Homes	0	0	0	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	0	0	0
Aboriginal Program Total						0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	71	0	0	0	964	0	0	0	6,580,023	0	0	0	964	26,320,092
High Performance New Construction	Projects	1	2	0	0	1	71	0	0	5,230	19,804	0	0	72	80,334
Toronto Comprehensive	Projects	0	0	0	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	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total						965	71	0	0	6,585,253	19,804	0	0	1,037	26,400,426
Other															
Program Enabled Savings	Projects	0	0	2	0	0	0	146	0	0	0	911,587	0	146	1,823,174
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	888	0	0	0	0	888	0
LDC Pilots	Projects	0	0	0	1	0	0	0	29	0	0	0	216,677	29	216,677
Other Total						0	0	146	888	0	0	911,587	0	1,035	1,823,174
Adjustments to 2011 Verified Results															
Adjustments to 2012 Verified Results															
Adjustments to 2013 Verified Results															
Energy Efficiency Total						2,561	1,574	1,796	2,939	12,779,576	6,222,132	8,441,556	10,262,354	8,759	96,532,461
Demand Response Total (Scenario 1)						2,066	1,854	7,109	6,688	103,052	39,143	174,374	0	6,688	316,570
Adjustments to Previous Years' Verified Results Total						0	-13	69	305	0	352,831	314,464	1,727,779	358	6,164,996
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						4,626	3,416	8,973	9,932	12,882,629	6,614,105	8,930,394	11,990,133	15,805	103,014,026
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).										Includes adjustments after Final Reports were issued Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year.				Full OEB Target: % of Full OEB Target Achieved to Date (Scenario 1):	
														21,560	90,290,000
														73.3%	114.1%

Table 4: 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	2.294	4.026	1.708	3.759	3.342	18.79
Business Program Total	1.995	7.633	1.568	5.552	4.475	45.99
Industrial Program Total	5.411	0.398	5.397	0.358	5.437	1.724
Home Assistance Program Total	0.037	0.374	0.037	0.374	0.094	1.711
Pre-2011 Programs completed in 2011 Total	0	0	0	0	1.037	26.40
Other Adjustments	1.32	2.446	1.222	1.727	1.035	8.39
Total IESO Contracted Province-Wide CDM Programs ¹	11.056	14.877	9.932	11.990	15.81	103.01

¹ Program-to-Date savings will not total the line items in the column due to adjustments made to previous years' results which have been factored in to the overall Contribution to Target

4.1 Evaluation

Key findings from the IESO's 2014 Evaluation reports can be found in Appendix B. This information was taken from the LDC Extranet in a document posted on September 15, 2015 titled: 2014 Key Evaluation Findings.

CONSUMER PROGRAM

Appliance Retirement Initiative

- Participation increased slightly to 22,563 (7.7%) in 2014 compared with 20,952 in 2013.
- Since 2011 overall Initiative participation has decreased nearly 60%.
- The greatest decrease was seen in the number of refrigerators collected year-over-year
- Of appliances collected, refrigerators and freezers remain the most dominate measures accounting for 90%. However, window AC units and dehumidifiers saw a marked increase of 29.6% and 27% respectively in 2014.
- Net to gross ratio (NTG) increased slightly to 47% compared to 43% as reported for 2013 and 2012 program years.

Appliance Exchange Initiative

- Participation in 2014 increased by 6.5% to 5,685 appliances from 5,337 compared to 2013
- Per-unit savings has increased by 36.6% as ENERGY STAR criteria increases and more participants purchase ENERGY STAR replacements appliances. This resulted in a 6.5% increase in Net Energy & Demand savings.
- Net to Gross ratio (NTG) remained unchanged from 2013 at 52.6%

Heating and Cooling Initiative

- In 2014 net savings increased by 20% from 2013 and overall participation increased by 17% to 113,002 compared to 2013
- The ECM measure has remained the dominant source of savings since 2011
- Per unit furnace savings increased 12.7% due to a shift in the number of participants who use their furnace fan continuously both before and after the retrofit.
- Per unit energy and demand savings assumptions for central air conditioners decreased by 56% due to reduced run hours
- Net to Gross ratio (NTG) remained unchanged from 2013 at 48%

Annual Coupons

- Customers redeemed more than five times as many annual coupons in 2014 as in 2013. In total, approximately 500,000 Annual Coupons were redeemed in 2014 with 110,000 being LDC Coded Coupons.
- There was a further reduction in savings for lighting measures from changes in the baseline due to the phase out of 72W and 100W incandescent bulbs.
- Despite the significant per unit savings reductions for lighting measure, the Net Annual Savings from Annual Coupons in 2014 was more than six times that in 2013. This is primarily because of higher participation and the inclusion of LED coupons and full year availability of all coupons.
- Measured NTG ratios grew significantly in 2014. The NTG ratio is 53% higher in 2014 than in 2013 due to the inclusion of participant spillover, i.e., purchase of additional coupon initiative measures and general energy efficient measures without the use of a coupon but influenced by the coupon program.

Bi-Annual Coupon Events

- Over 2.5 million coupons were redeemed in 2014 compared with 2013 redemptions
- The Bi-Annual Coupon Event saw a substantial increase in the number of coupons redeemed during the Spring and Fall Events in 2014 compared to 2013. The increase can be linked to a substantial increase in LED purchases with event coupons accounting for 84% of all Bi-Annual Coupons redeemed.
- Reductions in per unit savings were overshadowed by the increase in coupon redemptions. Overall savings increased by approximately 85% in 2014 compared with 2013 Demand and Energy Savings.
- Similar to the Annual Coupon Event measured NTG ratios rose by 53% compared to 2013 NTG ratios. The rise is due to the inclusion of participant spillover, i.e., purchase of additional coupon initiative and general energy efficient measures without the use of a coupon but influenced by the Bi-Annual Coupon event.

peaksaverPLUS

- There were an additional 55,000 CAC load control devices enrolled in the program in 2014 relative to 2013, which increased the capacity of the residential segment of the program from 129 MW in 2013 to 143 MW in 2014.
- Ex-ante impacts on a per device basis were lower than 2013 average.
- There were no energy savings in 2014 because there were no system-wide events were called.
- Load impact estimates for the average small and medium business and for electric water heaters among residential customers remain consistent with prior year's analysis
- IHD's yielded no statistically significant energy savings.

Residential New Construction

- The most significant growth in the initiative has been participation in the prescriptive track. MW savings in the prescriptive track increased from zero summer peak MW savings in 2011 to 352 summer peak kW savings in 2014.
- The custom track saw participation for the first time in 2014. One custom project of 55 homes contributed 37 kW demand savings and 0.5 GWh of energy savings.
- New deemed savings for performance track homes were developed and implemented, resulting more consistent realization rates for 2014.
- ENERGY STAR New Homes was introduced as an eligible measure within the performance track in 2014. As a result, these ENERGY STAR New Homes provided 1% of peak kW savings and 4% of kWh savings.

HOME ASSISTANCE PROGRAM

Home Assistance Program

- Participation decreased by 5 % to 25,424 participants compared with 2013 (26,756). The decrease was due to six LDCs not participating in the Home Assistance Program in 2014.
- Realization rates for demand doubled in 2014 to 56% compared with 2013 (26%). However, energy realization rates decreased by 10% to 77% compared with 2013 results.
- Realization rate for demand savings increased due to the adoption of the new FAST Tool which incorporated updated kW savings for weatherization measures in particular insulation measures.

BUSINESS PROGRAM

Retrofit

- The number of prescriptive projects increased slightly (1.2%) in 2014 to a total of 4,812. However, total net verified savings and peak demand savings dropped significantly (19% and 30% respectively). This is due to a 19% drop in per-project net verified savings, which can be attributed to lower track level realization rate and net-to-gross ratio and is related to smaller average project sizes.
- The quantity of engineered projects increased 22% to a total of 3,906 in 2014, combined with a net verified savings per project increase of 17% the track saw a dramatic 47% increase in net energy savings.
- Lower demand realization rates across the program as a whole were tied to equipment differences between reported and calculated values. For lighting projects the difference was most often seen in baseline and retrofit lamp wattages and ballast factors. Non-lighting tracks exhibited lower demand realization rates due to the following factors:
 - Variations in load profiles where the evaluation team found equipment that operated fewer hours or at a lower capacity than expected from the project documentation.
 - Inconsistencies in equipment nameplate data (typically efficiency or capacity) between project documentation and equipment installed on-site.
 - Weather dependent control systems leading to shifts in how often the equipment operated.

Small Business Lighting

- 23,784 projects were completed in 2014 (34% increase from 2013)
- The category of 'Other' business type projects increased 71% when compared to 2013. Agribusinesses make up 74% of the 'Other' business type category. While growth in the number of projects is good, agribusinesses projects, in particular, have a realization rate of only 58.5%. This is primarily due to the verified annual operating hours being approximately 45% less than the assumed annual operating hours.
- In 2014 LED measures provide the most net savings of any other SBL measure making up 59% of net energy savings in 2014. Their long effective useful life and retention of a larger amount of savings after the baseline adjustment allow LED measures to also contribute substantially more lifetime savings than CFLs and linear fluorescents.
- Overall energy and demand realization rates decreased by 1.8 and 3.1 %, respectively, from 2013.
 - Sampled rural projects have lower energy realization rather than urban projects (63.8% compared to 83.5%) across the 2011 – 2014 sample
 - Sampled rural projects have even lower demand realization rather than urban projects (49.7% compared to 74.1%) across the 2011 – 2014 sample
 - The annual proportion of net energy savings from rural projects has increased from 30% in 2011 to 41% in 2014

Audit Funding

- The number of audits carried out in 2014 decreased by 20% when compared to 2013.
- The average per audit net energy savings attributable to the Audit Funding Initiative was estimated to be 65 MWh and 13 kW of summer peak demands savings.
- Time series analysis quantified additional savings from measures implemented after initial program year. It was found that an additional 7.2%, 5.0% and 0.1% can be added to all previously reported projects in 2011, 2012 and 2013 projects, respectively.

Existing Building Commissioning

- 5 projects completed the Hand-off stage in 2014.
- Energy realization rate was estimated at 116% and demand realization rate at 202%.
- About 31 participants are still in the scoping stage or implementation stage.

High Performance New Construction

- Savings have increased every year of the initiative with an increased participation of 50% from 2013
- In 2014, most savings came from the custom track providing 71% of demand savings.
- Participation from HVAC measures occurred for the first time in 2014 (providing 14% of summer peak kW savings and 5% of kWh savings).
- The measures with the greatest impact on low realization rates for prescriptive measures were high volume low speed (HVLS) fans and variable frequency drives (VFDs).
- Province-wide realization rates declined slightly for 2014, as a result of the wider variety of measures being implemented.
- Key drivers for participation are: initial project cost, followed by electricity costs and expected energy savings are the key drivers to participation.

INDUSTRIAL PROGRAM

Process and Systems – Capital Incentive Initiative

- 10 PSUI Capital Incentive projects implemented in 2014, compared to 5 in 2013.
 - 4 projects are Behind the Meter Generation (BMG) projects.
 - The remaining projects were energy efficiency improvements in pumping, cooling, compressed air systems and industrial processes.
- Each project received its own Net to Gross (NTG) value. NTG ratios ranged from 62% to 100% for the 10 projects
- Realization rates remained high in 2014, ranging from 90 to over 100%.

Process and Systems Energy Managers Initiative – Non incented savings

- 379 Energy Manager projects were completed in 2014 compared to 306 in 2013
- Energy Managers are important drivers of non incented savings projects.
- In 2014, the Energy Mangers initiative has contributed to 35% of energy savings for Industrial Programs

Process and Systems Monitoring and Targeting Initiative – Non incented savings

- 5 projects were completed in 2014, compared to 3 in 2013.
- Low realization rates (36% for energy savings and 59% for demand savings) are attributed to reported savings based on total potential savings rather than non-incentivized realized savings, while the verified savings only include non-incentivized savings).

Demand Response - DR-3

- The largest 25 contributors account for 60% of the contractual demand reduction – that is, less than 4% of contributors account for the majority of the load reductions.
- A multi-year analysis indicates 2012 was the best year for program performance. After 2012, a single large contributor left the program, resulting in a decrease in overall performance in 2013 and 2014. This highlights the risk having a highly concentrated program with a few large contributors representing a large share of the program capacity.
- There were no events called in 2014 and the contracted capacity was similar to 2013.

Note:

The Key Evaluation findings are derived from the 2014 evaluations of the saveONenergy programs. These findings were developed by 3rd party evaluation contractors. Complete findings are detailed in the contractors' full evaluation reports, which will be available publicly in Q4 2015.

4.2 Spending

Table 5 and 6 summarize the total spending by initiative that KWHI has incurred in 2014 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 5: 2013 Spending

Initiative	Program Admin 2014	Participant Based Funding	Participant Incentive	Capability Funding	TOTAL
Consumer Program					
Appliance Retirement	\$30,579.47	NA	NA	NA	\$30,579.47
Appliance Exchange	\$23,365.04	NA	NA	NA	\$23,365.04
HVAC Incentives	\$148,531.37	NA	NA	NA	\$148,531.37
Annual Coupons	\$150,542.10	NA	NA	NA	\$150,542.10
Bi-Annual Retailer Event	\$59,023.87	NA	NA	NA	\$59,023.87
Residential & Small Commercial Demand Response	\$149,972.58	\$640,205.00	NA	NA	\$790,177.58
New Construction Program	\$28,402.19	NA	NA	NA	\$28,402.19
Business Program					
Equipment Replacement	\$573,653.82	NA	\$782,236.19	NA	\$1,355,890.01
Direct Installed Lighting	\$40,316.56	\$22,770.00	\$161,219.75	NA	\$224,306.31
Existing Building Commissioning Incentive	\$21,316.79	NA	NA	NA	\$21,316.79
New Construction and Major Renovation Initiative	-\$6,664.13	NA	\$112,865.00	NA	\$106,200.87
Energy Audit	\$57,569.34	NA	\$36,174.34	NA	\$93,743.68
Industrial Program					
Process & System Upgrades					
a) preliminary engineering study	\$14,820.91	NA	NA	NA	\$14,820.91
b) detailed engineering study	\$14,820.91	NA	NA	NA	\$14,820.91
c) program incentive	\$16,818.10	NA	NA	NA	\$16,818.10
Monitoring & Targeting	\$12,831.31	NA	NA	NA	\$12,831.31
Embedded Energy Manager	\$1,813.31	NA	NA	NA	\$1,813.31
Energy Manager	-\$78,301.50	NA	NA	\$193,097.30	\$114,795.80
Key Account Manager ("KAM")	\$8,462.26	NA	NA	\$35,373.25	\$43,835.51
Demand Response 1	\$893.85	NA	NA	NA	\$893.85
Demand Response 3	\$24,459.30	NA	NA	NA	\$24,459.30
Home Assistance Program					
Home Assistance Program	\$57,759.83	NA	\$519,377.68	NA	\$577,137.51
TOTAL SPENDING	\$1,350,987.28	\$662,975.00	\$1,611,872.96	\$228,470.55	\$3,854,305.79

Table 6: Cumulative Spending (2011-2014)

Initiative	Program Admin 2014	Participant Based Funding	Participant Incentive	Capability Funding	TOTAL
Consumer Program					
Appliance Retirement	\$160,401.75	NA	NA	NA	\$160,401.75
Appliance Exchange	\$97,340.28	NA	NA	NA	\$97,340.28
HVAC Incentives	\$483,062.43	NA	NA	NA	\$483,062.43
Annual Coupons	\$337,548.76	NA	NA	NA	\$337,548.76
Bi-Annual Retailer Event	\$138,614.29	NA	NA	NA	\$138,614.29
Residential & Small Commercial Demand Response	\$338,929.34	\$806,290.00	NA	NA	\$1,145,219.34
New Construction Program	\$91,520.93	NA	NA	NA	\$91,520.93
Business Program					
Equipment Replacement	\$1,286,830.26	NA	\$3,347,928.50	NA	\$4,634,758.76
Direct Installed Lighting	\$100,169.04	\$161,749.00	\$293,657.75	NA	\$555,575.79
Existing Building Commissioning Incentive	\$46,178.95	NA	NA	NA	\$46,178.95
New Construction and Major Renovation Initiative	\$74,805.33	NA	\$138,165.00	NA	\$212,970.33
Energy Audit	\$162,761.58	NA	\$67,150.21	NA	\$229,911.79
Industrial Program					
Process & System Upgrades					
a) preliminary engineering study	\$25,260.20	NA	NA	NA	\$25,260.20
b) detailed engineering study	\$24,735.20	NA	NA	NA	\$24,735.20
c) program incentive	\$33,101.89	NA	NA	NA	\$33,101.89
Monitoring & Targeting	\$19,488.35	NA	NA	NA	\$19,488.35
Embedded Energy Manager	\$1,813.31	NA	NA	NA	\$1,813.31
Energy Manager	\$20,507.44	NA	NA	\$193,097.30	\$213,604.74
Key Account Manager ("KAM")	\$47,689.89	NA	NA	\$64,656.00	\$112,345.89
Demand Response 1	\$893.85	NA	NA	NA	\$893.85
Demand Response 3	\$99,533.95	NA	NA	NA	\$99,533.95
Home Assistance Program					
Home Assistance Program	\$156,752.41	NA	\$805,624.00	NA	\$962,376.41
Pre 2011 Programs					
Electricity Retrofit Incentive Program	NA	NA	\$794,452.90	NA	\$794,452.90
TOTAL SPENDING	\$3,747,939.43	\$968,039.00	\$5,446,978.36	\$257,753.30	\$10,420,710.09

5 Combined CDM Reporting Elements

5.1 Progress Toward CDM Targets

The following Tables (7 & 8) report on the final verified results for KWHI.

Table 7: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	4.6	2.6	2.6	2.5
2012 - Verified†	0.0	3.4	1.5	1.5
2013 - Verified†	0.0	0.1	9.0	1.9
2014 - Verified†	0.0	0.0	0.3	9.9
Verified Net Annual Peak Demand Savings Persisting in 2014:				15.8
Kitchener-Wilmot Hydro Inc. 2014 Annual CDM Capacity Target:				21.6
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				73.3%

Table 8: Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	12.9	12.8	12.8	12.6	51.0
2012 - Verified†	0.4	6.6	6.5	6.4	19.9
2013 - Verified†	0.0	0.3	8.9	8.7	18.0
2014 - Verified†	0.0	0.3	1.82	12.0	14.1
Verified Net Cumulative Energy Savings 2011-2014:					103.0
Kitchener-Wilmot Hydro Inc. 2011-2014 Annual CDM Energy Target:					90.3
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					114.1%

6 CONCLUSION

In 2014, KWHI achieved an incremental 9.9 MW in peak demand savings and 12 GWh in energy savings, which represents 63% and 12% of KWHI's 2014 targets, respectively. Increased focus on demand savings programs such as peaksaver plus and Demand Response 3, helped to close the gap towards the peak demand target.

Had there not been market uncertainty around the Demand Response 3 contracts, KWHI could have been in a much stronger position to achieve its 2014 demand target.

The overall results achieved in 2011-2014 are 15.8 MW in peak demand savings and 103 GWh in energy savings, which represents 73.3% and 114.1% of KWHI's 2014 target, respectively.

These results are representative of a considerable effort expended by KWHI, 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 serve as a solid foundation for the launch of the Conservation First Framework in 2015.

Future reports on Conservation First will be provided by LDCs to the IESO who will report annually to the OEB.

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: 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: 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: 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: 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

In Market Date: 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: 2011

NEW CONSTRUCTION PROGRAM (Schedule B-2)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

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

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

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

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

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

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

In Market Date: 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: June 2013

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: 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: 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: 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: 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: 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: 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: 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: 2013

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: 2012

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: 2011

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)