
Erie Thames Powerlines

Conservation and Demand Management 2011 Annual Report

**Submitted to:
The Ontario Energy Board**

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Executive Summary

2011 CDM results for Erie Thames Powerlines

Erie Thames Powerlines (ETPL) is a Local Distribution Company (LDC) responsible for the distribution of electricity and the servicing and maintenance of power line infrastructure for the communities of Port Stanley, Aylmer, Belmont, Ingersoll, Thamesford, Otterville, Norwich, Burgessville, Beachville, Embro, Tavistock, Clinton, Mitchell and Dublin. ETPL is working hard to be 'Best in Class' and provide superior service to its community of customers. Conservation and Demand Management (CDM) plays a key role in securing its future for a reliable, sustainable, and affordable energy supply. ETPL feels that conservation is an essential part of its core services and can help customers manage rising energy and operating costs.

The Ontario Energy Board (OEB) has set CDM targets for ETPL, as a condition of its licence, to achieve 22.97 GWh of energy savings and 5.22 MW of summer peak demand savings, over the period between January 1, 2011 and December 31, 2014. This Annual Report covers ETPL's CDM activities and progress towards its targets for the period from January 1, 2011 to December 31, 2011.

ETPL is pleased to report steady progress in 2011 towards the achievement of its CDM targets. Despite start-up challenges and the fact that the majority of CDM programs were only solidly established in the last quarter of 2011, ETPL achieved 19% of its cumulative 2011-2014 energy target and 5% of its 2014 summer peak demand target.

ETPL is committed to working with the Ontario Power Authority (OPA) to deliver CDM programs for the remainder of the current CDM 2011-2014 framework and beyond.

2011 CDM program delivery

ETPL offered a full suite of CDM programs available from the OPA for its residential, commercial, and industrial customers.

ETPL's role in delivery of the initiatives included promotion, customer service, acting as the local "face" for the initiatives in the community, managing channel partner networks, reporting to the OPA, reviewing applications, referral of participants to the OPA, and contracting for delivery with third-party service providers.

In all, over 5,800 ETPL customers participated in at least one of the CDM programs offered, making it clear that the communities within its service territory support conservation and all of its benefits.

Meeting ETPL CDM targets

Based on its experience in 2011, ETPL expects that achieving 100% of its CDM targets will remain a significant challenge. 2011 was a "start-up" year for OPA CDM program initiatives across the province. The OPA was not ready for the anticipated January 1, 2011 launch. Additionally, ETPL had to finalize schedules, develop processes, and procure services and resources before it could market the OPA CDM program initiatives to its customers. Delays in the launch of OPA CDM programs and challenges with the online program delivery systems also hindered the timely and efficient delivery of CDM programs throughout the province, including the ETPL service territory. As a result of these province-wide delays, ETPL did not launch the many of the initiative until late in 2011 and did not meet the ambitious 2011 savings targets it had forecasted for itself in 2010.

Energy savings realized from participation in 2011 initiatives have greater impact on targets than savings realized from initiatives in 2012 and beyond. Making up for lost participation in 2011 will require a greater than one-to-one increase in participation in 2012-2014. To address this fact, ETPL is currently re-evaluating its energy savings goals. It is expected that this re-evaluation will reduce, but not necessarily close the gap between expected savings and ETPL's target savings.

ETPL has several key lessons learned from the delivery of its 2011 programs. The first two are recommendations to improve the current status of CDM program delivery and support. The third is a lesson learned that ETPL intends to duplicate in 2012 and beyond.

1. **Continuing support for gas-fired co-gen projects.** ETPL encountered significant challenges in gaining approval for a behind-the-meter cogeneration project in its service territory, where the customer is keen to proceed if it can get financial support from ETPL. Although Minister Duncan, in his letter to LDCs of May 31, 2004 that launched CDM initiatives clearly indicated that "distributed energy options behind a customer's meter such as tri-generation, co-generation, ground source heat pumps, solar, wind, and biomass systems" should be supported by the Board, and despite Ministerial directives to the OPA to promote co-generation, ETPL has faced numerous obstacles in getting this program off-the ground. Until recently, the possibility existed to support this project under the Process and Systems Upgrade Initiative, but the OPA has since decided to halt funding for gas-fired cogeneration projects under this program. OPA has suggested, but not yet decided, that gas-fired cogen projects currently in the pipeline may remain eligible for incentives. There is concern that due to a lack of a timely decision from the OPA, the opportunity to realize 3.5-4 MW of efficient generation will be lost.
2. **Shortening OPA response time.** ETPL is concerned with the lag in response time on important matters submitted to the OPA. The OPA was unable to provide ETPL with its second bi-annual PAB funding amount until May of 2012 due to an amalgamation with former LDCs West Perth and Clinton. The OPA still has not updated the CRM to reflect this amalgamation and customers of the amalgamated ETPL are still directed to the CRM sites of the three former LDCs. The OPA should focus its efforts towards respecting the needs of potential participants and LDCs, and ensure that appropriate mechanisms are in place to enable timelier turnaround of important tasks.
3. **Customer awareness, and education are vital in the promotion of conservation.** ETPL has learned that its town hall meetings are an effective method of engaging its customers and increasing its reputation as a leader in its community. Town hall meetings were held in many of the communities in ETPL's service territory. Meetings were a means to connect with customers, inform them on TOU and CDM programs and have them ask ETPL questions about conservation and other matters. ETPL aims to become a "face forward" LDC and have its staff become recognizable members of the community. Town hall meetings were also beneficial due to the fact that ETPL service territory covers several communities making advertising on local radio and local newspaper cost prohibitive. In addition to town meetings, ETPL held meetings and seminars for local contractors, which has strengthened ETPL's contractor relations. In collaboration with another Ontario LDC, ETPL also released a conservation guide that advertises and promotes the many benefits of conservation.

Board-approved program applications

ETPL has not filed any applications to the OEB for Board-approved CDM Programs. ETPL recognizes that OPA province-wide programs were never designed to meet 100% of the LDCs' CDM targets and sees Board-approved programs as a potential means for extending the savings realized from the province-wide programs.

Board-approved programs could be designed to address barriers specific to ETPL, or deliver conservation initiatives to potential participants who may feel constrained by certain design and delivery features of existing OPA programs. Board-approved programs could also contribute greatly to the savings required to reduce the gap between expected and actual CDM results in the ETPL service territory.

ETPL sees some serious practical problems with the Board-approved program process. In light of the OEB's decision on the Toronto Hydro application for Board-approved programs, and the OEB taking a very broad and all-encompassing definition of 'duplicative', there appears to be no significant activity from any LDCs across the province in establishing these programs.

Because of the current difficulties surrounding Board-approved program applications, ETPL does not foresee pursuing these programs at this time. ETPL will continue to evaluate the need and feasibility of Board-approved CDM programs as it tracks progress from province-wide programs and time-of-use results, as opportunities present themselves, and as the conditions and requirements for approval evolve.

CDM program evaluation results

Independent third-party evaluators evaluated the OPA programs. The results of those evaluations are presented in this report along with their impact on ETPL's progress towards its targets. The evaluation results provide calculations to adjust the gross savings to determine the net savings from a given initiative. The net savings are used to track ETPL's progress towards its targets.

The residential programs completed in 2011 contributed the most to the total energy savings (46%) and demand savings (48%) achieved by ETPL in 2011. The commercial programs contributed 26% of both the energy and demand savings respectively. The remaining savings are largely due to the pre-2011 projects that were completed in 2011 with only 5% of savings attributable to the industrial program initiatives.

ETPL will continue delivering OPA CDM programs as described in its CDM Strategy. Currently, ETPL is in the process of reviewing its delivery strategies and identifying any strategy modifications that it will pursue in 2012 and beyond.

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 for electricity distributors. Accordingly, on November 12, 2010, the OEB amended the distribution licence of Erie Thames Powerlines to require Erie Thames Powerlines, as a condition of its licence, to achieve 22,970 MWh of energy savings and 5.22 MW of summer peak demand savings, over the period beginning January 1, 2011 through December 31, 2014. These targets reflect the amalgamation of Erie Thames with the former West Perth and Clinton LDCs.

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 licences. To comply with the Code requirements, Erie Thames Powerlines submitted its CDM Strategy on June 13, 2011, which provided a high level of description of how Erie Thames Powerlines intended to achieve its CDM targets.

The Code also requires a distributor to file an annual report with the Board. This Annual Report is therefore prepared accordingly and covers the period from January 1, 2011 to December 31, 2011.

1 Board-Approved CDM Programs

1.1 Introduction

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

At this time, the implementation of Time-of-Use (“TOU”) Pricing is the only Board-Approved Conservation and Demand Management (“CDM”) program that is being offered in Erie Thames Powerlines’ service area.

1.2 TOU Pricing

1.2.1 BACKGROUND

In its April 26, 2012 CDM Guidelines, the OEB recognized 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 established 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 Ontario Power Authority (OPA) for the province, and then allocated to distributors. Erie Thames Powerlines will report these results upon receipt from the OPA. As of September 30, 2012, the OPA has not released its preliminary results of TOU savings to distributors. Therefore Erie Thames Powerlines is not able to provide any verified savings related to Erie Thames Powerlines’ TOU program at this time.

1.2.2 TOU PROGRAM DESCRIPTION

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

Initiative Frequency: Year-Round.

Objectives: TOU pricing was designed to incent the shifting of energy usage. Therefore peak demand reductions were expected, and energy conservation benefits may also have been 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 has been adjusted twice annually by the OEB. A summary of the RPP TOU pricing is provided below:

Table 1: Regulated Price Plan (RPP) Time-of-Use (TOU) pricing for November 1, 2010 to May 1, 2012

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	10.0	6.5

Delivery: The OEB set the TOU rates. Erie Thames Powerlines installed and maintained the meters, and converted customers to TOU billing.

1.2.2.1 Initiative Activities/Progress:

Erie Thames Powerlines began transitioning its RPP customers to TOU billing on November 1, 2011. By December 31st, 2011, 17,720 RPP customers were on TOU billing.

1.3 Erie Thames Powerlines' Application with the OEB

ETPL has not filed any applications to the Board for Board-approved programs.

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

In light of the Board's decision on the Toronto Hydro application, and that the Board is taking a very broad and all-encompassing definition of 'duplicative', ETPL does not foresee pursuing Board-approved programs at this time. It will continue to evaluate the need and feasibility of these programs as it tracks progress from province-wide programs, time-of-use results; as opportunities present themselves; and as the conditions and requirements for approval evolve.

2 OPA-Contracted Province-Wide CDM Programs

2.1 Introduction

Effective March 31, 2012, Erie Thames Powerlines entered into an agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014. The CDM programs with their associated initiatives are listed in the table below. In addition, programs that were started prior to 2011 that were completed in 2011 are included.

Table 2: OPA-contracted province-wide CDM programs

Initiative	Schedule	Date schedule was posted	Customer class
Residential Program			
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
HVAC 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		Jan 26, 2011	All residential rate classes
Residential New Construction	Schedule B-2	Jan 26, 2011	All residential rate classes
Commercial & Institutional Program			
Efficiency: Equipment Replacement	Schedule C-2	Jan 26, 2011	All general service classes
Direct Install Lighting	Schedule C-3	Jan 26, 2011	General service < 50 kW
Existing Building Commissioning	Schedule C-6	Feb 2011	All general service

Initiative	Schedule	Date schedule was posted	Customer class
Incentive			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
Demand Response 3 (part of the Industrial program schedule)	Schedule D-6	May 31, 2011	General service 50 kW & above
Industrial Program			
Process & System Upgrades	Schedule D-1	May 31, 2011	General service 50 kW & above
Monitoring & Targeting	Schedule D-2	May 31, 2011	General service 50 kW & above
Energy Manager	Schedule D-3	May 31, 2011	General service 50 kW & above
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Schedule C-2	May 31, 2011	General service 50 kW & above
Demand Response 3	Schedule D-6	May 31, 2011	General service 50 kW & above
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	n/a	n/a	All general service classes

Several initiatives that were included in the schedules were not in market in 2011. The OPA communicated that the initiatives listed in the table below were not in market in 2011 and that they represent a very small percentage of the planned energy and demand savings. During the 2011 program year, the OPA placed emphasis on supporting the implementation of initiatives believed to offer the greatest ratepayer value and greatest amount of persisting savings.

Table 3: OPA-contracted province-wide CDM programs not in market in 2011

Initiative not in market in 2011	Objective	Status
Residential Program		
Midstream Electronics	The objective of this initiative was to encourage retailers to promote and sell high-efficiency televisions, and for distributors to distribute high-efficiency set top boxes.	Not launched to market
Midstream Pool Equipment	The objective of this initiative was to encourage pool installers to sell and install efficient pool pump equipment in residential in-ground pools.	Not launched to market
First Nations Program	First Nations programs were to be delivered by the OPA and results would have been attributed to LDCs for reporting.	Not launched to market
Home Energy Audit Tool	This was to be a provincial online audit tool to engage customers in conservation and help drive customer participation to CDM programs.	Not launched to market
Commercial & Institutional Program		
Direct Service Space Cooling	The objective of this initiative was to offer free servicing of air conditioning systems and refrigeration units for the purpose of achieving energy savings and demand reduction.	Not launched to market. As per the OPA, there were no plans to launch this Initiative in 2012.
Demand Response 1 (DR1)	This initiative allowed distribution customers to voluntarily reduce electricity demand during certain periods of the year pursuant to the DR 1 contract. The initiative provided DR payments for the actual electricity reduction provided during a demand response event.	There was no customer uptake for this initiative province-wide.

Initiative not in market in 2011	Objective	Status
Industrial Program		
Demand Response 1 (DR1)	As above	There was no customer uptake for this initiative province-wide.

The Master CDM Program Agreement includes program change management provisions in Article 3. Collaboration between the OPA and LDCs commenced in 2011 and the change management process was implemented to enhance the SaveONenergy program suite. The change management process allowed for modifications to the Master Service Agreement and initiative schedules. The program enhancements were intended to give LDCs additional tools and greater flexibility to deliver programs in a way that meets the needs of customers and further drives participation in the initiatives.

2.2 Program Descriptions

2.2.1 RESIDENTIAL PROGRAM

2.2.1.1 APPLIANCE RETIREMENT INITIATIVE (Exhibit D)

Target Customer Type(s): Residential customers

Initiative Frequency: Year-round

Objectives: The objective was to achieve energy and demand savings by permanently decommissioning certain older, inefficient refrigeration appliances.

Description: This is an energy efficiency Initiative that offered individuals and businesses free pick-up and decommissioning of old large refrigerators and freezers. Window air conditioners and portable dehumidifiers would also be picked up if a refrigerator or a freezer were being collected.

Targeted End Uses: Large refrigerators, large freezers, window air conditioners and portable dehumidifiers.

Delivery: The OPA centrally contracted for the province-wide marketing, call centre, appliance pick-up and decommissioning processes. Erie Thames Powerlines promoted the initiative locally.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit D
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdfand
- SaveONenergy website <https://SaveONenergy.ca/Consumer/Programs/Appliance-Retirement.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative. This included promotion at town hall meetings, on the ETPL CDM microsite, and using bill stuffers, Facebook and Twitter.

In-Market Date: January 2011

Lessons Learned:

- The Appliance Retirement Initiative (previously The Great Refrigerator Round-Up) has been offered by Erie Thames Powerlines since 2007. This initiative was approaching market saturation by 2011.
- While the OPA and the LDCs reviewed this initiative to assess whether to include other products, appliances have a natural life cycle and the initiative could not be expected to continually deliver the high level of results in perpetuity. As per the OPA, these lower expectations were taken into account when developing conservation portfolios.
- This initiative was facing some competition from independent retailers and municipalities.
- Results were very responsive to province-wide advertising.

2.2.1.2 APPLIANCE EXCHANGE INITIATIVE (Exhibit E)

Target Customer Type(s): Residential customers

Initiative Frequency: Spring and fall

Objective: The objective of this initiative was to remove and permanently decommission older, inefficient window air conditioners (AC) and portable dehumidifiers.

Description: This initiative involved appliance exchange events. Exchange events were held at local retail locations and customers were encouraged to bring in their old room air conditioners and dehumidifiers in exchange for coupons/discounts towards the purchase of new energy-efficient equipment.

Targeted End Uses: Window air conditioners and portable dehumidifiers

Delivery: Delivery was OPA contracted and had participating retailers collect eligible units. ETPL provided local marketing.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Consumer.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative. This included promotion at town hall meetings, at two Canadian Tires, on the ETPL CDM microsite, and using bill stuffers, Facebook and Twitter.

In-Market Date: March 2011

Lessons Learned:

- Evaluation, Measurement, and Verification (EMV) results indicated that the value of savings for retired room air conditioners had dropped.
- The initiative may have been achieving market saturation.

- The type of unit turned in was very dependent upon what was promoted by the retailers.
- Limited engagement of local franchised retailers restricted the savings potential for this Initiative.

2.2.1.3 HVAC INCENTIVES INITIATIVE (Exhibit B)

Target Customer Type(s): Residential customers

Initiative Frequency: Year-round

Objective: The objectives of this initiative were 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 systems and products that qualify under the ENERGY STAR program.

Description: This was an energy-efficiency initiative that provided rebates for the replacement of old heating or cooling systems with high-efficiency furnaces (equipped with ECM) and central air conditioners that qualify under the ENERGY STAR program. Approved contractors who were qualified through the Heating, Refrigeration, and Air Conditioning Institute (HRAI) replaced the equipment.

Targeted End Uses: Central air conditioners and furnaces

Delivery: OPA contracted the delivery of the program centrally. Erie Thames Powerlines provided local marketing and encouraged local contractors to participate in the initiative.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit B
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Consumer.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative. This included promotion at town hall meetings and other events, on the ETPL CDM microsite, and using bill stuffers, Facebook and Twitter. ETPL also met with local HVAC contractors to provide information on the initiative.

In-Market Date: February 2011

Lessons Learned:

- Channel engagement was a highly effective method of connecting with customers; however channel partners required that rebates be issued promptly to maintain a positive relationship between consumers, contractors, the OPA, and Erie Thames Powerlines.
- There appears to have been spillover to non-HRAI contractors who were ineligible for this initiative. There were cases where smaller independent contractors were offering their own incentives (by discounting their installations to match the value of the OPA incentive) to make the sale. As this occurred outside of the initiative, the savings from these installations were not being attributed to Erie Thames Powerlines.

2.2.1.4 CONSERVATION INSTANT COUPON BOOKLET INITIATIVE (Exhibit A)

Target Customer Type(s): Residential customers

Initiative Frequency: Year-round

Objective: The objective of this initiative was to encourage households to purchase energy-efficient products by offering discount coupons.

Description: This Initiative provided customers with year-round coupons. The coupons offered instant rebates towards the purchase of a variety of low-cost, easy-to-install, energy-efficient measures that could 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: standard compact fluorescent lights (CFLs) that qualify under the ENERGY STAR® program, light fixtures that qualify under the ENERGY STAR® program, lighting control products, weather-stripping, hot water pipe wrap, electric water heater blankets, heavy duty plug-in timers, advanced power bars, clotheslines, baseboard programmable thermostats

Delivery: The delivery was OPA contracted centrally for the distribution of the coupon booklets across Ontario. Erie Thames Powerlines distributed the coupons at local events and marketed the initiative locally. The OPA entered into agreements with retailers to honour the coupons.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit A
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Consumer.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative. This included promotion at town hall meetings, and on the ETPL CDM microsite.

In-Market Date: February 2011

Lessons Learned:

- The downloadable coupons proved to be more successful than the mailed out booklets.
- This Initiative may have benefited from an enabler such as a conservation card / loyalty card to increase customer participation.
- The timeframe for retailer submission of redeemed coupons varied from retailer to retailer, and in some cases has been lengthy. This delayed the results reporting, which in turn limited the OPA and Erie Thames Powerlines' abilities to react and respond to initiative performance or changes in consumer behaviour.
- The Product list should have been distinctive from the Bi-Annual Retailer Event Initiative in order to gain more consumer interest and uptake.
- Program evolution, including new products (for example, LED lighting) and review of incentive pricing for the coupon Initiatives, should have been a regular activity to ensure continued consumer interest. To date this has not occurred.

2.2.1.5 BI-ANNUAL RETAILER EVENT INITIATIVE (Exhibit C)

Target Customer Type(s): Residential customers

Initiative Frequency: Bi-annual events

Objective: The objective of this initiative was 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 hosted month-long rebate events. During the months of April and October, customers were encouraged to visit participating retailers where they could obtain and redeem coupons for instant rebates towards a variety of low-cost, easy-to-install, energy-efficient measures.

Targeted End Uses: The same as those for the conservation instant coupon booklet initiative

Delivery: The OPA entered into arrangements with participating retailers to promote the discounted products, and to post and honour related coupons. Erie Thames Powerlines also referred local retailers to the OPA to participate in the program and marketed this Initiative locally.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-1%20Residential%20Program.pdf and
- SaveONEnergy website <https://SaveONEnergy.ca/Consumer.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative.

In-Market Date: March 2011

Lessons Learned:

- The product list changed very little over the past four years.
- Program evolution, including new products (for example, LED lighting) and reviews of incentive pricing for the coupon initiatives, should have been a regular activity to ensure continued consumer interest. To date this has not occurred.
- The Product list should have been distinctive from the Conservation Instant Coupon Booklet Initiative in order to gain more consumer interest and uptake.
- A review conducted by the LDC/OPA Residential Working Group in Q4 2011 identified three areas of need for initiative evolution: 1) introduction of product focused marketing; 2) enhanced product selection and 3) improved training for retailers.
- Limited engagement of local franchised retailers restricted the savings potential for this Initiative.

2.2.1.6 RETAILER CO-OP

Target Customer Type(s): Residential customers

Initiative Frequency: Year-round

Objective: The objective of this initiative was to hold promotional events to encourage customers to purchase energy-efficiency measures (and go beyond the traditional bi-annual coupon events).

Description: This initiative provided Erie Thames Powerlines with the opportunity to work with retailers in its service area by holding special events at retail locations. These events were typically special promotions that encouraged customers to purchase energy-efficiency measures.

Targeted End Uses: The same as those for conservation instant coupon booklet initiative

Delivery: Retailers applied to the OPA for co-op funding to run special events that promoted energy-efficiency to customers in their stores. Erie Thames Powerlines referred local retailers to the OPA to participate in the program. The OPA provided Erie Thames Powerlines with a list of retailers who qualified for co-op funding in its service territory as well as details of the proposed special events.

Initiative Activities/Progress: ETPL was unable to participate in retailer co-op events in 2011 due to limited resources.

In-Market Date: Not applicable

Lessons Learned:

- The availability of retailer and/or Erie Thames Powerlines staff with product knowledge and the ability to conduct demonstration in store during the events would have been an asset. This could have been a valuable role for Erie Thames Powerlines, however, like many LDCs, Erie Thames Powerlines was limited by available resources and was unable to participate.
- Limited engagement of local franchised retailers restricted the savings potential for this initiative.

2.2.1.7 RESIDENTIAL NEW CONSTRUCTION PROGRAM (Schedule B-2)

Target Customer Type(s): Residential customers

Initiative Frequency: Year-round

Objective: The objective of this initiative was to provide incentives to participants for the purpose of promoting the construction of energy-efficient residential homes in the province of Ontario.

Description: This initiative provided incentives to homebuilders for constructing new homes that are efficient, smart, and integrated (applicable to new single family dwellings). Incentives were provided in two key categories:

- a) Incentives for homebuilders who installed electricity-efficiency measures from a prescriptive list or determined by a custom evaluation; and
- b) Incentives for homebuilders who met or exceeded aggressive efficiency standards using the EnerGuide performance rating system.

Targeted End Uses: All-off switch, ECM motors, central air conditioners that qualify under the ENERGY STAR program, lighting control products, lighting fixtures, EnerGuide home rating of 83, EnerGuide home rating of 85

Delivery: The local engagement of builders was the responsibility of Erie Thames Powerlines. This was supported by the OPA's province-wide promotional efforts aimed at driving builders to Erie Thames Powerlines for additional information.

Additional detail is available at the following websites:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20B-2%20New%20Construction%20Program.pdf and
- SaveONEnergy website <https://SaveONEnergy.ca/Consumer.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative. There has been interest from a builder that operates in Ingersoll, who already completes Energuide 85. There was no uptake for this initiative in 2011 but two applications were entered into the system in 2012.

In-Market Date: February 2011

Lessons Learned:

- There were limited (5) participants in the program province-wide. Because the online application system was a one-to-one relationship, this program was only practical for custom builders who were building one home at a time. Tract builders who might build 250 homes in a single phase would have to submit 250 applications to qualify for incentives. This administrative challenge deterred all tract builders from participating in the program to date.
- Administrative requirements must align with perceived stakeholder payback. As per the Electricity Distributors Association (EDA) Working Groups, changes were being processed through the OPA's change management process for 2012. However, the lengthy change management process resulted in continued non-participation from builders.

2.2.1.8 RESIDENTIAL DEMAND RESPONSE PROGRAM (Schedule B-3)

Target Customer Type(s): Residential customers and general Service customers < 50 kW

Initiative Frequency: Year-round

Objective: The objectives of this initiative were 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 with their current electricity consumption and associated costs.

Description: This initiative, also known as *peaksaverPLUS*™, offered participants the option to receive a free programmable thermostat or switch, including installation. Participants also received access to price and real-time consumption information on an In Home Display (IHD). For the first 8 months of 2011 some LDCs opted to extend the peaksaver initiative, but ETPL held off until *peaksaverPLUS*™ could be established by the OPA. After August 2011, the extension program supported by some LDCs ended and the program (including marketing) ceased until new IHD products became available.

Targeted End Uses: Central air conditioning, water heaters, and pool pumps

Delivery: Erie Thames Powerlines recruited customers and procured technology

Additional detail is available at the following websites:

- Schedule B-1, Exhibit C
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/SCHED_2011_ResDR_B_3_110727%28MJB%29v15_redacted.pdf and

- SaveONEnergy website <https://SaveONEnergy.ca/Consumer.aspx>

In-Market Date: The *peaksaver*PLUS™ initiative was not in market in 2011.

Lessons Learned:

- The schedule for *peaksaver*PLUS™ was posted in August 2011, but this did not provide adequate time for product procurement for 2011 or the early part of 2012. The product procurement process uncovered that the In Home Display units that communicate with installed smart meter technology were still in development and not ready for market deployment. Consequently, Erie Thames Powerlines could not be in market with the *peaksaver*PLUS™ program until 2012 or later.
- Introduction of new technology required incentives for the development of such technology. Appropriate lead times for Erie Thames Powerlines to have conducted analysis and assessment, product procurement, and testing and integration into the smart meter environment were also required. Making seemingly minor changes to provincial technical specifications could create significant issues when Erie Thames Powerlines attempted to implement the solution in Erie Thames Powerlines' unique environment.
- Where a provincial solution was not possible for all participants, attention to addressing Erie Thames Powerlines' specific concerns was needed.
- Given the different LDCs' smart meter environments, greater program flexibility was required to address unique LDC needs.

2.2.2 COMMERCIAL AND INSTITUTIONAL PROGRAM

2.2.2.1 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 was to offer non-residential distribution customers incentives to help them achieve reductions in electricity demand and consumption by upgrading to more energy-efficient equipment for lighting, space cooling, ventilation, and other measures.

Description: ERII offered customers financial incentives to upgrade existing equipment or processes to more energy-efficient equipment or processes. Upgrade projects could be classified into the following program tracks:

- a) Prescriptive projects, where prescribed measures replaced associated required base case equipment;
- b) Engineered projects, where energy and demand savings and incentives were calculated for associated measures; or
- c) Custom projects for energy efficiency upgrades not covered under prescriptive or engineering streams

Targeted End Uses: Lighting, space cooling, ventilation, and other measures

Delivery: The initiative was delivered by Erie Thames Powerlines.

Additional detail is available at the following websites:

- Schedule C-2
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-2%20ERII%20Initiative.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Business/Program-Overviews/Retrofit-for-Commercial.aspx>

Initiative Activities/Progress: ETPL promoted this initiative online, through the one-on-one meetings and with direct mailers to eligible customers. It was also promoted at a breakfast event for local contractors and at town hall meetings held throughout 2011.

In-Market Date: March 2011

Lessons Learned:

- ERII (previously Equipment Replacement Incentive Program – ERIP) was offered by Erie Thames Powerlines for many years leading up to 2011. It was a high-performing, cost-effective program, and there were many pre-2011 projects completed in 2011 (via ERIP).
- An identified deficiency in the various renditions of the equipment replacement programs was the “hard stop” of the program as of a specific date. The ERIP program ended as of December 31, 2010 and the new ERII program was not made available until March 2011. Without a streamlined transition into a new program at the end of the old many customers became frustrated and refused to participate. LDCs struggled to repair customer and channel partner relationships and gain momentum in the marketplace once again.
- A major challenge for the ERII program in 2011 was payment delays. The centralized electronic processes were not ready as required by the OPA’s Master Agreement. The delayed availability of these automated processes, coupled with a greater than expected volume of pre-2011 projects being completed province-wide in 2011, caused considerable payment delays by the OPA. As a result, LDCs either utilized their working capital to pay customer incentives in order to preserve customer relations, or delayed payment to their customers. Based on the lessons learned in the 2011 process, the centralized process review used by the OPA for 2012 project payment was streamlined by the OPA.
- In March 2011, the revised iCON system was launched by the OPA. This was the major online application system implemented to aid the 2011-2014 ERII application process. With system applications of this size and functionality, it was expected that there would be various issues identified at the time of the release and in the early stages before the system was “ready for market.” Unfortunately, the resolution of these issues, with the corresponding time lags and workarounds, was seen to be a barrier to significant customer participation in the 2011 program year. In addition, there were also on-going issues and limitations with the back-end Customer Relation Manager CRM system that affected Erie Thames Powerlines’ ability to effectively review and approve applications. Given these difficulties, Erie Thames Powerlines and its third party service providers developed a parallel system to monitor ERII applications.

2.2.2.2 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 was to offer the free installation of eligible lighting and water-heating measures valued at up to \$1,000 to eligible owners and tenants of commercial, institutional, and agricultural facilities and multi-family buildings, for the purpose of achieving electricity savings and peak demand savings.

Description: The Direct Install Lighting Initiative targeted customers in the general service <50kW account category. This Initiative offered turnkey installation of energy-efficient lighting and electric hot water heating measures with a value up to \$1,000 at no cost to qualifying small businesses. In addition, standard prescriptive incentives were available for eligible equipment that the customer chose to have installed beyond the initial \$1,000 limit.

Target End Uses: Lighting and electric water heating measures

Delivery: Participants could enrol directly with Erie Thames Powerlines, or would be contacted by Erie Thames Powerlines or its service provider.

Additional detail is available at the following websites:

- Schedule C-3 <http://www.powerauthority.on.ca/sites/default/files/page/Schedule%20C-3%20Direct%20Install%20Initiative%20-%20redacted.pdf> and
- SaveONenergy website <https://SaveONenergy.ca/Business.aspx>

Initiative Activities/Progress: ETPL promoted this initiative online, through the one-on-one meetings and with direct mailers to eligible customers. It was also promoted at town hall meetings held throughout 2011.

In-Market Date: June 2011

Lessons Learned:

- The Direct Install Lighting and Water Heating Initiative was a continuation of the Power Saving Blitz Initiative offered by Erie Thames Powerlines from 2008-2010. Successful execution of the previous rendition of this initiative resulted in diminished potential for the 2011-2014 initiative.
- The inclusion of a standard incentive for additional measures increased project size and drove higher energy and demand savings results in some situations.
- LDCs were unable to offer these standard incentives to prior participants. The ability to return to prior participants and offer a standard incentive on the remaining measures had the potential to provide additional energy and demand savings.
- As with the equipment replacement program, the direct install Initiative lost momentum due to the “hard stop” of the program in 2010 and subsequent program delay in 2011.
- The cost of materials experienced price volatility, reducing the margins for the electrical contractors participating in the program as installers and this led to a reduction in vendor channel participation.
- Due to backlogs in the payment system, participant incentive payment from the OPA to Erie Thames Powerlines, and therefore to the channel partner vendors, was commonly delayed.

- To address these issues, the LDCs have been working with the OPA in 2012 through its change management process to address:
 - extending the target initiative population to include small agricultural customers;
 - increasing the incentive envelope of \$1,000 to \$1,500 to ensure ongoing marketability of the program; and
 - reviewing the eligible measure price list to support contractor participation.

2.2.2.3 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 was 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 offered participants incentives for the following project phases:

- a) Scoping study phase,
- b) Investigation phase,
- c) Implementation phase, and
- d) Hand off/completion phase.

Targeted End Uses: Chilled water systems for space cooling

Delivery: Erie Thames Powerlines delivered.

Additional detail is available at the following websites:

- Schedule C-6
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-6%20Commissioning%20Initiative.pdfand
- SaveONenergy website <https://SaveONenergy.ca/Business/Program-Overviews/Existing-Building-Commissioning.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative.

In-Market Date: February 2011

Lessons Learned:

- There was no customer uptake for this initiative province-wide. It was suspected that the lack of participation in the program was a result of the Initiative being limited to space cooling. Accordingly chilled water systems used for other purposes should be made eligible and considered through the OPA's change management process.
- The customer expectation was that the program be expanded to include broader range of measures for a more holistic approach to building recommissioning.

2.2.2.4 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 was to encourage builders and 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 provided incentives for new buildings and major renovations to existing buildings that exceeded existing building codes and standards for energy efficiency. This is a continuation of the High Performance New Construction program previously delivered by Enbridge Gas under contract with the OPA (and subcontracted to Union Gas), which ran until December 2010. The initiative used both a prescriptive and custom approach.

Targeted End Uses: New construction or major renovation building modeling, lighting, space cooling, ventilation, and other measures

Delivery: Erie Thames Powerlines delivered to customers and design decision makers.

Additional detail is available at the following websites:

- Schedule C-4 <http://www.powerauthority.on.ca/sites/default/files/page/ScheduleC-4NewConstructionInitiativeV2.pdf> and
- SaveONenergy website <https://SaveONenergy.ca/Business/Program-Overviews/New-Construction.aspx>

Initiative Activities/Progress: This initiative was not actively promoted by ETPL although staff were available to address interest from prospective participants.

In-Market Date: June 2011

Lessons Learned:

- For 2011, new industry participation was limited due to certain aspects of the Initiative and the delays in redesign, such as:
 - 2011 prescriptive incentives needed to be aligned with ERII incentives;
 - In the cases of delivering large projects (i.e. custom applications), 2011 participation was limited due to 1) building code changes and 2) level of documentation required.
 - The effort required to participate in the program exceeded the value of the incentives.
- There is typically a long sales cycle for these projects and then a long project development cycle. As the program did not launch until mid-2011 and had limited participation, results did not appear in 2011. Minimum results are expected to appear in 2012. The majority of the results are expected in 2013-2014, with a reduced benefit to cumulative energy savings targets.
- As it stands, projects must be substantially completed by the program “hard stop” date of December 31, 2014. As these projects have long lead times, there is a limited window of opportunity for interested participants to access the program.

- With no transition contingencies in place, projects with a completion date near the end of 2014 currently have no security that they will be compensated for choosing efficient measures. As such, many customers choose not to take the financial risk and construct to standard building code. This Initiative should be assessed for a streamlined program transition or extension beyond 2014.

2.2.2.5 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 was to offer incentives to owners and lessees of commercial, institutional, and agricultural facilities and multi-family buildings 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 provided participants incentives for the completion of energy audits of electricity consuming equipment located in their facility. Energy audits included development of energy baselines, use assessments, and performance monitoring and reporting.

Targeted End Uses: Various

Delivery: Erie Thames Powerlines delivered.

Additional detail is available at the following websites:

- Schedule C-1
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20C-1%20Energy%20Audit%20Initiative.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Business/Program-Overviews/Audit-Funding.aspx>

Initiative Activities/Progress: This initiative was promoted during one-on-one meetings with potential participants and at a breakfast event held for local contractors.

In-Market Date: February 2011

Lessons Learned:

- Customer uptake in 2011 was limited.
- The energy audit Initiative was considered an ‘enabling’ Initiative. There were no savings attributed to LDC targets from an audit.
- LDCs and participants would benefit from a greater connection with other CDM initiatives as a result of completing the Energy Audit. The initiative should be reviewed under the OPA’s change management process for the means to readily incent participants with audits in hand to implement other electricity savings initiatives.

2.2.3 INDUSTRIAL PROGRAM

2.2.3.1 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 were to:

- Offer distribution customers capital incentives and enabling initiatives to assist with the implementation of large projects and project portfolios;
- Implement system optimization projects in systems that are intrinsically complex and capital intensive; and
- Increase the capability of distribution customers to implement energy management and system optimization projects.

Description: PSUI was an energy management initiative that included three parts:

- a) Preliminary engineering study,
- b) Detailed engineering study, and
- c) Project incentive.

The incentives were 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 was the lowest of:

- a) \$200/MWh of annualized electricity savings,
- b) 70% of projects costs, or
- c) A one-year pay back.

Targeted End Uses: Processes and systems

Delivery: Erie Thames Powerlines delivered with Key Account Management support

Additional detail is available at the following websites:

- Schedule D-1
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-1%20Process%20and%20Systems%20Upgrades%20Initiative.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Business.aspx>

Initiative Activities/Progress: This initiative was launched late into 2011 and not actively promoted by ETPL.

In-Market Date: November 2011

Lessons Learned:

- The PSUI program targeted large customers that were undertaking large capital projects. There was typically a long sales cycle for these projects, and then a long project development cycle. As such, results from PSUI did not appear in 2011. Limited results were expected to appear in 2012. The majority of the results were expected in 2013-2014, with a much-reduced benefit to cumulative energy savings targets.
- The OPA-retained Technical Reviewer, an integral component of this initiative, was not in place until late Q4 2011. This delay limited 2011 program uptake. In 2012, the Technical Reviewer has successfully worked through the project backlog and provided timely project reviews and recommendations.
- Steps were being taken in the 2012 OPA change management process to simplify and streamline the micro-project application process and to allow smaller projects to be directed to the ERII stream.
- Given the size of the projects involved, the contract required for PSUI was a lengthy and complicated document. Attempts were being made through the OPA's change management process in 2012 to simplify the document while still protecting the ratepayer.
- With the considerable customer interest in on-site load displacement (co-generation) projects, the initiative should be reviewed to ensure that these projects may be accepted as part of the PSUI. Currently there is uncertainty with regards to the future of existing co-generation applications.

2.2.3.2 MONITORING & TARGETING INITIATIVE (Schedule D-2)

Target Customer Type(s): Industrial, Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year-round

Objective: This initiative offered 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 to sustain the target level of savings for the term of the M&T agreement.

Description: This Initiative offered 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 oversaw energy usage, would then be able to use historical energy consumption performance to analyze and set targets.

Targeted End Uses: Industrial processes and systems

Delivery: Erie Thames Powerlines delivered with Key Account Management support

Additional detail is available at the following websites:

- Schedule D-2
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-2%20Monitoring%20and%20Targeting%20Initiative.pdf and
- SaveONenergy website <https://SaveONenergy.ca/Business.aspx>

Initiative Activities/Progress: This initiative was launched late into 2011 and not actively promoted by ETPL.

In-Market Date: November 2011

Lessons Learned:

- The M&T initiative was originally targeted at larger customers with the capacity to review the M&T data. This review required the customer facility to employ an energy manager, or a person with equivalent qualifications, which was a barrier for some customers. In addition, the savings target required for this Initiative presented a significant challenge for smaller customers. Through the OPA's change management process in 2012, changes were being made to both the M&T schedule and ERII to allow smaller facilities to employ M&T systems.

2.2.3.3 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 was to provide customers and Erie Thames Powerlines the opportunity to access funding for the engagement of energy managers in order to deliver a minimum annual savings target.

Description: This Initiative provided customers the opportunity to access funding to engage an on-site, full-time embedded energy manager. The initiative also provided funding for an off-site roving energy manager who could be engaged by Erie Thames Powerlines to provide services for a number of customers. The role of the energy manager was to take control of a facility's energy use by monitoring performance, leading awareness programs, identifying opportunities for energy consumption improvement, and spearheading projects. Participants were funded for 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 had a target of 300 kW/year of energy savings from one or more facilities. Erie Thames Powerlines was eligible to receive funding of up to \$120,000 for a Roving Energy Manager plus \$8,000 for expenses.

Targeted End Uses: Industrial processes and systems

Delivery: Erie Thames Powerlines delivered

Additional detail is available at the following websites:

- Schedule D-3
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-3%20Energy%20Manager%20Initiative%202011-2014.pdf and
- SaveONEnergy website <https://SaveONEnergy.ca/Business.aspx>

Initiative Activities/Progress: In 2011, EPTL connected with an eligible customer to begin the process of hiring an embedded energy manager. The embedded manager was hired as of March 2012.

In-Market Date: August 2011

Lessons Learned:

- At the beginning, it took longer than expected to set up the energy manager application process and unclear communication by the OPA resulted in marketing and implementation challenges for many LDCs.

2.2.3.4 KEY ACCOUNT MANAGER (KAM) (Schedule D-4)

Target Customer Type(s): Industrial, Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year-round

Objective: This initiative offered Erie Thames Powerlines the opportunity to access funding for the employment of a KAM in order to support Erie Thames Powerlines in fulfilling its obligations related to the PSUI.

Description: This Initiative provided Erie Thames Powerlines with the opportunity to utilize a KAM to assist its customers. The KAM was considered to be a key element in assisting the customer in overcoming traditional barriers related to energy management and help them achieve savings, since the KAM could build relationships and become a significant resource of knowledge to the customer.

Targeted End Uses: Industrial processes and systems

Delivery: Erie Thames Powerlines delivered

Additional detail is available at the following website:

- ScheduledD-4
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/projects_programs/pdfs/PSUI%20Initiative%20Schedule%20D-4.Key%20Account%20Manager.20110322.pdf

Initiative Activities/Progress: In 2011, ETPL went through a KAM hiring process and is now sharing a KAM with another LDC.

In-Market Date: August 2011

Lessons Learned:

- Customers appreciated dealing with a single contact to interface with Erie Thames Powerlines. The KAM was able to fill this role as a resource that had both the technical and business background to communicate easily with the customer and Erie Thames Powerlines. Finding this type of skill set was difficult. In addition, the short-term contract and associated energy target discouraged some skilled applicants. This resulted in longer lead times to acquire the right resource.
- Clear communication was required between Erie Thames Powerlines staff, delivery agents, KAMs and Energy Managers to ensure customers were not approached multiple times, by multiple individuals. Multiple contacts would have caused confusion by the customers with regards to the programs and their point of contact for the initiatives.
- As the KAM contracts are limited and PSUI projects have long lead times it is anticipated that customers may be left without the assistance of the KAM prior to project completion. As such,

LDCs should be prepared with a transition plan to ensure their customers are adequately supported through to project completion.

2.2.3.5 DEMAND RESPONSE 3 (Schedule D-6)

Target Customer Type(s): Industrial, Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year-round

Objective: This Initiative provided for Demand Response (DR) payments to contracted participants to compensate them for reducing their electricity consumption by a pre-defined amount during a demand response event.

Description: Demand Response 3 (DR3) was a DR initiative for commercial and industrial customers with demand of 50 kW or greater willing to reduce the amount of power being used during certain periods of the year. The DR3 Initiative was a contractual resource that was an economic alternative to procurement of new generation capacity. DR3 came with specific contractual obligations requiring participants to reduce their use of electricity relative to a baseline when called upon. This initiative provided regular payments to participants to be on standby and payments for the actual energy reduction provided during a demand response event. Participants were 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:

Delivery: DR3 was delivered by demand response providers (DRPs), under contract to the OPA. The OPA administered contracts with all DRPs as well as Direct Participants (who provided in excess of 5 MW of demand response capacity). The OPA provided administration including settlement, measurement and verification, and dispatch. Erie Thames Powerlines was responsible for local customer outreach and marketing efforts.

Additional detail is available at the following website:

- Schedule D-6
http://www.powerauthority.on.ca/sites/default/files/new_files/industry_stakeholders/current_electricity_contracts/pdfs/Schedule%20D-6%20Demand%20Response%203%202011-2014.pdf and
- SaveONEnergy website <https://SaveONEnergy.ca/Business.aspx>

Initiative Activities/Progress: ETPL provided local marketing and customer support for this Initiative.

In-Market Date: January 2011

It is noted that while the Schedule for this Initiative was not posted until May 2011, the Demand Response providers reported that they were able to enrol customers as of January 2011.

Lessons Learned:

- Customer data was not provided by the OPA on an individual customer basis due to contractual requirements with the aggregators. This limited Erie Thames Powerlines' ability to effectively market to prospective participants and verify savings. Erie Thames Powerlines approached the aggregators individually to develop agreements in order to identify existing and potential participants in this initiative.

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

Target Customer Type(s): Income-Qualified Residential Customers

Initiative Frequency: Year-round

Objective: The objective of this Initiative was to offer free installation of energy-efficiency measures to income-qualified households for the purpose of achieving electricity and peak demand savings.

Description: This was a turnkey initiative for income-qualified customers. It offered residents the opportunity to take advantage of free installation of energy efficient measures that improved the comfort of their home, increased efficiency, and helped them save money. All eligible customers received a Basic and Extended Measures Audit, while customers with electric heat also received a Weatherisation Audit. The Initiative was designed to enable coordination of efforts with gas utilities.

Targeted End Uses: End uses based on results of audit (e.g. compact fluorescent light bulbs)

Delivery: Erie Thames Powerlines delivered

Additional detail is available at the following website:

- Schedule E
<http://www.powerauthority.on.ca/sites/default/files/page/Low%20Income%20Schedule%20-%20redacted%20version.pdf>

Initiative Activities/Progress: ETPL launched an RFP process in 2011 to select a delivery agent for this initiative.

In-Market Date: Not in market in 2011

Lessons Learned:

- This initiative schedule was finalized later (May 2011) than the rest of the OPA initiatives and as a result Erie Thames Powerlines did not have the initiative in market in 2011.
- Centralized payment processes were not developed in 2011 and were not in place until mid-2012. As a result, Erie Thames Powerlines delayed its launch to market.
- The financial scope, complexity, and customer privacy requirements of this initiative resulted in a lengthy procurement process. Erie Thames Powerlines must adhere to a very transparent procurement process that meant that delivery of the program did not start in 2011.

2.2.5 PRE-2011 PROGRAMS COMPLETED IN 2011

2.2.5.1 ELECTRICITY RETROFIT INCENTIVE PROGRAM

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year-round

Objective: Refer to section 2.2.2.1

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-saving measures

Delivery: Erie Thames Powerlines delivered

2.2.5.2 HIGH PERFORMANCE NEW CONSTRUCTION

Target Customer Type(s): Commercial, Institutional, and Agricultural Customers

Initiative Frequency: Year-round

Objective: Refer to section 2.2.2.4

Description: The High Performance New Construction Initiative provided incentives for new buildings to exceed existing codes and standards for energy efficiency. The initiative used both a prescriptive and custom approach and was delivered by Enbridge Gas under contract with the OPA (and subcontracted to Union Gas). It ran until December 2010.

Targeted End Uses: New building construction building modeling, lighting, space cooling, ventilation and other measures

Delivery: Through Enbridge Gas (and subcontracted to Union Gas)

2.2.5.3 MULTIFAMILY ENERGY EFFICIENCY REBATES

Target Customer Type(s): Residential multi-unit buildings

Initiative Frequency: Year-round

Objective: Improve energy efficiency of multifamily buildings

Description: The OPA's Multifamily Energy Efficiency Rebates (MEER) Initiative applied to multifamily buildings of six units or more, including rental buildings, condominiums, and assisted social housing. The OPA contracted with GreenSaver to deliver the MEER Initiative outside of the Toronto Hydro service territory. Activities delivered in Toronto were contracted with the City.

Similar to ERII and ERIP, MEER provided financial incentives for prescriptive and custom measures, but also funds resident education. Unlike ERII, where incentives were paid by Erie Thames Powerlines, all incentives through MEER were paid through the contracted partner (i.e. GreenSaver).

Targeted End Uses: Electricity-saving measures

Delivery: OPA-contracted with GreenSaver

2.3 Participation

Table 4: Participation in OPA-contracted province-wide CDM programs

#	Initiative	Activity unit	Uptake/ participation units
Residential Program			
1	Appliance Retirement	Appliances	282
2	Appliance Exchange	Appliances	39
3	HVAC Incentives	Equipment	349
4	Conservation Instant Coupon Booklet	Coupons	1,978
5	Bi-Annual Retailer Event	Coupons	3,077
6	Retailer Co-op	Items	0
7	Residential Demand Response	Devices	0
10	Residential New Construction	Houses	0
Commercial & Institutional Program			
11	Efficiency: Equipment Replacement	Projects	4
12	Direct Install Lighting	Projects	59
14	Existing Building Commissioning Incentive	Buildings	0
15	New Construction and Major Renovation Incentive	Buildings	0
16	Energy Audit	Audits	0
17	Commercial Demand Response (part of the Residential program schedule)	Devices	0
19	Demand Response 3 (part of the Industrial program schedule)	Facilities	0
Industrial Program			
20	Process & System Upgrades*	Projects	0

#	Initiative	Activity unit	Uptake/ participation units
	a) preliminary engineering study		0
	b) detailed engineering study		0
	c) capital incentive		0
21	Monitoring & Targeting	Projects	0
22	Energy Manager	Managers	0
23	Key Account Manager (KAM)	Managers	1 shared
24	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Projects	5
25	Demand Response 3	Facilities	0
Pre 2011 Programs Completed in 2011			
27	Electricity Retrofit Incentive Program	Projects	8
28	High Performance New Construction	Projects	N/A
30	Multifamily Energy Efficiency Rebates	Projects	N/A

2.4 Spending

The following details the funds used by ETPL in the one-year period applicable to the Annual Report, on each of the OPA-Contracted Province-Wide CDM Programs offered in its service area.

Table 5: Spending for OPA-contracted province-wide CDM programs

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Residential Program						
1	Appliance Retirement	\$8,436				\$8,436
2	Appliance Exchange	\$8,436				\$8,436
3	HVAC Incentives	\$8,136				\$8,136
4	Conservation Instant Coupon Booklet	\$21,764				\$21,764
5	Bi-Annual Retailer Event	\$22,964				\$22,964
6	Retailer Co-op					
7	Residential Demand Response	\$7,986				\$7,986
10	Residential New Construction	\$8,136				\$8,136
Business Program						
11	Efficiency: Equipment Replacement	\$122,829		\$15,201		\$138,030

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
12	Direct Install Lighting	\$40,430	\$16,225	\$59,611		\$116,266
13	Direct Service Space Cooling	\$5,121				\$5,121
14	Existing Building Commissioning Incentive	\$5,421				\$5,421
15	New Construction and Major Renovation Initiative	\$5,921				\$5,921
16	Energy Audit	\$6,321				\$6,321
17	Commercial Demand Response (part of the Residential program schedule)					
19	Demand Response 3 (part of the Industrial program schedule)					
Industrial Program						
20	Process & System Upgrades					
	a) preliminary engineering study	\$1,151				\$1,151
	b) detailed engineering study	\$1,151				\$1,151
	c) capital incentive	\$1,151				\$1,151
21	Monitoring & Targeting	\$1,151				\$1,151

#	Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
22	Energy Manager	\$9,211				\$9,211
23	Key Account Manager (KAM)	\$5,299				\$5,299
24	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)					
25	Demand Response 3	\$1,956				\$1,956
Home Assistance Program						
26	Home Assistance Program	\$6,000				\$6,000
Pre 2011 Programs Completed in 2011						
27	Electricity Retrofit Incentive Program			\$62,380		\$62,380
28	High Performance New Construction					
30	Multifamily Energy Efficiency Rebates					
	Total province-wide CDM programs	\$298,974	\$16,225	\$137,192	\$0	\$452,391

Table 5a: Allocation of PAB funding for initiatives not in market

#	Initiative	Program Administration Budget (PAB)
Initiatives not in market		
8	Midstream Electronics	
9	Midstream Pool Equipment	
13	Demand Service Space Cooling	
18	Demand Response 1 (Commercial)	
24	Demand Response 1 (Industrial)	\$1,956
33	Home Energy Audit Tool	
	Total province-wide CDM initiatives not in market	\$1,956

2.5 Evaluation

The evaluation findings in Table 6 are those of the final evaluations of each initiative as reported by independent third-party evaluators.

2.5.1 EVALUATION FINDINGS

Table 6: Evaluation Findings

#	Initiative	Evaluation findings
Residential Program		
1	Appliance Retirement	<ul style="list-style-type: none"> Overall participation continues to decline year over year <ul style="list-style-type: none"> Participation declined 17% from 2010 (from over 67,000 units in 2010 to over 56,000 units in 2011) 97% of net resource savings achieved through the home pick-up stream <ul style="list-style-type: none"> Measure Breakdown: 66% refrigerators, 30% freezers, 4% Dehumidifiers and window air conditioners 3% of net resource savings achieved through the Retailer pick-up stream <ul style="list-style-type: none"> Measure Breakdown: 90% refrigerators, 10% freezers Net-to-Gross ratio for the initiative was 50% <ul style="list-style-type: none"> Measure-level free ridership ranges from 82% for the retailer pick-up stream to 49% for the home pick-up stream Measure-level spillover ranges from 3.7% for the retailer pick-up stream to 1.7% for the home pick-up stream
2	Appliance Exchange	<ul style="list-style-type: none"> Overall eligible units exchanged declined by 36% from 2010 (from over 5,700 units in 2010 to over 3,600 units in 2011) <ul style="list-style-type: none"> Measure Breakdown: 75% window air conditioners, 25% dehumidifiers Dehumidifiers and window air conditioners contributed almost equally to the net energy savings achieved <ul style="list-style-type: none"> Dehumidifiers provide more than three times the energy savings per unit than window air conditioners

#	Initiative	Evaluation findings
		<ul style="list-style-type: none"> Window air conditioners contributed to 64% of the net peak demand savings achieved Approximately 96% of consumers reported having replaced their exchanged units (as opposed to retiring the unit) Net-to-Gross ratio for the initiative is consistent with previous evaluations (51.5%)
3	HVAC Incentives	<ul style="list-style-type: none"> Total air conditioner and furnace installations increased by 14% (from over 95,800 units in 2010 to over 111,500 units in 2011) <ul style="list-style-type: none"> Measure Breakdown: 64% furnaces, 10% tier 1 air conditioners (SEER 14.5) and 26% tier 2 air conditioners (SEER 15) Measure breakdown did not change from 2010 to 2011 The HVAC Incentives initiative continues to deliver the majority of both the energy (45%) and demand (83%) savings in the consumer program <ul style="list-style-type: none"> Furnaces accounted for over 91% of energy savings achieved for this initiative Net-to-Gross ratio for the initiative was 17% higher than 2010 (from 43% in 2010 to 60% in 2011) <ul style="list-style-type: none"> Increase due in part to the removal of programmable thermostats from the program, and an increase in the net-to-gross ratio for both Furnaces and Tier 2 air conditioners (SEER 15)
4	Conservation Instant Coupon Booklet	<ul style="list-style-type: none"> Customers redeemed nearly 210,000 coupons, translating to nearly 560,000 products <ul style="list-style-type: none"> Majority of coupons redeemed were downloadable (~40%) or LDC-branded (~35%) Majority of coupons redeemed were for multi-packs of standard spiral CFLs (37%), followed by multi-packs of specialty CFLs (17%)

#	Initiative	Evaluation findings
		<ul style="list-style-type: none"> Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed
5	Bi-Annual Retailer Event	<ul style="list-style-type: none"> Customers redeemed nearly 370,000 coupons, translating to over 870,000 products <ul style="list-style-type: none"> Majority of coupons redeemed were for multi-packs of standard spiral CFLs (49%), followed by multi-packs of specialty CFLs (16%) Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings <ul style="list-style-type: none"> Standard CFLs and heavy duty outdoor timers were reintroduced to the initiative in 2011 and contributed more than 64% of the initiative's 2011 net annual energy savings While the volume of coupons redeemed for heavy duty outdoor timers was relatively small (less than 1%), the measure accounted for 10% of net annual savings due to high per unit savings Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed.
6	Retailer Co-op	<ul style="list-style-type: none"> Initiative was not evaluated in 2011 due to low uptake. Verified Bi-Annual Retailer Event per unit assumptions and free-ridership rates were used to calculate net resource savings
7	Residential Demand Response	<ul style="list-style-type: none"> Approximately 20,000 new devices were installed in 2011 <ul style="list-style-type: none"> 99% of the new devices enrolled controlled residential central AC (CAC) 2011 only saw 1 atypical event (in both weather and timing) that had limited participation across the province <ul style="list-style-type: none"> The ex-ante energy savings assumptions developed through the 2009/2010

#	Initiative	Evaluation findings
		evaluations were maintained for 2011; residential CAC: 0.56 kW/device, commercial CAC: 0.64 kW/device, and Electric Water Heaters: 0.30 kW/device
10	Residential New Construction Initiative	<ul style="list-style-type: none"> Initiative was not evaluated in 2011 due to limited uptake Business case assumptions were used to calculate savings
Commercial & Institutional Program		
11	Efficiency: Equipment Replacement	<ul style="list-style-type: none"> Gross verified energy savings were boosted by lighting projects in the prescriptive and custom measure tracks Lighting projects overall were determined to have a realization rate of 112%; 116% when including interactive energy changes <ul style="list-style-type: none"> On average, the evaluation found high realization rates as a result of both longer operating hours and larger wattage reductions than initial assumptions Low realization rates for engineered lighting projects due to overstated operating hour assumptions Custom non-lighting projects suffered from process issues such as: the absence of required M&V plans, the use of inappropriate assumptions, and the lack of adherence to the M&V plan The final realization rate for summer peak demand was 94% <ul style="list-style-type: none"> 84% was a result of different methodologies used to calculate peak demand savings 10% due to the benefits from reduced air conditioning load in lighting retrofits Overall net-to-gross ratios in the low 70's represent an improvement over the 2009 and 2010 ERIP program where net-to-gross ratios were in the low 60's and low 50's,

#	Initiative	Evaluation findings
		<p>respectively.</p> <ul style="list-style-type: none"> • Strict eligibility requirements and improvements in the pre-approval process contributed to the improvement in net-to-gross ratios
12	Direct Install Lighting	<ul style="list-style-type: none"> • Though overall performance is above expectations, participation continues to decline year over year as the initiative reaches maturity • 70% of province-wide resource savings persist to 2014 <ul style="list-style-type: none"> ○ Over 35% of the projects for 2011 included at least one CFL measure ○ Resource savings from CFLs in the commercial sector only persist for the industry standard of 3 years • Since 2009 the overall realization rate for this program has improved <ul style="list-style-type: none"> ○ 2011 evaluation recorded the highest energy realization rate to date at 89.5% ○ The hours of use values were held constant from the 2010 evaluation and continue to be the main driver of energy realization rate ○ Lights installed in “as needed” areas (e.g., bathrooms, storage areas) were determined to have very low realization rates due to the difference in actual energy saved vs. reported savings
14	Existing Building Commissioning Incentive	<ul style="list-style-type: none"> • Initiative was not evaluated in 2011, no completed projects in 2011
15	New Construction and Major Renovation Initiative	<ul style="list-style-type: none"> • Initiative was not evaluated in 2011 due to low uptake • Assumptions used are consistent with preliminary reporting based on the 2010 Evaluation findings and consultation with the C&I Work Group (100% realization rate and 50% net-to-gross ratio)
16	Energy Audit	<ul style="list-style-type: none"> • The evaluation is ongoing. The sample size for 2011 was too small to draw reliable

#	Initiative	Evaluation findings
		conclusions.
17	Commercial Demand Response (part of the Residential program schedule)	<ul style="list-style-type: none"> See residential demand response (#7)
19	Demand Response 3 (part of the Industrial program schedule)	<ul style="list-style-type: none"> See Demand Response 3 (#25)
Industrial Program		
20	Process & System Upgrades	<ul style="list-style-type: none"> Initiative was not evaluated in 2011, no completed projects in 2011
21	Monitoring & Targeting	<ul style="list-style-type: none"> Initiative was not evaluated in 2011, no completed projects in 2011
22	Energy Manager	<ul style="list-style-type: none"> Initiative was not evaluated in 2011, no completed projects in 2011
23	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	<ul style="list-style-type: none"> See Efficiency: Equipment Replacement (#11)
25	Demand Response 3	<ul style="list-style-type: none"> Program performance for Tier 1 customers increased with DR-3 participants providing 75% of contracted MW for both sectors <ul style="list-style-type: none"> Industrial customers outperformed commercial customers by providing 84% and 76% of contracted MW, respectively Program continues to diversify but still remains heavily concentrated with less than 5% of the contributors accounting for the majority (~60%) of the load reductions. By increasing the number of contributors in each settlement account and implementation of the new baseline methodology the performance of the program is expected to increase

#	Initiative	Evaluation findings
Home Assistance Program		
26	Home Assistance Program	<ul style="list-style-type: none"> Initiative was not evaluated in 2011 due to low uptake Business Case assumptions were used to calculate savings
Pre-2011 Programs completed in 2011		
27	Electricity Retrofit Incentive Program	<ul style="list-style-type: none"> Initiative was not evaluated Net-to-Gross ratios used are consistent with the 2010 evaluation findings (multifamily buildings 99% realization rate and 62% net-to-gross ratio and C&I buildings 77% realization rate and 52% net-to-gross ratio)
28	High Performance New Construction	<ul style="list-style-type: none"> Initiative was not evaluated Net-to-Gross ratios used are consistent with the 2010 evaluation findings (realization rate of 100% and net-to-gross ratio of 50%)
29	Toronto Comprehensive	<ul style="list-style-type: none"> Initiative was not evaluated Net-to-Gross ratios used are consistent with the 2010 evaluation findings
30	Multifamily Energy Efficiency Rebates	<ul style="list-style-type: none"> Initiative was not evaluated Net-to-Gross ratios used are consistent with the 2010 evaluation findings
31	Data Centre Incentive Program	<ul style="list-style-type: none"> Initiative was not evaluated
32	EnWin Green Suites	<ul style="list-style-type: none"> Initiative was not evaluated

2.5.2 EVALUATION RESULTS

The results in Table 7 are those of the final evaluations of each initiative as reported by independent third-party evaluators.

Table 7: Evaluation Results

#	Initiative		Gross Savings		Net Savings		Contribution to Targets	
		NTG	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Residential Program								
1	Appliance Retirement	51%	35	233,084	17	119,727	17	478,404
2	Appliance Exchange	52%	7	8,650	4	4,458	1	15,430
3	HVAC Incentives	60%	173	329,189	104	196,514	104	786,054
4	Conservation Instant Coupon Booklet	115%	4	67,813	5	74,929	5	299,717
5	Bi-Annual Retailer Event	113%	5	95,091	6	103,886	6	415,546
6	Retailer Co-op	-	0	0	0	0	0	0
7	Residential Demand Response	-	0	0	0	0	0	0
10	Residential New Construction	-	0	0	0	0	0	0

#	Initiative		Gross Savings		Net Savings		Contribution to Targets	
		NTG	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Commercial & Institutional Program								
11	Efficiency: Equipment Replacement	71%	24	146,066	17	106,770	17	427,080
12	Direct Install Lighting	93%	70	217,952	75	202,377	55	748,709
14	Existing Building Commissioning Incentive	-	0	0	0	0	0	0
15	New Construction and Major Renovation Incentive	-	0	0	0	0	0	0
16	Energy Audit	-	0	0	0	0	0	0
17	Commercial Demand Response (part of the Residential program schedule)		0	0	0	0	0	0
19	Demand Response 3 (part of the Industrial program schedule)		0	0	0	0	0	0

#	Initiative		Gross Savings		Net Savings		Contribution to Targets	
		NTG	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Industrial Program								
20	Process & System Upgrades	-	0	0	0	0	0	0
21	Monitoring & Targeting	-	0	0	0	0	0	0
22	Energy Manager	-	0	0	0	0	0	0
23	Key Account Manager (KAM)	-	0	0	0	0	0	0
24	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	69%	16	86,015	11	61,631	11	246,522
25	Demand Response 3		0	0	0	0	0	0
Home Assistance Program								
26	Home Assistance Program	-	0	0	0	0	0	0
Pre-2011 programs completed in 2011								
27	Electricity Retrofit Incentive Program	52%	117	439,363	61	228,469	61	913,876

#	Initiative		Gross Savings		Net Savings		Contribution to Targets	
		NTG	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
28	High Performance New Construction	50%	1	2,905	0	1,452	0	5,809

Table 8: Summarized program results

Program	Gross Savings		Net Savings		Contribution to Targets	
	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Residential Program Total	225	733,827	136	499,515	133	1,995,151
Commercial & Institutional Program Total	94	364,018	92	309,147	72	1,175,789
Industrial Program Total	16	86,015	11	61,631	11	246,522
Home Assistance Program Total	0	0	0	0	0	0

Program	Gross Savings		Net Savings		Contribution to Targets	
	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Pre-2011 Programs completed in 2011 Total	118	442,268	61	229,921	61	919,685
Total OPA contracted province-wide CDM programs	453	1,626,127	301	1,100,214	277	4,337,147

2.6 Additional Comments

ETPL is pleased to report its progress in 2011 towards the achievement of its CDM targets. 2011 was a “start-up” year for OPA CDM program initiatives across the province. ETPL had to finalize schedules, develop processes, and procure services and resources before it could market the OPA CDM program initiatives to its customers. Delays in the launch of OPA CDM programs and challenges with the online program delivery systems also hindered the timely and efficient delivery of CDM programs throughout the province, including the ETPL service territory.

Despite start-up challenges and only having a few months to fully delivery its CDM programs, ETPL achieved 19% of its four-year energy target and 5% of its 2014 summer peak demand target. These achievements could not have been met without the involvement of residents, contractors, local businesses and service delivery agents. With over 5,800 CDM program participants in the ETPL service territory, it is clear that ETPL customers support conservation and all of its benefits.

These achievements also exemplify ETPL’s dedication to delivering conservation to its residential, commercial, institutional and industrial customers. ETPL feels that conservation is an essential part of its core services and can help customers to manage rising energy and operating costs.

ETPL is committed to working with the OPA to deliver CDM programs for the remainder of the current CDM 2011-2014 framework, and beyond. ETPL has a number of comments on OPA program initiatives based on the lessons it has learned delivering CDM in its service territory in 2011 and earlier. These include:

1. **Continuing support for gas-fired co-gen projects.** ETPL encountered significant challenges in gaining approval for a behind-the-meter cogeneration project in its service territory, where the customer is keen to proceed if it can get financial support from ETPL. Although Minister Duncan, in his letter to LDCs of May 31, 2004 that launched CDM initiatives clearly indicated that “distributed energy options behind a customer’s meter such as tri-generation, co-generation, ground source heat pumps, solar, wind, and biomass systems” should be supported by the Board, and despite Ministerial directives to the OPA to promote co-generation, ETPL has faced numerous obstacles in getting this program off-the ground. Until recently, the possibility existed to support this project under the Process and Systems Upgrade Initiative, but the OPA has since decided to halt funding for gas-fired cogeneration projects under this program. OPA has suggested, but not yet decided, that gas-fired cogen projects currently in the pipeline may remain eligible for incentives. There is concern that due to a lack of a timely decision from the OPA, the opportunity to realize 3.5-4 MW of efficient generation will be lost.
2. **Customer awareness, and education are vital in the promotion of conservation.** ETPL has learned that its town hall meetings are an effective method of engaging its customers and increasing its reputation as a leader in its community. Town hall meetings were held in many of the communities in ETPL’s service territory. Meetings were a means to connect with customers, inform them on TOU and CDM programs and have them ask ETPL questions about conservation and other matters. ETPL aims to become a “face forward” LDC and have its staff become recognizable members of the community. Town hall meetings were also beneficial due to the fact that ETPL service territory covers several communities making advertising on local radio and

local newspaper cost prohibitive. In addition to town meetings, ETPL held meetings and seminars for local contractors, which has strengthened ETPL's contractor relations. In collaboration with another Ontario LDC, ETPL also released a conservation guide that advertises and promotes the many benefits of conservation.

3. **Shortening OPA response time.** ETPL is concerned with the lag in response time on important matters submitted to the OPA. The OPA was unable to provide ETPL with its second bi-annual PAB funding amount until May of 2012 due to an amalgamation with former LDCs West Perth and Clinton. The OPA still has not updated the CRM to reflect this amalgamation and customers of the amalgamated ETPL are still directed to the CRM sites of the three former LDCs. The OPA should focus its efforts towards respecting the needs of potential participants and LDCs, and ensure that appropriate mechanisms are in place to enable timelier turnaround of important tasks.

3 Combined CDM Reporting Elements

3.1 Progress Towards CDM Targets

Table 9: Net peak demand savings at the end user level (MW)

Implementation Period	Annual (MW)			
	2011	2012	2013	2014
2011 - Verified	0.30	0.30	0.30	0.28
2012				
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				0.28
Erie Thames Powerlines 2014 Annual CDM Capacity Target:				5.22
Verified Portion of Peak Demand Savings Target Achieved (%):				5.32%
Erie Thames Powerlines Strategy, Milestone submitted for 2011				26%
Variance (MW)	-1.05	-1.05	-1.05	-1.07

Table 10: Net energy savings at the end-user level (GWh)

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
2011 - Verified	1.10	1.10	1.10	1.04	4.34
2012					
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					4.34

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
Erie Thames Powerlines 2011-2014 Cumulative CDM Energy Target:					22.97
Verified Portion of Cumulative Energy Target Achieved (%):					18.88%
Erie Thames Powerlines Strategy, Milestone submitted for 2011					47%
Variance (GWh)	-1.60	-1.60	-1.61	-1.66	-6.48

3.2 CDM Strategy Modifications

2011 was a “start-up” year for OPA CDM program initiatives across the province. The OPA was not ready for the anticipated January 1, 2011 launch. Additionally, ETPL had to finalize schedules, develop processes, and procure services and resources before it could market the OPA CDM program initiatives to its customers. Delays in the launch of OPA CDM programs and challenges with the online program delivery systems also hindered the timely and efficient delivery of CDM programs throughout the province, including the ETPL service territory. As a result of these delays, ETPL did not launch its initiatives well into 2011 and did not meet its forecasted 2011 results.

A further challenge for ETPL in 2011 was staff turnover with little overlap between changing staff to communicate OPA CDM program procedures and practices.

ETPL will continue to deliver OPA CDM programs as described in its CDM Strategy. Currently, ETPL is in the process of reviewing its delivery strategies and identifying any strategy modifications that it will pursue in 2012 and beyond. These modifications will be based on:

- Lessons learned in delivering programs in 2011
- Findings of the third party program evaluations
- Identifying programs that have had greatest impact in its service territory
- Identifying programs that have had the greatest impact across the province
- Understanding which programs respond best to ETPL marketing efforts
- Understanding which programs are best suited to meet the specific needs of its customer base
- Optimizing PAB expenditures to further increase participation in OPA CDM programs

ETPL will be reviewing the additional participation that it needs to get back on track to meeting its targets. ETPL expects that the modifications that it will pursue will help decrease, but not necessarily close the gap between expected savings and target savings.