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June 13, 2011

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
26th floor, Box 2319  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

**Re: Hydro Ottawa Limited  
Conservation and Demand Management Strategy  
Ontario Energy Board File No. EB-2010-0215**

Hydro Ottawa Limited (“Hydro Ottawa”) submitted a Conservation and Demand Management (“CDM”) Strategy on November 1, 2010 in accordance with the Ontario Energy Board’s (the “Board”) CDM Code for Electricity Distributors, issued September 16, 2010.

In a November 11, 2010 letter, the Board directed Hydro Ottawa to provide estimated, prospective budgets for planned Ontario Power Authority (“OPA”) -Contracted Province-Wide CDM Programs and Board-Approved CDM Programs. In order to have all information contained in one document, we are submitting an amended CDM Strategy.

The budget information is Hydro Ottawa’s best estimate and includes proposed program administration costs, participant based funding and customer incentives. Hydro Ottawa proportioned the proposed OPA funding formula based on its annual targets.

We trust that this is satisfactory. If you have any questions, or if you require further information, please contact the undersigned at 613-738-5499 ext. 7499.

Yours truly,

*Original signed by*

Jane Scott  
Manager, Rates and Revenue

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# **Hydro Ottawa Limited**

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## **Conservation and Demand Management Strategy 2011 – 2014**

*Amended June 13, 2011 to add budget information and show the final CDM targets*

**Submitted to:  
Ontario Energy Board**

**Submitted on June 13, 2011**

1. **Distributor's Name:** Hydro Ottawa Limited
2. **Total Reduction in Peak Provincial Electricity Demand Target:** 85.26 MW
3. **Total Reduction in Electricity Consumption Target:** 374.73 GWh
4. **Hydro Ottawa CDM Strategy 2011- 2014**

#### **4.1. Overview**

On November 1, 2010 Hydro Ottawa Limited ("Hydro Ottawa") filed a Conservation and Demand Management ("CDM") Strategy. In its acknowledgement letter of November 11, 2010, the Ontario Energy Board (the "Board") indicated that the Strategy was incomplete and directed Hydro Ottawa to file an addendum that contains estimated prospective budgets for planned Ontario Power Authority ("OPA") Contracted Province-Wide CDM Programs and Board Approved CDM Programs. Hydro Ottawa has chosen to submit an amended CDM strategy to have all information contained in one document.

Hydro Ottawa intends to deliver all available OPA-Contracted Province-Wide CDM Programs within its licensed service area. At this time, based on experience to date with the OPA initiatives, Hydro Ottawa does not foresee a need for Board-Approved programs to support its achievement of targets. As these are early estimates, Hydro Ottawa will review this decision at a future date if required.

#### **4.2. Projection of OPA-Contracted Province-Wide Program Results**

The OPA has developed and made available a Resource Planning Tool for use by distributors. The tool assists with the allocation of aggregate province-wide savings projections to an individual electricity distributor. Hydro Ottawa has used the OPA's planning tool to project electricity demand and consumption savings related to the province-wide Consumer, Commercial & Institutional, and Industrial Programs.

In addition to the tool, the OPA has provided residential customer profile data to each distributor. The data provides a useful comparison of key customer demographic information pertinent to the distributor's service area, along with a comparison to the provincial average. Hydro Ottawa has also used this data in projecting the savings potential of the province-wide programs.

Through the use of the planning tool and the residential profile data, Hydro Ottawa has prorated the OPA's projected province-wide program savings using the Board's 2009 Yearbook customer count data, with minor adjustments to reflect known deviations between its customer attributes and the provincial average. The accuracy of this methodology is clearly dependent upon the accuracy of the OPA's province-wide savings projections.

### 4.3. Annual Savings and Budget Projections

The following two tables summarize Hydro Ottawa's current annual projections of progress towards its 2014 peak demand and electricity consumption reduction targets and associated budgets:

#### 4.3.1. Net Peak Demand Reductions by Program and Budget Summary

Program	Projected Peak Demand Reduction (MW)					Budget Estimate by Program (\$M)
	2011	2012	2013	2014	Total	
Consumer Program	4.64	8.12	8.41	7.83	29.00	\$31.2
Commercial & Institutional Program	6.88	12.04	12.47	11.61	43.00	\$30.3
Industrial Program	2.20	3.84	3.98	3.70	13.72	\$9.6
<b>Total all Programs</b>	13.72	24.00	24.86	23.14	85.72	\$71.1
<b>Budget Estimate (\$M)</b>	\$25.1	\$21.3	\$14.3	\$10.4	\$71.1	

#### 4.3.2. Net Energy Reductions by Program

Program	Projected Electricity Consumption Reduction (MWh)				
	2011	2012	2013	2014	Total
Consumer Program	24,960	43,680	45,240	42,120	156,000
Commercial & Institutional Program	23,840	41,720	43,210	40,230	149,000
Industrial Program	11,216	19,628	20,329	18,927	70,100
<b>Total all Programs</b>	60,016	105,028	108,779	101,277	375,100

### 4.3.3. Milestones

	2011	2012	2013	2014
Peak Demand Reduction (MW)	13.72	24.00	24.86	23.14
Cumulative Peak Demand Reduction (MW) as % of Target	16%	44%	73%	101%
Electricity Consumption Reduction (MWh)	60,016	105,028	108,779	101,277
Electricity Consumption Reduction (MWh) as % of Target	16%	44%	73%	100%

## 4.4. Consumer Program

**4.4.1. Years of Operation:** 2011– 2014

**4.4.2. Target Customers:** Residential customers (including Low Income)

**4.4.3. Description:** The following table summarizes and describes the elements of the OPA-Contracted Province-Wide Consumer Program. Full program details are available on the OPA's website at <http://icon.powerauthority.on.ca/> :

Initiative	Description
Instant Discounts (Coupons)	Annual couponing and bi-annual in-store instant discounts on select energy efficient measures
Midstream Electronics Incentive	Incentives for distributors of cable and satellite TV services and retailers to stock and promote the sale of high-efficiency set top boxes and televisions
Midstream Pool Incentive	Incentives for contractors and retailers to stock, sell and install efficient pool pumps
HVAC Rebates	Contractor initiated, on-line rebates on replacement of high efficiency heating/cooling systems
Appliance Retirement	Free pick-up/decommissioning of old, working inefficient appliances
Exchange Events	Room air conditioner and dehumidifier exchange events at retailers

Initiative	Description
Residential New Construction	Incentives for builders to construct efficient, smart, and integrated new single-family homes
Residential Demand Response	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities
Low Income Program	Educate low income consumers in the management of their electricity use, Improve the electric efficiency of the existing housing stock and coordinate the delivery of electric and natural gas low income consumer offerings.

#### 4.4.4. Projected Savings

The projected energy and demand reductions for the Consumer Program are provided in the following table.

Consumer Program Projections	2011	2012	2013	2014
Peak demand reduction (MW)	4.64	8.12	8.41	7.83
Electricity consumption reduction (MWh)	24,960	43,680	45,240	42,120

#### 4.5. Commercial and Institutional Program

**4.5.1. Years of Operation:** 2011 – 2014

**4.5.2. Target Customers:** Commercial and Institutional customers, owners of multi-family buildings and agricultural facilities.

**4.5.3. Description:** The following table summarizes and describes the elements of the OPA-Contract Province-Wide Commercial and Institutional Program. Full program details are available on the OPA's website at <http://icon.powerauthority.on.ca/> :

## EXISTING BUILDING RETROFIT PROJECTS – Small Business Customers

Initiative	Description
Direct Installed Lighting	Targets customers classified as General Service <50kW. Lighting retrofit incentive of \$1,000 equipment upgrade plus further incentives available for eligible equipment beyond the base offering
Direct Serviced Space Cooling	Roof-top or ground-mounted air conditioning systems of 25 tons or less qualify for an incentive of up to \$750 the service and labour of air conditioning unit(s)
Demand Response (Small Commercial)	Free, installed direct load control devices and display systems/capability. Non-DR offers: subsidized display systems/capabilities

## EXISTING BUILDING RETROFIT AND COMMISSIONING PROJECTS – Medium and Large Business Customers

Initiative	Description
Pre-Project Assessments	Eligible participants will receive incentives to complete energy audits or studies of potential energy and demand savings from equipment replacement projects, operational practices and procedures, and participation in DR initiatives.
Equipment Replacement	Traditionally categorized as ERIP, incentives will be based on type of approach taken: Prescriptive, Engineered or Custom.
Existing Building Commissioning	Existing GS>50kW or Large User accounts with single buildings/ premises greater than 50,000 sq.ft with chilled water plants are eligible. Services pertain to commissioning activities.
Demand Response 1 (DR1)	An initiative where distribution-connected electricity customers voluntarily provide DR capability to reduce system peak demand and increase system reliability
Demand Response 3 (DR3)	An initiative for distribution-connected electricity customers to provide DR capability to mandatorily reduce system peak demand and increase system reliability.

## NEW CONSTRUCTION – All Buildings and Customer Types

Initiative	Description
New Construction	For all C&I customers, this initiative provides incentives for new buildings to exceed existing codes and standards for energy efficiency utilizing Prescriptive and Custom approaches.

## CAPABILITY BUILDING

Initiative	Description
Capability Building	3 types of capability building activities will be offered to C&I customers: Training and Certification, Energy Efficiency Solutions Provider, and Education.

### 4.5.4. Projected Savings

The projected energy and demand reductions for the Commercial and Institutional Program are provided in the following table.

Commercial and Institutional Program Projections	2011	2012	2013	2014
Peak demand reduction (MW)	6.88	12.04	12.47	11.61
Electricity consumption reduction (MWh)	23,840	41,720	43,210	40,230

## 4.6. Industrial Program

**4.6.1. Years of Operation:** 2011 – 2014

**4.6.2. Target Customers:** Industrial customers

**4.6.3. Description:** The following table summarizes and describes the elements of the OPA-Contracted Province-Wide Industrial Program. Full program details are available on the OPA's website at <http://icon.powerauthority.on.ca/> :



<b>Initiative</b>	<b>Description</b>
Demand Response 1 (DR1)	An initiative where distribution-connected electricity customers voluntarily provide DR capability to reduce system peak demand and increase system reliability.
Demand Response 3 (DR3)	An initiative for distribution-connected electricity customers to provide DR capability to mandatorily reduce system peak demand and increase system reliability.
Industrial Equipment Replacement	Traditionally categorized as ERIP, incentives will be based on type of approach taken: Prescriptive, Engineered or Custom.
Industrial Accelerator (IA)/ "Accelerator"	Initiative aimed at improving the energy efficiency of equipment and production processes. Accelerator offers capital incentive and enabling initiatives.

#### 4.6.4. Projected Savings

The projected energy and demand reductions for the Industrial Programs are provided in the following table.

<b>Industrial Program Projections</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Peak demand reduction (MW)	2.20	3.84	3.98	3.70
Electricity consumption reduction (MWh)	11,216	19,628	20,329	18,927

## 5. Potential Board-Approved CDM Programs

It is Hydro Ottawa's opinion that Board-Approved programs will not be necessary to achieve our CDM targets. However, if the program results fail to materialize as expected, Hydro Ottawa may reconsider this decision. At that time, we will assess existing Ontario Local Distribution Companies' ("LDCs") applications for Board-Approved CDM Programs and will also conduct independent assessment of other potential Board-Approved Programs. Where these programs are pertinent to Hydro Ottawa's customer base and can be cost effectively delivered, Hydro Ottawa may submit an application for Board-Approved programs at a later date to ensure accomplishment of Hydro Ottawa's CDM targets

## 6. Program Mix

As stated in section 4.1, Hydro Ottawa intends to deliver all available OPA-Contracted Province-Wide CDM Programs within its service area. With this comprehensive menu of OPA programs, we believe all customer types will be adequately addressed. This is exhibited in the following table:

Program Coverage by Customer Type				
Initiative or Program Element	Customer Type			
	Residential	Residential Low Income	Commercial, Institutional, Multi-family Buildings & Agricultural	Industrial
Instant Discounts (Coupons)	X	X		
Midstream Electronics Incentive	X	X		
Midstream Pool Incentive	X	X		
HVAC Rebates	X	X		
Appliance Retirement	X	X		
Exchange Events	X	X		
Residential New Construction	X	X		
Residential Demand Response	X	X		
Residential Low Income		X		
Direct Installed Lighting			X	
Direct Serviced Space Cooling			X	
Demand Response (Small Commercial)			X	
Pre-Project Assessments			X	
Equipment Replacement			X	
Existing Building Commissioning			X	
Demand Response 1 (DR1) – C&I			X	
Demand Response 3 (DR3) – C&I			X	
New Construction			X	
Capability Building			X	
Demand Response 1 (DR1) - Industrial				X
Demand Response 3 (DR3) - Industrial				X
Industrial Equipment Replacement				X
Industrial Accelerator (IA)				X

## 7. CDM Programs Co-ordination

Hydro Ottawa has been very involved in the support and development of the OPA Province-Wide Programs. This has been accomplished through participation in a number of committees and working groups that have made contributions to the development of the new programs. These include:

- The Electricity Distributors Association (“EDA”) CDM Caucus
- The EDA/OPA Consumer Program development committee
- The EDA/OPA Commercial & Institutional Program development committee
- The EDA/OPA Marketing Committee

Hydro Ottawa is committed to making the province-wide programs a success, and will continue to provide support as resources permit.

Hydro Ottawa will provide the OPA Contracted Province-Wide Programs to all customer types within the Hydro Ottawa service territory as appropriate to ensure fair and open access for all customer types to CDM programs that will enable them to improve their energy efficiency and better manage their demand for electricity.

Hydro Ottawa will continue to develop efficiencies in program development and delivery through ongoing cooperation with various industry stakeholders including other Ontario LDCs, social service agencies, the Ontario Power Authority, the Coalition of Large Distributors, the Electricity Distributors Association, Enbridge and Union Gas, the Ministry of Energy and the Ontario Energy Board. Synergies and processes are already in place with many of these agencies to share development, procurement, legal and marketing services, and delivery costs where possible.