



Our energy
works
for you.

Head Office:
7447 Pin Oak Drive
Box 120
Niagara Falls, Ontario
L2E 8S9

T: 905-356-2881
Toll Free: 1-877-270-3938
F: 905-356-0118
E: info@npei.ca
www.npei.ca

June 10, 2011

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

Dear Ms Walli,

Re: Niagara Peninsula Energy Inc., License ED-2007-0749
Conservation and Demand Management Strategy
Board File No. EB-2010-0215

Niagara Peninsula Energy Inc. (NPEI) submitted a CDM Strategy on November 1, 2010 in accordance with the CDM Code. In a November 12, 2010 letter, the Board directed NPEI to provide estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM Programs and Board-Approved CDM Programs. In order to have all information contained in one document, we are submitting an amended CDM Strategy.

This amended CDM Strategy submission contains budget information that is NPEI's best estimate and includes proposed program administration costs, participant based funding and customer incentives. This submission also includes updated targets, which were finalized by the Board after the original Strategy was submitted.

NPEI collaborated with 13 other electricity distributors to gain an in-depth understanding of the Green Energy Act, which assisted in the development of our CDM Strategy. The table below lists the participating distributors and their respective customer counts and CDM targets issued by the Ontario Energy Board.

Local Distribution Company	Customer Count 2009 OEB Yearbook	2011-2014 Energy Savings Target (GWh)	2014 Summer Peak Demand Savings Target (MW)
Algoma Power Inc.	11,688	7.370	1.280
Brant County Power Inc.	9,614	9.850	3.300
Brantford Power Inc.	37,668	48.920	11.380
Canadian Niagara Power Inc.	28,291	15.810	4.070
Espanola Regional Hydro Distribution	3,383	2.760	0.520
Greater Sudbury Hydro Inc.	46,539	43.710	8.220
Grimsby Power Inc.	10,073	7.760	2.060
Haldimand County Hydro Inc.	20,911	13.300	2.850
Niagara Peninsula Energy Inc.	50,823	58.040	15.490
Niagara-on-the-Lake Hydro Inc.	7,880	8.270	2.420
Norfolk Power Distribution Inc.	18,895	15.680	4.250
PUC Distribution Inc.	32,825	30.830	5.580
Welland Hydro-Electric System Corp.	21,916	20.600	5.560
Westario Power Inc.	21,805	20.950	4.240
Total	322,311	303.85	71.22

Yours truly,

Sue Forcier

Manager of Marketing, Communications and Public Affairs

Niagara Peninsula Energy Inc.

(ED-2007-0749)

Conservation and Demand Management Strategy 2011-2014

(EB-2010-0215)

Submitted to the Ontario Energy Board on November 1, 2010

Amended June 10, 2011

CDM Strategy Filing

1. **Distributor's Name:** Niagara Peninsula Energy Inc. (NPEI) is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the September 16, 2010 issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215).
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 15.49 MW
3. **Total Reduction in Electricity Consumption (KWh) Target:** 58,040,000 KWh
4. **CDM Strategy**

4.1. High Level Description of CDM Strategy

This Strategy outlines how NPEI will attempt to meet its Provincial Peak Demand and Electricity Consumption targets as set out in its license. In order to develop forecasted program results and budgets, NPEI has utilized several tools and current market data including the Ontario Power Authority's (OPA) Resource Planning Tool, the Measures and Assumptions List, and the OPA Residential Profile Report. In addition, NPEI has conducted internal customer account research to evaluate up to date customer numbers by specific classification, meter type, and annual usage, and also has referred to 2009 yearbook results. To further this process, supplementary external research was considered including MPAC data and community Census results. Finally, past CDM program results were analyzed to determine marketplace saturation and expose opportunities and threats.

NPEI plans to participate in all OPA-Contracted Province Wide Programs for the period of 2011-2014. This will allow NPEI to offer programs for residential, commercial, institutional and industrial customers. At this time NPEI is not planning or considering any Board Approved Programs and is focusing its efforts solely on delivering successful OPA-Contracted Province-Wide Programs. However, should NPEI's strategy need to be re-considered due to lower than expected actual results, NPEI will consider applying for Board Approved Programs that are deemed appropriate for its specific customer base.

To enhance its program offerings, NPEI will continue to employ several educational and marketing approaches which are appropriate to their specific customer classes. To promote the Consumer Program, NPEI will create awareness of the CDM initiatives via traditional methods such as bill inserts, newspaper ads, online advertising and attendance at community events. To promote the Commercial & Institutional and Industrial Programs, information sessions and face-to-face meetings, which have proven to be effective in the past, will be utilized. In addition, collaboration with other LDCs to educate local contractors about available programs will be fundamental in NPEI's ability to meet its CDM Targets.

Finally, working closely with the natural gas distributors will result in Provincial Peak Electricity Demand and Electricity Consumption savings.

The following tables summarize annual expected energy and demand savings by program and year.

Table 4.1.1 Net Annual Peak Demand Reduction by Program (MW)

	2011	2012	2013	2014
Consumer	0.78	1.76	2.97	3.70
Commercial & Institutional	1.70	4.26	7.29	9.49
Industrial	0.34	0.95	1.75	2.30
Total for all Programs (MW)	2.82	6.97	12.01	15.49

Table 4.1.2 Net Electricity Consumption Reduction by Program (MWh)

	2011	2012	2013	2014
Consumer	1660	1872	2014	1166
Commercial & Institutional	3363	3797	4085	2387
Industrial	493	557	598	351
Total for all Programs (MWh)	5516	6226	6697	3904

Table 4.1.3 Annual Milestones

	2011	2012	2013	2014
Total for all Programs (MW)	2.82	6.97	12.01	15.49
Total for all Programs (MWh)	5516	17,258	35,697	58,040

Table 4.1.4 Summary of Annual Estimated Budgets by Program (\$)

	2011	2012	2013	2014	Total
Consumer	1,079,000	1,275,182	1,618,502	931,865	\$4,904,549
Commercial & Institutional	1,550,435	2,325,653	2,756,330	1,981,113	\$8,613,531
Industrial	210,533	342,116	447,382	315,800	\$1,315,831
Total for all Programs (\$)	2,839,968	3,942,951	4,822,214	3,228,778	\$14,833,911

Budget figures apply to the achievement of Provincial Peak Electricity Demand and Electricity Consumption reductions and include Program Administration Funding, estimated Participant Based Funding and estimated Participant Incentive Funding.

5. OPA-Contracted Province-Wide CDM Programs

5.1. Program Descriptions

The following charts provide a description of the OPA-Contracted Province-Wide Programs which NPEI will be delivering. Calculated Peak Provincial Electricity Demand and Electricity Consumption savings forecasts are provided based on the assumption that there will be sufficient funding available to manage and promote these programs.

5.2. Consumer Programs

Name	Years	Description	Target Customers
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pools Incentive	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Rebates	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential

Fridge and Freezer Pickup	2011-14	Free pick-up/decommissioning of old, working inefficient fridges and freezers	Residential
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Residential Construction New	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential
Residential Response Demand	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential
TOTAL	2011-14	3.70 MW	17,450 MWh

5.3. Commercial & Institutional Programs

Name	Years	Description	Target Customers
Equipment Replacement Incentive Initiative (ERII)	2011-14	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Commercial Institutional
Direct Install – Lighting	2011-14	Continuation of existing lighting retrofit incentive program (PSB) for small business customers in the General Service < 50kW.	Commercial Institutional
Direct Install – Space Cooling	2011-14	New initiative that provides incentive towards servicing of roof-top and ground-mounted air conditioners with a capacity of 25 tons or less.	Commercial Institutional
High Performance New Construction (HPNC)	2011-14	Inclusion of existing HPNC program which provides incentives for energy efficient new building design as well as installation of energy efficient measures.	Commercial Institutional
Small Commercial Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Commercial Institutional
DR1	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Commercial Institutional
DR3	2011-14	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability	Commercial Institutional
Building Commissioning	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	Commercial Institutional
TOTAL	2011-14	9.49 MW	35,400 MWh

5.4. Industrial Programs

Name	Years	Description	Target Customers
Process and Systems Upgrades	2011-14	New component aimed at improving the energy efficiency of equipment and production processes by offering capital incentives and enabling initiatives such as preliminary or detailed engineering studies.	Industrial
Monitoring and Targeting Initiative	2011-14	Incentive program designed to encourage customers to set a target goal for energy savings that will be monitored on an annual basis.	Industrial
Energy Manager / Roving Energy Manager	2011-14	Access funding for customer-employed energy manager(s) for eligible consumers. Access funding for LDC-employed roving energy manager(s).	Industrial
Key Accounts Manager	2011-14	Join with other LDCs in close geographical proximity to apply for a shared Key Accounts Manager.	Industrial
DR1	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Industrial
DR3	2011-14	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability	Industrial
TOTAL	2011-14	2.30 MW	5,190 MWh

5.5. Low Income Programs

NPEI has registered to participate in the OPA-Contracted Province-Wide Low Income Program. NPEI is currently developing a delivery strategy for this program which will include coordination with a third party service provider as well as a community outreach partner. Details on savings forecasts, budgets, marketing techniques and internal targets are not available at this time.

6. **Potential Board-Approved CDM Programs**

6.1. As stated in section 4.1, at this time Niagara Peninsula Energy Inc. does not have any Board-Approved Programs planned, and its efforts will be focused on delivering the OPA-Contracted Province Wide Programs to the best of its abilities. NPEI's current assumption is that target can be reached solely through delivering the OPA-Contracted Province-Wide Programs. Upon program commencement actual savings results will be closely monitored, and should this assumption need to be readdressed

in order for targets to be met, NPEI will potentially develop, or join with another Local Distribution Company (LDC) to develop, a Board-Approved CDM Program.

7. Program Mix

7.1. Section 5 above illustrates the programs which will be delivered to all customer types in NPEI's service territory, including residential, commercial, industrial, and institutional customers. The strategy was developed having regard to the composition of NPEI's customer base.

NPEI intends on participating in the OPA-Contracted Province-Wide Low Income Program once additional information has been made available regarding program options and funding.

8. CDM Programs Co-ordination

8.1. NPEI has been working closely with other LDCs of similar size and/or geographical closeness in the administration, marketing and implementation of the current OPA-Contracted Province-Wide Programs being offered. Through this continued collaboration NPEI expects to achieve efficiencies of delivery and cost savings in the future.

NPEI will work closely with local social service agencies, local municipal governments, natural gas distributors and other LDC's to deliver its portfolio of OPA-Contracted Province-Wide CDM Programs.