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Ontario

DELIVERED

November 5, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

RE: Motion by the Consumer's Council of Canada ("CCC") and Aubrey LeBlanc in relation to s. 26.1 of the *Ontario Energy Board Act, 1998* (the "Act") and Ontario Regulation 66/10

Board File No.: EB-2010-0184

Affidavit filed on behalf of the Attorney General of Ontario

Please find enclosed the original and one copy of the Affidavit, filed on behalf of the Attorney General of Ontario, in respect of Procedural Order No. 6 in this matter.

A copy of this Affidavit is being uploaded onto the Board's web portal as of today's date.

Yours truly,

Arif Virani
Counsel

cc: All Intervenors (by email)

File No. EB-2010-0184

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF a motion by the Consumers Council of Canada and Aubrey LeBlanc in relation to section 26.1 of the *Ontario Energy Board Act, 1998* and Ontario Regulation 66/10.

AFFIDAVIT OF BARRY BEALE
Sworn November 5, 2010

I, Barry Beale, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am employed by the Ministry of Energy ("Ministry") as the Director—Energy Efficiency and Innovative Technology Branch, Renewables and Energy Efficiency. I have been so employed with the Ministry and the former Ministry of Energy and Infrastructure holding various positions of increasing responsibility for the past four years, and also during the thirteen year period from 1984 to 1997. Because of this experience, I have personal knowledge of the facts set out in this Affidavit, unless stated to be based on information and belief, and where so stated I believe such facts to be true.

2. In my capacity as Director—Energy Efficiency and Innovative Technology Branch, Renewables and Energy Efficiency, my duties have included providing policy recommendations and advice to the Assistant Deputy Minister—Renewables and Energy Efficiency, the Deputy Minister and the Minister of Energy and Infrastructure, the Minister of Energy, and Cabinet as a whole on various matters pertaining to energy in Ontario. In addition, I served as the Acting Assistant Deputy Minister—Renewables and Energy Efficiency, from November 2009 to May 2010.

3. I have, in particular, had occasion to provide advice in order to assist the Government in implementing its policy decisions relating to conservation and the use of alternative and renewable energy programs.

4. I swear this Affidavit in response to the motion made by the Consumers Council of Canada and Aubrey Leblanc, alleging that the assessments levied by the Ontario Energy Board ("Board"), pursuant to s.26.1 of the *Ontario Energy Board Act, 1998* ("OEBA") and O.Reg. 66/10 thereto, amount to unconstitutional indirect taxation.

5. Ontario has adopted conservation as the accepted strategy for improving the reliability of its electricity system, and as a means of reducing the costs associated with energy generation. The province's approach to energy conservation is multi-faceted, and includes a number of programs within a broad regulatory scheme. Two components of Ontario's regulatory scheme include the Home Energy Savings Program (HESP) and the Ontario Solar Thermal Heating Incentive (OSTHI). In this case, the charge assessed by the Ontario Energy Board is intended solely to recoup the direct incentive costs incurred by the province in providing the HESP and OSTHI programs. This regulatory charge is based solely on cost-recovery – it is neither intended or designed to generate revenue for the Government.

I. Complete, Complex and Detailed Code of Regulation

6. Ontario has set aggressive electricity conservation targets. Building a culture of conservation has required the Government to change its methods in order to meet these goals and become, globally, a best practice jurisdiction in reducing energy consumption.

7. In 2004, the Government took significant steps toward meeting these conservation objectives. The Government addressed long-term system planning and system reliability concerns through the enactment of the *Electricity Restructuring Act, 2004* ("ERA").

8. Central to the passage of the ERA was the creation of the Ontario Power Authority ("OPA"), which was mandated to prepare an Integrated Power System Plan to integrate supply, transmission and conservation planning for a 20 year period in Ontario.

9. The Integrated Power System Plan submitted to the Ontario Energy Board for approval in August 2007 was premised upon several core principles, including those addressing conservation and renewable generation, namely: (1) the creation of a conservation culture in

Ontario; (2) a strong preference for renewable sources of energy; and (3) the replacement of coal-fired generation.

10. The changes ushered in by the passage of the ERA in 2004 comprise only one part of Ontario's complete, complex and detailed code of energy regulation. The province's regulatory scheme also includes:

    (1) the *Green Energy and Green Economy Act, 2009* [Bill 150] ("GEGEA") pursuant to which the *Green Energy Act, 2009* (GEA), *inter alia*, was created;

        - One of the purposes of the GEGEA is to reinforce the Government's long-standing commitment to reducing electricity demand and fostering a culture of conservation throughout Ontario. The GEGEA encourages the use of cleaner energy sources including wind, solar, water and bio-fuels;
        - The GEA provides regulatory authority to designate certain goods, services and technologies for the purpose of promoting conservation;

    (2) the OEBA, including its conservation-related directive authorities, and the Board's licensing authorities and licensing requirements; and

    (3) the *Electricity Act, 1998*, including provisions related to supply and capacity procurement initiatives;

        - For example, the *Electricity Act, 1998* was recently amended at s. 25.32(4.1) to grant authority to the Minister to direct the OPA regarding the procurement of electricity supply in relation to renewable energy sources, and conservation initiatives. Other provisions of this legislation authorize the Minister to require transmitters and distributors to grant preferential access to renewable generation facilities, even where non-renewable and renewable generation facilities are competing for scarce connection resources (s. 25.36).

11. Ontario's complex and detailed code of regulation is complemented by a number of additional requirements created by the Board and the Independent Electricity System Operator (IESO) with which industry participants must comply. These include Board codes created under sections 70.1 *et seq.* of the OEBA, such as the Transmission System Code, the Distribution System Code and the Retail Settlement Code, as well as the IESO Market Rules created under sections 32-34 of the *Electricity Act, 1998*.

12. These instruments supplement the *Electricity Act, 1998*, the OEBA and their respective regulations. They are supported by a network of agencies and industry participants (OEB, OPA, Local Distribution Companies ("LDCs"), gas utilities, the IESO and others) which themselves carry out conservation initiatives, and often maintain their own rules and programs to achieve conservation.

II. HESP and OSTHI: Multi-Fuel Programs with a Regulatory Purpose that seek to Affect Behaviour

13. The conservation measures that form part of Ontario's detailed code of regulation emphasize a multi-fuel approach--the programs' eligibility criteria permit users of electricity, natural gas and other fuels to participate. The two fuels for which the Board maintains a regulatory or rate-setting power are electricity and natural gas.

14. In the April 1, 2009 to March 31, 2010 fiscal year, the Ministry delivered two energy conservation programs: HESP and OSTHI. Both programs originated with and are administered under a Memorandum of Understanding by Natural Resources Canada (NR Can), pursuant to the federal government's ecoEnergy-Homes program, and ecoEnergy-Renewable Heat program, respectively. To administer program funding between the federal and provincial governments, lists of approved applications are submitted to Ontario by NR Can, where they are processed. Ontario then remits incentive cheques to qualified applicants matching payments made by the federal government.

15. The federal government has indicated that funding for both the ecoEnergy-Homes program and the ecoEnergy-Renewable Heat program will conclude as of March 31, 2011. The funding authority for the existing Ontario matching programs will also sunset on March 31, 2011.

(a) The Home Energy Savings Program (HESP)

16. HESP provides an incentive to residential homeowners to reduce their use of electricity and other fuels. HESP subsidizes a home energy audit for 50% of the cost of the audit up to $150. Subsidies are then paid to homeowners who implement energy improvements recommended by

the audit. The program also includes a prescribed list of conservation measures and the corresponding incentives that are available.

17. For example, installing Energy Star qualified windows results in a $60 per unit Ontario incentive. Other popular program conservation measures include installing high-efficiency gas furnaces and making insulation upgrades. Details regarding HESP are contained in the brochure attached as EXHIBIT "A" to my Affidavit.

18. As of August 2010, Ontario home owners had completed approximately 380,000 home energy audits under HESP. (See EXHIBIT "B" attached to my Affidavit.)

(b) The Ontario Solar Thermal Heating Incentive (OSTHI)

19. OSTHI provides a rebate to organizations in commercial, industrial or institutional sectors that install a qualifying solar air or water thermal heating system, and thereby reduce their demand for electricity and other fuels. OSTHI matches rebates provided by the federal government's ecoENERGY-Renewable Heat program to a maximum incentive of $400,000 per solar thermal water installation and $80,000 per solar thermal air installation. (The corporate maximum incentive for multiple installations is $2,000,000.) Ontario's collaboration with the federal government facilitates service to Ontario applicants who plan to install a qualifying system at an eligible property.

20. OSTHI incentive payments are based on the size (area) of the solar collector and its efficiency. Total project funding payable to 'for-profit' applicants is limited to 50% of eligible costs, while municipalities and 'not-for-profit' applicants may receive no more than 100% of eligible project costs from all levels of government.

21. Funding is conditional upon the applicant's project being approved by the federal government's ecoENERGY-Renewable Heat program and on compliance with the Contribution Agreement. An applicant has six months to complete the project once it has been approved. Additional details regarding OSTHI are contained in the brochure attached as EXHIBIT "C" to my Affidavit.

22. The objective of the HESP and OSTHI programs, is to alter the behaviour of consumers by providing incentives to reduce energy consumption. Through the financial rebate regimes set out above, the Government of Ontario provides a monetary inducement to consumers to reduce their reliance on non-renewable energy sources, and stimulates energy conservation.

23. Programs such as HESP and OSTHI are two examples of the various measures that the Government of Ontario has undertaken in order to foster a culture of conservation and to support overall system reliability at the transmission and distribution levels.

III. Regulated Entities Cause the Need for, or Derive a Benefit from, the Regulation

Grid Reliability

Need created by Consumers; Benefit accrues to Consumers, LDCs and the IESO

24. Conservation programs are an industry-accepted strategy for improving system reliability, and avoiding the costs of more expensive energy generation. In this respect, conservation can be considered the primary resource for addressing supply and distribution constraints.

25. Through their consumption of electricity, consumers place significant demands on the electricity grid, which can compromise its reliability under certain circumstances. Reducing electricity consumption through programs like HESP and OSTHI reduces the stress on the electricity system. The result is a system benefit which accrues to all consumers, LDCs and the IESO.

26. The need to ensure system reliability has been constant, and arose prior to the GEGEA initiatives. In 2002, increased levels of demand were placed on the grid by large industrials, residential and small business consumers, due in part to extreme weather conditions. In addition, certain of Ontario's nuclear generation facilities were unavailable because of ongoing maintenance and performance issues. These factors combined to create record-high system demands, which resulted in increased prices for electricity and warnings of potential blackouts and brownouts. The following year, Ontario experienced the August 14, 2003 blackout. The

cumulative effect of these events reinforced the importance of system reliability and the need to reduce electricity demand.

27. Modest reductions in consumption associated with Ontario's conservation programs improve system reliability because they decrease the likelihood that short-term energy demand spikes will undermine system-wide or local distribution system reliability.

28. Through consumption, each customer group places their own unique demands upon the system. For example, although large industrial consumers have relatively stable system load profiles and consume base-load generation which is relatively less expensive and does not normally challenge the outer limits of system reliability, they consume volumes that on average dwarf the amounts consumed by other customer classes. Other groups, such as the residential and small business customer classes, have more variable system demand. While the volume of energy each consumer uses is individually quite small, they consume a significant volume of energy as a class and consume in ways that drive system demand toward peak capacity.

29. Consumers (including individuals, small businesses and large industrial consumers) benefit from increased grid reliability by receiving stable electrical supply during all periods of the day, month or year including peak demand periods. Business, manufacturing, technology and other industrial sectors need reliable supply in order to support both short-term and long-term business operations. Residential and small business consumers depend on adequate and reliable supply in order to meet their daily energy consumption needs.

30. LDCs are licensed by the Board to convert electricity from the transmission system into lower voltages (less than 50 kV) and to distribute that electricity to small/individual consumers. There are approximately 80 LDCs across the province, servicing all Ontario consumers, save for the approximately 60 large industrial consumers whose electricity needs are serviced directly by the IESO.

31. LDCs play a significant role within this regulated industry as suppliers of the energy demanded by consumers. Particularly at times when electricity consumption peaks, it is critical for LDCs to have access to a stable, reliable grid in order to supply electricity to their consumers. LDCs

benefit significantly from improved grid reliability, as system failures would affect the viability and profitability of their entire operations. Even a short term breakdown of the transmission and distribution grid would prevent LDCs from delivering electricity to their customers, resulting in adverse economic consequences.

32. As commercial actors supplying electricity within a regulated electricity distribution system, LDCs require a reliable transmission and distribution grid, and therefore derive a critical benefit from regulatory measures intended to ensure the grid's reliability and viability.

33. The IESO serves as the not-for-profit system operator responsible for supervising all activity which occurs on the IESO-controlled grid, including the electricity transmission system from a supply/demand perspective. In this capacity, the IESO services the electricity needs of LDCs, as well as a small number of large industrial operators who require higher voltages (more than 50 kV) and are therefore connected directly to the transmission grid, as noted above.

34. The IESO also benefits from the HESP and OSTHI programs because, in improving grid reliability, these conservation measures assist the IESO in complying with its statutory mandate. As s. 5 of the *Electricity Act, 1998* sets out, the IESO's objects include maintaining the reliability of the grid, and ensuring the adequacy and reliability of the integrated power system.

35. Particularly at times when electricity consumption peaks, it is critical for the IESO to ensure the stability and reliability of the grid in order to supply electricity to their own transmission-connected consumers, as well as the LDCs. The IESO therefore derives significant benefits from improved grid reliability, as system failures affect the viability of both their system operations function as well as their ability to serve their customers, and the LDCs.

Environmental Concerns

Need created by Consumers

36. The generation of electricity from fossil fuels has a detrimental impact on the environment by emitting pollutants, including greenhouse gases. The need to keep consumers' electricity

consumption in check in order to protect the environment necessitates the conservation and renewable energy programs the Ministry has initiated as part of the GEGEA.

37. Ontario's conservation measures address the environmental impacts of energy consumption, by focussing on the type or source of energy generated as well as the volume of consumption.

38. Ontario has taken steps toward the use of more environmentally benign resources, including deciding to close all of Ontario's coal-fired generation facilities by the end of 2014. The elimination of coal from Ontario's supply mix will reduce Ontario's annual greenhouse gas emissions by up to 30 mega tonnes annually.

39. As a consequence of the closure of Ontario's coal-fired generation facilities, there will be a reduction of approximately 6434 Megawatts (or some 18%) in the province's overall electricity generation supply mix. To be responsive to this supply reduction, the province will rely on energy conservation among other strategies.

40. The HESP and OSTHI programs are examples of conservation measures that have been implemented by the Government to respond to the environmental consequences of the extra demands placed on the system by consumers.

41. In particular, the OSTHI program eligibility rules are designed to allow commercial, institutional and industrial consumers to satisfy a portion of their demand using solar energy rather than relying upon electricity or other fuels.

Reduced Costs

Consumers, LDCs and the IESO derive a Benefit

42. Over time, a reduced requirement for generation resources results in a more affordable and reliable system for consumers.

43. Load reduction reduces Ontario's reliance upon coal. Where HESP and OSTHI result in load reduction during peak demand periods, incidental benefits accrue since more system demand can be satisfied using non-peak resources which are less expensive.

44. In addition, consumers in every class who consume less electricity will reduce their overall electricity expenses, resulting in obvious economic benefits for the consumer.

45. The benefits to each residential consumer, depending upon their personal investment in their individual home under the HESP, are notable. Eligible consumers who participate in the program received funding toward the costs associated with implementing in-home conservation measures which increase the value of their homes, in addition to lowering their long-term energy costs.

46. All consumers are expected to benefit from the overall reduction in consumption, including demand reduction during peak periods in winter months. Lower overall peak consumption will result in lower commodity prices. The IESO market price corresponds to the marginal cost associated with the last generation facility required to satisfy peak system load.

47. As the consumption of electricity is reduced, the price of electricity for the consumer will also diminish. This applies notwithstanding the fact that a consumer's total electricity bill is comprised of more than just the commodity cost of electricity -- it includes regulatory, delivery and administrative charges.

48. Conservation and demand reduction programs, such as HESP and OSTHI, provide relief compared to typically more expensive system upgrades and expansion, given the advanced age of Ontario's electricity generation assets. Conservation defers the need for investment that would otherwise be necessary to maintain and increase infrastructure, to supply and transmit electricity in response to elevated demand. By working to avoid or lower these costs, the regulation economically benefits consumers—the party that would ultimately bear the expenses related to costly system upgrades through rate changes set by the Board.

49. The regulation also results in economic benefits for LDCs and the IESO, as these parties frequently must bear the immediate short-term costs and financing associated with

infrastructure improvements and expansion. By deferring the need for such upgrades, conservation can positively influence the overall business efficiency of LDCs and the IESO.

50. In addition, by reducing demand during peak periods, conservation measures can benefit LDCs and the IESO in the form of reduced system losses.

IV. Actual or Properly Estimated Costs

51. Section 26.1 of the OEBA requires the Board to issue special purpose "assessments" or charges to recover specific costs of the Ministry relating to energy conservation programs or renewable energy programs. The charges are initially imposed on LDCs and the IESO, as regards electricity consumers in their service areas. Each LDC and the IESO pays its share of the total program costs on the basis of the volume of electricity delivered to electricity consumers.

52. Under Regulation 66/10 ("Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs") ("Regulation"), LDCs and the IESO may recover the amount of the charges from electricity consumers in accordance with the amount of electricity used by each consumer. Both LDCs and the IESO have already utilized this authority and commenced recovering the regulatory charge from electricity consumers they supply. Such recovery from consumers must be recorded in a Variance Account in accordance with s.8 of the Regulation. The first reports regarding the Variance Account will be available from the Board at the end of November 2010.

53. The Regulation stipulates that the total amount of costs to be recovered by the Board's assessments is $53,695,310. This figure corresponds to the estimated total annual cost for the April 1, 2009 to March 31, 2010 fiscal year of the two specific energy conservation and renewable energy programs delivered by the Ministry discussed above, HESP and OSTHI. This amount excludes the costs related to the conservation measures of fuels other than electricity.

54. The sole purpose of the regulatory charge assessed against LDCs and the IESO, and recoverable from electricity consumers, is to recover the direct electricity incentive costs incurred by the Government in providing the HESP and OSTHI conservation programs.

55. The regulatory charges have been set at a rate intended to recover only those direct incentive costs.

56. The regulatory charges are not intended to generate additional revenue for the Government of Ontario. To the extent that excess regulatory charges were recovered for the April 1, 2009 to March 31, 2010 fiscal year, this is a reasonable by-product of the cost-estimation process. The excess recovery in 2009/10 amounted to $2,441,409 or 4.55% of the overall amount recovered. All excess regulatory charges are maintained in a special purpose account as defined in the *Financial Administration Act*, and may only be employed for the "special purposes" set out in s.26.2 of the OEBA, including, *inter alia*, the funding of conservation or renewable energy programs.

57. For the April 1, 2009 to March 31, 2010 fiscal year, which corresponds to the period for cost recovery in the Regulation, the Ministry took the following steps to ensure a thorough and rigorous cost estimation methodology:

(1) The Ministry estimated the amounts to be spent in the HESP and OSTHI programs and excluded those costs related to overhead, administration, etc., which were funded from the Ministry's own budget. The Ministry apportioned this amount into 2 general categories: electricity and other fuels; (See TABLE 3, attached as an Appendix to my Affidavit)

(2) The apportionment was based on the type of fuel displaced. If incentives were provided to an applicant to install a measure which reduced consumption of one fuel, the cost was apportioned to that fuel.

- For example, if $250 in incentives was paid to an applicant to replace an old and inefficient air conditioner with a new one in order to decrease the consumption of electricity, $250 was added to the amount charged to electricity. If the fuel

displaced was not electricity, the incentive paid was added to the "other fuels" category. Other fuels may include natural gas, coal, wood, propane, fuel oil, etc.. (See TABLE 3, attached as an Appendix to my Affidavit)

(3) The costs recovered under O.Reg. 66/10 relate only to the amounts allocated to electricity consumers based on their proportionate share of the total costs associated with HESP and OSTHI. Costs apportioned to "other fuels" consumers are excluded from these amounts.

- In the April 1, 2009 to March 31, 2010 fiscal year , the Ministry funded the full amount apportioned to "other fuels" from its own budget. (See TABLES 1, 3 and 4, attached as an Appendix to my Affidavit)

(4) Following the model employed by the federal government (NR Can, Office of Energy Efficiency) special rules of apportionment were employed when a single conservation measure affected several fuels.

- For example, insulating the residential building envelope of a home may displace gas and electricity depending on the methods used to heat the home, and will displace electricity in the summer if the home is air conditioned. Incentives paid out to applicants related to building insulation have been apportioned to electricity, and natural gas and other fuels, based on estimates of reduced consumption for each of those fuels. (See SAMPLE PROJECTS 1 and 2, attached as an Appendix to my Affidavit).

(5) Where the energy retrofit measure under the HESP reduces the consumption of only one fuel, 100% of the program grant cost is apportioned to that fuel type.

- For building envelope measures, 90% cost is allocated to heating fuel (natural gas and other fuels, or electricity) and 10% cost is apportioned to cooling fuel (electricity). This apportionment was estimated based on data from NR Can, Office of Energy Efficiency.
- For measures that do not affect the building envelope, the cost is apportioned to the displaced fuel as determined through applications submitted to the program. (See SAMPLE PROJECTS 1 and 2, attached as an Appendix to my Affidavit)

(6) Charges related to electricity for the April 1, 2009 to March 31, 2010 fiscal year were estimated on December 31, 2009, 3 months prior to the end of the fiscal year in which the charges applied. The estimate used the cost of these programs for the first three quarters of the year (April 1, 2009 to December 31, 2009) as determined from a representative sample of approved applications, together with other inputs, in order to estimate the anticipated cost for the final quarter of the fiscal year.

- The total estimated electricity-based cost of the program for the period represented in O.Reg. 66/10 was $53,695,310, which is reflected in s. 4 of the Regulation. (See TABLES 2 and 3, attached as an Appendix to my Affidavit).

58. The actual cost for the HESP and OSTHI programs for fiscal year 2009/2010 was $51,253,901. This amount was determined after the close of the fiscal year and the difference between the actual and estimated costs is maintained in a special purpose account as defined in the *Financial Administration Act*, and may only be employed for the "special purposes" set out in s.26.2 of the OEBA. (See TABLES 4 and 1, attached as an Appendix to my Affidavit.)

59. I swear this Affidavit in response to the Motion by Consumers Council of Canada and Aubrey Leblanc, alleging that the assessments levied by the Ontario Energy Board, pursuant to s.26.1 of the *Ontario Energy Board Act, 1998* and O.Reg. 66/10 thereto, amount to unconstitutional indirect taxation, and for no other or improper purpose.

Sworn before me at the City of Toronto,
this 5th day of November, 2010.

A Commissioner, etc.

KAREN ANNA BARBARA ENSSLEN, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires August 24, 2013.

Barry Beale

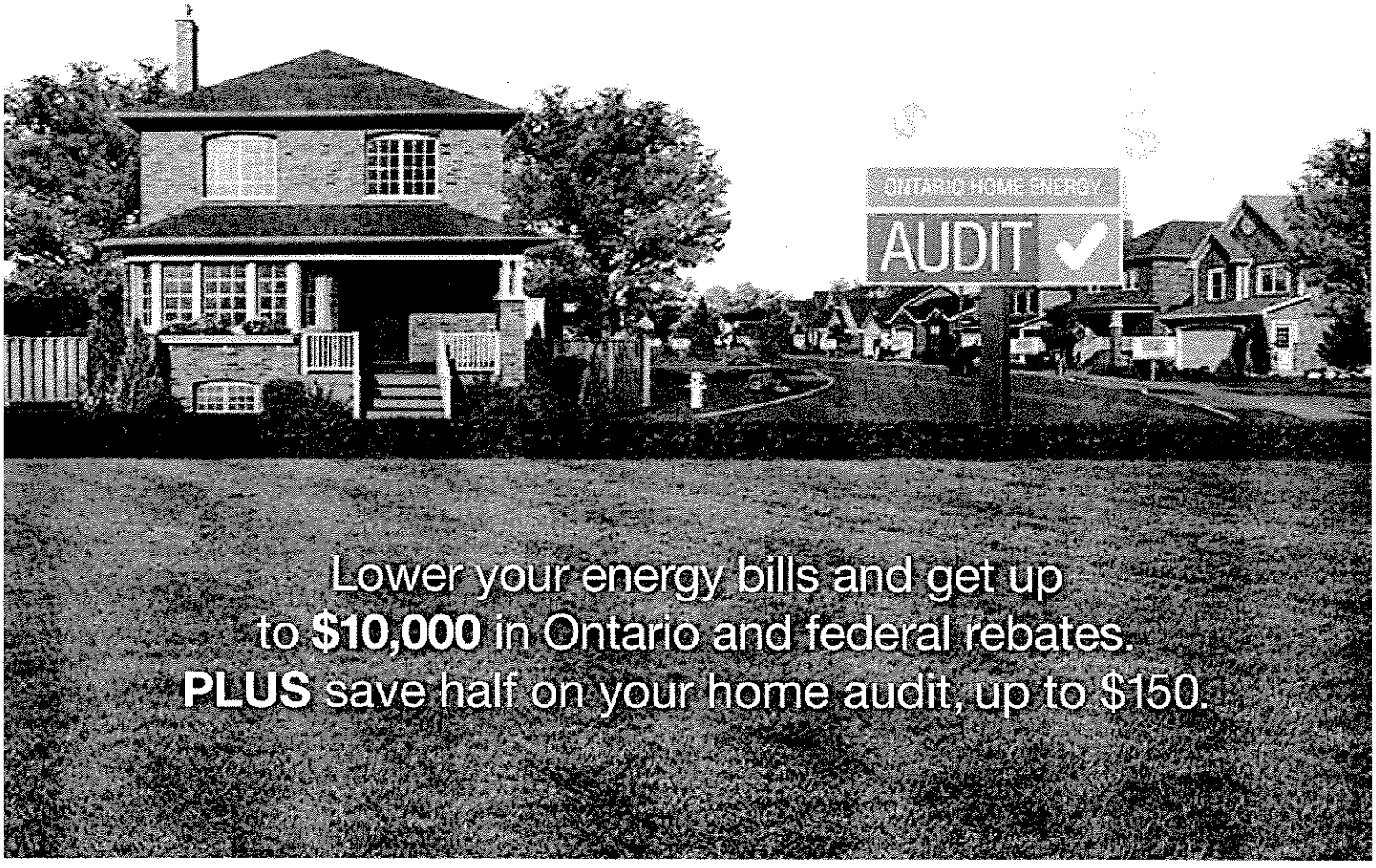
Exhibit "A"

This is Exhibit A to the
Affidavit of Barry Beale
sworn before me this 5th
day of November, 2010

A Commissioner, etc.

KAREN ANNA BARBARA ENSSLEN, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires August 24, 2013.

It pays to be green.



Lower your energy bills and get up to **$10,000** in Ontario and federal rebates.
PLUS save half on your home audit, up to $150.

ONTARIO HOME ENERGY SAVINGS

It pays.

The Ontario Home Energy Savings Program will find your home's energy leaks and identify renovations you can make to lower your energy bills by up to 30%. Renovating your home with energy efficient retrofits could earn you up to $10,000 in Ontario and federal rebates.

The program was created specifically to help homeowners save money, save energy and reduce greenhouse gas emissions. The more energy-saving upgrades you make, the more money you'll get back.

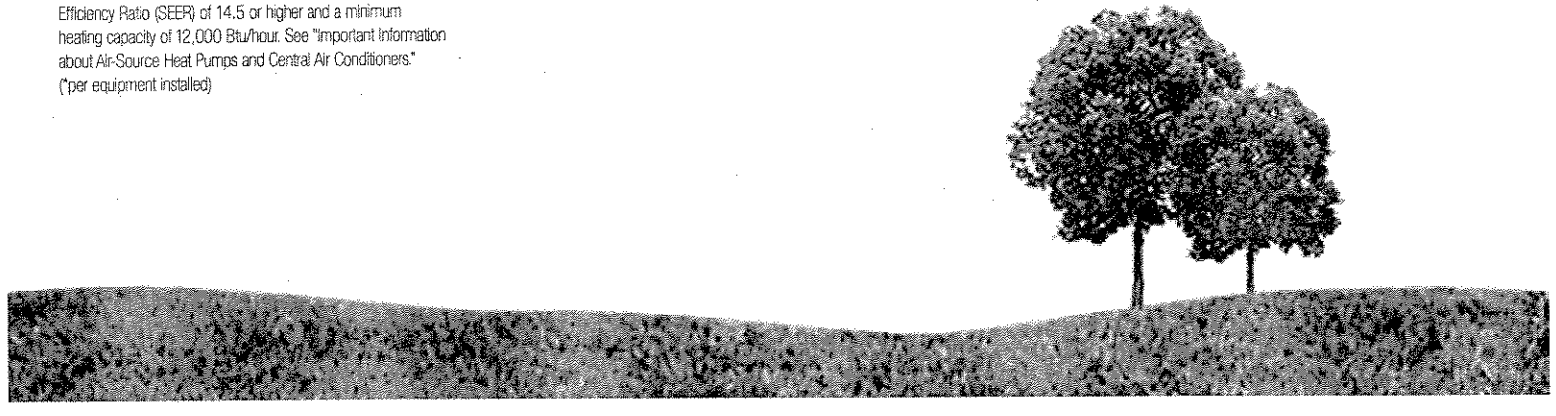
Ontario

Book your audit at
www.ontario.ca/homeenergy
Paid for by the Government of Ontario

Eligible Improvements and Retrofits – Total Combined Provincial and Federal Rebate Amounts

	Single-Family Home For 1st System	Single-Family Home For 2nd System	MURB (per building)
Heating System – replace or install a system with:			
An ENERGY STAR® qualified gas furnace that has a 92.0% Annual Fuel Utilization Efficiency (AFUE) or higher.	$750	$380	Same as Single Family Home
An ENERGY STAR® qualified gas furnace that has a 92.0% AFUE or higher and a brushless DC motor.	$1,250	$630	
An ENERGY STAR® qualified gas furnace that has a 94.0% AFUE or higher and a brushless DC motor.	$1,300	$700	
An ENERGY STAR® qualified gas furnace that has a 94.0% AFUE or higher and a brushless DC motor (when installing a condensing furnace for the first time).	$1,580	$800	
An ENERGY STAR® qualified condensing gas boiler that has a 90.0% AFUE or higher.	$1,500	$750	
An ENERGY STAR® qualified oil boiler that has an 85.0% AFUE or higher.	$1,500	$750	
An ENERGY STAR® qualified oil furnace that has an 85.0% AFUE or higher.	$750	$380	
An ENERGY STAR® qualified oil furnace that has an 85.0% AFUE or higher and a brushless DC motor.	$1,250	$630	
Install an earth-energy system (ground or water source) that is compliant with CAN/CSA-C448 and certified by the Canadian GeoExchange Coalition (www.geo-exchange.ca) – applies to a new system or a complete replacement.	$8,750	N/A	
Replace a heat pump unit of an existing earth-energy system (ground or water source). The system must be compliant with CAN/CSA-C448 and certified by the Canadian GeoExchange Coalition (www.geo-exchange.ca). (*per equipment replaced)	$3,500	N/A	*$3,500
Replace your existing space and domestic water heating equipment with an Integrated Mechanical System (IMS) that has an overall thermal performance factor of 0.90 or higher. The system must be compliant with the CSA P.10-07 standard and meet or exceed the standard's premium performance requirements. (*per equipment replaced)	$3,250	N/A	*$3,250
Replace your wood-burning appliance with a model that meets either CSA-B415.1-M92 or the U.S Environmental Protection Agency (EPA) (40 CFR Part 60) wood-burning appliance standard; an indoor wood pellet-burning appliance (includes stoves, furnaces and boilers that burn corn, grain or cherry pits); or a masonry heater. (*per equipment replaced)	$750	$380	*$750
Replace your solid fuel-fired outdoor boiler with a model that meets CAN/CSA-B415.1 or the U.S. EPA Outdoor Wood-fired Hydronic Heater (OWHH Method 28) Program, Phase 1. The capacity of the new boiler must be equal to or smaller than the capacity of the boiler being replaced.	$750	N/A	$750 (per building)
Install a minimum of 5 electronic thermostats for electric baseboard heaters. Electric baseboard heating must be the primary space heating system. (*for each set of 5 electronic thermostats)	$80	N/A	*$80
Install an ENERGY STAR qualified air-source heat pump for both heating and cooling that has a Seasonal Energy Efficiency Ratio (SEER) of 14.5 or higher and a minimum heating capacity of 12,000 Btu/hour. See "Important Information about Air-Source Heat Pumps and Central Air Conditioners." (*per equipment installed)	$1,000	N/A	*$1,000

	Single-Family Home For 1st System	Single-Family Home For 2nd System	MURB (per building)
Cooling System			
Replace your central air-conditioning system with an ENERGY STAR® qualified system that has a SEER of 14.5 or higher (complete system replacement, including indoor coil and outdoor components). See "Important Information about Air-Source Heat Pumps and Central Air Conditioners."	$500	N/A	$500 (per building)
Replace your window air conditioner(s) with an ENERGY STAR® qualified unit(s). See "Important Information about Air-Source Heat Pumps and Central Air Conditioners."	$50 (per unit replaced; maximum of 5 units)	N/A	$50 (maximum of 2 units per dwelling unit)
Ventilation System			
Install a ventilation system that is certified by the Home Ventilating Institute (HVI) as a heat – or energy-recovery ventilator. The HVI Product Directory is available at www.hvi.org. (*per equipment installed)	$750	N/A	*$750
Domestic Hot Water System			
Install a solar domestic hot water system with solar collectors that meets the CAN/CSA F378.87 standard and provides a minimum energy contribution of 6,000 megajoules per year. For a list of eligible solar collectors, visit www.ecoaction.gc.ca/heat.	$2,500	N/A	Visit www.ecoaction.gc.ca/heat for more information
Replace your domestic hot water heater with an ENERGY STAR® qualified instantaneous, gas-fired water heater that has an Energy Factor (EF) of 0.82 or higher and is on the ecoENERGY Retrofit – Homes list of eligible domestic hot water heaters. (*per equipment replaced)	$630	N/A	*$630
Replace your domestic hot water heater with an ENERGY STAR® qualified instantaneous, condensing gas-fired water heater that has an EF of 0.90 or higher and is on the ecoENERGY Retrofit – Homes list of eligible domestic hot water heaters. (*per equipment replaced)	$750	N/A	*$750
Replace your domestic hot water heater with a condensing gas storage-type water heater that has a thermal efficiency of 94% or higher and is on the ecoENERGY Retrofit – Homes list of eligible domestic hot water heaters. (*per equipment replaced)	$750	N/A	*$750
Install a Drain-Water Heat Recovery (DWHR) system. Grants are based on the efficiency of the system, determined by an independent testing facility. For a list of eligible systems and their efficiency, go to www.ecoaction.gc.ca/homes and refer to "Questions and Answers." (*per equipment installed)			
• Efficiency between 30.0 and 41.9%	$190	N/A	*$190
• Efficiency of 42.0% or higher	$330	N/A	*$330
Building Envelope			
When adding insulation to the building envelope, pay special attention to the type and the placement of vapour barriers per local building codes. For a multi-unit residential building, the grant for insulation is multiplied by the MURB MULTIPLIER shown at the end of this chart.			



Ceiling Insulation

A minimum of 20% of the total ceiling area must be insulated to qualify. When the roof has more than one type (i.e attic, cathedral ceiling, flat roof), all applicable grants are pro-rated based on the ceiling area that is insulated. The maximum grant for any combination of attic, cathedral ceiling and flat roof is $1,500. Grants listed reflect 100% of the ceiling area being of one roof type.

Increase the insulation value of:	**Starting Point** Up to R-12	R-12 to R-25	R-25 to R-35
Your attic to achieve a total minimum insulation value of RSI 7 (R-40)	$1,000	$500	N/A
Your attic to achieve a total minimum insulation value of RSI 8.8 (R-50)	$1,500	$750	$250
Your flat roof and/or cathedral ceiling to achieve a total minimum insulation value of RSI 5 (R-28)	$1,500	$500	N/A

Add a minimum insulation value of RSI 1.8 (R-10) to your uninsulated flat roof and/or cathedral ceiling and qualify for a grant of $1,000.

Exterior Wall Insulation

Minimum Additional Insulation	% Area	R-3.8 to R-9	Greater than R-9
A minimum of 20% of the total exterior wall area must be insulated to qualify. The grant is based on the percentage of wall area that is insulated and does not include walls between individual dwelling units.	20%	$450	$750
	40%	$900	$1,500
	60%	$1,350	$2,250
	80%	$1,800	$3,000
See "Important Note about Semi-Detached and Row Houses."	100%	$2,250	$3,750

Exposed Floor Insulation

Insulate your entire exposed floor and increase its insulation value by a minimum of RSI 3.5 (R-20). A minimum floor area of 14 m² (150 ft²) must be insulated to qualify.	$380

Foundation Insulation

When both a basement and crawl space are present, all applicable grants are pro-rated to a maximum of $2,500 based on the total wall area that is insulated.

Basement Insulation

Minimum Additional Insulation	% Area	R-10 to R-23	Greater than R-23
A minimum of 20% of the foundation's wall area (including basement and crawl space walls, when applicable) must be insulated to qualify. The grant is based on the percentage of wall area that is insulated and does not include walls between individual dwelling units.	20%	$250	$500
	40%	$500	$1,000
	60%	$750	$1,500
	80%	$1,000	$2,000
See "Important Note about Semi-Detached and Row Houses."	100%	$1,250	$2,500

Basement Header Insulation

Seal and insulate your entire basement header area, increasing its insulation value by a minimum of RSI 3.5 (R-20).	$250

Crawl Space Insulation

Minimum Additional Insulation	R-10 to R-23	Greater than R-23
Insulate 100% of the crawl space's total exterior wall area, including the header area. See "Important Note about Semi-Detached and Row Houses."	$1,000	$2,000
Insulate 100% of the floor above the crawl space to increase its insulation value by a minimum of RSI 4.2 (R-24).	N/A	$500

Air Sealing

	Single-Family Home	
Perform air sealing to improve the air-tightness of your home to achieve the air change rate indicated in your home energy efficiency evaluation report.	$380	
BONUS: If you reach 10% or 20% better than the target included in your report, you can obtain an additional grant.	10%	$240
	20%	$480

MURB Multiplier

MURB Multiplier (for insulation and air sealing grants)
The appropriate multiplier must be applied to the grant level identified based on the nature of the work done.

Number of dwellings	2-3	4-6	7-9	10-12	13-16	17+
Multiplier	1.0	1.5	2.0	2.5	3.0	4.0

Doors/Windows/Skylights

	Single-Family Home	**MURB**
Replace windows and skylights with models that are ENERGY STAR® qualified for your climate zone. (*per unit replaced)	*$80	*$80

Grants for windows and skylights are based on the number of Rough Openings (RO) in which windows or skylights were replaced between the pre- and post retrofit evaluations. Each RO is counted as one window or skylight. An RO is defined as the structurally stable opening created by the builder for the installation of the window unit (i.e framing and glazing) or skylight. (Note that a bay window, which may be made up of several windows, is regarded as one RO.)

Replace your exterior door(s) with an ENERGY STAR® qualified model(s) for your climate zone. (*per unit replaced)	*$80	*$80

To be eligible for a grant, proof ofENERGY STAR® qualification of windows, doors and skylights is required, such as the presence of an ENERGY STAR® label on all of the replacement windows, doors or skylights indicating they are ENERGY STAR® qualified for the house's climate zone. If the labels are removed by the installer, you should request them as proof, or request a copy of an invoice indicating:

- the brand/product name
- the Natural Resources Canada (NRCan) model reference number or the manufacturer's model code
- the climate zone for which the windows, doors or skylights are qualified

Water Conservation

Replace your toilet with a low-flush or dual-flush toilet rated at 6 litres per flush or less that meets the Los Angeles Supplementary Purchase Specification (SPS) and has a flush performance of 350 grams or more. (*per unit replaced)	*$130 (maximum of 4 units per home)	*$130 (maximum of 2 units per dwelling unit)

A product list is available on the Veritec Consulting Inc. Web site www.veritec.ca. Click "Reports" and select "ecoENERGY Eligible."

Important Note About Semi-Detached And Row Houses

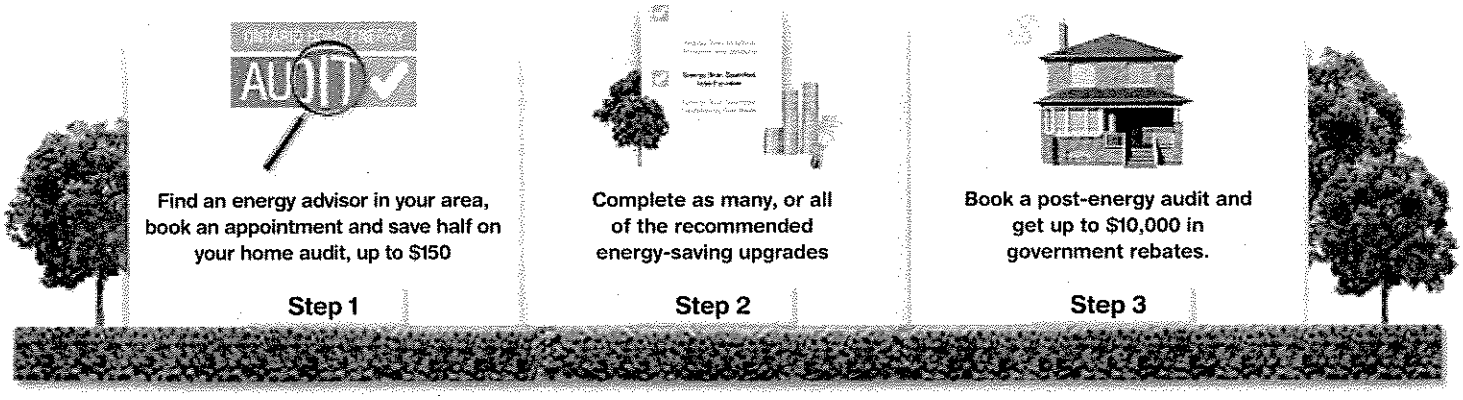
In the case of a semi-detached or row house that is an end unit, the grant amount for the insulation of exterior walls, basement or crawl space walls is 75% of the amounts shown. In the case of a row house that is a middle unit, the grant amount is 50% of the amounts shown.

Important Notes

1. When replacing ANY of the equipment listed in the grant chart, the new equipment must have an efficiency rating higher than that of the original equipment. The second system must be of the same type and efficiency. **2.** New installations are not eligible in cases where improvements listed state "Replace". The Ontario Ministry of Energy and Infrastructure (MEI) and Natural Resources Canada (NRCan) reserve the right to revise the information contained in this document, including the grant amounts and the eligibility requirements, without notice. The payment of grants is subject to the availability of funds. Please refer to www.Ontario.ca/HomeEnergy for the most up-to-date information. **3.** NRCan and MEI do not endorse the services of any contractor or any specific product and accepts no liability in the selection of materials, products, contractors or performance or workmanship. **4.** All upgrades or renovations must meet local codes and by-laws. Before undertaking upgrades or renovations, find out about the appropriate products and installation techniques to ensure that your home's building envelope and indoor air quality will not be compromised. **5.** Renovations that are part of an addition made to a property following the pre-retrofit evaluation are not eligible for a retrofit grant and may reduce the grant amount for the improvement done on the existing portion of the house. Consult your energy advisor. **6.** For more information on ENERGY STAR® qualified products, visit energystar.gc.ca. The ENERGY STAR® name and the ENERGY STAR® symbol are registered trademarks of the United States Environmental Protection Agency. **7.** Important Information about Air-Source Heat Pumps and Central Air Conditioners **a.** In the case of air-source heat pumps and central air conditioners, a manufacturer's new ENERGY STAR® qualified matched condenser coil (outdoor unit comprising a condenser coil, compressor and cooling fan) and indoor evaporator coil (typically located with the furnace) must have a SEER of 14.5 or higher. Under no circumstances will the replacement of only one of these coils entitle the homeowner to a grant, just as components that are not certified by the manufacturer as being matched (i.e. tested together) will not be accepted. Currently, some manufacturers match their low SEER air conditioner/air-source heat pump coil packages with one of their brushless DC motor-equipped furnaces (i.e. blowers) as a method to reduce the power consumption requirement for ENERGY STAR® compliance and labelling. However, this arrangement is not accepted under the ecoENERGY Retrofit – Homes program and the Ontario Home Energy Savings Program because NRCan already provides separate grants for furnaces that have an energy-efficient brushless DC motor. **b.** To be ENERGY STAR® qualified in Canada, in addition to the minimum requirement of SEER 14.5, air-source heat pumps must also have a minimum Heating Seasonal Performance Factor (HSPF) of 7.1 for Region V, which is more reflective of the Canadian climate. If the heat pump is only rated for Region IV, which is used in the United States, it must have a minimum HSPF of 8.2. **c.** Mini-split (ductless) air-source heat pumps must have at least one head per floor, excluding the basement, to qualify for a grant. **d.** In the case of mini-split (ductless) air conditioners that do not have at least one head per floor, excluding the basement, each head will be considered a room air conditioner and the grant amount will be reflected as such. **e.** When having your new central air conditioner or air-source heat pump installed, ask the contractor to indicate on your invoice the manufacturer's name (not the model name) of the condenser coil and the model numbers of both the new condenser and evaporator coils. Preferably, the Air-Conditioning and Refrigeration Institute (ARI) reference number should also be referenced on the invoice. The energy advisor will request to see this information when performing the post-retrofit evaluation of your home. **8.** Insulation value in RSI equals the R insulation value divided by 5.678. **9.** Please be aware of insulation materials that may be sold illegally, such as RetroFoam. RetroFoam is a urea formaldehyde-based thermal insulation (UFFI). The material is currently being investigated by Health Canada. MEI does not endorse any specific product and it is the homeowner's responsibility to ensure quality selection of materials, products, contractors or performance or workmanship.

Ontario

You're 3 steps away from lowering your energy bills and getting up to $10,000 in government rebates.



Find an energy advisor in your area, book an appointment and save half on your home audit, up to $150

Step 1

Complete as many, or all of the recommended energy-saving upgrades

Step 2

Book a post-energy audit and get up to $10,000 in government rebates.

Step 3

Step 1: Complete a home energy audit with an energy advisor in your area and save half on your home audit, up to $150.

Finding a home energy advisor is easy. Just enter your postal code at www.ontario.ca/homeenergy for a list of licensed home evaluation organizations in your area. Get quotes from available organizations and schedule your Home Energy Audit with an energy advisor that's right for you. In most cases you can schedule an appointment within a week or two. The Government of Ontario will pay half of your pre-retrofit audit, up to $150.

During your Home Energy Audit, an energy advisor will find your home's energy leaks and show what you can do to plug them. Your energy advisor will provide you with your personalized Energy Efficiency Evaluation Report and a plan that can reduce your energy bills. Your report includes your home's EnerGuide rating. This shows how energy efficient your home is and how efficient it could be with energy-saving improvements.

Step 2: Complete as many, or all of the recommended energy-saving upgrades.

Need a new furnace or water heater? Caulking around your windows and doors? Make some or all the upgrades suggested in your Energy Efficiency Report to improve your home's energy efficiency. Your report will show you the most important changes to maximize your energy savings.

Step 3: Get up to $10,000 in Ontario and federal rebates

After your first audit, you have 18 months to complete some or all of the improvements suggested by your energy advisor to qualify for government rebates. After completing the work, book your post-retrofit audit. Your energy advisor will perform your audit and provide you with your home's new EnerGuide rating that shows how much you have improved your home's energy efficiency. A good EnerGuide rating can also increase the value of your home.

After your post-retrofit audit, the Governments of Ontario and Canada will each rebate up to $5,000 for your energy efficient upgrades. The more energy-saving upgrades you make, the more money you'll get back, up to a total of $10,000.

To get started book an appointment with a NRCan certified energy advisor, visit www.ontario.ca/homeenergy or call 1-888-668-4636.

Exhibit "B"

This is Exhibit B to the
Affidavit of Barry Beale
sworn before me this 5th
day of November, 2010

A Commissioner, etc.

KAREN ANNA BARBARA ENSSLEN, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires August 24, 2013.

Ontario

- Delicious
- Digg
- Facebook

Ontario Gets Top Marks For Conservation

August 19, 2010 11:40 AM

McGuinty Government Earns an A+ on National Energy Efficiency Report Card

Ontario has jumped to the top of the class for its energy conservation efforts and earned an "A+" on the latest report card from the Canadian Energy Efficiency Alliance.

The top mark caps several years of improvement for Ontario. The province raised its grade up from a "C-" in 2004 with its strong commitment to energy efficiency and conservation as cornerstones of its energy plan.

In addition to the Green Energy Act, the report lauds Ontario's energy conservation programs, improved energy efficiency in building codes and product standards as well as other initiatives supporting energy efficiency.

The 2009 *National Energy Efficiency Report Card was* released today by CEEA, a national non-profit energy efficiency advocate. This year's biannual report covers the period from January 2008 to December 2009.

QUICK FACTS

- Ontario homeowners have completed over 380,000 home energy audits through the Ontario Home Energy Savings Program.
- 1,700 MW of conservation have been achieved since 2003.

- 1,400 MW of renewable energy has come online since 2003.
- The province has announced contracts for 694 small and large clean energy projects with a total capacity of more than 2,500 MW.

LEARN MORE

- View the 2009 Report Card results.
- Look into ways to conserve electricity, save money and help cut greenhouse gas emissions on the Ministry of Energy website.

CONTACTS

- Anne Smith
  Communications Branch
  416-327-7226
  Anne.L.Smith@ontario.ca

Ministry of Energy and Infrastructure
ontario.ca/MEI

"In the past seven years, Ontario has steadily improved and is now demonstrating top marks in energy efficiency. I want to thank all Ontarians for doing their part. We should be proud of this achievement. Clear targets and strong policies and programs are an important part of the Open Ontario plan. This plan will ensure that Ontario continues to lead the way on conservation, clean energy generation and reducing harmful emissions."

– Brad Duguid
Minister of Energy

Site Help

Notices

LAST MODIFIED: AUGUST 26, 2010

Exhibit "C"

This is Exhibit C to the
Affidavit of Barry Beale
sworn before me this 5th
day of November, 2010

A Commissioner, etc.

KAREN ANNA BARBARA ENSSLEN, a
Commissioner, etc., Province of Ontario
while a Student-at-Law.
Expires August 24, 2013.

Ontario Solar Thermal Heating Incentive (OSTHI)
A Program of the Ontario Government

Website: http://ecoaction.gc.ca/ecoenergy-ecoenergie/heat-chauffage/on-osthi-ioscst-eng.cfm
Date Modified: February 25, 2010

What is the Ontario Solar Thermal Heating Incentive (OSTHI)?

OSTHI is an Ontario Government program that provides an incentive by way of a rebate to Ontario organizations in the commercial, industrial or institutional (ICI) sectors which install a qualifying **solar water** or **solar air** heating system.

Who funds the OSTHI?

OSTHI is funded by the Government of Ontario, Ministry of Energy, and is delivered in cooperation with Natural Resources Canada's (NRCan) federal *ecoENERGY for Renewable Heat* program. This collaboration provides a one-stop service to Ontario applicants who plan to install a qualifying solar water or solar air heating system at an eligible property.

When did the OSTHI start and when does it end?

OSTHI complements NRCan's ecoENERGY for Renewable Heat incentive and runs from June 20, 2007 to March 31, 2011.

How much is the OSTHI incentive?

- The OSTHI incentive complements the ecoENERGY for Renewable Heat incentive.

  The incentive is calculated as follows:

  Performance Factor x Incentive Rate x collector area = anticipated incentive amount

  - Performance Factor is the predetermined factor for the collector installed. This factor can be found on the List of Accepted Collectors. The performance factor attributed to the collector that you have selected will be valid as of the date of reception of your CDI-2008 application.
  - Incentive Rate is the incentive per m^2 for each collector type. Find the collector rate on the Incentive Rate table.
  - Collector Area is the total installed area in square meters. This value can be calculated from the individual areas found on the List of Accepted Collectors.

- The maximum incentive is $80,000 per solar installation. Please note that Ontario is considering changing their cap to match the federal one.

- The corporate maximum incentive for multiple installations is $2 million.

Is there any additional incentive for qualifying projects in remote communities?

- Yes. The OSTHI rebate may represent up to 40 per cent of eligible project costs to a total of $80,000 in communities defined as remote in the program terms and conditions. This additional incentive matches the incentive available from NRCan.

Who qualifies for the OSTHI incentive?

- Businesses, industries and institutions located in Ontario, which qualify for a financial incentive for the installation of a solar water or solar air heating system under the federal *ecoENERGY for Renewable Heat* program are eligible for the OSTHI program.

- To qualify for the OSTHI program, an applicant must first be approved for a Contribution Agreement under the *ecoENERGY for Renewable Heat* program. When approved by Ontario, the applicant would then enter into a Contribution Agreement with Ontario.

- OSTHI funding is conditional upon the applicant's project being approved by *ecoENERGY for Renewable Heat* to receive an incentive under the federal program, and the applicant being in compliance with the Contribution Agreement.

How do I apply to the OSTHI program?

- An applicant must submit to NRCan:
    - A signed *ecoENERGY for Renewable Heat* Application Form:

      PDF (110 KB)
      PDF (105 KB)

      Solar Water Application Form
      Solar Air Application Form

    - A signed OSTHI Consent and Release Form.

- Both federal and provincial forms must be submitted together to *ecoENERGY for Renewable Heat*.

What is the acceptance process?

- During its application review process, NRCan will inform OSTHI program administrators of the applicant's project details. In determining whether or not to fund the project, NRCan may accept or reject applicant information, or seek

additional details from the applicant (see *ecoENERGY for Renewable Heat's* Terms and Conditions).

- When a project has been approved for funding, NRCan will inform OSTHI program administrators of its funding decision, and Ontario will issue its own Contribution Agreement for the OSTHI incentive. NRCan will also issue a Contribution Agreement to the applicant.

When can I proceed with project installation?

- Both NRCan and Ontario will forward an unsigned Contribution Agreement to the applicant. The applicant must sign each Contribution Agreement and return them, respectively, to NRCan and the Ministry for signature.

- The Ontario Contribution Agreement is conditional upon the execution of the NRCan Contribution Agreement, and proof of insurance for the project as required by the Ontario Contribution Agreement.

- An applicant has six months from the date of the signed NRCan Contribution Agreement to complete installation of the project.

Are there limitations on where the equipment is installed?

Yes, equipment acquired through the OSTHI program must be installed in the Ontario premises of the qualifying Ontario entity.

When do I receive my OSTHI incentive?

Once the project is commissioned and the amount payable under the *ecoENERGY for Renewable Heat* is approved by NRCan, NRCan will inform OSTHI program administrators that it is initiating payment of the rebate to the applicant under the terms of the NRCan Contribution Agreement. The OSTHI program administrators will initiate a matching rebate payment under the terms of the Ontario Contribution Agreement.

Will information from my application be kept private?

- The applicant's signed OSTHI Consent and Release Form authorizes NRCan and Ontario to share information with each other. Information will be managed in accordance with the Freedom of Information and Protection of Privacy Act in Ontario and the federal Access to Information Act and Privacy Act.

- As public funds are used to support the *ecoENERGY for Renewable Heat* and OSTHI programs, projects that have Contribution Agreements signed by all parties may be posted on NRCan's and/or Ontario Ministry web sites. Published information may include the name of the recipient, type of system installed, location of installation, projected system output, government contribution amounts and expected or actual date of commissioning of the system.

Whom can I contact with my questions?

For OSTHI:

Ministry of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, Ontario, M7A 2E1
Toll-Free: 1-888-668-4636
E-Mail: write2us@energy.gov.on.ca
Web Site: http://www.mei.gov.on.ca/en/energy/conservation/smartmeters/?page=osthi

For Program Eligibility and Qualifying Products:

ecoENERGY for Renewable Heat
Renewable and Electrical Energy Division
Natural Resources Canada
615 Booth Street, Room 150
Ottawa, Ontario, K1A 0E9
Fax: 1-613-943-6517
E-Mail: ecoenergyrhp@nrcan.gc.ca
Web Site: http://ecoaction.gc.ca/ecoenergy-ecoenergie/heat-chauffage/index-eng.cfm

Appendix

the Appendix
This is ~~Exhibit~~ to the
Affidavit of Barry Beale
sworn before me this 5th
day of November, 2010

A Commissioner, etc

KAREN ANNA BARBARA ENSSLEN, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires August 24, 2013.

Table 1.
Estimated vs. Actual Costs to Government,
HESP and OSTHI Programs,
Fiscal Year 2009/2010

	Estimate at Dec 31/09	Actual at March 31/10
Revenue collected by Govt.	$53,695,310 (to be collected)	$53,695,310 (actually collected)
Costs paid out by Govt.	$53,695,310 (to be paid out)	$51,253,901 (actually paid out)
DIFFERENCE	$0	$2,441,409*

*Maintained in a special purpose account as defined in the *Financial Administration Act*--may only be employed for the "special purposes" listed in s.26.2 of the OEBA.

Table 2.
Estimated Costs to Government
HESP and OSTHI Programs,
Fiscal Year 2009/10
Determined as of Dec.31/09
(ALL FUELS)

	Actual payout at December 31, 2009	Estimated payout to March 31, 2010	TOTAL
HESP	$103,784,914	$77,550,795	$181,335,709
OSTHI		$3,174,404	$3,174,404
TOTAL	$103,784,914	$80,725,199	$184,510,113

Table 3.
Estimated Costs to Government
HESP and OSTHI Programs,
Fiscal Year 2009/10
Determined as of Dec.31/09
(BY FUEL CATEGORY)

	Estimated Total Cost	Allocation Electricity	Allocation Other Fuels
HESP	$181,355,709	$53,266,344	$128,069,364
OSTHI	$3,174,404	$428,965	$2,754,438
TOTAL	$184,510,113	$53,695,310	$130,814,802

Table 4.
Actual Costs to Government,
HESP and OSTHI Programs,
Fiscal Year 2009/10
Determined as of Mar. 31/10
(BY FUEL CATEGORY)

	Total Cost	Allocation Electricity	Allocation Other Fuels
HESP	$179,038,630	$51,153,859	$127,884,770
OSTHI	$2,288,301	$100,042	$2,188,259
TOTAL	$181,326,931	$51,253,901	$130,073,029

HESP- Fuel Apportionment Examples

Sample Project 1

- Displaced Energy:
  - Natural Gas (heating);
  - Electricity (cooling)
- Ontario Grant Contribution: $440
- Cost Recovery Split:
  - **Other: $216;**
  - **Electricity: $224**

Retrofit	Air Sealing	Central AC	ESTAR Doors
Ontario Grant Contribution	$150	$200	$90
Split (%)	Other - 90; Elec - 10	Elec - 100	Other-90; Elec - 10
Split ($)	Other-$135; Elec-$15	Elec - $200	Other-$81; Elec - $9

Sample Project 2

- Displaced Energy:
  - Oil (heating);
  - Electricity (cooling)
- Ontario Grant Contribution: $740
- Cost Recovery Split:
  - **Other: $486;**
  - **Electricity: $254**

Retrofit	Air Sealing	Central AC	ESTAR Doors	Attic Insulation
Ontario Grant Contribution	$150	$200	$90	$300
Split (%)	Other - 90; Elec - 10	Elec - 100	Other - 90; Elec - 10	Other - 90; Elec – 10
Split ($)	Other - $135; Elec - $15	Elec - $200	Other - $81; Elec - $9	Other - $270; Elec - $30