

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

Dear Ms. Walli,

**Re: Tillsonburg Hydro Inc. Conservation and Demand Management Strategy
Addendum - Board File No: EB-2010-0215**

Please find attached the addendum to Tillsonburg Hydro Inc.'s CDM Strategy, as requested in the acknowledgement letter issued by the Ontario Energy Board on November 12, 2010.

The attached document reflects Tillsonburg Hydro Inc.'s anticipated budgets in reference to the OPA-Contracted Province-Wide CDM Programs, along with the program descriptions.

Yours truly,



Shannon McGuire
Conservation Officer
Tillsonburg Hydro Inc.
Tel: (519) 842-9200

PROGRAM DESCRIPTIONS

RESIDENTIAL PROGRAMS

Appliance Retirement

This initiative is a carry forward and enhancement of the Great Refrigerator Roundup. It includes free pick-up and decommissioning of old, inefficient, working appliances.

Appliance Exchange Events

The objective is to remove and permanently decommission older, inefficient window air conditioners and portable dehumidifiers. The spring exchange event will feature a \$50 coupon toward the purchase of a high efficiency replacement unit; the fall event will feature a \$25 gift card.

HVAC Incentives

This initiative is a carry forward and enhancement of the Cool Savings Rebate. It encourages eligible persons to replace existing heating with high efficiency furnaces, and to replace existing CAC systems with ENERGY STAR qualified systems.

Instant Discounts

This initiative is a carry forward and enhancement of the Power Savings Event. It will include year round coupons and bi-annual in-store instant discounts for energy efficient products.

Demand Response

This initiative is a carry forward of peaksaver, the residential and small commercial demand response program. Existing program features will continue to be offered through June 30, 2011 pursuant to existing agreements between the OPA and participating LDCs. Further details should be provided soon.

Midstream Incentives

This initiative is a carry forward and enhancement of the midstream television incentive from the Power Savings Event. In addition to providing incentives for retailers to promote energy efficient televisions, it will include incentives for satellite and cable providers to use high-efficiency set-top boxes and network configurations. This program will also focus on pool pumps by providing contractors with incentives to install "right-sized" pool equipment.

Residential New Construction

This is a new initiative that includes incentives for builders to construct new, single family homes that include energy efficiency standards that are above current building codes.

Low Income Program

This is a turn-key program for low income consumers. It offers low income residents the opportunity to take advantage of free turn-key installation of energy efficient measures which will improve the comfort of their home and help them save money.

COMMERCIAL, INSTITUTIONAL PROGRAMS (C&I)

Direct Install - Lighting

The Direct Install Lighting initiative offers free installation of eligible lighting and water heating measures up to \$1000.00 excluding applicable taxes, to owners and tenants in the General Service <50kW category, for the purpose of achieving electricity savings and peak demand savings by upgrading to more energy-efficient equipment.

A customer can qualify for this initiative only once during the program period. The customer can, however, take advantage of other program initiatives.

Direct Service Space Cooling and Refrigeration Initiative

The Direct Service Space Cooling and Refrigeration Initiative offers free servicing of air conditioning systems and refrigeration units up to \$750 excluding applicable taxes per facility to owners and tenants of commercial, institutional, agricultural facilities and multi-family buildings, for the purpose of achieving electricity savings and peak demand savings.

Equipment Replacement Incentive Initiative

The Equipment Replacement Incentive Initiative offers incentives to non-residential consumers to achieve reductions in electricity demand and consumption by upgrading to more energy-efficient equipment for lighting, space cooling, ventilation and other measures.

This program has traditionally been categorized in ERIP and other similar programs as either Prescriptive or Custom. The Prescriptive approach utilizes a list of specific measures for which the incentive is prescribed. The Custom approach requires more sophisticated, and in some cases complex, process to determine the potential for demand reductions or energy savings. The program will continue these two approaches, but will also include an Engineered approach.

Existing Building Commissioning Initiative

The Existing Building Commissioning Initiative offers incentives for optimizing (but not replacing) existing chilled water systems in non-residential facilities for the purpose of achieving Implementation Phase Energy Savings or Implementation Phase Demand Savings or both.

Any customer in the General Service >50kW or Large User account categories with single buildings/premises greater than 50,000 square feet in size and with chilled water plants will be eligible to participate in this initiative. The services that would qualify include (1) the development of a plan for commissioning activities, (2) the procurement of devices and/or software associated with commissioning activities and (3) third party services for building commissioning.

Energy Audit Initiative

The Energy Audit Initiative offers incentives to owners and lessees of commercial and institutional facilities, multi-family buildings and agricultural facilities meeting the eligibility criteria for the initiative, for the purpose of undertaking assessments to identify all possible opportunities to reduce electricity demand and consumption within their building or premises.

The initiative will provide participants who are owners of an eligible facility with participant incentives up to a maximum of \$35,000.00, excluding applicable taxes, for the completion of energy audits.

The initiative will also provide participants who are lessees of an eligible facility with participant incentives up to a maximum of \$75,000.00 excluding applicable taxes, for the completion of Energy Audits where such audits may only be in respect of the lighting systems and electricity consuming equipment located in the facility and may not be in respect of heating, cooling and ventilation systems or other fixtures.

New Construction and Major Renovation Initiative

The New Construction and Major Renovation Initiative encourages builders of commercial and institutional building 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.

The initiative will provide participants with participant incentives with respect to the installation, implementation or undertaking and completion of eligible measures. Incentives are also available for Design Decision-Makers.

INDUSTRIAL PROGRAMS

Preliminary & Engineering Study, Project Incentive Initiatives

The Preliminary & Engineering Study, Project Incentive Initiatives provide participant incentives to distribution consumers for the purpose of conducting preliminary engineering studies and detailed engineering studies that will lead to projects that will deliver electricity savings.

It also provides for participant incentives to distribution consumers with projects or portfolios that are expected to generate, based on a detailed engineering study, at least 350 MWh or 3,500 MWh, respectively, of annualized electricity savings; or in the case of micro projects, at least 100 MWh and no more than 700 MWh of annualized electricity savings.

Monitoring and Targeting Initiative

The Monitoring and Targeting Initiative offers distribution consumers the opportunity to access funding for the installation of M&T systems in order to deliver at the end of 24 months and sustain for the term of the M&T agreement at a minimum the savings target.

Energy Manager Initiative

The Energy Manager Initiative offers participants and LDCs the opportunity to access funding for the engagement of energy managers in order to deliver at a minimum the annual savings target.

The initiative consists of two options through which financial support may be received for the engagement of energy managers:

- a) Capability Building Funding amounts to enable a distribution consumer to engage an energy manager (an "embedded energy manager") at one or more of its facilities; and
- b) Capability Building Funding amounts to enable a LDC or group of LDCs to engage an energy manager (a "roving energy manager") to provide services to distribution consumers.

Key Account Manager Initiative

The Key Account Manager 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 Process and System Upgrades Initiatives. The KAM is considered to be a key element in assisting distribution consumers 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 distribution consumers. From an administrative perspective, a KAM can also work with distribution consumers to minimize such consumers' transaction costs associated with identifying opportunities and implementing conservation initiatives.

Demand Response 1

The Demand Response 1 initiative is an initiative for distribution consumers to voluntarily reduce electricity demand during certain periods of the year pursuant to the DR1 contract. The initiative provides DR payment for service for the actual electricity reduction provided during a demand response event.

Demand Response 3

The Demand Response 3 initiative provides for DR payment for service to DR3 participants to compensate them for making available electricity demand response during a demand response event.

The initiative requires DR3 participants to reduce electricity use relative to a baseline when called upon. DR3 participants must reduce electricity demand as provided in the applicable DR3 contract.

Distribution consumers capable of providing less than 5MW of demand response may only enter into a binding contract directly with a demand response provider. Distribution consumers capable of providing 5MW or more than 5MW of demand response may enter into a binding contract directly with the OPA or with a demand response provider.

Tillsonburg Hydro Inc. CDM Strategy

[illegible]

Residential Budget for 2011 - 2014 - \$176,550.63

Appliance Retirement	0.01	55	0.015	180	0.02	180	0.015	143
Exchange Events	0	2	0.01	7	0.01	15	0.01	20
HVAC	0.01	55	0.055	123	0.08	250	0.1	423
Instant Discounts	0	88	0.01	231	0.01	400	0.01	650
Demand Response	0.04	55	0.1	240	0.225	550	0.2	500
Mid Stream Incentives	0	1	0	3	0	5	0	9
New Construction	0	7	0.01	25	0.01	40	0.015	90
Low Income Housing	0.01	66	0.018	99	0.018	99	0.012	66
Total	0.072	329	0.218	908	0.373	1539	0.362	1901

C & I Budget for 2011 - 2014 - \$208,995.47

Direct Install	0.02	110	0.04	400	0.03	560	0.03	600
Prescriptive - Bus.	0.1	300	0.15	625	0.2	825	0.1	400
Engineered - Bus.	0.032	100	0.048	264	0.048	264	0.032	176
Custom - Bus.	0.028	80	0.042	231	0.042	231	0.028	154
Building Commissioning								
Energy Audit								
New Construction	0	0						
Total	0.18	590	0.28	1520	0.32	1880	0.19	1330

Industrial Budget for 2011 - 2014 - \$40,000.00

DR1	-	-	-	-	-	-	-	-
DR3	-	-	-	-	-	-	-	-
P & E Study/Project Incentive								
M & T								
Energy Manager								
Key Account Manager								

Grand Totals	0.252	919	0.498	2428	0.693	3419	0.552	3231
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*** Where Tillsonburg Hydro Inc. falls short of our targets for the year, we will make up with DR3***
