

**Espanola Regional Hydro Distribution Corp.**  
**(ED-2002-0502)**

CONSERVATION and DEMAND MANAGEMENT (CDM) STRATEGY  
2011-2014

November 1, 2010

Amended: June 13, 2011

# Espanola Regional Hydro Distribution Corp.

## Conservation and Demand Management (CDM) Strategy

2011 - 2014

June 10, 2011

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1. **Distributor's Name:** Espanola Regional Hydro Distribution Corp. (Espanola Regional Hydro, ED-2002-0502) is filing its amended CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's November 29, 2010, letter in accordance to Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215) issued September 16, 2010. This Strategy outlines how Espanola Regional Hydro will meet the electricity demand and consumption targets set out in its license.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 0.52 MW per the updated CDM Targets for Electricity Distributors issued by the OEB on November 12, 2010.
3. **Total Reduction in Electricity Consumption (kWh) Target:** 2,760,000 kWh per the updated CDM Targets for Electricity Distributors issued by the OEB on November 12, 2010.
4. **CDM Strategy**

### High Level Description of CDM Strategy

Espanola Regional Hydro utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration Espanola Regional Hydro's service territory's residential profile and past CDM program results, to forecast their reductions in peak demand and energy consumption. The streamlined version of the Resource Planning Tool was used, as recommended by the OPA, along with the OEB 2009 Yearbook data to forecast the 2011-2014 results for the Consumer, Commercial & Institutional, and Industrial programs.

This strategy does not take into consideration the significant portion of the target that the OPA expects to result from smart meter and time-of-use rate implementation. OPA advised that the CDM targets assigned to all electricity distributors should include approximately 308 MW of savings related to smart meters and time-of-use rates. This advice was based

on a study commissioned by the OPA and filed with the OEB as part of the Integrated Power Supply Plan proceeding.

Espanola Regional Hydro will continue to utilize a customer-centric marketing approach, including elements ranging from bill inserts to attending community events. Our strategy for commercial, institutional and industrial customers will be built on the capacity to build and maintain strong customer relationships in addition to traditional marketing approaches.

The following table summarizes our cumulative savings by year which at this time is our preliminary review of the expected annual milestones of both peak demand and energy consumption through the delivery of the OPA-Contracted Province-Wide programs. The table also summarizes Espanola Regional Hydro's projected program budgets including Participant Based Funding, Customer Incentives and Program Administration Budget funding.

OPA Provincial Programs		2011	2012	2013	2014	Total Projected Budget
Consumer	kW	18	41	63	90	\$ 199,223
	MWh	55	169	329	539	
Commercial	kW	63	146	222	320	\$ 308,900
	MWh	201	620	1200	1975	
Industrial	kW	10	23	35	50	\$ 90,538
	MWh	79	244	473	777	
<b>Total Annual Peak Demand</b>	<b>kW</b>	<b>90</b>	<b>210</b>	<b>320</b>	<b>460</b>	
<b>Total Cumulative Energy</b>	<b>MWh</b>	<b>335</b>	<b>1033</b>	<b>2002</b>	<b>3291</b>	
<b>Projected Budget</b>	<b>\$</b>	<b>\$ 163,553</b>	<b>\$ 179,598</b>	<b>\$ 154,777</b>	<b>\$ 100,731</b>	<b>\$ 598,661</b>

## 5. OPA-Contracted Province-Wide CDM Programs

The following information outlines the OPA-Contracted Province-Wide programs name, years of operation and target customers. Espanola Regional Hydro's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-Contracted Province-Wide programs. Due to the fact that our CDM Targets are currently under review and the funding formula has yet to be announced, the listing of programs and total expected reductions are preliminary. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

## 5.1. Consumer Programs

Name	Years	Description	Target Customers
Conservation Instant Coupon Booklet Initiative and Bi-Annual Retailer Event Initiative - Initiative Schedule B1	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Initiative - Initiative Schedule B1	2011-14*	Retail promotion of energy efficient televisions	Residential
Midstream Pool Equipment Initiative - Initiative Schedule B1	2011-14*	Retail promotion of "right sized" pool equipment	Residential
HVAC Incentives Initiative - Initiative Schedule B1	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement Initiative - Initiative Schedule B1	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Appliance Exchange Initiative - Initiative Schedule B1	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Home Energy Assessment Tool Initiative - Initiative Schedule B1	2011-14*	On-line, home energy assessment and recommendations on how energy consumption can be reduced	Residential
Residential New Construction - Initiative Schedule B2	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes or for the major renovations to older homes	Residential
Residential Demand ("DR") Response	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	90 KW	539 MWh
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\* At the time of this filing, the OPA had not made this initiative available to the LDC.

## 5.2. Commercial & Institutional Programs

Name	Years	Description	Target Customers
Energy Audit - Initiative Schedule C1	2011-14	An incentive program designed to encourage commercial and institutional facilities to undertake assessments to identify reductions in electricity demand and consumption	Commercial Institutional
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures	Commercial Institutional
Direct Install Lighting and Water Heating - Initiative Schedule C3	2011-14	A retrofit incentive program for small business customers in the General Service < 50kW.	Commercial Institutional
Direct Service Space Cooling Refrigeration Initiative – Initiative Schedule C5	2011-14*	An initiative that provides incentive towards servicing of rooftop and ground-mounted air conditioners with a capacity of 25 tons or less.	Commercial Institutional
New Construction and Major Renovation - Initiative Schedule C4	2011-14	An initiative, which provides incentives for energy efficient new building design as well as installation of energy efficient measures.	Commercial Institutional
Existing Building Commissioning - Initiative Schedule C6	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	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

TOTAL	2011-14	320 KW	1,975 MWh
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\* At the time of this filing, the OPA had not made this initiative available to the LDC.

## 5.3. Industrial Programs

Name	Years	Description	Target Customers
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Industrial

<b>TOTAL</b>	2011-14	50 KW	777 MWh
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#### 5.4. Low Income Programs

Espanola Regional Hydro intends on participating in the OPA-Contracted Province-Wide Low Income Program. Our strategy and forecasted reductions in provincial peak electricity demand and electricity consumption will be filed with the Board once this program has been finalized and its details regarding funding and program components are made available.

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

At this time Espanola Regional Hydro Distribution Corp. does not have any Board-Approved programs planned. Our current assumption is that the OPA CDM programs will allow Espanola Regional Hydro to achieve 100% of its targets. Should this assumption need to be readdressed in order for us to meet our CDM Targets, we will potentially develop, or join with another Local Distribution Company (LDC), in seeking a Board-Approved CDM Program.

### 7. **Program Mix**

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

Espanola Regional Hydro 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**

Espanola Regional Hydro 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 Espanola Regional Hydro expects to achieve efficiencies of delivery and cost savings in the future.

Espanola Regional Hydro 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, including an OPA-Contracted Low Income program.