
Newmarket-Tay Power Distribution Ltd.

Conservation and Demand Management 2012 Annual Report

**Submitted to:
Ontario Energy Board**

EB-2010-0215

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Executive Summary

This annual report is submitted by Newmarket-Tay Power Distribution Ltd. (NT Power) in accordance with the filing requirements set out in the CDM Code (Board File No. EB-2010-0215), specifically Appendix C Annual Report Template, as a progress report. Accordingly, this report outlines NT Power CDM activities for the period of January 1, 2012 to December 31, 2012. It includes net peak demand and net energy savings achieved from 2011 and 2012, discussion of the current/future CDM framework, CDM program activities, successes and challenges, as well as forecasted savings to the end of 2014.

NT Power did not apply for any Board-Approved CDM Programs during 2012; however, as noted in the CDM guidelines, released April 26, 2012, the Ontario Energy Board (OEB) has deemed Time-of-Use (TOU) pricing a Province-wide Board-Approved CDM Program. The Ontario Power Authority (OPA) is to provide measurement and verification on TOU. At the time of this report the OPA has not released any verified results of TOU savings to NT Power.

In 2011, NT Power contracted with the Ontario Power Authority (OPA) to deliver a portfolio of OPA-Contracted Province-Wide CDM Programs to all customer segments including residential, commercial, institutional, industrial and low income. These programs were rolled-out by the OPA in June 2011. In 2011 Program activities were centered on building a foundation for full program execution over the next three years of the program term, including staffing, procurement, and program delivery.

Throughout 2012 NT Power gained excellent traction with programs such Small Business Lighting (SBL) and the Retrofit Program while others such High Performance Construction and Residential New Home Construction were very challenging. In addition some of residential programs such as coupons and appliance retirement have seen reductions in customer participation.

To date NT Power has achieved 1.56 MW (17.8% of target) of net incremental peak demand savings and 24.86 GWh (75.2% of target) of net incremental energy savings in 2012. A summary of the achievements towards the CDM targets is shown below:

Program	Contribution to Targets	
	Program-to-Date: Net Annual Peak Demand Savings (MW) in 2014	Program-to-Date: 2011 – 2014 Net Cumulative Energy Savings (GWh)
Residential	0.52	5.62
Commercial & Institutional	0.96	16.61
Industrial	0.01	0.31
Home Assistance	0.00	0.16
Pre-2011	0.11	2.43
Previous Year Adjustment	-0.05	-0.28
Total OPA Contracted	1.56	24.86
Total Target 2011- 2014	8.76	33.05
% of Target Achieved	17.8%	75.2%

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 to be met by electricity distributors. Accordingly, on November 12, 2010, the OEB amended the distribution license of NT Power to require NT Power, as a condition of its license, to achieve 33.05 GWh of energy savings and 8.76 MW of summer peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

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 licenses. To comply with the Code requirements, NT Power submitted its CDM Strategy on November 1, 2010, and amended on June 13, 2011, which provided a high level of description of how NT Power intended to achieve its CDM targets.

The Code also requires a distributor to file annual reports with the Board. This is the second Annual Report by NT Power and has been prepared in accordance with the Code requirement and covers the period from January 1, 2012 to December 31, 2012.

NT Power submitted its 2011 Annual Report on September 30, 2012 which summarized the CDM activities, successes and challenges experienced by NT Power for the January 1, 2011 to December 31, 2011 period. The OEB's 2011 CDM Results report identified that the delay in the full suite of CDM Programs being made available by the OPA, and the absence of some programs negatively impacted the final 2011 results for the LDCs. This issue was also highlighted in Volumes I & II of the Environmental Commissioner's Report on Ontario's Annual Energy Conservation Progress.

1 Conservation Framework

1.1 Current Framework

Ontario's current CDM framework is a key step towards creating a culture of conservation in the Province. The Government's Directive to the OEB to establish CDM targets that would be met by electricity distributors recognizes the importance of CDM for both electricity customers and the electricity system. CDM helps customers manage rising energy costs, support the provincial integrated supply plan, as well as address local distribution and transmission supply constraints. The current framework was intended to enable customers to benefit from a suite of both Board-Approved and OPA Province-Wide programs and be a portfolio that would meet both broad and specific customer needs.

Moving forward, the future CDM framework should address the challenges of the current framework and build on its strengths.

1.2 Future Framework

NT Power is very supportive of the recent government's renewed commitment for conservation and demand management in Ontario. NT Power is committed to working with the government and other stakeholders to develop the next framework for CDM in the Province.

2 Board-Approved CDM Programs

2.1 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 has been deemed as a Board-Approved Conservation and Demand Management ("CDM") program that is being offered in NT Power's service area.

2.2 TOU Pricing

2.2.1 BACKGROUND

In its April 26, 2012 CDM Guidelines, the OEB recognizes 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 establishes 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 OPA for the province, and then allocated to distributors. NT Power will report these results upon receipt from the OPA.

At the time of preparation of this report the OPA had retained the Brattle Group as the evaluation contractor and will be working with an expert panel convened to provide advice on methodology, data collection, models, etc. The initial evaluations were conducted with 5 LDCs – Hydro One, THESL, Ottawa Hydro, Thunder Bay and Newmarket. Preliminary results from these 5 LDCs were issued August 2013.

As of September 30, 2013, the OPA has not released verified results of TOU savings to NT Power. Therefore NT Power is not able to provide any verified savings related to LDC's TOU program at this time.

2.3 Newmarket-Tay Power Distribution's Application with the OEB

In 2012 NT Power did not apply for any additional OEB Approved CDM programs. All activities were with OPA-Contracted-Provincial wide programs.

3. OPA-Contracted Province-Wide CDM Programs

3.1 Introduction

In 2011, NT Power entered into a Master Agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014, which are listed below. Program details are included in Appendix A.

Initiative	Schedule	Date schedule posted	Customer Class	LDC In-Market Date
Residential Program				
Appliance Retirement	Schedule B-1, Exhibit D	Jan 26, 2011	All residential rate classes	April 1, 2011
Appliance Exchange	Schedule B-1, Exhibit E	Jan 26, 2011	All residential rate classes	April 1, 2011
HVAC Incentives	Schedule B-1, Exhibit B	Jan 26, 2011	All residential rate classes	April 1, 2011
Conservation Instant Coupon Booklet	Schedule B-1, Exhibit A	Jan 26, 2011	All residential rate classes	April 1, 2011
Bi-Annual Retailer Event	Schedule B-1, Exhibit C	Jan 26, 2011	All residential rate classes	Spring & Fall
Residential Demand Response	Schedule B-3	Aug 22, 2011	All general service classes	Target Q2 2014
New Construction Program	Schedule B-2	Jan 26, 2011	All residential rate classes	September 1, 2011
Commercial & Institutional Program				
Efficiency: Equipment Replacement	Schedule C-2	Jan 26, 2011	All general service classes	June 1, 2011
Direct Install Lighting	Schedule C-3	Jan 26, 2011	General Service < 50 kW	June 1, 2011
Existing Building Commissioning Incentive	Schedule C-6	Feb 2011	All general service classes	September 1, 2011
New Construction and Major Renovation Initiative	Schedule C-4	Feb 2011	All general service classes	September 1, 2011
Energy Audit	Schedule C-1	Jan 26, 2011	All general service classes	September 1, 2011
Commercial Demand Response (part of the Residential program schedule)	Schedule B-3	Jan 26, 2011	All general service classes	Target Q2 2014
Demand Response 3 (part of the Industrial program schedule)	Schedule D-6	May 31, 2011	General Service 50 kW & above	January 1, 2011

Industrial Program				
Process & System Upgrades	Schedule D-1	May 31, 2011	General Service 50 kW & above	June 1, 2011
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Schedule C-2	May 31, 2011	General Service 50 kW & above	June 1, 2011
Demand Response 3	Schedule D-6	May 31, 2011	General Service 50 kW &	January 1, 2011

			<i>above</i>	
Home Assistance Program				
Home Assistance Program	Schedule E-1	<i>May 9, 2011</i>	<i>All residential rate classes</i>	<i>June 1, 2012</i>

In addition, results were realized towards LDC's 2011-2014 target through the following pre-2011 programs:

Pre-2011 Programs				
Electricity Retrofit Incentive Program	<i>n/a</i>	<i>n/a</i>	<i>All general service classes</i>	<i>carryover from 2010</i>

3.2 Program Descriptions

Full OPA-Contracted Province-Wide CDM Program descriptions are available from the OPA and additional initiative information can be found on the saveONenergy website at <https://saveonenergy.ca>. The targeted customer types, objectives, and individual descriptions for each Program Initiative are detailed in Appendix A.

3.2.1 RESIDENTIAL PROGRAMS

Description: Provides residential customers with programs and tools to help them understand and manage the amount of energy they use throughout their entire home and help the environment.

Objective: To provide incentives to both existing homeowners and developers/builders to motivate the installation of energy efficiency measures in both existing and new home construction.

Discussion:

The Residential 2012 Program Portfolio was predominately a carryover of Initiatives from previous 2011 programs. It is mostly driven by retailers and channel partners such as contractors. Our surveys clearly indicate a high level of awareness of such programs as coupons and Retailer lead initiatives. Programs such upgrading to energy efficient air conditioning equipment is mainly contractors driven and in many cases not being presented to customers in a consistent manner.

Work to revitalize and increase the effectiveness and breadth of the Initiatives through the Residential Program needs to be reviewed.

The inclusion of LED technology into the Biannual Retailers events in 2012 and the annual coupons in 2013, as well as some LDC custom coded coupons, has had a positive effect on consumer engagement.

Programs

3.2.1.1 *Appliance Retirement Initiative (Exhibit D)*

Initiative Activities/Progress:

- Spring Home show
- Newspaper advertising
- In-bill newsletter
- NT Power website
- Customer Service Representative training

Additional Comments:

- Due to the duration of the program, and the revised eligibility requirements to a minimum of 20 years old, this Initiative appears to have reached market saturation and has been under consideration for removal from the Portfolio.
- Results are very responsive to province wide advertising. OPA provincial marketing should continue to play a key role.

3.2.1.2 Appliance Exchange Initiative (Exhibit E)

Initiative Activities/Progress:

- Spring Home show
- In-bill newsletter
- NT Power website
- Customer Service Representative training

Additional Comments:

- Notification regarding retailer participation and eligible measures continues to be a challenge. This Initiative may benefit from the disengagement of the retailer and allowing LDCs to conduct these events, possibly as part of a larger community engagement effort, with the backing of ARCA for appliance removal.

3.2.1.3 HVAC Incentives Initiative (Exhibit B)

Initiative Activities/Progress:

- Spring Home show
- Contractor information breakfast and appreciation event
- Newspaper advertising
- HVAC Contractor newsletter, follow-up site visits
- NT Power website
- Customer Service Representative training

Additional Comments:

- This Initiative is contractor driven with local utility responsible for marketing efforts to customers. Increased marketing efforts may encourage more participating, in most cases it is an after thought.
- In an effort to build capacity, mandatory training has been instituted for all participating HVAC contractors. This could present too much of a barrier for participation for some contractors. It has been noted that there are approximately 4500-5000 HVAC contractors in the Province, however only 1500 are participating in program.

3.2.1.4 Conservation Instant Coupon Initiative (Exhibit A)

Initiative Activities/Progress:

- Spring Home show
- NT Power counter display in two locations
- Customer Service Representative training

Additional Comments:

- Coupon booklets were not printed and mailed out in 2012. As such, Coupons were not widely available to consumers without the ability to download and print them.

- Program evolution, including new products and review of incentive pricing for the coupon Initiatives, should be a regular activity to ensure continued consumer interest.

3.2.1.5 *Bi-Annual Retailer Event Initiative (Exhibit C)*

Initiative Activities/Progress:

- Spring Home show
- NT Power counter display in two locations
- Site visits with local participating retailers
- NT Power website

Additional Comments:

- The Product list could be distinctive from the Conservation Instant Coupon Initiative in order to gain more consumer interest and uptake.

3.2.1.6 *Retailer Co-op*

Initiative Activities/Progress:

- NT Power did not participate in this Initiative.

3.2.1.7 *New Construction Program (Schedule B-2)*

Initiative Activities/Progress:

- In 2012 NT Power completed an RFP process and selected Willis Energy to market, and enlist participants in the New Construction Initiative.

Additional Comments:

- This program has been very slow to gain any traction within our service area. Even with improved reporting process builders showed minimal interest in participating in this program.

3.2.1.8 *Residential Demand Response Program (Schedule B-3)*

Initiative Activities/Progress:

- NT Power did not participate in the Residential Demand Response Program due to a significant delay if required software upgrade to our smart meter AMI infrastructure.

Additional Comments:

- We also chose not to use the meter "clamp on" device for in home display. Our experience in the past raised some questions on how sustainable this option would be. Having a complete solution with the smart meter with required software application will be more user friendly to use and maintain.
- This is the main Initiative within the Residential portfolio that drives savings for utilities, NT Power expect to be in market Q1 2014.

3.2.2 COMMERCIAL AND INSTITUTIONAL PROGRAM

Description: Provides commercial, institutional, agricultural and industrial organizations with energy-efficiency programs to help reduce their electrical costs while helping Ontario defer the need to build new generation and reduce its environmental footprint. Programs that help fund energy audits, to replace energy-wasting equipment or to pursue new construction that exceeds existing codes and standards.

Targeted Customer Type(s): Commercial, Institutional, Agricultural, Multi-family buildings, Industrial

Objective: Designed to assist building owners and operators as well as tenants and occupants in achieving demand and energy savings, and to facilitate a culture of conservation among these communities as well as the supply chains which serve them.

Discussion:

Throughout 2011 and 2012 the Commercial and Institutional (C&I) Working Group of which NT Power is a member has strived to enhance the existing C&I programs. This has proven to be a challenging undertaking, normally taking months to complete sometimes relatively minor changes due to the current change management framework

Despite these challenges the C&I Working Group, working in cooperation with the OPA, have managed to iron out many of the issues.

3.2.2.1 *Efficiency: Equipment Replacement Incentive (ERII) (Schedule C-2)*

Initiative Activities/Progress:

- Engagement of channel partners (wholesalers, contractors, etc.)
- Hiring (contract position) program/initiative delivery specialist.
- Program support material (brochures) developed
- One-on-one customer engagement/education/opportunity identification

Additional Comments:

- It appears that the marketplace largely understands the programs now and a large proportion of LDC savings can be attributed to ERII.
 - The centralized process review used for 2012 project payment has been streamlined by the OPA and payments for projects were greatly improved – faster and more consistent compared to 2011.
 - Lighting is still the most popular measure. Other market sectors are not as engaged yet, specifically the mechanical world. In 2012 there was minimal program participation from HVAC (Unitary AC) and compressed air channel partners
-
- Prescriptive and Engineered worksheets provide a much needed simplified application process for customers.

3.2.2.2 Direct Install Initiative (DIL) (Schedule C-3)

Initiative Activities/Progress:

- Continued to work with a third party initiative delivery agent
- Closely worked with Chamber of Commerce to promote and encourage member participation
- Developed and distributed a sales brochure
- One-on-one customer engagement/education/opportunity identification
- Direct mail to targeted geographic areas/customers

Additional Comments:

- Direct Install Initiative (DIL) continues to be one of our best programs. Feedback from small business customer, in particular those going on TOU rates found this program extremely positive.

3.2.2.3 Existing Building Commissioning Incentive Initiative (Schedule C-6)

Initiative Activities/Progress:

- Identify and approached a potential large customer
- Engaged a third party facility expert to identify potential other opportunities

Additional Comments:

- There was minimal participation for this Initiative. It is suspected that the lack of participation in the program is a result of the Initiative being limited to space cooling and a limited window of opportunity (cooling season) for participation.

3.2.2.4 New Construction and Major Renovation Initiative (HPNC) (Schedule C-4)

Initiative Activities/Progress:

- In 2012 NT Power completed an RFP process and selected Willis Energy to market and enlist participants in the Initiative.

Additional Comments

- Up take in this program has been very poor. Builder owners, design engineers are mainly focused on meeting existing building code requirements.
- Many developments are built on spec and as such developer is not prepared to pay for additional costs required to meet program requirements.

3.2.2.5 Energy Audit Initiative

Initiative Activities/Progress:

- Identify and approached potential large customers
- Engaged a third party facility expert to identify opportunities

Additional Comments

- Customers look to the LDCs to recommend audit companies. A centralized pre-qualified list provided by the OPA may be beneficial.
- Participants are limited to one energy audit which restricts enabling and direction to the other initiatives. This initiative should be evaluated for additional customer participation when presented with a new scope of work.

3.2.3 INDUSTRIAL PROGRAM

Description: Industrial Programs is designed to help identify and promote energy saving opportunities within larger industrial facilities.

Targeted Customer Type(s): Industrial

Objective: To provide incentives to both existing and new industrial customers to motivate the installation of energy efficient measures and to promote participation in demand management.

Discussion: Newmarket-Tay Power has limited opportunity to participate in key elements of the Industrial program based on not having any customers meeting the defined MW threshold.

For 2013, a change to the threshold for small capital projects and a new small capital project agreement are expected to improve the number of projects and savings achieved within PSUI. Likewise, a decision to proceed with natural gas load displacement generation projects will also increase uptake although results may not be counted towards LDC targets due to in-service dates beyond 2014.

3.2.3.1 *Process & Systems Upgrades Initiative (PSUI) (Schedule D-1)*

Initiative Activities/Progress:

- NT Power did not participate in this initiative.

3.2.3.2 *Monitoring & Targeting Initiative (Schedule D-2)*

Initiative Activities/Progress:

- NT Power did not participate in this Initiative.

3.2.3.3 *Energy Manager Initiative (Schedule D-3)*

Initiative Activities/Progress:

- NT Power does not qualify for this Initiative.

3.2.3.4 *Key Account Manager (Schedule D-4)*

Initiative Activities/Progress:

- NT Power did not participate in this Initiative.

3.2.3.5 Demand Response 3 (D-6)

Initiative Activities/Progress:

- NT Power was part of the OPA's York Region Demand Response program.
- 2012 was a transition year between the previously existing York Region DR program and the new DR3 initiative.

Additional Comments:

- Metering requirements can be expensive and present a barrier to smaller customers.

3.2.4 LOW INCOME INITIATIVE (HOME ASSISTANCE PROGRAM) (Schedule E-1)

Initiative Activities/Progress:

- Procured a third party initiative delivery agent
- Closely worked with local Social Agencies to advertise the initiative
- Designed a sales brochure
- One-on-one customer engagement/education/opportunity identification

Additional Comments:

- Awareness of the program amongst social agencies took time to develop. Benefits started to become evident in late 2012.
- Centralized payment processes were not developed in 2011. The payment process was established in 2012.
- The process for enrolling in social housing was complicated and time consuming. This was addressed in late 2012 and is showing benefits in 2013.

3.2.5 PRE-2011 PROGRAMS

Savings were realized towards LDC's 2011-2014 target through pre-2011 programs. The targeted customer types, objectives, descriptions, and activities of these programs are detailed in Appendix B

4 2012 LDC CDM Results

4.1 Participation and Savings

Table 1:

Table 1. Newmarket - Toy Power Distribution LLC Initiative and Program Level Savings by Year (Scenario 1)

Initiative	GWh	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Commercial Programs															
Appliance Retire/rent	Appliances	406	232			22	23			157,212	81,259			34	38,018,030
Appliance Exchange	Appliances	12	12			5	2			1,128	3,024			2	1,112,515
HVAC Incentives	Equipment	527	501			250	196			4,012,011	3,294,022			45.2	2,869,035
Conservation Incentive - Courtyard Booklet	Items	5,379	206			8	2			1,256,667	1,287			8	822,842
B - Annual Refurbish Event	Items	6,260	7,000			13	10			194,249	176,096			25	1,307,104
Refurbish Co-op	Items	0	0			0	0			0	0			0	0
Residential Demand Response (Peak/Off-peak)	Devices	0	0			0	0			0	0			0	0
Residential Demand Response (HD)	Devices	0	0			0	0			0	0			0	0
Residential New Construction	Items	0	0			0	0			0	0			0	0
Consumer Program Total						288	222			947,113	438,954			119	6,438,799
Commercial Buildings Programs															
Lighting	Projects	25	48			202	407			1,680,498	2,158,205			83	12,571,080
Direct Install Lighting	Projects	16	23			149	152			411,964	761,959			27.5	3,023,340
Building Commissioning	Buildings	0	0			0	0			0	0			0	0
New Construction	Buildings	0	0			0	0			0	0			0	0
Energy Audit	Audits	0	0			0	0			0	0			0	0
Small Commercial Demand Response	Devices	0	0			0	0			0	0			0	0
Small Commercial Demand Response (HD)	Devices	0	0			0	0			0	0			0	0
Demand Response 3	Facilities	5	5			102	100			3,900	1,402			0	5,450
Business Program Total						334	613			2,076,427	2,893,529			91.8	38,408,379
Commercial Programs - Other															
Process & System Upgrades	Projects	0	0			0	0			0	0			0	0
Monitoring & Tagging	Projects	0	0			0	0			0	0			0	0
Energy Manager	Projects	0	0			0	0			0	0			0	0
MSL/MS	Projects	2	0			33	0			77,836	0			2.3	111,534
Demand Response 3	Facilities	0	0			0	0			0	0			0	0
Industrial Program Total						38	0			77,836	0			2.3	111,534
Home Assistance Programs															
Home Assistance Program	Items	0	44			0	5			0	54,531			5	140,778
Home Assistance Program Total						0	5			0	54,531			5	140,778
Pre-2011 Programs completed in 2011															
Electricity Rebate Incentive Program	Projects	12	0			78	0			455,154	0			18	3,022,057
High Performance New Construction	Projects	1	0			18	1			21,315	723			10	627,429
Transfer Learning Initiative	Projects	0	0			0	0			0	0			0	0
Multifamily Energy Efficiency Initiatives	Projects	3	6			0	0			0	0			0	0
LDC Customer Programs	Projects	0	0			0	0			0	0			0	0
Pre-2011 Programs completed in 2011 Total						108	1			486,427	723			28	3,429,486
Other															
Programs Exceeding Savings	Projects	0	0			0	0			0	0			0	0
Free-of-Cost Savings	Items														
Other Total						0	0			0	0			0	0
Adjustments to Previous Year's Verified Results															
							-46				43,341			-46	-276,851
Energy Efficiency Total						811	817			3,708,795	3,526,798			1,804	29,129,962
Demand Response Total (Scenario 1)						319	100			3,990	1,402			0	5,450
OPA-Contracted LDC Portfolio Total (Inc. Adjustments)						1133	917			4,708,263	3,908,617			1,758	34,878,763
<p>Activity Savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices commissioned since January 1, 2011.</p> <p>Due to the limited availability of data, which DRs include the summer months, 2012 DR results have been deemed inconclusive. The DR line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.</p>												<p>Full DR Target: 6,760</p> <p>% of Full DR Target Achieved to Date (Scenario 1): 17.8%</p>			
												33,080,000	75.2%		

Table 2: Summarized Program Results

Program	Gross Savings		Net Savings		Contribution to Targets	
	Incremental Peak Demand Savings (MW)	Incremental Energy Savings (GWh)	Incremental Peak Demand Savings (MW)	Incremental Energy Savings (GWh)	Program-to-Date: Net Annual Peak Demand Savings (MW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (GWh)
Consumer Program Total	.39	1.09	.22	.61	.52	5.62
Business Program Total	.81	3.44	.69	2.86	.96	16.61
Industrial Program Total	.00	.00	.00	0.00	.01	0.31
Home Assistance Program Total	.01	.05	.00	.05	.00	0.16
Pre-2011 Programs completed in 2011 Total	.00	.00	.00	.00	.11	2.43
Total OPA Contracted Province-Wide CDM Programs	1.21	3.81	.87	3.46	1.56	24.86

4.2 Evaluation

August 30, 2013

Final 2012 EM&V Findings

The following document provides a summary of the 2012 EM&V findings for all of the evaluated *saveONenergy* initiatives.

Consumer Program

Bi-Annual Coupons

- 15% lower net savings due to a change in the net-to-gross factors (increased free-ridership, less participant behavior spillover, and less non-participant like spillover).
- Majority of participation, energy, & demand savings are from standard CFLs.
- 15% of net savings due to ~73,000 coupons for new LED measures.

Annual Coupons

- The number of coupons associated with the redemption of 2012 Annual Coupons was 90% lower than 2011 Instant Coupon Booklet. Key factors for the decrease include:
 - Shorter duration of available coupons (September 2012 – December 2012)
 - In 2012, only online coupons were available
 - 2011 had both online coupons AND coupon mailing booklets.

HVAC

- Small decrease (10%) in per unit savings assumptions for furnace with ECM due to change in 2012 customer mix and furnace fan usage.
- Small increase (10%) in free-ridership related to the furnace with ECM measure.
- Participation remains relatively steady once 2011 true-up values are included.

Appliance Retirement

- Decrease in 2012 participation by 39% compared to 2011.
- In-site metering provided updated per unit assumptions:
 - Small decrease (3.5%) in savings for refrigerators; and
 - Sizeable increase (17.5%) in savings for freezers

Appliance Exchange

- Increase of 30% for exchanged dehumidifiers over 2011, leading to an increase of 4% in overall participation.
- Higher per unit savings for dehumidifiers drove the overall increase in 2012 savings.

peaksaverPLUS

- Province-wide per-unit *ex ante* estimates for a 1-in-10 August peak day were determined to be 0.50 kW for residential CACs and 0.64 kW for small commercial CACs.

August 30, 2013

- Evaluation to date has indicated savings from in-home displays (IHDs) are not statistically significant (in and around zero).
 - However, since 2012 evaluation did not include full year analysis (specifically the summer months), these results have been deemed inconclusive.
- The IHD offer had a positive influence on enrolment and re-enrolment with between 20 to 35% of new enrollees said they wouldn't have enrolled without the IHD offer.

Residential New Construction

- All projects are opting for the prescriptive or performance path - there have been no custom project applications to date.

Business Programs

Retrofit

- Reported savings for prescriptive lighting projects continue to be overstated:
 - Verified wattage reductions were 15% higher than assumed; and
 - Verified operating hours were 11% higher than assumed.
- A lower realization rate in the engineered measure track can be partially explained by overstated lighting operation hour assumptions reported on the application.
- Net-to-gross ratios for the initiatives were above 75% in 2012, which is consistent with 2011.

Small Business Lighting

- Reported hours of usage continue to be inaccurate - only 12% of site visits had verified annual hours of use within +/-10% of the assumed value.
- The saturation of eligible customers and preferred business types are resulting in participation from building types that may not fully operate during the summer peak period.
 - This trend contributes to lower realization rates for demand savings in 2012.
- Due to changing regulations in lighting measures, the assumed baseline technology will eventually be phased out. This regulation impacts the persistence of savings over the lifetime of lighting measures.

Existing Building Commissioning (EBC)

- There were no applications in 2012.
- Market feedback suggests that EBC's focus on chilled-water space-cooling systems may be too narrow, and participation could be expanded by incenting a wider range of measures.

New Construction

- Custom projects account for 66% of program savings, with the remainder coming from the prescriptive track.

August 30, 2013

Audit Funding Program

- Through Audit Funding, 280 projects were completed in 2012 based on recommendations from the auditors, resulting in 1.4 MW and 7 GWh of Program Enabled Savings.
- Office buildings represented the largest portion of applicants for 2012.

Industrial Programs

Process and Systems Upgrade Initiative

- Energy managers are seen as important drivers of Program Enabled savings projects.
 - 88% of survey respondents indicated that the assistance provided by energy managers was “somewhat” or “very” important to implementing projects.
- Energy Managers indicated that additional support (additional training and guides) may further help influence the adoption of energy efficiency measures by the participants.
- Documentation for Program Enabled Savings projects varied substantially by LDC. More guidance on documentation requirements would be beneficial to all parties

DR-3

- 2012 saw improvements in the performance of DR-3 participants resulting higher *ex ante* realization rates, particularly for the industrial participants.

Home Assistance Program

- Participation in the initiative ramped up in 2012, with over 5,000 homes participating in the initiative.
- Majority of energy savings (62%) comes from lighting measures, while 21% of energy savings resulting from refrigerator and freezer replacements.

4.3 Spending

Table 3: 2012 Spending

Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Consumer Program					
Appliance Retirement	17124	0	0	0	17124
Appliance Exchange	9806	0	0	0	9806
HVAC Incentives	31187	0	0	0	31187
Conservat on Instant Coupon Booklet	16548	0	0	0	16548
8-Annual Retailer Event	16142	0	0	0	16142
Retailer Co-op	0	0	0	0	0
Residential Demand Response	0	0	0	0	0
New Construction Program	10739	0	0	0	10739
Business Program					
Efficiency: Equipment Replacement	111070		319730		430800
Direct Installed Lighting	52511	50003	268830		377344
Existing Building Commissioning Incentive	6200				6200
New Construction and Major	10906				10906

Renovation Initiative					
Energy Audit	38419				38419
Small Commercial Demand Response (part of the Residential program schedule)	0				0
Demand Response 3 (part of the Industrial program schedule)	0				0
Industrial Program					
Process & System Upgrades	0				0
a) preliminary engineering study	0				0
b) detailed engineering study	0				0
c) program incentive	0				0
Monitoring & Targeting	0				0
Energy Manager	0				0
Key Account Manager ("KAM")	0				0
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	0				0
Demand Response 3	2140				2140
Home Assistance Program					
Home Assistance Program	29718			30991	60709
Pre 2011 Programs					

Electricity Retrofit Incentive Program	0				0
High Performance New Construction	0				0
Toronto Comprehensive	0				0
Multifamily Energy Efficiency Rebates	0				0
Data Centre Incentive Program	0				0
EnWin Green Suites	0				0
Initiatives Not In Market					
Midstream Electronics	0				0
Midstream Pool Equipment	0				0
Demand Service Space Cooling	5520				5520
Demand Response 1 (Commercial)	0				0
Demand Response 1 (Industrial)	0				0
Home Energy Audit Tool	171				171
TOTAL Province-wide CDM PROGRAMS	353,201	86,994	588,560	1,033,755	

Table 4: Cumulative Spending (2011-2014)

Initiative	Program Administration Budget (PAB)	Participant Based Funding (PBF)	Participant Incentives (PI)	Capability Building Funding (CBF)	TOTAL
Consumer Program					

Appliance Retirement	21351				21351
Appliance Exchange	13794				13794
HVAC Incentives	38811				38811
Conservation Instant Coupon Booklet	24655				24655
Bi-Annual Retailer Event	20702				20702
Retailer Co-op	0				0
Residential Demand Response	0				0
New Construction Program	14418				14418
Business Program					
Efficiency: Equipment Replacement	200607		381469		582076
Direct Installed Lighting	84339	93871	424288		602598
Existing Building Commissioning Incentive	10080				10080
New Construction and Major Renovation Initiative	15586				15586
Energy Audit	53415				53415
Small Commercial Demand Response (part of the Residential program schedule)	0				0
Demand Response 3 (part of the Industrial program schedule)	0				0
Industrial Program					

Process & System Upgrades	0				0
a) preliminary engineering study	0				0
b) detailed engineering study	0				0
c) program incentive	0				0
Monitoring & Targeting	0				0
Energy Manager	0				0
Key Account Manager ("KAM")	0				0
Efficiency Equipment Replacement Incentive (part of the C&I program schedule)	0				0
Demand Response 3	2140				2140
Home Assistance Program					
Home Assistance Program	43317	30591			74308
Pre 2011 Programs					
Electricity Retrofit Incentive Program	0		150081		190081
High Performance New Construction	0				0
Toronto Comprehensive	0				0
Multifamily Energy Efficiency Rebates	0				0
Data Centre Incentive Program	0				0
EnWin Green Suites	0				0

Initiatives Not in Market						
Midstream Electronics		0				0
Midstream Pool Equipment		0				0
Demand Service Space Cooling		10188				10188
Demand Response 1 (Commercial)		0				0
Demand Response 1 (Industrial)		0				0
Home Energy Audit Tool		171				171
TOTAL Province-wide CDM PROGRAMS		553574	124962	995838	0	1674374

5 Combined CDM Reporting Elements

5.1 Progress Towards CDM Targets

Table 5: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual (MW)			
	2011	2012	2013	2014
2011 – Verified by OPA	1.0	0.9	0.8	0.8
2012 – Verified by OPA		0.9	0.8	0.7
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				1.60
NT POWER 2014 Annual CDM Capacity Target:				8.8
Verified Portion of Peak Demand Savings Target Achieved (%):				17.8%

Table 6: Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual (GWh)				Cumulative (GWh)
	2011	2012	2013	2014	2011-2014
2011 – Verified by OPA	3.7	3.7	3.7	3.6	14.7
2012 – Verified by OPA		3.5	3.5	3.3	10.2
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					24.9
NT POWER 2011-2014 Cumulative CDM Energy Target:					33.1
Verified Portion of Cumulative Energy Target Achieved (%):					75.2%

5.2 Strategy Modifications

To date a high percent of NT Power net results has been from C&I menu of programs. As of August 2013 NT Power applied and received approval from OPA to re-allocate a portion of funds from residential PAB funding to C&I PAB fund. NT Power will continue to use mass marketing approach for residential customers, however will use the additional C&I funding to increase one on one relationship with C&I customers for opportunity identification and project implementation.

6.0 Conclusion

Over the course of 2012, NT Power has achieved 1.60 MW in peak demand savings and 24.9 GWh in energy savings, which represents 17.8% and 75.2% of NT Power 2014 target, respectively.

These results are representative of a considerable effort expended by NT Power, in cooperation with customers, channel partners and key stakeholders including the OPA.

If we only focus on actual results, it becomes difficult to determine the level of our success. With demand reduction we are well behind our planned position at this junction, if however we review energy savings we are trending well ahead. In reviewing both measures, if we view it from a customer's perspective "energy savings" is by far more valuable to our customers.

At the time of writing this report (September 2013) we are well into 2013 and the trend of lower than expected demand reduction as compared to energy savings has not changed. Despite continuing improvements to existing programs NT Power faces challenges in the remaining timeframe of the current CDM 2011-2014 framework. With the current slate of available OPA Programs, and the current forecast of implementation and projected savings, NT Power will meet and possibly exceed our 33.1 GWh consumption target but will unlikely to meet our 8.8 MW demand reduction target.

Looking ahead NT Power will continue to make best efforts to market OPA sponsored programs, actively engage channel partners and continue to encourage our customers to participate in the wide menu of energy savings programs.

Appendix A: Initiative Descriptions

Residential Program

APPLIANCE RETIREMENT INITIATIVE (Exhibit D)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objectives: Achieve energy and demand savings by permanently decommissioning certain older, inefficient refrigeration appliances.

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

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

Delivery: OPA centrally contracts for the province-wide marketing, call centre, appliance pick-up and decommissioning process. LDC's provides local marketing and coordination with municipal pick-up where available.

Additional detail is available:

- Schedule B-1, Exhibit D; and
- SaveONenergy website

APPLIANCE EXCHANGE INITIATIVE (Exhibit E)

Target Customer Type(s): Residential Customers

Initiative Frequency: Spring and Fall

Objective: The objective of this initiative is to remove and permanently decommission older, inefficient window air conditioners and portable dehumidifiers that are in Ontario.

Description: This initiative involves appliance exchange events. Exchange events are held at local retail locations and customers are encouraged to bring in their old room air conditioners (AC) 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: OPA contracts with participating retailers for collection of eligible units. LDCs provide local marketing.

Additional detail is available:

- Schedule B-1, Exhibit C and
- SaveONenergy website

HVAC INCENTIVES INITIATIVE (Exhibit B)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is 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 ENERGY STAR qualified systems and products.

Description: This is an energy efficiency Initiative that provides rebates for the replacement of old heating or cooling systems with high efficiency furnaces (equipped with ECM) and Energy Star qualified central air conditioners by approved Heating, Refrigeration, and Air Conditioning Institute (HRAI) qualified contractors.

Targeted End Uses: Central air conditioners and furnaces

Delivery: OPA contracts centrally for delivery of the program. LDCs provide local marketing and encourage local contractors to participate in the Initiative.

Additional detail is available:

- Schedule B-1, Exhibit B and
- SaveONenergy website

CONSERVATION INSTANT COUPON INITIATIVE (Exhibit A)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to encourage households to purchase energy efficient products by offering discounts.

Description: This Initiative provides customers with year round coupons. The coupons offer instant rebates towards the purchase of a variety of low cost, easy to install energy efficient measures and can 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: ENERGY STAR® qualified Standard Compact Fluorescent Lights ("CFLs"), ENERGY STAR® qualified Light Fixtures lighting control products, weather-stripping, hot water pipe wrap, electric water heater blanket, heavy duty plug-in Timers, Advanced power bars, clothesline, baseboard programmable thermostats.

Delivery: The OPA develops the electronic version of the coupons and posts them online for download. Three LDC specific coupons were made available for local marketing and utilization by LDCs. The OPA enters into agreements with retailers to honour the coupons.

Additional detail is available:

- Schedule B-1, Exhibit A and
- SaveONenergy website

BI-ANNUAL RETAILER EVENT INITIATIVE (Exhibit C)

Target Customer Type(s): Residential Customers

Initiative Frequency: Bi-annual events

Objective: The objective of this Initiative is 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 host month-long rebate events. During the months of April and October, customers are encouraged to visit participating retailers where they can find coupons redeemable for instant rebates towards a variety of low cost, easy to install energy efficient measures.

Targeted End Uses: As per the Conservation Instant Coupon Initiative

Delivery: The OPA enters into arrangements with participating retailers to promote the discounted products, and to post and honour related coupons. LDCs also refer retailers to the OPA and market this initiative locally.

Additional detail is available:

- Schedule B-1, Exhibit C and
- SaveONenergy website

RETAILER CO-OP

Target Customer Type(s): Residential Customers

Initiative Frequency: Year Round

Objective: Hold promotional events to encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Description: The Retailer Co-op Initiative provides LDCs with the opportunity to work with retailers in their service area by holding special events at retail locations. These events are typically special promotions that encourage customers to purchase energy efficiency measures (and go above-and-beyond the traditional Bi-Annual Coupon Events).

Targeted End Uses: As per the Conservation Instant Coupon Initiative

Delivery: Retailers apply to the OPA for co-op funding to run special promotions that promote energy efficiency to customers in their stores. LDCs can refer retailers to the OPA. The OPA provides each LDC with a list of retailers who have qualified for Co-Op Funding as well as details of the proposed special events.

NEW CONSTRUCTION PROGRAM (Schedule B-2)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this Initiative is to provide incentives to participants for the purpose of promoting the construction of energy efficient residential homes in the Province of Ontario.

Description: This is an energy efficiency Initiative that provides incentives to homebuilders for constructing new homes that are efficient, smart, and integrated (applicable to new single family dwellings). Incentives are provided in two key categories as follows:

- Incentives for homebuilders who install electricity efficiency measures as determined by a prescriptive list or via a custom option.
- Incentives for homebuilders who meet or exceed aggressive efficiency standards using the EnerGuide performance rating system.

Targeted End Uses: All off switch, ECM motors, ENERGY STAR qualified central a/c, lighting control products, lighting fixtures, Energuide 83 whole home, energuide 85 whole homes

Delivery: Local engagement of builders will be the responsibility of the LDC and will be supported by OPA air coverage driving builders to their LDC for additional information.

Additional detail is available:

- Schedule B-1, Exhibit C and
- SaveONenergy website

RESIDENTIAL DEMAND RESPONSE PROGRAM (Schedule B-3)

Target Customer Type(s): Residential and Small Commercial Customers

Initiative Frequency: Year round

Objective: The objectives of this Initiative are 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 their current electricity consumption and associated costs.

Description: *In peaksaver*PLUS™ participants are eligible to receive a free programmable thermostat or switch, including installation. Participants also receive access to price and real-time consumption information on an In Home Display (IHD).

Targeted End Uses: central air conditioning, electric hot water heaters and pool pumps

Delivery: LDC's recruit customers and procure technology

Additional detail is available:

- Schedule B-1, Exhibit C and
- SaveONenergy website

C&I Program

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

Description: The Equipment Replacement Incentive Initiative (ERII) offers financial incentives to customers for the upgrade of existing equipment to energy efficient equipment. Upgrade projects can be classified into either: 1) prescriptive projects where prescribed measures replace associated required base case equipment; 2) engineered projects where energy and demand savings and incentives are calculated for associated measures; or 3) custom projects for other energy efficiency upgrades.

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

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-2 and
- SaveONenergy website

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

Description: The Direct Installed Lighting Initiative targets customers in the General Service <50kW account category. This Initiative offers turnkey lighting and electric hot water heater measures with a value up to \$1,000 at

no cost to qualifying small businesses. In addition, standard prescriptive incentives are available for eligible equipment beyond the initial \$1,000 limit.

Target End Uses: Lighting and electric water heating measures

Delivery: Participants can enroll directly with the LDC, or would be contacted by the LDC/LDC-designated representative.

Additional detail is available:

- Schedule C-3 and
- SaveONenergy website

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 is 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 offers Participants incentives for the following:

- scoping study phase
- investigation phase
- implementation phase
- hand off/completion phase

Targeted End Uses: Chilled water systems for space cooling

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-6 and
- SaveONenergy website

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 is to encourage builders/major 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 provides incentives for new buildings to exceed existing codes and standards for energy efficiency. The initiative uses both a prescriptive and custom approach.

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

Delivery: LDC delivers to customers and design decision makers.

Additional detail is available:

- Schedule C-4 and
- SaveONenergy website

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

Targeted End Uses: Various

Delivery: LDC delivered.

Additional detail is available:

- Schedule C-1 and
- SaveONenergy website

Industrial Program

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 are to:

- Offer distribution customers capital incentives and enabling initiatives to assist with the implementation of large projects and project portfolios;

- Implement system optimization project in systems which are intrinsically complex and capital intensive; and
- Increase the capability of distribution customers to implement energy management and system optimization projects.

Description: PSUI is an energy management initiative that includes three Initiatives: (preliminary engineering study, detailed engineering study, and project incentive Initiative). The incentives are 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 is the lowest of:

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

Targeted End Uses: Process and systems

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-1 and
- SaveONenergy website

MONITORING & TARGETING INITIATIVE (Schedule D-2)

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

Initiative Frequency: Year round

Objective: This Initiative offers 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 sustained for the term of the M&T Agreement.

Description: This initiative offers 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 oversees energy usage, will now be able to use historical energy consumption performance to analyze and set targets.

Targeted End Uses: Process and systems

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-2 and
- SaveONenergy website

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 is to provide customers and LDCs the opportunity to access funding for the engagement of energy managers in order to deliver a minimum annual savings target.

Description: This Initiative provides customers the opportunity to access funding to engage an on-site, full time embedded energy manager, or an off-site roving energy manager who is engaged by the LDC. The role of the energy manager is to take control of the facility's energy use by monitoring performance, leading awareness programs, and identifying opportunities for energy consumption improvement, and spearheading projects. Participants are funded 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 has a target of 300 kW/year of energy savings from one or more facilities. LDCs receive funding of up to \$120,000 for a Roving Energy Manager plus \$8,000 for expenses.

Targeted End Uses: Process and systems

Delivery: LDC delivered with Key Account Management support, in some cases.

Additional detail is available:

- Schedule D-3 and
- SaveONenergy website

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

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

Initiative Frequency: Year round

Objective: This initiative offers LDCs the opportunity to access funding for the employment of a KAM in order to support them in fulfilling their obligations related to the PSUI.

Description: This Initiative provides LDCs the opportunity to utilize a KAM to assist their customers. The KAM is considered to be a key element in assisting the consumer in overcoming traditional barriers related to energy management and help them achieve savings since the KAM can build relationships and become a significant resource of knowledge to the customer.

Targeted End Uses: Process and systems

Delivery: LDC delivered

Additional detail is available:

- Scheduled-4

DEMAND RESPONSE 3 (Schedule D-6)

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

Initiative Frequency: Year round

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

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

Delivery: DR3 is delivered by Demand Response Providers ("DRPs"), under contract to the OPA. The OPA administers contracts with all DRPs and Direct Participants (who provide in excess of 5 MW of demand response capacity). OPA provides administration including settlement, measurement and verification, and dispatch. LDCs are responsible for local customer outreach and marketing efforts.

Additional detail is available:

- Schedule D-6 and
- SaveONenergy website

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

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 is to offer free installation of energy efficiency measures to income qualified households for the purpose of achieving electricity and peak demand savings.

Description: This is a turnkey Initiative for income qualified customers. It offers residents the opportunity to take advantage of free installation of energy efficient measures that improve the comfort of their home, increase efficiency, and help them save money. All eligible customers receive a Basic and Extended Measures Audit, while customers with electric heat also receive a Weatherization Audit. The Initiative is designed to coordinate efforts with gas utilities.

Targeted End Uses: End use measures based on results of audit (i.e. compact fluorescent light bulbs)

Delivery: LDC delivered.

Appendix B: Pre-2011 Programs

ELECTRICITY RETROFIT INCENTIVE PROGRAM

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

Initiative Frequency: Year Round

Objective: The objective of this initiative is to offer incentives to non-residential distribution customers to achieve reductions in electricity demand and consumption by upgrading to more energy efficient equipment for lighting, space cooling, ventilation and other measures.

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 savings measures

Delivery: LDC Delivered

HIGH PERFORMANCE NEW CONSTRUCTION

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

Initiative Frequency: Year round

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

Description: The objective of this Initiative is to encourage builders 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.

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

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

MULTIFAMILY ENERGY EFFICIENCY REBATES

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

Initiative Frequency: Year round

Objective: Improve energy efficiency of Multi-unit building

Description: OPA's Multifamily Energy Efficiency Rebates (MEER) Initiative applies 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 provides financial incentives for prescriptive and custom measures, but also funds resident education. Unlike ERII, where incentives are paid by the LDC, all incentives through MEER are paid through the contracted partner (i.e. GreenSaver).

Targeted End Uses: Electricity saving measures

Delivery: OPA contracted with Greensaver