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ONTARIO ENERGY BOARD

January 10, 2007

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Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

**Re: Application for Approval of Revised CDM Plan
Whitby Hydro Electric Corporation, Board File # RP-2004-0203/EB-2004-0526**

On November 30 2004, Whitby Hydro Electric Corporation ("Whitby Hydro") filed an application for a final order to support the pre-approval of the Conservation and Demand Management (CDM) Plan. The Ontario Energy Board reviewed our application and issued a notice of written hearing which was published on December 19, 2004. Subsequently, no intervenor comments were received and the Whitby Hydro CDM Plan received final approval on February 17, 2005.

It is understood that one of the conditions of the aforementioned OEB approval requires that Whitby Hydro apply to the Board for approval again if the cumulative fund transfers among the programs exceed 20% of the approved budget. Based on this condition, please consider this a formal submission and request for consideration and approval of a revised CDM Plan.

As mentioned, the original CDM plan received approval on February 17, 2005. As you know, many of our originally approved programs involved "pilot projects" and/or the promotion of new, emerging technologies. This being the case, the anticipated results were uncertain at the time of application. Whitby Hydro understood the uncertainty and undertook the challenge – and we made it our key objective to continuously monitor results. By tracking progress and identifying barriers to success, we planned to act quickly and make the necessary changes required to support program success.

Our review of the progress and results to date has helped us identify the following *barriers to success*:

Whitby Hydro CDM programs were focused primarily on Commercial and Industrial customers

BARRIERS TO SUCCESS:

- Commercial & Industrial program timelines turned out to be longer than originally anticipated
- Commercial & Industrial customer showed low sense of urgency and were not eager to participate
- Commercial & Industrial customers insisted on short project paybacks and strong incentives to support corporate approvals
- Commercial decision making required senior management approval and buy-in which caused further delays

Whitby Hydro CDM programs were focused on promoting “new technologies”

BARRIERS TO SUCCESS:

- New technology projects such as “Bi-Fuel Conversion of Diesel Back-Up Generators “ and “Power Medix” programs needed strong marketing and extensive customer education
- New and emerging technologies required pilots and staged rollouts which took a long time to execute
- Customers need more time to embrace new concepts and understand new technology
- New technology is expensive and can be considered cost prohibitive

Along with these barriers to success, we also identified the following gap in our original plan:

Whitby Hydro CDM plan did not include sufficient mass market or community based programs

- There was a clear need for more mass market and community based programs that appeal to Residential Customers
- There was an identified need for additional programs tailored specifically for Low Income residents and Senior Citizens
- Residential CDM Programs were being promoted by other LDC’s – which raised awareness and triggered a response from Whitby community residents
- Residential customers began expressing a willingness to participate in CDM programs with little or no incentives

To support our next steps, we also conducted an investigation into CDM *best practices* in the electricity marketplace. We reviewed annual CDM reports from other LDC’s and looked closely at the results of various CDM programs to date. We also followed up on the progress being made on specific CDM programs by speaking with our LDC counterparts. This process helped us gain valuable insight into what “works” and “what doesn’t” in the Ontario electricity marketplace. The information was taken into consideration and used as a basis for revising our CDM plan.

To conclude, we have decided to request a revision to the original CDM plan to support the addition of more community based and mass market residential programs. We will also be adding programs that allow us to “lead by example” and help promote a culture of conservation within our community. There will be no deletions of existing programs. There will however be a reallocation of funds (from existing programs) to support the new programs.

The new programs which we are adding to our current list of CDM programs include:

Community Events

Whitby Hydro will be actively participating in a variety of community planned events in an effort to promote a culture of conservation within our community. Whitby Hydro will help educate consumers on energy efficiency measures and conservation tips. The program will allow us the opportunity to promote Conservation Programs which may be underway. Whitby Hydro will distribute CFL’s and brochures offering energy saving tips for consumers.

Seniors Care Package Program

The program will be specifically tailored for the seniors in our community. We will go out of our way to accommodate our seniors’ needs and provide a CFL giveaway and Seasonal LED exchange program right to the customer’s doorstep. The *Seniors Care Package* will include CFL’s and Seasonal LED light sets as well as Energy Conservation Tips for the home. We will be contacting seniors and scheduling appointments to pick up their old incandescent lights and drop off the *Seniors Care Package* to their residence

RAC Drop-Off and Recycling (Keep Cool Program)

Whitby residents will be encouraged to retire their old inefficient room air conditioners (RAC). Customers will be given the opportunity to drop off their old RAC units at a local hardware store and in exchange, they will receive a gift card. The customer will also receive a short lesson on ways to keep cool in the summer, such as using ceiling fans, purchasing Energy Star qualified RAC's, etc. The old units will be sent to a local recycler where they will be fully decommissioned in accordance with Environment Canada regulations.

Refrigerator Retirement Program

This program will encourage Residential customers to retire their old inefficient, secondary refrigerators and offer a rebate (in the form of a coupon booklet for energy efficient products). Along with the incentive package, the customer will also be offered free pick up and disposal of the old refrigerators. The disposal will include a full decommissioning of the equipment in an environmentally friendly manner.

Website Development

The Whitby Hydro website www.whitbyhydro.on.ca will be updated with a new "Energy Conservation" section. The website will be kept up to date with *Energy Conservation Tips* and offer the latest news regarding local and provincial conservation programs and program details. Customers will be able to learn more about how they can sign-up and participate in a variety of conservation programs.

Seasonal Lighting Program

This lighting program is structured to replace the old, incandescent seasonal lights with newer, energy efficient LED seasonal lights which use up to 95% less electricity. Whitby Hydro has donated Seasonal LED lights to both Town of Whitby and the Whitby Lakeridge Health Centre to support local community tree lighting events. Whitby Hydro has also offered an *Employee Seasonal LED Light Exchange Program*. The old lights were collected and will be disposed of to ensure reduction of provincial system load.

Whitby Hydro Energy Audit

Whitby Hydro is committed to *leading by example* to promote a culture of conservation within the community. For this reason, we will undertake a building energy audit at our corporate building (100 Taunton Rd E, Whitby). The audit will be completed by a professional design engineering firm responsible for investigating and identifying energy conservation & efficiency opportunities at our site. The findings will be reviewed and any cost-effective savings recommendations will be considered for implementation.

To support our request, the chart below offers an outline of the original programs and the approved funding on file with the Ontario Energy Board. The chart also shows the new "revised budget" which represents the requested reallocation of funds. As mentioned, the redistribution of the funds is required to support the new programs, noted above. You will see that the reallocation supports the movement of funds from existing programs (that have now been exhausted, such as Commercial programs and new emerging technologies) – to new, community based programs that help foster a culture of conservation and Residential CDM programs which have been proven as best practices. The reallocation is also necessary to provide stronger support towards the existing Low Income Housing (Durham Non-Profit Housing) and Education programs.

The original and revised budget numbers are as follows:

CDM Budget Comparison

EXISTING PROGRAMS	OEB Approved Budget	Revised Budget	Net Change
Research	25,000	23,500	(1,500)
BiFuel Peaking Shaving Project (Pilot)	50,000	61,500	11,500
BiFuel Peaking Shaving Project (Town of Whitby)	110,000	110,000	0
BiFuel Incentive	350,000	112,000	(238,000)
Durham NP Housing Energy Efficiency	40,000	120,000	80,000
Power Medix Residential	125,000	69,000	(56,000)
Power Factor Correction	125,000	38,000	(87,000)
Sub-Metering	250,000	11,000	(239,000)
Education & Training (incl.CFL Bulb Promotion)	75,000	220,500	145,500
Load Balancing	50,000	34,000	(16,000)
Smart Meters	100,000	40,000	(60,000)
<i>Subtotal- EXISTING PROGRAMS</i>	1,300,000	839,500	(460,500)
NEW PROGRAMS			
CDM Plan Admin/Reporting	0	25,000	25,000
Seasonal Light Program	0	28,000	28,000
Whitby Hydro Energy Audit	0	58,500	58,500
Seniors Care Package	0	58,000	58,000
Community Events	0	42,500	42,500
RAC Drop Off & Recycling (Keep Cool)	0	79,000	79,000
Refrigerator Retirement	0	163,500	163,500
Website Development	0	6,000	6,000
<i>Subtotal- NEW PROGRAMS</i>	0	460,500	460,500
<i>Total Program Costs</i>	1,300,000	1,300,000	(0)
<i>Cumulative net change amongst programs</i>			697,500 53.7%

Under Subsection 21(4)(b) of the Ontario Energy Board Act, 1998, "the Act" states that the Board may dispose of a proceeding without a hearing if the Board determines that "no person" other than the applicant, appellant or license holder will be adversely affected in a material way by the outcome of the proceeding, and the applicant, appellant or license holder has consented to disposing of a proceeding without a hearing.

Following this provision, Whitby Hydro respectfully requests that the Ontario Energy Board dispose of the proceeding without a hearing in this case. It is our intention that "no person" will be adversely affected in any material way. In fact, the changes are being made to ensure that customers benefit from these changes and that they are offered more opportunities to participate in CDM programs. We strongly believe that the redistribution of funds represents an improved reallocation of funding across our customer base. The revised budget is a result of our commitment to continuous improvement and our commitment to fostering a culture of conservation within our community.

If you have any questions related to this request, please do not hesitate to contact:

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Respectfully,

A handwritten signature in blue ink, appearing to read "Ramona Abi-Rashed".

Ramona Abi-Rashed
Treasurer