November 24, 2015

By RESS and Courier

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli,

Re: Electricity Distribution Licence ED-2006-0031
Conservation and Demand Management ("CDM") Incentive Payment Application

Horizon Utilities Corporation ("Horizon Utilities") is submitting its CDM Incentive Payment Application in relation to the CDM Framework from 2011- 2014 with the Ontario Energy Board ("OEB"). Under Section 7 of the OEB's CDM Code, a distributor may apply for a performance incentive if the distributor achieves 80% or more of each of its peak-demand and electricity savings CDM targets.

Horizon Utilities has reached 80.82% of its demand target and 107.49% of its energy target, and is therefore filing an application for the incentive payment.

The Application and supporting materials are being filed through the Board's RESS system; two paper copies will follow by courier.

Please do not hesitate to contact me if you require anything further.

Yours truly,

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

Attachments

EB-2015-0281

IN THE MATTER OF the *Ontario Energy Board Act,* 1998, c. 15, Schedule B; payments made by the Independent Electricity System Operator ("IESO") Section 78.5.

AND IN THE MATTER OF an Application by Horizon Utilities Corporation to the Ontario Energy Board ("OEB") for an Order or Orders directing the Independent Electric System Operator ("IESO") to issue payment to Horizon Utilities for the Conservation Demand Management ("CDM") Incentive Payment for the CDM Framework from 2011 to 2014.

HORIZON UTILITIES CORPORATION

CONSERVATION AND DEMAND MANAGEMENT PERFORMANCE INCENTIVE APPLICATION

FILED: TUESDAY, NOVEMBER 24, 2015

Applicant

Horizon Utilities Corporation
55 John Street North
PO Box 2249, Station LCD 1
Hamilton, Ontario
L8R 3M8

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs
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INTRODUCTION

Horizon Utilities Corporation ("Horizon Utilities") is licenced by the Ontario Energy Board ("OEB" or the "Board") to provide electrical distribution activities and conservation and demand management ("CDM") programs within the cities of Hamilton and St. Catharines. Horizon Utilities charges electricity distribution rates and other charges approved by the OEB. Horizon Utilities is applying to the OEB for the 2011-2014 Conservation Demand Management ("CDM") Performance Incentive payment in accordance with Section 7 – Performance Incentive – of the *Conservation and Demand Management Code for Electricity Distributors* issued by the OEB on September 16, 2010 (the "Code").

Based on the methodology set out in the Code and the calculations set out in this Application, Horizon Utilities respectfully requests that the Board approve the recovery by Horizon Utilities of the amount of $270,624 in Performance Incentive payments. Horizon Utilities also requests that the Board direct the IESO to make this payment to Horizon Utilities at a time to be determined by the Board, in accordance with section 78.5 of the *Ontario Energy Board Act, 1998*.

BACKGROUND

On March 31, 2010, the Minister of Energy and Infrastructure of Ontario, pursuant to sections 27.1 and 27.2 of the *Ontario Energy Board Act, 1998*, directed the OEB to establish CDM targets to be met by electricity distributors. Accordingly, on November 12, 2010, the OEB amended the Horizon Utilities' Distributor licence (a copy of which accompanies this Application as Appendix A) to require it, as a condition of its licence, to achieve 281.42 GWh of cumulative energy savings and 60.36 MW of peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

In accordance with the same Ministerial directive, the OEB issued the CDM Code on September 16, 2010. The Code specifies the obligations and requirements with which electricity distributors must comply in relation to the CDM targets, as set out in their licences. To comply with the Code requirements, Horizon Utilities submitted its CDM Strategy (refer to Appendix B) on November 1, 2010. The CDM Strategy provided a high level description of Horizon Utilities' intended approach to achieve its CDM targets.

The Code also required a distributor to file annual reports with the Board; Horizon Utilities has filed four Annual Reports with the OEB. The Annual Reports were prepared in accordance with the Code requirements and each Annual Report covered a one-year period for the four year CDM framework, from January 1, 2011 to December 31, 2014.

Horizon Utilities submitted its 2014 Annual Report (refer to Appendix C) on September 30, 2015 which summarized the CDM activities and successes Horizon Utilities experienced for the January 1, 2014 to December 31, 2014 period. Horizon Utilities achieved 80.85% of its net peak demand savings target and 107.49% of its cumulative net energy target. The 2014 Annual Report was the final report that was required to be filed under the CDM framework for the years 2011 - 2014.

INCENTIVE CALCULATION

As provided in Section 7 of the Code, a distributor that meets 80% of each of its CDM targets (i.e., net peak demand savings and cumulative net energy) is eligible and may apply to the OEB for a performance incentive. Performance incentives are calculated in accordance with Appendix D of the Code. The methodology sets out six “Ranges”, or tiers, of performance, where progressively higher incentives are available depending on a distributor’s success in meeting or exceeding its targets. Upon completion of its CDM Programs in 2014, the distributor will calculate its incentive based on the Range level achieved in each of its net peak demand and cumulative net energy targets. Using the Board’s methodology, Horizon Utilities has computed its incentive per the Code to be $270,624. Table 1 below provides the calculation of the Performance Incentive for which Horizon Utilities qualifies and seeks in this Application.

Table 1 - Horizon Utilities' Performance Incentives based on OEB CDM Performance Incentive Calculator

		User Inputs
LDC	Horizon Utilities Corporation	Calculated Cells

	CDM Targets	
	Energy (GWh)	Peak Demand (MW)
Target	281.42	60.36
Actual*	302.50	48.80
Percentage	107.49%	80.85%

	¢/kWh	Bonus ($)	$/kW	Bonus ($)
Bonus 1 (80%-100%)	0.30	$ 168,852	$13.50	$ 6,912
Bonus 2 (100%-110%)	0.45	$ 94,860	$20.25	$ -
Bonus 3 (110%-120%)	0.75	$ -	$33.75	$ -
Bonus 4 (120%-130%)	1.05	$ -	$47.25	$ -
Bonus 5 (130%-140%)	1.35	$ -	$60.75	$ -
Bonus 6 (140%-150%)	1.80	$ -	$81.00	$ -
Bonus SubTotals		**$ 263,712**		**$ 6,912**

Bonus Total	**$ 270,624**

*Actual = Final Results of OPA (IESO) Province-Wide CDM Programs + Final Results of Board-Approved CDM Programs

NOTE: Board-Approved CDM Programs results must be evaluated in accordance with Section 6 of the CDM Code.

A "**FALSE**" reading in the Bonus Total cell indicates your results do not qualify for a performance incentive. A distributor must meet at least 80% of each CDM Target to be eligible for a performance incentive.

SUMMARY OF ACTIVITIES

Horizon Utilities filed its CDM Strategy with the OEB on November 1, 2010 which specified that it intended to achieve its CDM targets through Board-Approved and OPA-Contracted Province-Wide programs. Subsequently, on September 30, 2013 Horizon Utilities filed its 2012 CDM Annual Report which included modifications to its CDM Strategy. Horizon Utilities advised the OEB at that time that it would not be applying for any Board-Approved CDM Programs during the balance of the 2011-2014 term.

Horizon Utilities contracted with the OPA to deliver a portfolio of OPA-Contracted Province-Wide CDM Programs to all customer segments; residential, commercial, institutional, industrial and low income for the term 2011 - 2014. The implementation of TOU pricing was deemed as a Board-Approved CDM program which was offered in Horizon Utilities' service area.

Horizon Utilities is pleased to report that it achieved 302.5 GWh of net cumulative energy savings, exceeding its mandated target by 7.5%, and it achieved 48.8 MW or 80.8% of its net peak demand savings target. A summary of Horizon Utilities' CDM achievements follows in Tables 2 and 3 as presented on page 7 of the 2011-2014 Final Results Reported released by the IESO on August 31, 2015.

EVALUATION, MEASUREMENT & VALIDATION ("EM&V")

The final EM&V for 2011-2014 was conducted by the Independent Electricity System Operator ("IESO") (formerly the Ontario Power Authority, or the "OPA") on all OPA-Contracted Province-Wide CDM Programs. Additionally, the OPA conducted the EM&V on the Board Approved Time of Use ("TOU") pricing program. Horizon Utilities submits that the final reports as issued by the IESO are verified results. The OEB recognizes the numbers as such, and used these numbers for inclusion in distributors' Scorecards.

The tables below are taken from Horizon Utilities' 2011-2014 Final Results Report issued by the IESO on September 1, 2015. Table 2 provides Horizon Utilities' achievement of net peak demand savings over the four year period, as verified and reported by the IESO.

Table 2 – Net Peak Demand Savings at End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	12.0	6.9	6.9	6.8
2012 - Verified†	0.2	13.6	3.9	3.8
2013 - Verified†	0.0	0.1	23.2	5.5
2014 - Verified†	0.0	0.6	1.7	32.7
Verified Net Annual Peak Demand Savings Persisting in 2014:				48.8
Horizon Utilities Corporation 2014 Annual CDM Capacity Target:				60.4
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				80.8%

†Includes adjustments to previous years' verified results
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 3 provides Horizon Utilities' achievement of net energy savings over the four year period, as verified by the IESO.

Table 3 – Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	32.4	32.2	32.1	31.8	128.5
2012 - Verified†	2.2	18.9	18.7	18.5	58.2
2013 - Verified†	0.0	0.7	27.2	26.4	54.2
2014 - Verified†	0.0	4.1	9.65	47.8	61.6
Verified Net Cumulative Energy Savings 2011-2014:					302.5
Horizon Utilities Corporation 2011-2014 Annual CDM Energy Target:					281.4
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					107.5%

†Includes adjustments to previous years' verified results

ACCOUNTING POLICIES

Horizon Utilities confirms that all OEB accounting policies and procedures for CDM activities have been followed (including, but not limited to, fully-allocated costing in compliance with Appendix A of the Code).

PROGRAM FUNDING AND EXPENDTURES

Horizon Utilities confirms that program funding and program expenditures from all OPA-Contracted Province-Wide CDM Programs have been kept separate from Horizon Utilities' distribution operations and have not been included in Horizon Utilities' distribution revenue requirement.

ALLOCATION OF BENEFITS

Horizon Utilities confirms that 100% attribution of benefits is being claimed on the basis that programs were OPA-Contracted Province-Wide CDM Programs. The only Board Approved Program for which benefit is being claimed is the TOU pricing program. Section 7.1.5 of the Code deems Horizon Utilities' role to have been central to the CDM programs.

PERFORMANCE INCENTIVE PAYMENTS

Horizon Utilities has calculated the Performance Incentive Payments based on the Board's rates set out in Appendix D of the Code.

VERIFIED RESULTS

As previously identified, the results as issued by the IESO are verified results. Accordingly, Horizon Utilities submits that the requirement for verification of results, as set out in section 7.2.1 of the Code, has been satisfied.

CONCLUSION

Based on the foregoing, Horizon Utilities respectfully requests that the OEB approve the recovery by Horizon Utilities of the amount of $270,624 in Performance Incentive payments. Horizon Utilities further requests that the OEB direct the IESO to pay Horizon Utilities this amount at a time to be determined by the Board, in accordance with section 78.5 of the *Ontario Energy Board Act, 1998*.

Horizon Utilities requests that this Application be disposed of by way of a written hearing.

All of which is respectfully submitted this 24th day of November, 2015.

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza, MBA
Vice-President, Regulatory Affairs

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APPENDIX A - HORIZON UTILITIES' DISTRIBUTOR LICENCE

Electricity Distribution Licence

ED-2006-0031

Horizon Utilities Corporation

Valid Until

April 5, 2026

Original Signed By

Kirsten Walli
Board Secretary
Ontario Energy Board

Date of Issuance: April 6, 2006
Date of Last Amendment: December 18, 2014

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4

LIST OF AMENDMENTS

Board File No.	Date of Amendment
EB-2006-0216	November 27, 2006
EB-2006-0311	January 5, 2007
EB-2007-0914	December 14, 2007
EB-2009-0035	March 13, 2009
EB-2009-0059	March 13, 2009
EB-2010-0215	November 12, 2010
EB-2012-0047	March 15, 2013
EB-2014-0243	October 9, 2014
EB-2014-0324	December 18, 2014

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1 Definitions

In this Licence:

"**Accounting Procedures Handbook**" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"**Act**" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"**Affiliate Relationships Code for Electricity Distributors and Transmitters**" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"**Conservation and Demand Management**" and "**CDM**" means distribution activities and programs to reduce electricity consumption and peak provincial electricity demand;

"**Conservation and Demand Management Code for Electricity Distributors**" means the code approved by the Board which, among other things, establishes the rules and obligations surrounding Board approved programs to help distributors meet their CDM Targets;

"**distribution services**" means services related to the distribution of electricity and the services the Board has required distributors to carry out, including the sales of electricity to consumers under section 29 of the Act, for which a charge or rate has been established in the Rate Order;

"**Distribution System Code**" means the code approved by the Board which, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum, technical operating standards of distribution systems;

"**Electricity Act**" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"**IESO**" means the Independent Electricity System Operator;

"**Licensee**" means Horizon Utilities Corporation

"**Market Rules**" means the rules made under section 32 of the Electricity Act;

"**Net Annual Peak Demand Energy Savings Target**" means the reduction in a distributor's peak electricity demand persisting at the end of the four-year period (i.e. December 31, 2014) that coincides with the provincial peak electricity demand that is associated with the implementation of CDM Programs;

"**Net Cumulative Energy Savings Target**" means the total amount of reduction in electricity consumption associated with the implementation of CDM Programs between 2011-2014;

"**OPA**" means the Ontario Power Authority;

"**Performance Standards**" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"**Provincial Brand**" means any mark or logo that the Province has used or is using, created or to be created by or on behalf of the Province, and which will be identified to the Board by the Ministry as a provincial mark or logo for its conservation programs;

"**Rate Order**" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"**regulation**" means a regulation made under the Act or the Electricity Act;

"**Retail Settlement Code**" means the code approved by the Board which, among other things, establishes a distributor's obligations and responsibilities associated with financial settlement among retailers and consumers and provides for tracking and facilitating consumer transfers among competitive retailers;

"**service area**" with respect to a distributor, means the area in which the distributor is authorized by its licence to distribute electricity;

"**Standard Supply Service Code**" means the code approved by the Board which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under section 29 of the Electricity Act;

"**wholesaler**" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

2 Interpretation

2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens and where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:

a) to own and operate a distribution system in the service area described in Schedule 1 of this Licence;

b) to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act in the manner specified in Schedule 2 of this Licence; and

c) to act as a wholesaler for the purposes of fulfilling its obligations under the Retail Settlement Code or under section 29 of the Electricity Act.

4 Obligation to Comply with Legislation, Regulations and Market Rules

4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.

4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the licensee are set out in Schedule 3 of this Licence. The following Codes apply to this Licence:

a) the Affiliate Relationships Code for Electricity Distributors and Transmitters;

b) the Distribution System Code;

c) the Retail Settlement Code; and

d) the Standard Supply Service Code.

5.2 The Licensee shall:

a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and

b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

6 Obligation to Provide Non-discriminatory Access

6.1 The Licensee shall, upon the request of a consumer, generator or retailer, provide such consumer, generator or retailer with access to the Licensee's distribution system and shall convey electricity on behalf of such consumer, generator or retailer in accordance with the terms of this Licence.

7 Obligation to Connect

7.1 The Licensee shall connect a building to its distribution system if:

a) the building lies along any of the lines of the distributor's distribution system; and

b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.2 The Licensee shall make an offer to connect a building to its distribution system if:

a) the building is within the Licensee's service area as described in Schedule 1; and

b) the owner, occupant or other person in charge of the building requests the connection in writing.

7.3 The terms of such connection or offer to connect shall be fair and reasonable and made in accordance with the Distribution System Code, and the Licensee's Rate Order as approved by the Board.

7.4 The Licensee shall not refuse to connect or refuse to make an offer to connect unless it is permitted to do so by the Act or a regulation or any Codes to which the Licensee is obligated to comply with as a condition of this Licence.

8 Obligation to Sell Electricity

8.1 The Licensee shall fulfill its obligation under section 29 of the Electricity Act to sell electricity in accordance with the requirements established in the Standard Supply Service Code, the Retail Settlement Code and the Licensee's Rate Order as approved by the Board.

9 Obligation to Maintain System Integrity

9.1 The Licensee shall maintain its distribution system in accordance with the standards established in the Distribution System Code and Market Rules, and have regard to any other recognized industry operating or planning standards adopted by the Board.

10 Market Power Mitigation Rebates

10.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

11 Distribution Rates

11.1 The Licensee shall not charge for connection to the distribution system, the distribution of electricity or the retailing of electricity to meet its obligation under section 29 of the Electricity Act except in accordance with a Rate Order of the Board.

12 Separation of Business Activities

12.1 The Licensee shall keep financial records associated with distributing electricity separate from its financial records associated with transmitting electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

13 Expansion of Distribution System

13.1 The Licensee shall not construct, expand or reinforce an electricity distribution system or make an interconnection except in accordance with the Act and Regulations, the Distribution System Code and applicable provisions of the Market Rules.

13.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its distribution system in accordance with Market Rules and the Distribution System Code, or in such a manner as the Board may determine.

14 Provision of Information to the Board

14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.

14.2 Without limiting the generality of paragraph 14.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.

15 Restrictions on Provision of Information

15.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.

15.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:

a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;

b) for billing, settlement or market operations purposes;

c) for law enforcement purposes; or

d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.

15.3 The Licensee may disclose information regarding consumers, retailers, wholesalers or generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.

15.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.

15.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

16 Customer Complaint and Dispute Resolution

16.1 The Licensee shall:

a) have a process for resolving disputes with customers that deals with disputes in a fair, reasonable and timely manner;

b) publish information which will make its customers aware of and help them to use its dispute resolution process;

c) make a copy of the dispute resolution process available for inspection by members of the public at each of the Licensee's premises during normal business hours;

d) give or send free of charge a copy of the process to any person who reasonably requests it; and

e) subscribe to and refer unresolved complaints to an independent third party complaints resolution service provider selected by the Board. This condition will become effective on a date to be determined by the Board. The Board will provide reasonable notice to the Licensee of the date this condition becomes effective.

17 Term of Licence

17.1 This Licence shall take effect on April 6, 2006 and expire on April 5, 2026. The term of this Licence may be extended by the Board.

18 Fees and Assessments

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

19 Communication

19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

19.2 All official communication relating to this Licence shall be in writing.

19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

a) when delivered in person to the addressee by hand, by registered mail or by courier;

b) ten (10) business days after the date of posting if the communication is sent by regular mail; and

c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

20 Copies of the Licence

20.1 The Licensee shall:

a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and

b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

21 Conservation and Demand Management

21.1 2011-2014 Conservation and Demand Management Framework

21.1.1 The Licensee shall achieve reductions in electricity consumption and reductions in peak provincial electricity demand through the delivery of CDM programs. The Licensee shall meet its 2014 Net Annual Peak Demand Savings Target of 60.360 MW, and its 2011-2014 Net Cumulative Energy Savings Target of 281.420 GWh (collectively the “CDM Targets”), over a four-year period beginning January 1, 2011.

21.1.2 The Licensee shall meet its CDM Targets through:

a) the delivery of Board approved CDM Programs delivered in the Licensee’s service area (“Board-Approved CDM Programs”);

b) the delivery of CDM Programs that are made available by the OPA to distributors in the Licensee’s service area under contract with the OPA (“OPA-Contracted Province-Wide CDM Programs”); or

c) a combination of a) and b).

21.1.3 The Licensee shall make its best efforts to deliver a mix of CDM Programs to all consumer types in the Licensee’s service area.

21.1.4 The Licensee shall comply with the rules mandated by the Board’s Conservation and Demand Management Code for Electricity Distributors.

21.1.5 The Licensee shall utilize the common Provincial brand, once available, with all Board-Approved CDM Programs, OPA-Contracted Province-Wide Programs, and in conjunction with or co-branded with the Licensee’s own brand or marks.

21.2 2015-2020 Conservation and Demand Management Framework

21.2.1 The Licensee shall, between January 1, 2015 and December 31, 2020, make CDM programs, available to customers in its licensed service area and shall, as far as is appropriate and reasonable having regard to the composition of its customer base, do so in relation to each customer segment in its service area ("CDM Requirement").

21.2.2 The CDM programs referred to in item 21.2.1 above shall be designed to achieve reductions in electricity consumption.

21.2.3 The Licensee shall meet its CDM Requirement by:

a) making Province-Wide Distributor CDM Programs, funded by the Ontario Power Authority (the "OPA"), available to customers in its licensed service area;

b) making Local Distributor CDM Programs, funded by the OPA, available to customers in its licensed service area; or

c) a combination of a) and b).

21.2.4 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to other licensed electricity distributors upon request.

21.2.5 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to any other person upon request.

21.2.6 The Licensee shall report to the OPA the results of the CDM programs in accordance with the requirements of the licensee's "CDM-related" contract with the OPA.

SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

1. The former Police Village of Ancaster in the former Town of Ancaster as of December 31, 1973, now in the City of Hamilton and described as:

    - NW corner of Concession 1, Lot 42 and Old Railway Line
    - Directly NNE to middle of Concession I, Lot 46
    - North to Dundas boundary, along boundary NE to Hamilton boundary, along Dundas/Hamilton boundary
    - SW across Filman Road to include 1245 Filman, travel SW parallel with Hwy 2 to the escarpment
    - S along escarpment (include Ancaster heights survey)
    - S to W border of Concession II, Lot 49 to Railway Right of Way (behind Mohawk Road)
    - SW to Cayuga Drive, W to Railway Right of Way
    - West along Right of Way to far west boundary of Concession III, Lot 47
    - South between Lot 46 and 47 to include 38 Chancery Drive West
    - West, parallel with Golf Links Road to back lot of 23 Cameron Drive in Concession III, Lot 44
    - Follow back of Cameron Drive back lot to 35 Cameron, go south parallel to end of 209 Rosemary Drive, East to the back of 206 Rosemary Drive
    - North along back lots to 104 Rosemary, East to back lot of 103 Rosemary
    - North along back lots of St. Margarets Road to Hwy 2
    - Direct line SW, crossing over Fiddlers Green to middle of Concession III, Lot 41 North back lot of Rembrandt Court to Jerseyville Road W
    - SW along Jersey ville through back lots of Blair, Terrence Park and Oakhill to back lot lien of 211/220 Colleen Crescent
    - SW along Jersey ville through back lots of Blair, Terrence Park and Oakhill to back lot lien of 211/220 Colleen Crescent
    - NE to division of back lot along border of Concession III, Lots 41 & 42

- SW along border to lot line of 145 Terrence Park, across Terrence Park to include back lots of 51 and 55
- SE over Terrence Park between houses 94 and 90
- N along the rear lots of Terrence Park and McGregor Crescent
- NE between houses 69 & 65 McGregor, across McGregor between houses 74 and 62
- Continue rear lots East between houses 54 and 50 McGregor
- North in direct line to Sulphur Springs Road
- West 100 metres, directly NW to Concession II, Lot 42 to Old Railway Line

2. The former Town of Dundas as of December 31, 1980, now in the City of Hamilton.

3. The former Police Village of Lynden in the former Town of Ancaster as of December 31, 1973, now in the City of Hamilton.

4. The former Village of Waterdown in the former Township of Flamborough as of December 31, 1980, now in the City of Hamilton.

5. The expansion area as set out in By-law No. 96-17-H in the former Township of Flamborough as of December 31, 1980, now in the City of Hamilton and defined as :

   - East Boundary: Concession 3 East – Centreline of Kerns Road extending north along east boundary of 60' Interprovincial Pipeline easement continuing north along boundary line between Town of Flamborough and City of Burlington.
   - North Boundary: Concession 5 East – Centreline of the 50' wide Sun Canadian Pipeline Company easement – extending across Hwy. No. 6, along boundary line between properties 25.50.200.430.56400 and 25.30.200.430.56800/25.30.200.430.56600.
   - West Boundary: Boundary line between Lots 19 and 20 on Concession 1, Concession 2, Concession 3, and Concession 4 proceeding northerly to north boundary as described above.
   - South Boundary: Flamborough/Burlington/Dundas boundaries where the electrical distribution systems of Ontario Hydro and Burlington Hydro are already separated.
   - Includes to the East: The boundaries of the Town of Lynden as defined in 1. above.

6. The City of Hamilton as of December 31, 2000.

7. The former City of Stoney Creek as of December 31, 2000, now in the City of Hamilton.

8. Plan 62 R-15706, Part of Lot 3, Block 1, Concession 1, former Geographic Township of Binbrook, in the former Township of Glanbrook, now in the City of Hamilton, comprising Part 1 to Part 11 inclusive.

9. Land located “in the former Township of Binbrook, in the former Township of Glanbrook, as of December 31, 1973, now in the City of Hamilton and described as Block 1, Block 2 and Street ‘A’ part of a plan of “The Brooks of Rymal/20 Phase 1", being a subdivision of Part of Lots 1 and 2 - Block 4, Concession 1".

10. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lots Six (6) and Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 1 on Plan 62M. These lands are bounded to the north by Rymal Road east, to the east by Fletcher Road, to the west by Dakota Boulevard and to the south by a Hydro One Networks Inc. high voltage transmission line right of way.

11. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lots Six (6) and Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 2, on Plan 62M.

12. The City of St. Catharines as at December 31, 1990.

13. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 3, on Plan 62M.

14. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Seven (7), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase 4, on Plan 62M.

15. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Six (6), Block Five (5) in the First Concession of the Geographic Township of Binbrook and known as The Gardens at Summit Park on Plan 62M.

16. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Five (5), Block Four (4) in the First Concession of the Geographic Township of Binbrook and known as Summit Park Phase Six.

17. Lands located in the former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Five (5), Block Five (5) in the First Concession of the Geographic Township of Binbrook, Block 139 and known as The Summit Park Phase 5 on the registered Plan 62M except for the following address (which is excluded):

    - 31 Trinity Church Road in the City of Hamilton.

18. Lands located in the former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the City of Hamilton and described as Part of Township Lot Two (2), Blocks Three (3), Four (4), Five (5), Nine (9), Ten (10) and Eleven (11).

19. The former Township of Binbrook in the former Township of Glanbrook as of December 31, 1973, now in the city of Hamilton and described as Part of Township Lots Four (4) and Five (5), Block

Four (4) of the First Concession of the Geographic Township of Binbrook, City of Hamilton and known as Summit Park Phase Seven.

20. The following properties on Rymal Road East in the City of Hamilton – 2062, 2064, 2066, 2068, 2070, 2070B, 2080.

21. Lands described by Plans 62M-1154, Blocks 1 and 2, 62R-18589 Parts 8 and 9, and 62R-18707 Parts 1, 2, 3 and 4.

22. Part of Lots Four (4) and Five (5), Block Four (4) of Concession 1 of the Geographic Township of Binbrook, City of Hamilton and known as Summit Park Phase Eight.

SCHEDULE 2 PROVISION OF STANDARD SUPPLY SERVICE

This Schedule specifies the manner in which the Licensee is authorized to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act.

1. The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with paragraph 8.1 of this Licence, any applicable exemptions to this Licence, and at the rates set out in the Rate Orders.

SCHEDULE 3 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the Licensee has been exempted.

APPENDIX A

MARKET POWER MITIGATION REBATES

1. Definitions and Interpretations

In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

2. Information Given to IESO

a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:

i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998.*

b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:

i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.

c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity

consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented;

b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

"ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

ONTARIO POWER GENERATION INC. REBATES

For the payments that relate to the period from May 1, 2006 to April 30, 2009, the rules set out below shall apply.

1. Definitions and Interpretations

In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

2. Information Given to IESO

a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:

i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*; and

ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.

b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:

i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.

c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*;

b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and

c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

"ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

APPENDIX B - HORIZON UTILITIES' CDM STRATEGY

horizon UTILITIES Looking beyond...

February 16, 2011

BY RESS AND BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli:

RE: Horizon Utilities Corporation's Conservation and Demand Management Strategy Addendum - Board File No: EB-2010-0215

Please find attached the addendum to Horizon Utilities Corporation's ("Horizon Utilities") Conservation and Demand Management Strategy ("CDM Strategy"), as requested in the acknowledgement letter issued by the Ontario Energy Board (the "Board") on November 29th, 2010.

The figures included in the addendum reflect estimated budgets for Ontario Power Authority ("OPA")-Contracted Province-Wide Programs and Board-Approved CDM programs. Horizon Utilities anticipates filing a joint Application with other LDCs (some of whom are members of the Coalition of Large Distributors) for Board-Approved CDM Programs, in the future.

As such, the attached document reflects Horizon Utilities' anticipated budgets in reference to the noted programs.

Yours Truly,

Original signed by Indy Butany-DeSouza

Indy J. Butany-DeSouza
Vice-President, Regulatory and Government Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

OPA PROVINCE-WIDE CDM PROGRAMS

Horizon Utilities intends to leverage OPA-Contracted Province-Wide Programs in its delivery of CDM targets. Such programs are expected to deliver approximately 80% of the Horizon Utilities' total CDM targets of 60.36 MW and 281.42 GWh to the end of 2014. The estimated percentage was calculated through a customer-based analysis approach to ensure the integrity of the estimate. The budgets for the OPA-Contracted Province-Wide and proposed Board-Approved CDM programs were prepared with the best available information at the time of this submission.

Table 1 provides an overview of the projected budget for the OPA-Contracted Province-Wide programs which Horizon Utilities intends to undertake, exclusive of the low income program. Included in the table are estimates of the projected budget for each of the programs. The OPA is continuing to develop additional programs that are not in the current Program Administration Budget ("PAB"). Horizon Utilities will provide an update at the time of filing the first annual report in September 2012.

Table 1 – OPA-Contracted Province-Wide CDM Programs – Horizon Utilities Projected Budget (excluding Low Income).

OPA-Contracted Province-Wide Programs	Projected Budget
Consumer Program 2011-2014	$21,661,273
Commercial Institutional Program 2011-2014	$22,871,391
Industrial Program 2011-2014	$6,265,993
Enabling Resources	$2,760,000
Total	**$53,558,657**

The above-noted total of $53.5MM is based on the OPA's projected budget for all three CDM programs.

BOARD-APPROVED PROGRAMS

Horizon Utilities has reviewed a range of programs as potential Board-Approved Programs. Based on an extensive review of potential programs, Horizon Utilities has prioritized 6 programs which may be part of a forthcoming application in early 2011.

Table 2 provides the projected budget for Horizon Utilities' proposed Board-Approved Programs. Included in the table are estimates of the projected budget for each program.

Table 2 – Board Approved Programs Projected Budget

Proposed Board Approved Programs	Projected Budget
Neighbourhood Benchmarking Program	$1,685,000
Small Commercial Energy Management and Load Control Program	$183,360
Monitoring and Targeting Program	$4,020,800
LED Lighting	$2,900,000
Generation Conservation	$460,000
Total	**$9,249,160**

As part of Horizon Utilities' process to develop the proposed Board-Approved Programs, it carried out preliminary cost effectiveness tests, further analysis is underway including Total Resource Cost ("TRC") and Program Administrative Cost ("PAC") tests. Such information was gathered in collaboration with Hydro One Networks Inc. ("HONI"). Further information in this regard will be provided through the submission of the aforementioned Application to the Board for Board Approved CDM Programs.

The Hot Water program referenced in Horizon Utilities' CDM Strategy (filed November 1, 2010) has now been removed from Horizon Utilities' list of proposed Board-Approved Programs as it appears to duplicate the new OPA Residential Demand Response initiative that will give customers the choice to invoke reduction of hot water tank load during peak time of use periods.

The program mix of the proposed Board-Approved Programs is essential for Horizon Utilities to meet its CDM target. The programs being considered but are not yet finalized will offer a range of benefits including CDM sustainability, engagement of all customer sectors, and market transformation.

CONCLUSION:

Horizon Utilities is pleased to support CDM throughout the province of Ontario. The CDM Strategy filed on November 1, 2010 and this Addendum reflect such commitment. However, this continues to be an evolving area particularly as the Province-Wide OPA-Contracted Programs emerge from the OPA. As such, this Addendum is based on the best information available now. Horizon Utilities anticipates filing a Tier Two Application for Board-Approved programs in the future. Horizon Utilities will provide further updates on its CDM initiatives as set out in the CDM Code, with the filing of its annual reports.

horizon UTILITIES Looking beyond...

November 1, 2010

BY RESS AND BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli:

RE: Horizon Utilities Corporation
Licence: ED-2006-0031
CDM Strategy: 2011-2014
Board File No: EB-2010-0215

The Ontario Energy Board (the "Board") issued the finalized Conservation and Demand Management ("CDM") Code (the "Code") on September 16, 2010 (EB-2010-0215). The Code specifies that as a condition of an LDC's license, LDCs must file a CDM Strategy with the Board by November 1, 2010.

In accordance with the aforementioned requirement, please find attached Horizon Utilities Corporation's ("Horizon Utilities") CDM Strategy for the four year period, 2011-2014. Horizon Utilities' Strategy focuses on OPA-Contracted Province-Wide CDM Programs, as well as the potential for Board-Approved CDM Programs. Horizon Utilities anticipates working in partnership with other utilities. Horizon Utilities may make an application to the Board in due course, for the delivery of Board-Approved CDM Programs.

At the time of filing, Horizon Utilities notes that the OPA funding mechanisms have not been finalized. Consequently, budget information is not included in the CDM Strategy

Horizon Utilities recognizes the importance of the CDM initiative and looks forward to continued participation.

Yours Truly,

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza
Vice-President, Regulatory and Government Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

horizon UTILITIES Looking beyond...

Horizon Utilities Corporation

Distribution License ED-2006-0031

Conservation and Demand Management Strategy 2011 to 2014

Submitted: November 1, 2010

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2.0 CDM Strategy

Horizon Utilities' CDM Strategy provides a high-level description of how Horizon Utilities intends to achieve its CDM Targets from January 1, 2011 to December 31, 2014. As noted above, Horizon Utilities proposed energy and peak savings targets are 301 GWh and 60 MW, respectively. Horizon Utilities plans to meet such targets by delivering Ontario Power Authority ("OPA")-Contracted Province-Wide ("Tier 1") CDM programs and pursuing Board-Approved ("Tier 2" and "Tier 3") CDM programs within the four year period starting January 1, 2011.

In addition, it is expected that the OPA will issue a CDM program targeted to low income consumers. Horizon Utilities anticipates delivering the OPA-Contracted Province-Wide Low Income CDM Program to its consumers, when such becomes available. Further, Horizon Utilities intends to actively participate in OPA-Contracted Province-Wide CDM Programs. In so doing, Horizon Utilities expects to achieve approximately 80% of its proposed energy and peak saving targets. Horizon Utilities intends to work collaboratively with other market participants including other LDCs to develop Tier 2 programs. In the event that Horizon Utilities determines that it is necessary to change any of the elements of its CDM Strategy, Horizon Utilities will file such change with the Board.

Table 1 below specifies Horizon Utilities' estimated cumulative peak demand and energy reduction achieved through CDM activity from 2011 to 2014.

Table 1 Estimated Cumulative Peak Demand and Energy Reduction

	2011	2012	2013	2014	Estimated Total 2011-2014
Annual Incremental Peak (MW) Savings	17.1	17.1	18.2	8	60.4
Annual Energy (GWh) Savings	92	108.5	119.5	73	393

Table 2 below specifies Horizon Utilities' estimated incremental peak and energy savings achieved through Tier 1 programs and Tier 2 program from 2011 to 2014.

Table 2 Estimated Incremental Peak and Energy Savings from OPA-Contracted and Board-Approved CDM Programs

CDM Programs Descriptions	Cumulative Peak Potential Demand Reduction (MW) Estimated 2011- 2014	Cumulative Potential Energy Reduction (MWh) Estimated 2011- 2014
OPA-Contracted Province-Wide Programs	49.4	263,000
Board-approved Programs	11	130,000
Total	60.4	393,000

Table 3 below specifies Horizon Utilities' estimated percentage of cumulative peak demand and energy reduction achieved through CDM activity from 2011 to 2014.

Table 3 Estimated % Cumulative Peak Demand and Energy Reduction

Milestone	2011	2012	2013	2014
Stage	Stage 1- Program launch	Stage 2 - Programs settle /provide fine tuning	Stage 3 – Program matures	Stage 4 – Program full performance
% of target MW	20%	50%	85%	100.00%
% of targetGWh	25%	50%	90%	100.00%

Tables 1-3, as set out above, and the tables that follow in Section 3.0 of this Strategy document are subject to the Dependencies and Assumptions and the associated risks as outlined in Section 7.0 of this document. The tables capture Horizon Utilities' best estimate of what it would hope to achieve; actual results may differ.

1.0 Introduction

On April 23, 2010, the Ontario Energy Board ("OEB" or the "Board") received a directive from the Minister of Energy and Infrastructure ("MEI") requiring that mandatory Conservation and Demand Management ("CDM") targets be established for local distribution companies ("LDCs") to achieve reductions in electricity consumption (GWh) and peak demand (MW). The total reductions achieved by all LDCs must aggregate to a provincial total of 1,330 MW and 6,000 GWh over a four-year period commencing January 1, 2011 and ending December 31, 2014. The OEB was further directed to amend the license of each LDC to make it a condition of such to achieve their respective CDM targets through a mix of CDM programs for all consumer segments (residential, commercial, industrial).

On September 16, 2010, the OEB issued the CDM Code (the "Code") for LDCs under Section 70.2 of the *Ontario Energy Board Act, 1998* ("the Act"). The OEB developed the new Code in compliance with an MEI directive dated March 31, 2010 and issued to the OEB under sections 27.1 and 27.2 of the Act (EB-2010-0215).

The Code defines the requirements that LDCs must comply with as a condition of their respective licenses. Such is inclusive of, but not limited to, the achievement of CDM targets ("CDM Targets"). The Code requires that LDCs must file a CDM Strategy with the OEB. Further, the Code provides requirements for LDCs that choose to apply for and deliver Board-Approved CDM Programs to meet their respective CDM Targets.

On June 22, 2010, the OEB released the proposed allocation of LDC-specific CDM Targets (EB-2010-0216). Horizon Utilities' preliminary electricity consumption reduction target is 301 GWh (5.02% of the provincial target) and its peak demand reduction target is 60.4 MW (4.54% of the provincial target). Horizon Utilities understands that final targets will be issued shortly.

Horizon Utilities hereby submits its CDM Strategy in compliance with the requirements of the template defined in Appendix B of the Code.

2.1 Treatment of Smart Meter/Time-Of-Use Rates Savings

The CDM targets assigned to electricity LDCs amount to, in aggregate, approximately 308 MW of savings related to smart meters and Time-of-Use ("TOU") rates. These savings projections were derived from a 2005 study commissioned by the OPA and filed with the OEB as part of the Integrated Power System Plan ("IPSP") proceeding.

In total, 1330 MW of electricity demand reduction targets have been assigned to electricity LDCs. The 308 MW related to TOU represents more than 23% of each LDC's demand reduction target. This is a significant component of LDC targets. However, to date, no mechanism has been put into place to accommodate the verification and recognition of TOU related savings as a contribution towards the mandatory LDC targets.

Demand and energy savings, from the implementation of TOU and smart meters, are excluded from Horizon Utilities' targets. The assessment of the impacts of TOU rates on electricity demand should be done on a province-wide basis, perhaps by the OPA. It is reasonable to expect that these impacts will generally be consistent across LDC service areas. Horizon Utilities submits that the expense of having each LDC individually assess TOU rate impacts is not cost efficient. When the final results of energy savings resulting from TOU and smart meters become available, such will be counted towards Horizon Utilities overall targets.

3.0 OPA–Contracted Province–Wide Programs

Horizon Utilities intends to participate in all OPA-Contracted Province-Wide Programs for the four year period commencing January 1, 2011. Such includes Consumer Programs, Low Income Program, Commercial, Institutional and Multi-Family Programs, and Industrial Programs.

An outline for each program is provided in the following sections and the estimated savings for peak demand and energy reductions have been derived from an assessment of the achievable potential for each program in Horizon Utilities' service territory. At the time of the development of this Strategy, the funding formula for the OPA-Contracted Province-Wide programs has not yet been finalized and is therefore not included in this document.

OPA-Contracted Province-Wide Program details are found on the OPA's website: http://icon.powerauthority.on.ca/nonsec/2011-conservation-programs.htm

Table 4 below specifies Horizon Utilities' estimated cumulative electricity energy reduction that will be achieved through OPA-Contracted Province-Wide programs from 2011 to 2014.

Table 4 Estimated OPA-Contracted Province–Wide Programs Cumulative Energy Reduction

OPA Program	Estimated Cumulative Electricity Consumption Reduction (GWh)				
	2011	2012	2013	2014	Total
Consumer Program	14	28	34	15	91
Commercial and Institutional Program	70	20	22	6	118
Industrial Program	6	13	16	7	42
Low Income Program	2	3.5	4.5	2	12
Smart Meters/Time-of-Use Rates	-	-	-	-	-
Total	**92**	**64.5**	**76.5**	**30**	**263**
% of Target (301 GWh)	30.6%	21.4%	25.4%	10%	87.4%

Table 5 below specifies Horizon Utilities' estimated peak demand savings to be achieved through OPA-Contracted Province-Wide programs from 2011 to 2014.

Table 5 Estimated OPA-Contracted Province-Wide Program Cumulative Peak Demand Savings

OPA Program Estimated Cumulative Peak Demand Savings (MW)					
	2011	2012	2013	2014	Total
Consumer Program	3	5	6	1	15
Commercial and Institutional Program	12	5	5	2	24
Industrial Program	2	3	4	1	10
Low Income Program	0.1	0.1	0.2	0	0.4
Smart Meters/Time-of-Use Rates	-	-	-	-	-
Total	17.1	13.1	15.2	4	49.4
% of Target (60.4 MW)	28.3%	21.7%	25.2%	6.6%	81.8%

3.1 Consumer Program

Year(s) of Operation for the Program: 2011 – 2014

Targeted Customer Type(s): Residential customers

Description: The Consumer Program will provide incentives to both existing home owners to motivate the installation of energy efficiency measures, and to homebuilders to encourage the construction of energy efficiency single family homes. Horizon Utilities will deploy the Consumer Program in accordance with the program rules as designed by the OPA.

Table 6 summarizes and describes the initiatives under the Consumer Program.

Table 6 Consumer Program Initiative Descriptions

Initiative	Description
Instant Rebates	In-store discounts on energy efficient products
Midstream Electronics Incentive	Retail promotion of energy efficient televisions
Midstream Pools Incentive	Retail promotion of "right sized" pool equipment
HVAC Rebates	On-line rebates on high efficiency replacement of heating/cooling systems
Appliance Retirement	Free pick-up/decommissioning of old, working inefficient appliances
Exchange Events	Room air conditioner and dehumidifier exchange events at retailers
Residential New Construction	Incentives for builders to construct efficient, smart, and integrated new homes
Residential Demand Response ("DR")	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities

Instant Discounts (Rebates)

This is a carry forward of the Power Savings Event with some enhancements that now include year round coupons and bi-annual in-store instant discounts ("Rebates"). Horizon Utilities will conduct local marketing to identify potential opportunities for LDC in-store presence with participating retailers.

Mid-Stream Incentives

This is a carry over and enhancement of the midstream television incentive from the PowerSavings Event. In addition to providing incentives for retailers to promote energy efficient televisions, such will include incentives for satellite and cable providers to use high-efficiency set-top boxes and network configurations. This program will also focus on pool pumps by providing contractors with incentives to install "right sized" pool equipment. Savings from the midstream initiatives will be proportionally allocated to LDCs based on the size of their respective residential customer base.

HVAC Discounts (Rebates)

This is a carry forward of the existing Cool Savings Rebate initiative with some enhancements. Horizon Utilities will be involved in the recruitment of contractors, as supported by OPA recruitment efforts. The HVAC rebates will be delivered to consumers through participating contractors and such rebates will be centrally fulfilled by the OPA. This program will also feature local marketing and engagement opportunities. Capability building is also part of this initiative, as the OPA will make training available for contractors to educate them on quality installation principles.

HVAC Contractor Capability Building

This program focuses on quality installations in the HVAC industry to ensure that efficiency anticipated from newly designed products is not compromised by the manner in which the product is installed. This will be achieved by:

- implementing a quality installation standard;
- executing a training program for existing technicians; and
- influencing apprenticeship and journeyperson training.

Appliance Retirement/Exchange

This initiative is a carry forward and enhancement of the Great Refrigerator Roundup. Such includes free pick-up and decommissioning of old and inefficient but working, appliances.

Residential New Construction

This is a new initiative that includes incentives for builders to construct new, single family homes that include energy efficiency standards that are above current building codes.

Builder Training

This training will focus on "building in" energy efficiency and green attributes to new homes. Currently 15-20% of builders already build to higher levels of energy efficiency but the aim is to increase the penetration beyond the 20%.

Residential Demand Response

This is a re-design of *peakSaver*®, the residential demand response initiative. Existing program features will continue to be offered through June 30, 2011 pursuant to existing agreements between the OPA and Horizon Utilities. The OPA and the Residential Demand Response Work Group are currently conducting pilot projects to test new technologies for use in the future province wide residential demand response initiative with an anticipated start of July 1, 2011.

Table 7 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide Consumer programs from 2011 – 2014.

Table 7 Consumer Program Estimated Cumulative Peak Demand and Energy Reduction

Consumer Program	2011	2012	2013	2014	Estimated Total
Cumulative peak demand reduction (MW)	3	5	6	1	**15**
Cumulative electricity consumption reduction (GWh)	14	28	34	15	**91**
Annual Budget	Not available	Not available	Not available	Not available	Not available

3.2 *Low Income Program*

Year(s) of Operation for the Program: 2011- 2014

Targeted Customer Type(s): Residential Customers

Description: This is a turn-key program for low income consumers. It offers low income residents the opportunity to take advantage of free turnkey installation of energy efficient measures which will improve the comfort of their home and help them save money.

Background:

This is a new program that has been specifically developed to meet the needs of the low income consumer. This comprehensive program involves a variety of activities intended to improve the energy efficiency of low income homes. The program is intended to reduce electricity demand by providing consumers with the information they need to manage their energy use and influence behaviour change that will support the outcomes in the Program Description. The program will pay 100% for the purchase and installation of the electricity saving products.

The process begins with an in-home audit which will identify the opportunities within the home. Installation measures available range from basic measures (compact fluorescent light bulbs "CFL's", weather-stripping, water heater blanket and more) to a

full list of extended measures (light fixtures, air conditioning units, freezers, refrigerators, dehumidifiers, draft-proofing and insulation).

3.3 *Commercial, Institutional Program ("C&I")*

The Commercial, Institutional and Multi-Family ("C&I") Program is designed to assist building owners and operators as well as tenants and occupants in achieving demand and energy reductions and related savings. This is achieved by offering incentives for the primary end-use measures that represent the greatest potential for reduced electricity use including: lighting, space cooling and ventilation, auxiliary plug load, and space and water heating. Horizon Utilities will deploy the eight program components as they apply to the customer segments in its service territory. The focus will be on customer segments that have the largest demand reduction and energy savings potential, but the program will be available to all the customer segments in the Commercial, Institutional and Multi-Family sectors.

Year(s) of Operation for the Program: 2011- 2014

Targeted Customer Type(s): All Commercial and Institutional Customers

Description: Table 8 outlines the initiatives of the C&I program

Table 8 Commercial and Institutional Program Initiative Descriptions

Initiative	Description
C&I New Construction	Incentives for new buildings to exceed existing codes and standards for energy efficiency
ERIP	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures
Power Savings Blitz	Direct install of energy efficiency measures in the premises of small business customers in the General Service <50kW class
Small Commercial Demand Response	Free, installed direct load control devices and display systems/capability. Non-DR offers: subsidized display systems/capabilities
DR1	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability
DR3	An initiative where distribution-connected electricity customers provide DR capability to mandatorily reduce peak demand and increase system reliability

Description of Program Initiatives

The scope of the C&I Program includes both existing and new buildings in all business market segments. Examples of types of qualifying buildings and further program details are available on the OPA website in the C&I summary guidelines dated October 2010.

The specific program offerings available to customers are largely determined by their respective size based on electricity demand. The OPA guidelines provide a list of the primary customer types.

The program focuses on the following end-uses and measures:

- Lighting – this program aspect uses a segment-specific approach such as, for example, small business, large building, etc.

- Space cooling and ventilation – this program aspect also uses a segment-specific approach such as, for example, small business, large building.
- Electric auxiliary/plug load and other measures – this program aspect uses a segment-specific approach
- Project Measurement & Verification ("M&V") - standardized assessment of electricity savings of Equipment Replacement custom projects as well as Commissioning projects
- Capability Building - for training, certifying and educating building owners, managers, operators and/or tenants

Program Objectives

The C&I sector is the most heterogeneous and complex of the market sectors in the Province with over 135,000 commercial and institutional buildings, approximately 30,000multi-family buildings (including social and assisted housing), and approximately 57,000agricultural operations. Together these building types represent over 40% of Ontario's total electricity consumption and such offer significant potential for demand and energy savings, as evidenced by the Integrated Power System Plan and as well as more recent studies conducted by the OPA.

The objectives of the C&I Program are to:

- assist owners and operators of C&I buildings, farms, and multi-family residences to reduce demand and save energy through the purchase and operation of energy efficient equipment and to participate in demand response initiatives;
- provide education to tenants and occupants, particularly with respect to multi-family buildings regarding in-suite energy efficiency and demand response opportunities; and
- facilitate a culture of conservation among these communities and the supply chain that serves them.

Table 9 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide C&I program from 2011 -2014.

Table 9 Estimated C&I Program Cumulative Peak Demand and Energy Saving Projections

Commercial and Institutional Program Projections	2011	2012	2013	2014	Estimated Total
Cumulative peak demand reduction (MW)	12	5	5	2	**24**
Cumulative electricity consumption reduction (MWh)	70	20	22	6	**118**

3.4 *Industrial Program*

Year(s) of Operation for the Program: 2011 -2014

Targeted Customer Type(s): Industrial Customers

Description: The Industrial Program will provide incentives to both existing and new industrial customers to motivate the installation of energy efficiency measures. Horizon Utilities will deploy the Industrial Program in accordance with OPA program rules. Horizon Utilities expects to deliver this program over the 4 year period beginning January 1, 2011.

The following table summarizes and describes the initiatives of the Industrial Program.

Table 10 Industrial Program Initiative Descriptions

Initiative	Description
ERIP	The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.
DR1	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability
DR3	An initiative where distribution-connected electricity customers to provide DR capability to mandatorily reduce peak demand and increase system reliability
Industrial Accelerator	Incentives and enabling initiatives aimed at improving the energy efficiency of equipment and production processes

Initiative Description:

Electricity Retrofit Incentive Program ("ERIP")

ERIP is designed to assist Commercial, Industrial, Institutional, and Agricultural customers to conserve energy and shift their loads from periods of peak demand to lower cost times of the day. The objective of this program is to leverage energy conservation and load management opportunities by offering incentives for sustainable, measurable and verifiable energy retrofits that result in on-peak demand savings and/or annual energy savings.

Demand Response 1 ("DR1")

The commercial and industrial DR program includes two initiatives: DR1 and DR3. DR1 is available for industrial and commercial customers, of 50Kw or greater and with interval meters, to reduce the amount of power being used during certain periods of the year.

Demand Response 3 ("DR3")

DR 3 will be available to the LDCs' customers in its service area with peak demand of 50kW or more that have Interval Meters supported by recorders with 5 minute interval capability. Customers that have participated in DR3 to date have included universities, automotive manufacturers, office buildings and retail outlets.

Industrial Accelerator ("IA")

Industrial Accelerator (also referred to simply as "Accelerator") is an initiative aimed at improving the energy efficiency of equipment and production processes. Accelerator offers capital incentive and enabling initiatives stated in the OPA summary guidelines.

Table 11 specifies the estimated peak demand and energy reduction achieved through the OPA-Contracted Province-Wide Industrial programs from 2011 -2014.

Table 11 - Industrial Program Cumulative Peak Demand and Energy Savings

Industrial Summary	2011	2012	2013	2014	Estimated Cumulative Total 2014
Projected reductions in Peak provincial demand (MW)	2	3	4	1	**10**
Accumulative reductions in electricity consumption (MWh)	6	13	16	7	**42**
Program Budget	To be determined	To be determined	To be determined	To be determined	Not applicable

4.0 Potential Board–Approved CDM Programs

It is expected that the OPA-Contracted Province-Wide programs will contribute up to 80% of Horizon Utilities' four year target. In order to meet its allocated target and mitigate the risks of Tier 1 program failure, Horizon Utilities intends to submit application to the Board for Board-Approved programs for implementation starting in January 1, 2011 and throughout the four year period to 2014. The application for Board-Approved programs will be submitted separately to the OEB for approval. This CDM Strategy document presents some of the Board-Approved programs that Horizon Utilities is interested in submitting to the OEB for approval.

Years of Operation for the Program: 2011 – 2014

Targeted Customer Type(s): These Board-Approved programs will target residential, commercial and industrial customers.

Description: The following table summarizes and describes programs that Horizon Utilities intends to submit to the Board for approval. Horizon Utilities will evaluate these program designs for cost effectiveness including synergies that may be available through joint delivery with other LDCs. Horizon Utilities intends to investigate other opportunities for Board-Approved CDM programs in order to meet its mandated CDM target.

Table 12–Summary of Potential Board-Approved Programs

Program Name	Year (s) of operation	Program description	Projected budget	Peak demand reductions (kW)	Electricity consumption reductions (MWh)
Residential Customer Energy Use Benchmarking	2011 through 2014	See description below	NA	NA	NA
Monitoring and Targeting	2011 through 2014	See description below	NA	NA	NA
LED Lighting	2011 through 2014	See description below	NA	NA	NA
Small Commercial Demand Response	2011 through 2014	See description below	NA	NA	NA
Residential Hot Water Program	2011 through 2014	See description below	NA	NA	NA
Generation Conservation	2011 through 2014	See description below	NA	NA	NA

Board-Approved Program Initiative Descriptions

Residential Customer Energy Use Benchmarking

Customers will receive a paper-based "Home Energy Report" that offers insights about their individual energy use, as well as a comparison with their neighbourhood energy use.

Monitoring and Targeting

The proposed Monitoring & Targeting ("M&T") program may be offered to medium and large size commercial and industrial businesses with average demand of 200kW and above. The M&T program is aimed at helping mid and large size commercial customers: better understand their energy performance: benchmarking their consumption with other

similar businesses for best practice and results: and enabling them to achieve sustainable proactive behavioural and process changes.

LED Lighting

The LED Street and Public Lighting Program is a proposed CDM program designed to assist municipal and regional customers and parking facility owners in implementing LED lighting technologies in order to reduce both their peak kW demand and their overall energy consumption by 50% or more. This custom prescriptive program will promote new installations and retrofits of existing roadway and parking area lighting to the latest LED technology.

Small Commercial Demand Response

This is an Energy Management and Demand Response ("DR") Program that is aimed at helping approximately 2,200Horizon Utilities small and medium-size General Service customers with average monthly peak demand of up to 200kW, to reduce their energy consumption and peak system demand over the term of the program.

Residential Hot Water Program

This program is available to residential customers with electric hot water heating and would complement the OPA consumer demand response offering. This program would deliver more frequent control of hot water heaters, and provide greater incentives for participation (e.g. portion of the cost of the rental) and an energy saving kit (including pipe wrap, hot water heater blankets, low-flow shower heads and faucet aerators).

Education Program

Generation Conservation

Generation Conservation targets grade 5 students. This program has been designed with a take-home component so that the student involves parents/guardians in assessing energy use at home and developing conservation plans. The take-home component ensures that the program reaches into as many residences as there are students in grade 5 in the service area.

5.0 Program Mix

Horizon Utilities intends to apply for delivery of the entire complement of OPA-Contracted Province-Wide CDM programs and Board-Approved programs in order to address the needs of all customer classes in its service territory. In order for Horizon Utilities to meets its CDM targets, there must be participation from all customer classes. Horizon Utilities will assess the CDM needs of its customers to ensure that the complement of the OPA-Contracted Province-Wide Programs and Board-Approved programs meet their needs. Horizon Utilities also intends to apply for the OPA Low Income CDM program so that its most vulnerable consumers have an opportunity to participate in CDM. Table 13 below highlights Horizon Utilities' intended program mix for CDM programs.

Table 13–Program Mix by Customer Type

Program Coverage By Customer Type				
Program or Program Initiative	Residential	Residential Low Income	Commercial, Institutional , Multi-family buildings & farms	Industrial
Instant Rebates	X	X		
Midstream Electronics Incentive	X	X		
Midstream Pool Incentive	X	X		
HVAC Rebates	X	X		
Appliance Retirement	X	X		
Exchange Events	X	X		
Residential New Construction	X	X		
Residential Demand Response	X	X		
Residential Low Income		X		
C&I New Construction			X	
ERIP			X	
Power Savings Blitz			X	
Small Commercial DR			X	
DR1 – Commercial & Institutional			X	
DR3 – Commercial & Institutional			X	
ERIP - Industrial				X
DR1 - Industrial				X
DR3 - Industrial				X
Industrial Accelerator				X

Pilot Projects and Educational Programs

Pilot projects will be used to test new products, services and technologies in order to assess potential CDM opportunities for inclusion as new measures in existing programs or for the development of new programs.

6.0 CDM Programs Co-ordination

Horizon Utilities has been successfully delivering CDM programs to its customers for a number of years. Drawing on its past experiences, Horizon Utilities intends to continue

to collaborate with other LDCs including the Coalition of Large Distributors, natural gas distributors, social service agencies, the OPA, and government agencies, where it proves to be cost effective and operationally feasible. Horizon Utilities will leverage existing relationships with channel partners and their in-house team of CDM specialists in order to optimize the results and cost effectiveness of its CDM program delivery.

7.0 Dependencies and Assumptions

The achievement of the above-noted targets is highly dependent on a number of factors. Such factors include, but are not limited to, the following:

- Economic stability that maintains or improves Horizon Utilities' customer contributions to energy consumption and demand.
- The final measurement and verification process adopted by the OPA is not yet defined and it could have significant impacts on the gross to net savings ratio for Horizon Utilities. Understanding this process is a critical component to CDM program delivery.
- The availability of a final OPA Master Agreement and Schedules for Tier 1 programs for execution by Horizon Utilities on or before January 1, 2010.
- Tier 1 funding from OPA, which must be sufficient to achieve targets.
- Timely processing of Horizon Utilities' Application for approval of Tier 2 programs so that entry into the market can be bundled with Tier 1 programs.

As noted earlier in this Strategy, many of the OPA-Contracted Province-Wide Programs represent a continuation of existing programs; other initiatives are entirely new. It is difficult for Horizon Utilities to determine actual uptake of the latter programs, particularly as such relates to participation rates. Free rider impacts will be adjusted by the OPA which may have a significant impact on the results in Horizon Utilities' service territory. Horizon Utilities is committed to the Province's conservation mandate and to the delivery and achievement of CDM targets. However, it is impossible to guarantee the specific outcome each year, at this time.

Horizon Utilities anticipates that it will achieve 80% of its CDM Targets through the OPA Contracted Province-Wide Programs and the remaining 20% of its CDM Targets through the OEB-Approved CDM Programs. Such will be contingent on the ability to finalize the

OPA contract and to have Horizon Utilities' Application for Tier 2 Programs approved quickly, as well.

8.0 Monitor and Control

Horizon Utilities plans to closely monitor the ongoing delivery of CDM programs, expenditures and the actual results from the programs relative to anticipated results. Any significant change in circumstances will be reported to the OEB on an annual basis through, at a minimum, the submission of Horizon Utilities' Annual Report to the OPA. Such reporting will commence in September 2012, as required by the CDM Code.

APPENDIX C - HORIZON UTILITIES' 2014 CDM ANNUAL REPORT

horizon UTILITIES Looking beyond...

September 30, 2015

VIA RESS AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli,

Re: Horizon Utilities Corporation – 2014 Conservation and Demand Management Annual Report (EB-2010-0215)

Horizon Utilities Corporation ("Horizon Utilities") respectfully submits its 2014 Conservation and Demand Management Annual Report in accordance with the Ontario Energy Board's filing requirements specified in Section 2.2 and Appendix C: Annual Report Template of the *Conservation and Demand Management Code* for *Electricity Distributors* issued September 16, 2010.

Should you have any questions pertaining to the above, please do not hesitate to contact me. Two paper copies of this submission will be sent to the attention of the Board Secretary via courier.

Sincerely,

Indy J. Butany-DeSouza, MBA
Vice President, Regulatory Affairs

Horizon Utilities Corporation

Conservation and Demand Management

2014 Annual Report

Submitted to:

Ontario Energy Board

EB-2010-0215

Submitted on September 30, 2015

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Executive Summary

Horizon Utilities Corporation ("Horizon Utilities") is submitting its Conservation and Demand Management ("CDM") 2014 Annual Report (the "Annual Report") to the Ontario Energy Board ("OEB" or the "Board"), in accordance with the filing requirements specified in the OEB's *Conservation and Demand Management Code for Electricity Distributors* (the "Code") (EB-2010-0215), Appendix C, Annual Report Template. This is the final report for the period 2011-2014; this report includes Horizon Utilities' CDM activities for the period of January 1, 2014 to December 31, 2014. The Annual Report provides net peak demand and net energy savings achieved for 2011, 2012, 2013, and 2014. It also includes discussion regarding: the current and future CDM framework; CDM program activities; successes; and challenges.

The OEB amended the electricity distribution licences of all Ontario local distribution companies ("LDCs") on November 12, 2010 to include CDM targets as a condition of licence. Horizon Utilities' peak demand savings target was set at 60.36 MW; its energy savings target was set at 281.42 GWh.

Horizon Utilities filed its CDM Strategy with the OEB on November 1, 2010 which specified that it intended to achieve its CDM targets through Board-Approved and OPA-Contracted Province-Wide programs. Subsequently, on September 30, 2013 Horizon Utilities filed its 2012 CDM Annual Report which included modifications to its CDM Strategy. Horizon Utilities advised the OEB that it would not be applying for any Board-Approved CDM Programs during the balance of the 2011-2014 term.

Horizon Utilities has filed annual reports with the OEB each year (2012-2014) for the prior year's results. This final report includes the results provided by the Independent Electricity System Operator ("IESO") on Time-of-Use ("TOU") pricing. The OEB's *Guidelines for Electricity Distributor Conservation and Demand Management*, released April 26, 2012, identified that the impact of TOU would be deemed a Board-Approved CDM Program. The IESO, formerly the Ontario Power Authority ("OPA"), has provided measurement and verification on TOU in the IESO's Horizon Utilities Corporation 2011 - 2014 Final Results Report.

Horizon Utilities contracted with the OPA to deliver a portfolio of OPA-Contracted Province-Wide CDM Programs to all customer segments; residential, commercial, institutional, industrial and low income in 2011 for the 2011 - 2014 term. Horizon Utilities is pleased to report that it achieved 302.50 GWh of net cumulative energy savings, exceeding its target by 107.49%; it achieved 48.78 MW or 80.82% of its net incremental peak demand savings target. A summary of Horizon Utilities' CDM achievements follows in Table 1. As per the illustration on page 3 of the IESO Horizon Utilities Corporation 2011 - 2014 Final Results report, Horizon Utilities is one of 13 LDCs to achieve such a result in demand savings; it is one of 41 LDCs to achieve this level of energy savings.

Table 1 - Verified Net Peak Demand and Cumulative Net Energy Reduction

	2011 Verified	2012 Verified	2013 Verified	2014 Verified	2014 Verified % of 2014 CDM Target	CDM Target
Net Peak Demand Savings (MW)	6.80	10.60	16.10	48.78	80.82%	60.36
Cumulative Net Energy Savings (GWh)	128.50	186.70	240.90	302.50	107.49%	281.42

The 2014 verified CDM results filed in this Annual Report show that there is a shortfall of approximately 11.56 MW versus Horizon Utilities' 2011-2014 peak demand reduction target. Horizon Utilities achieved 107.49% of the 2011-2014 energy savings target. Although the verified peak demand savings are below 100% of the assigned target, Horizon Utilities achieved demand savings above the OEB minimum threshold to be eligible to earn an OEB incentive.

Reasons for the Shortfall

Horizon Utilities over-achieved on its energy target; it had a minor shortfall on its peak demand target, having achieved 80.82%. Horizon Utilities collaborated with other LDCs, the OPA and the Electrical Distributors Association ("EDA") to improve program participation and CDM savings. Horizon Utilities' shortfall of 12.84 MW in peak demand savings compared to target can be attributed to the following challenges:

- The Industrial Program Process and Systems Upgrades Initiative ("PSUI") Capital Incentive Initiative received customer interest but produced no CDM results for Horizon Utilities due to the delays experienced in the approval process of two very large load displacement generation projects. These projects represented a contribution of approximately 10.6 MW or 17.56% and 84 GWh annually to Horizon Utilities' CDM target;

- Horizon Utilities contracted with the OPA and Simple Energy to deliver a Social Benchmarking pilot project initiative called "Take Charge, Save Energy, Earn Rewards" ("Take Charge") in October of 2014. CDM savings achieved in 2014 from Take Charge will not be available until the Evaluation Measurement and Verification ("EM&V") process is complete in 2015. Horizon Utilities anticipates that persistent energy savings realized from the Take Charge pilot project will be counted toward its 2015-2020 energy savings target. The Social Benchmarking pilot project was estimated to contribute 2.2 MW or 3.64% in peak demand savings and 14 GWh in energy savings to the CDM target. Delays in the timing of the Social Benchmarking pilot project implementation will shift any persistent energy savings into the Conservation First Framework; the 2.20 MW of estimated peak demand savings will not be applied to the new Conservation First energy target;

- Consumer program allocation methodology used by the OPA only allocates 4.0% of the provincial results to Horizon Utilities, based on OEB Yearbook Data for 2008 and 2009

when its target was 4.5% of provincial demand and 4.7% of energy savings, respectively. Based on achieved CDM savings from all programs, Horizon Utilities should have been allocated credit for 5.3% of provincial demand and 4.6% of energy savings. Based on achieved CDM savings from consumer programs only (excluding low income), Horizon Utilities achieved 4.3% of provincial demand and 4.5% of energy savings. Using Horizon Utilities' share of the provincial demand target (4.5%) as the allocation methodology for the consumer programs would have resulted in another 85 kW or 0.1% of peak demand savings should have been allocated to Horizon Utilities;

- The IESO allocation methodology for demand savings per Horizon Utilities' Residential and Small Commercial Demand Response Initiative ("*peaksaver* PLUS®") participant was 0.35 kW/participant as compared to the provincial average of 0.49 kW/participant. Expected increased demand savings from the acquisition of new Horizon Utilities' *peaksaver* PLUS participants was negatively offset by the IESO allocation methodology used for calculating the demand savings for Horizon Utilities *peaksaver* PLUS participants. Another 1,716 kW or 2.84% to the Horizon Utilities peak demand target could have been realized if the IESO used the provincial average demand savings/ participant as the allocation methodology for Horizon Utilities *peaksaver* PLUS participants;
- Less than expected peak demand savings were realized from TOU Pricing; and
- Connection constraints at Hydro One Networks Inc.'s (“Hydro One”) transformer stations were a deterrent for behind the meter load displacement generation projects that would otherwise have been a significant contribution to the demand and cumulative energy targets.

Despite the challenges identified above, Horizon Utilities is satisfied with the IESO's Horizon Utilities Corporation 2011-2014 Final Results Report. Horizon Utilities does not intend to challenge the results reported or make claim for additional demand or energy savings.

Horizon Utilities' success in meeting its peak demand savings threshold was attributed to focus on increased customer participation in: the Equipment Replacement Incentive Initiative previously known as the ERII Program ("RETROFIT PROGRAM"); *peaksaver* PLUS; and the Demand Response 3 Initiative ("DR3") throughout the 2011-2014 framework. Further, in 2014, Horizon Utilities leveraged its Energy Mapping pilot to segment its customer base utilizing energy profiles. Horizon Utilities used energy mapping best practices from the pilot project to take a tactical approach to its customer engagement strategy. By working with local suppliers and contractors, Horizon Utilities was able to increase customer participation.

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 OEB to establish CDM targets to be met by LDCs. Accordingly, on November 12, 2010, the OEB amended the distribution license of Horizon Utilities to include, as a condition of its license, the requirement to achieve 281.42 GWh of energy savings and 60.36 MW of peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

In accordance with the same Ministerial directive, the OEB issued the CDM Code on September 16, 2010. The Code sets out the obligations and requirements with which LDCs must comply in relation to the CDM targets set out in their licenses. To comply with the Code requirements, Horizon Utilities submitted its CDM Strategy on November 1, 2010 which provided an overview of Horizon Utilities' approach to achieve its CDM targets.

The Code also requires a distributor to file annual reports with the OEB. This is Horizon Utilities' final Annual Report filed under the 2011–2014 CDM framework. It has been prepared in accordance with the Code requirements and covers the period from January 1, 2014 to December 31, 2014.

Horizon Utilities submitted its 2011 Annual Report on September 30, 2012 which summarized Horizon Utilities' CDM activities; successes; and challenges for the January 1, 2011 to December 31, 2011 period. The OEB's 2011 CDM Results report identified the delay in the full suite of CDM Programs being made available by the OPA and that the absence of some programs negatively impacted the final 2011 results for LDCs. This issue was also identified in the Environmental Commissioner's Report: "Restoring Balance – A Review of the First Three Years of the Green Energy Act" Annual Energy Conservation Progress Report 2011 Volumes I & II.

On December 21, 2012, the Minister of Energy directed the OPA to fund CDM programs which met the definition and criteria for OPA-Contracted Province-Wide CDM Programs for an additional one-year transitional period from January 1, 2015 to December 31, 2015 to provide assurance to customers that programs will continue and incentives will be paid accordingly.

The Ministerial Directive did not amend the timelines for LDCs to achieve their energy savings and peak demand savings targets. Therefore, the LDCs' focus remained on the achievement of CDM targets by December 31, 2014.

Horizon Utilities submitted its 2012 Annual Report on September 30, 2013 which summarized the CDM activities undertaken by Horizon Utilities for the January 1, 2012 to December 31, 2012 period.

The OEB's Conservation and Demand Management Report – 2012 Results (EB-2010-0215) identified that the majority of LDCs achieved close to 20% of their net peak demand (kW) target from their 2012 results.

According to the OEB's Conservation and Demand Management Report - 2013 Results (EB-2010-0215), LDCs collectively achieved approximately 85.7% of the provincial energy savings

(kWh) target and 48% of the demand target under Scenario 2 and only 27% under Scenario 1. It was estimated that each year LDCs needed to achieve a minimum of 10% of their target in order to meet their respective overall targets. To meet the provincial energy target of 6,000 GWh, another 14.3% of incremental energy savings would be required in 2014. The OEB released a letter on December 17, 2014, stating no compliance actions will be carried out against LDCs that do not meet their peak demand savings targets. This direction was given based on the 2013 Long Term Energy Plan, which assigned responsibility to the IESO to evolve existing demand response programs in Ontario.

The IESO released the Horizon Utilities Corporation 2011 - 2014 Final Results Report on September 1, 2015. This report included the allocated peak demand savings associated with TOU Pricing. The methodology for allocating the TOU results was not provided in the IESO's Horizon Utilities Corporation 2011 - 2014 Final Results Report. The IESO allocated 4.5% of the provincial peak demand savings for TOU Pricing to Horizon Utilities which is the same Horizon Utilities portion of the provincial peak demand target.

1 Conservation Framework

1.1 2011-2014 Framework

Ontario's 2011 - 2014 CDM Framework was a key step towards creating a culture of conservation in the province. The Ontario government (the "Government") Directive to the OEB to establish CDM targets for LDCs recognizes the importance of CDM for both electricity customers and the electricity system. CDM helps customers: manage rising energy costs; supports the provincial integrated supply plan; and addresses local distribution and transmission supply constraints. The 2011-2014 CDM Framework was intended to enable customers to benefit from a suite of both Board-approved and OPA-Contracted Province-Wide and provide a portfolio that would meet both broad and specific customer needs.

Building on the success of the OPA-Contracted Province-Wide programs implemented in 2011-2014, Horizon Utilities is transitioning into 2015 with active channel partner and customer engagement.

1.2 Conservation First 2015 - 2020 Framework

Horizon Utilities is supportive of the Government's renewed commitment to energy conservation in Ontario. Horizon Utilities is committed to working with the Government; IESO; natural gas utilities and other stakeholders to develop and implement energy savings programs for the Conservation First Framework in the province.

The Ministerial Directive dated March 31, 2014 specified the long-term commitment for CDM funding and the confirmation of the role of LDCs, allowing LDCs to maintain current program infrastructure, including LDC staff and third party contracts as required.

The commitment also provided LDCs with the program extensions required for continuity into the Conservation First Framework which is critical for all customers.

A unified transition of all LDCs into the Conservation First Framework with the same start date was not expected or accomplished under the 2015 -2020 Energy Conservation Agreement structure. As a result, LDCs were provided with transitional funding from the OPA to ensure customers had access to continued conservation programs with a seamless transition between frameworks.

The IESO granted conditional approval of the Horizon Utilities' and Erie Thames Powerlines Corporation's joint plan on May 29, 2015. Horizon Utilities began its transition of some program initiatives into the Conservation First Framework, effective July 1, 2015. Currently, Horizon Utilities is implementing some program initiatives under the Amending Agreement funding framework and the balance under Conservation First funding until December 31, 2015. On January 1, 2016, Horizon Utilities will be transitioning all of its CDM program initiatives to the Conservation First Framework.

2 Board-Approved CDM Program

2.1 Introduction

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

The implementation of TOU Pricing was deemed a Board-Approved CDM program that was offered in Horizon Utilities' service area.

2.2 TOU Pricing

2.2.1 Background

In its April 26, 2012 CDM Guidelines, the OEB recognized that a portion of the aggregate electricity demand target was intended to be attributable to savings achieved through the implementation of TOU Pricing. The OEB established TOU prices and has made the implementation of this pricing mechanism mandatory for LDCs. On this basis, the OEB determined that LDCs did 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").

The OEB stated in the April 26, 2012 CDM Guidelines that verified CDM savings from TOU Pricing will be determined by the OPA's EM&V Protocols. The Board 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 LDCs.

The OPA retained the Brattle Group as the evaluation contractor; it has been working with an expert panel convened to provide ongoing advice on methodology, data collection, models, and savings allocation. Evaluations of peak demand savings through TOU Pricing were conducted during 2012 - 2014 with five LDCs – Hydro One Networks Inc., Toronto Hydro-Electric System Limited, Hydro Ottawa Limited, Thunder Bay Hydro Electricity Distribution Inc. and Newmarket-Tay Power Distribution Inc. Preliminary results were issued to the participating LDCs involved in the "Impact Evaluation of Ontario's Time of Use Rates – First Year Analysis" prepared by the Brattle Group on November 26, 2013. The results demonstrated load shifting behaviours from the residential customer class. Three additional LDCs, Cambridge and North Dumfries Hydro Inc., PowerStream Inc. and Greater Sudbury Hydro Inc., were added to the study in 2014. Preliminary results from this study was issued to the participating LDCs in September 2014. The IESO's Horizon Utilities Corporation 2011 - 2014 Final Results Report included 4.5% of allocated provincial peak demand savings from TOU rates to Horizon Utilities. The allocation methodology for TOU was not included in the IESO's Horizon Utilities Corporation 2011 - 2014 Final Results Report. However, based on the allocation of 4.5% aligns to Horizon Utilities' proportion of the provincial demand target.

2.2.2 TOU PROGRAM DESCRIPTION

Target Customer Type(s): Residential and small business customers (General Service <50 kW)

Initiative Frequency: Year-Round

Objectives: TOU Pricing is designed to encourage the shifting of energy usage. Peak demand reductions are expected; energy conservation benefits may also be realized.

Description: In August of 2010, the OEB issued a final determination to mandate TOU Pricing for Regulated Price Plan ("RPP") customers by June 2011, in order to support the Government's expectation of the transfer of 3.6 million RPP customers to TOU Pricing by June 2011. This was also to ensure that Smart Meters, funded through electricity distribution rates, were being used for their intended purpose.

The RPP TOU price is adjusted in May and November each year by the OEB. A summary of the RPP TOU Pricing is provided below:

RPP TOU	Pricing (cents/kWh)		
Effective Date	On Peak	Mid Peak	Off Peak
1-Nov-10	9.9	8.1	5.1
1-May-11	10.7	8.9	5.9
1-Nov-11	10.8	9.2	6.2
1-May-12	11.7	10.0	6.5
1-Nov-12	11.8	9.9	6.3
1-May-13	12.4	10.4	6.7
1-Nov-13	12.9	10.9	7.2
1-May-14	13.5	11.2	7.5
1-Nov-14	14.0	11.4	7.7

Delivery: The OEB set the TOU pricing. Horizon Utilities installed and maintained the Smart Meters; it converted customers to TOU billing. Customers received education materials on Smart Meters at the time of installation. Customers were advised of new TOU pricing in advance of rate changes.

Initiative Activities/Progress: Horizon Utilities began transitioning its RPP customers to TOU billing in December, 2009. As of December 2014, Horizon Utilities has 238,234 customers (219,818 residential and 18,416 General Service <50 kW) billed on TOU pricing. Horizon Utilities is considered to have completed its TOU transition.

2.3 Horizon Utilities' Application with the OEB

Horizon Utilities did not submit a CDM program application for a proposed Board-Approved CDM Program to the OEB in 2014.

2.4 Horizon Utilities' Application with the OPA's Conservation Fund

In 2005, the OPA introduced the Conservation Fund to help meet LDCs' interest in the development and launch of new local, regional and OPA-Contracted Province-Wide initiatives. The Conservation Fund's LDC Program Innovation Stream fast-tracked program design and the launch of successfully piloted initiatives prior to full scale deployment. By driving program innovation through the Conservation Fund, LDCs have the opportunity to realize both additional savings through the piloting and implementation of initiatives not currently addressed by the OPA-Contracted Province-Wide programs and the means to test concepts for future local or IESO-Contracted Province-Wide programs post 2014.

According to the IESO, three pilots have been contracted and are underway with Toronto Hydro-Electric System Limited and Niagara Peninsula Energy Inc. Ten others are in various stages of the contracting and development process. One of the key projects completed through the Conservation Fund is Horizon Utilities' Energy Mapping project (the "Energy Mapping project"). The Energy Mapping project was designed to provide Horizon Utilities with advanced data analytical capacity for the purpose of marketing conservation initiatives. Combining consumption, demographic, building structure and geospatial data, Horizon Utilities developed a robust database that facilitates the effective segmentation of marketing messages. Leveraging the database, Horizon Utilities developed residential market segments and marketing materials that align to the values of each customer segment. For commercial customers, Horizon Utilities provided direct information about conservation incentives to industries or building types that would benefit most from the implementation of energy efficient measures. On December 15, 2014, Horizon Utilities submitted its "Best Practices Manual Energy Mapping for Delivery of Conservation and Demand Management Programs" to the OPA as its final obligation for the Energy Mapping project.

In 2014, building on LDCs' interest in behaviour-based CDM programs for the residential sector, the OPA, in collaboration with Horizon Utilities and two other LDCs, completed the procurement of three Social Benchmarking pilot projects through the OPA Conservation Fund. Horizon Utilities launched its Take Charge Social Benchmarking pilot project on October 24, 2014. Horizon Utilities engaged 50,000 customers by sending out email invitations to join the Take Charge pilot project . Take Charge is estimated to achieve 2 MW in demand and 10 GWh in energy savings annually. Since this pilot was launched in late October 2014, the opportunity for any material savings to target was greatly diminished particularly since the 2014 summer peak has elapsed. Horizon Utilities anticipates that the EM&V process for the Take Charge pilot will commence after the pilot project concludes on October 24, 2015 and that any persistent energy savings would be applied to Horizon Utilities' Conservation First energy savings target. This social benchmarking pilot tested behavioural science methodology and gamification elements using rewards to entice customers to reduce energy use and demand.

3 OPA-Contracted Province-Wide CDM Programs

3.1 Introduction

Effective February 25, 2011, Horizon Utilities entered into an agreement with the OPA to deliver CDM programs extending from January 1, 2011 to December 31, 2014.

Table 2 below identifies the program initiatives for which Horizon Utilities contracted with the OPA and the associated implementation dates of each initiative.

Table 2 – Program Initiatives Contracted with the OPA

Initiative	Schedule	Date Schedule Posted	Customer Class	In-Market Date for Horizon Utilities
Residential Programs				
Appliance Retirement	Schedule B-1, Exhibit D	January 26, 2011	All residential rate classes	January 26, 2011
Appliance Exchange	Schedule B-1, Exhibit E	January 26, 2011	All residential rate classes	January 26, 2011
HVAC Incentives	Schedule B-1, Exhibit B	January 26, 2011	All residential rate classes	January 26, 2011
Conservation Instant Coupon Booklet	Schedule B-1, Exhibit A	January 26, 2011	All residential rate classes	January 26, 2011
Bi-Annual Retailer Event	Schedule B-1, Exhibit C	January 26, 2011	All residential rate classes	January 26, 2011
Retailer Co-op	n/a	n/a	All residential rate classes	n/a
Residential Demand Response	Schedule B-3	August 22, 2011	All general service classes	June 20, 2012
New Construction Program	Schedule B-2	January 26, 2011	All residential rate classes	July 1, 2013
Home Assistance Program	Schedule E-1	May 9, 2011	All residential rate classes	June 20, 2012
Commercial & Institutional Programs				
Efficiency: Equipment Replacement	Schedule C-2	January 26, 2011	All general service classes	January 26, 2011 using a paper based application
Direct Install Lighting	Schedule C-3	January 26, 2011	General Service < 50 kW	January 1, 2011
Existing Building Commissioning Incentive	Schedule C-6	February 2011	All general service classes	July 5, 2012
New Construction and Major Renovation Initiative	Schedule C-4	February 2011	All general service classes	February 1, 2011

Energy Audit	Schedule C-1	January 26, 2011	All general service classes	April 2011
Commercial Demand Response (part of the Residential program schedule)	Schedule B-3	January 26, 2011	General Service <50 kW	
Demand Response 3 (part of the Industrial program schedule)	Schedule D-6	May 31, 2011	General Service 50 kW & above	January 1, 2011
Industrial Programs				
Process & System Upgrades	Schedule D-1	May 31, 2011	General Service 50 kW & above	August 2011
Monitoring & Targeting	Schedule D-2	May 31, 2011	General Service 50 kW & above	August 2011
Energy Manager	Schedule D-3	May 31, 2011	General Service 50 kW & above	January 26, 2011
Key Account Manager ("KAM")	Schedule D-4	May 31, 2011	General Service 50 kW & above	August 2011
Efficiency: Equipment Replacement Incentive (part of the Commercial and Institutional program schedule)	Schedule C-2	May 31, 2011	General Service 50 kW & above	January 26, 2011
Demand Response 3	Schedule D-6	May 31, 2011	General Service 50 kW & above	January 1, 2011
Pre-2011 Programs completed in 2011				
Electricity Retrofit Incentive Program	Schedule B-2 - A	April 10, 2012	All general service classes	January 1, 2011
High Performance New Construction	n/a	n/a	All general service classes	January 1, 2011
Multi-family Energy Efficiency Rebates	n/a	n/a	All general service classes	n/a

As noted in Table 3 below, several program initiatives were either no longer available to customers or were not launched in 2014.

Table 3 – Province-Wide Programs Not in Market

Not in Market	Objective	Status
Residential Program		
Midstream Electronics	Encourages retailers to promote and sell high efficiency televisions, and for distributors to distribute high efficiency set top boxes.	Never launched and removed from Schedule in Q2, 2013.
Midstream Pool Equipment	Encourage pool installers to sell and install efficient pool pump equipment in residential in-ground pools.	Never launched and removed from Schedule in Q2, 2013.
Home Energy Audit Tool	This is a provincial online audit tool to engage customers in conservation and help drive customer participation to CDM programs.	Never launched and removed from Schedule in Q2, 2013.
Commercial & Institutional Program		
Direct Service Space Cooling	Offers free servicing of air conditioning systems and refrigeration units for the purpose of achieving energy savings and demand reduction.	Not launched to market in 2011/2012. As per the OPA there was no plan to launch this initiative in 2013.
Demand Response 1 (“DR1”)	This initiative allows distribution customers to voluntarily reduce electricity demand during certain periods of the year pursuant to the DR 1 contract. The initiative provides DR payment for service for the actual electricity reduction provided during a demand response event.	No customer uptake for this initiative. As a result this Initiative was removed from the Schedule in Q4, 2012.
Industrial Program		
DR1	As above	No customer uptake for this initiative. Removed in Q4, 2012.

The Master CDM Program Agreement included program change management provisions in Article 3. Collaboration between the OPA and the LDCs commenced in 2011, and continued through 2014, as the change management process was implemented to enhance the saveONenergy program suite of initiatives. The change management process allowed for modifications to the Master Service Agreement and initiative Schedules. The program enhancements gave LDCs additional tools and greater flexibility to deliver programs in a way that met the needs of customers and further drove participation in the initiatives.

3.2 Program Descriptions

OPA-Contracted Province-Wide CDM Program details are available 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 ("CONSUMER") PROGRAM

Description: Provided residential customers with program initiatives and tools that help to understand and manage the amount of energy that is used throughout Horizon Utilities customers' entire homes as well as 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:

Light Emitting Diode ("LED") technology continued to play a role in retail-based Residential Program initiatives and resulted in significant energy savings in 2014. The LED coupons offered through the Coupons Initiative and Bi-Annual Retailer Event Initiative ("COUPONS") were the most-redeemed coupons, and led this program to exceeded the HVAC Incentives Initiative ("Heating and Cooling Incentive") as the greatest contributor to energy savings.

The COUPONS program received a large boost with the 2014 OPA mail-out of coupon books to residential customers. Although LDC-specific coded coupons were available in 2014, the uptake will not be realized until 2015. The *peaksaver* PLUS program continued to achieve peak demand savings however adopting newer technologies will be key for this program initiative as it moves to an energy efficiency (kWh) program framework. Unfortunately, there were no savings associated with the In-Home Energy Display ("IHD") attributed to LDCs in the IESO's 2014 verified results. The Appliance Retirement and Appliance Exchange program initiatives continued to contribute to the energy savings of the Residential Program portfolio.

The Residential Program was predominately a carryover of initiatives from previous years. As many of these initiatives have been in the market for numerous years offering the same customer incentives, work to revitalize and increase the effectiveness and breadth of the initiatives is necessary. New initiatives within the residential marketplace need to be identified, developed and offered to customers. For this reason, Horizon Utilities launched a Social Benchmarking Pilot on October 24, 2014. The pilot was closely monitored to understand its effect on the residential market and potential change to the electricity market. Customer interest continued to build during the pilot phase.

3.2.1.1 Appliance Retirement Initiative ("Fridge and Freezer Pickup") (Schedule B-1,Exhibit D)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide appliances uptake/participation was 22,563 units, of which Horizon Utilities contributed 604 units or 2.7% to the provincial results.

Net Savings:

- The incremental peak demand savings were 39 kW and the incremental energy savings were 263,320 kWh.

Contribution to Targets:

- The total program-to-date verified net peak demand savings contributed 360 kW to the 2014 demand target.
- The 2011-2014 net cumulative energy savings was 7,970,691 kWh.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Bill insert to 200,000 customers.
- Promoted at 16 community events (see Appendix C for event listing).
- Horizon Utilities' Website promotion and awareness activity year round.

Additional Comments:

- Due to the duration of the Appliance Retirement Initiative (also known as the Fridge and Freezer Pickup initiative), and the revised eligibility requirements of a minimum of 20 years old (previous requirement of a refrigerator being 15 years old) this initiative appears to have reached market saturation. In addition, the OPA determined that it was not a cost effective program initiative. The program initiative closed as of December 31, 2014, however there were still scheduled pick-ups to be completed in early 2015. The savings for these pick-ups are expected to count towards the Conservation First Framework. It was requested in early 2015 that the program initiative return to support the needs of a few LDCs who requested the program initiative stay in market.
- Better relationships with retailers will play a large role in revitalizing this program initiative. Retailers are essential to capture replacement appliances and have them decommissioned after a sale has been finalized. These are engaged customers who require minimal encouragement to sign up.
- This initiative (previously known as The Great Refrigerator Round-Up) has been offered by Horizon Utilities continuously since 2006. Horizon Utilities has had strong participation since its inception. This initiative has approached market saturation as appliances have a natural life cycle. The number of eligible appliances retired by Horizon Utilities' customers in 2013 declined by 48% over 2012, which was on pace with the overall provincial results which declined by 39%. In 2014, participation dropped again, down to 604, or 88% lower than the program initiative's best year (2009).

- Historical results for the appliance retirement program initiative since 2006 are as follows:

Year	Pickups
2006	1449
2007	1875
2008	3824
2009	4900
2010	2972
2011	3034
2012	1671
2013	878
2014	604
Total	**21207**

- Participation rates in this initiative have been responsive to province-wide advertising by the OPA, supported by LDCs. In 2013 and 2014, however, the OPA provided no mass media advertising support for this initiative.
- The IESO can make the availability of customer participation information more accessible on this program initiative by including it in the LDC portal. This data would be useful in determining past participants in order to gauge marketing tactics to new potential participants.
- The IESO and Residential Working Group should review what opportunities there are to include other appliances such as stoves, dishwashers, washers and dryers. The framework of this initiative may be a suitable foundation for a more holistic residential appliance retirement program initiative. The Residential Program could be strengthened through program evolution rather than weakened through diminished program offerings.
- The experience of other jurisdictions should also be considered, where similar appliance retirement program initiatives have typically included participant incentives of $25 to $50 (No participant cash incentives have been offered for any appliance pick up initiatives since the concept was first introduced into the Ontario market in 2006).
- The IESO and Horizon Utilities continue to establish partnerships with independent retailers and municipalities. Horizon Utilities' experience with offering the service provider Just Junk a "referral fee" to attract participants was an example of such a partnership.

3.2.1.2 Appliance Exchange Initiative (Schedule B-1, Exhibit E)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide Appliance Exchange uptake/participation was 5,685.
- Horizon Utilities' uptake/participation for the Appliance Exchange initiative was 203 units, or 3.6% of the provincial results.

Net Savings:

- The incremental peak demand savings was 42 kW and the incremental energy savings was 74,996 kWh.

Contribution to Targets:

- The total program-to-date verified net peak demand savings from this program initiative that contributes to the 2014 demand target was 104 kW.
- The program-to-date 2011-2014 net cumulative energy savings was 382,515 kWh.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Horizon Utilities' Website promotion and awareness activity year round generating 477 page views with forty seconds average time on page.
- Promotion at 16 retail events.

Additional Comments:

- This initiative's eligible measures and incentive amounts are influenced by the retail partner with no direct involvement from the LDCs. The restrictive, limited and sometimes non-participation of local stores can diminish the savings potential for this initiative.
- Canadian Tire was the only retailer participant in the Appliance Exchange initiative in 2014.
- EM&V results indicated that the value of savings for retired room air conditioners ("ACs") has dropped resulting in the retail participant not accepting window ACs during the Spring or Fall 2013 events. Only dehumidifiers were accepted in 2014.
- Notification regarding retailer participation and eligible measures continues to be delayed. Improved communications will aid in appropriate resource allocation and marketing of the initiative.
- **ENERGY STAR®** requirements continued to increase for new units, increasing the energy savings value of exchanging an old unit.
- The initiative appears to require more promotion from retailers and LDCs. Participation has plateaued in the last 2 years.
- As the in-store events are limited to twice per year, it would be helpful to provide consumers with an in-store coupon incentive, for products that can be purchased and contribute towards Horizon Utilities' savings.
- 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 Canada Inc. for appliance removal.

3.2.1.3 HVAC Incentives Initiative (HEATING AND COOLING INCENTIVE) (Schedule B-1, Exhibit B)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide HEATING & COOLING INCENTIVE program (also known as the HVAC Incentives Initiative) uptake/participation was 113,002 units, of which Horizon Utilities contributed 5,772, or 5.1% of the provincial results.

Net Savings:

- The incremental peak demand savings was 1,109 kW and the incremental energy savings was 2,035,819 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributes to the 2014 demand target was 4,642 kW.
- The program-to-date 2011-2014 net cumulative energy savings was 21,235,870 kWh.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Bill insert to 200,000 customers.
- Promotion on outer bill envelope which totaled over 2.2 million.
- Promoted at 16 community events (see Appendix C for event listing).
- Collateral material hand-outs were consistent throughout the year.
- Horizon Utilities' Website promotion and awareness activity year round generating 1,247 page views with one minute and forty seconds average time on page.

Additional Comments:

- The program initiative continued to see steady participation, with similar results each year from 2011-2013. 2014 participation was 14.78% higher than 2011 levels, making it the strongest year with 5,772 participants.
- Incentive levels appear to be insufficient to prompt participants to upgrade HVAC equipment prior to end of useful life. An Air Miles® incentive was introduced in 2013 to try to increase the related uptake for this program initiative. The Air Miles incentive was discontinued in 2014 due to lack of interest.
- Provincially, electronically commuted motor ("ECM") unit installs under the program initiative rose by 12%, and the 2nd tier AC incentive saw an increased uptake of 37% (1st tier AC incentive uptake fell 3%).
- The number of provincial participants only upgrading central air conditioners ("Macs") increased 44%. This is a concern because peak demand savings will no longer be considered in 2015,

and ECMs represent the vast bulk of the savings earned by the program initiative. The IESO should consider whether CAC incentives are still relevant by themselves.

- Two-thirds of all HVAC installs in the province in 2014 claimed the HVAC incentive, according to primary research by the IESO. This agrees with a simple estimate based on Horizon Utilities' numbers (130,000 homes with forced air systems divided by 15; assuming all homes replace their furnace every 15 years) multiplied by 2/3 = 5,777.
- Contractors and bill inserts continue to be the best methods for notifying customers about the program initiative. A consumer survey identified that 50% of participants found out about the initiative through one of these two methods.
- There are cases where non-participating contractors are offering their own incentives (by discounting their installations to match the value of the OPA incentive) to make the sale. As this occurs outside of the initiative, these installations should be attributed to the appropriate LDC. The Residential Working Group in 2015 will consider stipends for contractors to encourage participation in the program initiative - as well as better highlighting of participating contractors.
- Branding needs to be extended to Heating Refrigeration Air Conditioning Institute ("HRAI") contractors on advertising to promote and encourage customers to be more effective in leveraging the saveONenergy ^{OM} HEATING & COOLING INCENTIVE.
- This initiative is contractor driven with Horizon Utilities responsible for marketing efforts to customers. More engagement with the HVAC contractor channel should be undertaken to drive a higher proportion of furnace and CAC sales to eligible units.

3.2.1.4 Coupon Initiative (Schedule B-1, Exhibit A)

Initiative Activities/Progress:

The following illustrates the Coupon Initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide coupons uptake/participation was 1,208,108 units of which Horizon Utilities was allocated 42,295 or 3.5% to the provincial results.

Net Savings:

- The incremental peak demand savings was 86 kW and the incremental energy savings was 1,153,159 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributes to the 2014 demand target was 167 kW.
- The program-to-date 2011-2014 net cumulative energy savings was 5,233,609 kWh.

Marketing & Promotional Tactics Used:

- Promoted at 16 community events (see Appendix C for event listing).
- Horizon Utilities' Website promotion and awareness activity year round generating 1,244 page views with one minute and thirty five seconds average time on page.

Additional Comments:

- The timeframe for retailer submission of redeemed coupons vary from retailer to retailer and in some cases has been lengthy. The delays and incomplete results associated with reporting limits the ability to react and respond to initiative performance or changes in consumer behaviour.
- The product list could be distinctive from the Bi-Annual Retailer Event Initiative in order to gain more consumer interest and uptake.
- Coupon booklets were not printed and mailed in 2014 and thus were not widely available to consumers unless they chose to download and print them. In addition, consumers may not have been aware of the online coupons. As such, this initiative may benefit from provincial marketing as a substitute to distribution.
- Coupons were listed on the Horizon Utilities' website in a single downloadable PDF file. This required the customer to download the entire set of coupons, then make copies of just the coupons they wanted multiples of. This was a cumbersome process for the customer that was improved at the end of 2014. The improvements included splitting each coupon into its own downloadable file, while also providing a version of each file that featured 2 copies of the coupon on a single sheet, to allow easy printing and copying of specific coupons. The most popular coupons required the customer to present multiple copies (LED coupon allowed 5 coupons per customer) of the coupon to receive multiple discounts.
- Program initiative evolution, including new products and review of incentive pricing for the coupon initiatives, should be a regular activity to ensure continued consumer interest.
- In 2013, LDCs were provided with 3 custom-coded coupons to provide 100% allocation to that LDC. In 2014, all coupons were provided with LDC custom coding for the ability to push specific coupons based on localized needs. The top 4 coupons (general and specialty CFL and general and specialty LED coupons) generated 95% of the redemptions in 2014, so the LDC coding on the remaining coupons should provide minimal impact.
- Consumer experience varies among retailers offering coupon discounts and this can limit redemptions. For example, a particular high volume 'participating retailer' does not accept point of sale coupons and have their own procedure, whereas some retailers historically have had lengthy coupon redemption processes. In addition, some retailers have static lists of eligible products and will not discount eligible products unless it's on the list.
- The saveONenergy program initiatives would benefit from specific end cap displays, aisle product stands and product-specific areas. Having products scattered throughout different retail shelving weakens the impact.
- A conservation coupon booklet could be used all year to encourage customer participation and in-store retailer visits.

3.2.1.5 Bi-Annual Retailer Event Initiative (Schedule B-1, Exhibit C)

Initiative Activities/Progress:

The following illustrates the Bi-Annual Retailer Event Initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide Bi-Annual Retailer Event uptake/participation was 4,824,751 units.
- The IESO allocated Horizon Utilities' participation results for the Bi-Annual Retailer Event. The result was 195,057 units, or 4.0% to the provincial results.

Net Savings:

- The incremental peak demand savings was 325 kW and the incremental energy savings was 4,968,775 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 505 kW.
- The program-to-date 2011-2014 net cumulative energy savings was 14,711,564 kWh.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Horizon Utilities' Website promotion and awareness activity year round.
- Promoted at 16 community events (see Appendix C for event listing).

Additional Comments:

- The large increase in participation in 2014 can be partly attributed to a province-wide mailing campaign executed by the OPA, combined with the surging popularity of LED lamps combined with falling prices. The $5 coupon is expected to be lowered in value in 2016 as prices continue to fall.
- Spillover for 2014 was 94%, which led to a Net-To-Gross Ratio of 1.75 for the program initiative.
- The top 4 coupons (general and specialty CFL and general and specialty LED coupons) generated 95% of the redemptions in 2014.
- This initiative design is strongly influenced by the retail participant relationship with the OPA.
- Horizon Utilities' events teams work with local retail outlets to educate customers, store staff, and help drive product sales. In some cases, assistance with in-store setup and logistics is required.
- Limited engagement of local retailers can restrict the savings potential for this initiative.
- The product list has changed very little over the past five years.

- Program initiative evolution, including new products (for example, LED lighting) and review of incentive pricing, must be a regular activity to ensure continued consumer interest.
- The product list could be distinctive from the Coupon Initiative in order to gain more consumer interest and uptake.
- This initiative may benefit from a more exclusive relationship with a retailer appropriate to the initiative . There should be a value proposition for both the retailer and LDC.
- Some retailers have been rejecting coupons on qualified products as store name is 'not on the list', resulting in reduced participation.
- The Bi-Annual Retailer Event Initiative may not individually present a value for the significant investment of LDC resources to undertake these types of events and should be backed by other residential program initiatives that offer more variety and value to customers.
- LDCs should be able to custom code all coupons to provide 100% allocation and push specific coupons based on localized needs.
- Communications regarding retailer participation continues to be delayed. Improved communications will aid in appropriate resource allocation and marketing of the initiative.

3.2.1.6 Retailer Co-op

Initiative Activities/Progress:

The following illustrates the progress achieved in 2014:

- There was no participation by Horizon Utilities' customers in 2014.

Additional Comments:

- This initiative was not in market in 2014 and produced no net incremental peak demand savings or net incremental energy savings for Horizon Utilities.

Additional Comments:

- This was a retailer initiative with extremely limited direct benefit to the LDCs.

3.2.1.7 Residential New Construction Initiative ("NEW HOME CONSTRUCTION program" (Schedule B-2)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- There was no participation by Horizon Utilities' customers in the NEW HOME CONSTRUCTION program; the province-wide results to-date were only 2,694 participants.

Net Savings:

- None.

Contribution to Targets:

- None.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Horizon Utilities' agreement with a provider who was tasked with reaching out to builders, explaining the program initiative and generating applications. No final applications were received in 2014.
- Horizon Utilities' Website promotion and awareness activity year round generating over 336 page views with one minute and twenty seven seconds average time on page.

Additional Comments:

- This initiative provides incentives to home builders for incorporating energy efficiency into their buildings. To support this, LDCs need to provide education to the consumers regarding the importance of choosing the energy efficient builder upgrade options without an immediate benefit to the consumer.
- In 2012, the application process was streamlined. However, it continues to be too cumbersome for builders. This, combined with limited return, has resulted in this initiative continuing to under-achieve.
- Administrative requirements, in particular individual home modeling, must align with perceived stakeholder payback.
- The addition of LED light fixtures, application process improvement and moving the incentive from the builder to the home-owner may increase participation.
- This initiative may benefit from collaboration with the natural gas program.

3.2.1.8 peaksaver PLUS Initiative (Schedule B-3)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- The 2014 province-wide *peaksaver* PLUS new participation was 69,648 thermostats and 54,920 IHD.
- Horizon Utilities' 2014 new participation for *peaksaver* PLUS was 2,979 programmable thermostats and 3,110 IHDs to residential consumers, or 4.3% of the provincial thermostat total. Horizon Utilities' IHD total was 5.7% of the provincial total for the year.
- Total province-wide *peaksaver* PLUS participation (program-to-date) was 241,381 thermostats at the end of 2014. Horizon Utilities' portion of the total was 12,539 thermostats, or 5.2%.

Net Savings:

- Horizon Utilities' incremental peak demand savings was 719 kW and the incremental energy savings was 1,510 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributes to the 2014 demand target was 4,457 kW for Horizon Utilities.
- The program-to-date net cumulative energy savings was 29,144 kWh.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Direct mail campaigns leveraged its energy mapping database to better understand the needs of its residential customers in relation to *peaksaver* PLUS
- Identification of specific demographic groups that showed a higher propensity to participate in *peaksaver* PLUS than other groups were selected.
- This data prompted us to review the values most associated with the primary demographic groups in Horizon Utilities' territory. By adjusting the messaging in the direct mail efforts, to better align to the values of primary demographic groups, increased market penetration into market segments who have not traditionally participated in *peaksaver* PLUS was experienced.
- Several outbound calling campaigns followed direct mailings, targeting almost 15,000 customers. Again using targeted customers, the campaigns met with better results than the mail campaigns did. In terms of marketing costs, cost of acquisition went from over $100/sign-up with direct mail to under $80/sign-up with calling.
- Survey results and customer feedback indicated that program initiative awareness was high, but customers had questions about the initiative. Thus, it was decided that outbound calling should be the focus from here on, in order to give the customer a chance to have all questions answered before signing up to the program initiative.
- Promoted at 16 community events (see Appendix C for event listing).
- Horizon Utilities' Website promotion and awareness activity year round generating over 5,900 page views.
- Bill statement inserts for 200,000 customers.
- Advertisements in local newspapers, reaching a combined circulation of 160,000.

Additional Comments:

- 2014 saw the product offering for *peaksaver* PLUS become stale. The thermostat device and in-home energy display became overshadowed by products that customers were willing to pay for instead of receiving *peaksaver* PLUS for free. Wi-Fi thermostats, the initial smart thermostats (primarily Nest in 2014) and competing educational tools eroded the market for the program initiative. In 2014, the Utility Pro thermostat was deemed to be end-of-life, and although Honeywell made a play to introduce a Wi-Fi head end that could be used with *peaksaver* PLUS, the setup and subscription costs were prohibitive to the LDCs and the OPA and the move failed.
- Energy retailers also began offering (selling and sometimes giving away) thermostats to customers who signed up with their programs. 229 former *peaksaver* PLUS customers moved over to one particular retailer in the Horizon Utilities' territory.
- *peaksaver* PLUS underwent the evaluation, measurement and verification process resulting in a decrease in the attributed peak demand savings in for residential central air conditioning systems in Horizon Utilities' territory. In 2012, the total peak demand savings for *peaksaver* PLUS was 2,699 kW with 5,393 customers participating, providing a contribution of .50 kW per participant. In 2013, the total peak demand savings for *peaksaver* PLUS was 3,738 kW with 9,560 customers participating, providing a contribution of 0.39 kW per participant. The 2013/14 results demonstrate that the net contribution per device is lower for Horizon Utilities than the province as illustrated below.

	2011	2012	2013	2014
Horizon Utilities' allocated kW Savings / RDR control device	1	0.5	0.39	0.36
Provincial average kW Savings / RDR control device	1	0.5	0.54	0.49
Difference kW / RDR control device	0	0	0.15	0.13

As shown below, this change in allocated peak demand savings per participant represents a decrease in net peak demand savings of 1,434 kW or 2% of the Horizon Utilities' demand target for 2013. A similar shortfall was seen in 2014.

	2013	2014
Total Number of installed devices 2011 – 2014	9,560	12,539
Current Horizon Utilities' contribution based on 0.36 kW/participant	3,728	4,514
Horizon Utilities' contribution based on Provincial Average of 0.49 kW/participant	5,162	6,144
Current kW Loss to Horizon Utilities' Demand Target (kW)	-1,434	-1,630
% to Horizon Utilities' Demand Target	-2%	-2.7%

- Despite these results, Horizon Utilities is working with the IESO to investigate further how this decrease in allocated peak demand savings per participant has been determined. Also to

determine if anything further can be done to improve the demand response capacity going forward.

- IESO determined that the IHD offered in the program initiative contributed no claimable energy savings. The Residential Working Group should consider removing the IHD from the initiative, as well as other program initiative changes such as 'bring your own device' and contractor incentives.
- In 2014, there were more options available in terms of IHD products, including IHDs that were able to communicate directly with smart meters. Horizon Utilities continued to use the Blueline IHD originally selected, which uses a collar installed externally to the meter in order to communicate meter data to the hand-held IHD device.
- Given different LDC customer preferences and needs each LDC is positioning the initiative slightly differently. While a thermostat has a high marketability, it also carries a higher maintenance liability due to no-heat and no-AC calls. A switch with an independent IHD is less likely to prompt customer maintenance calls but also has a much lower marketability.
- In a few cases customers did not want the IHD due to performance limitations of the device to communicate over a long distance between the electrical meter and the dwelling. Currently the Blue Line IHD product does not adapt to statutory holidays for off-peak energy pricing.
- Horizon Utilities approved the use of an IHD provided by Efergy in cases where the range of the IHD supplied by Blue Line Innovations was a problem for the customer, as the Efergy unit has shown to have a better effective range. The Efergy IHD also reportedly has better battery performance, and its collar design is less likely to lead to signal loss due to collar mis-alignment.

3.2.2 COMMERCIAL AND INSTITUTIONAL ("C&I" or BUSINESS) PROGRAM

Description: Provided 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. The C&I Program included initiatives to help fund energy audits, to replace energy-wasting equipment or to pursue new construction that exceeds existing codes and standards. Businesses could also pursue incentives for controlling and reducing their electricity demand at specific times.

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:

The C&I Program was comprised of three initiatives that were continuations of previous initiatives, and two new initiatives. Similar to many of the initiatives in the Residential Program, customer interest in participating in the C&I Program was largely driven by supply channel partners such as commercial lighting contractors, commercial heating, ventilation, air conditioning and refrigeration ("HVACR") contractors, and other parties.

The most important of the C&I Program initiatives with respect to the provision of demand and energy savings were the Efficiency: RETROFIT PROGRAM and the Direct Install Lighting and Water Heating Initiative (the "SMALL BUSINESS LIGHTING" program or "SBL", also known as the "Direct Install Lighting Program"). Both were continuations of earlier programs that were refined over time, particularly to increase the incentives available.

Participants in SBL, for which business customers in the General Service < 50 kW category were eligible, received more energy-efficient lighting and other products at no cost to a maximum of $1,500 (previously $1,000). Horizon Utilities experienced very strong participation in the previous version of this initiative, the "Power Savings Blitz", and completed over 5,700 projects prior to 2011. As participation in SBL or Power Savings Blitz was restricted to only once per eligible facility, Horizon Utilities experienced lower participation rates in 2011 to 2013 versus the provincial average; although the participation rate more than doubled in 2014 versus 2013 as a result of marketing/ outreach campaigns directed at businesses that had not yet participated.

While the RETROFIT PROGRAM was targeted at all sizes and types of business customers and for almost any energy efficient product or measure, most applications for this initiative involved lighting replacement projects. Including 118 projects completed in 2011 under the previous version of this initiative, the Electricity Retrofit Incentive Program ("ERIP"), 1,299 eligible equipment replacement/upgrade projects were completed by customers of Horizon Utilities as of December

31, 2014. Horizon Utilities' participation rates for the RETROFIT PROGRAM were approximately three projects completed for every five General Service Customers >50 kW.

Horizon Utilities undertook a number of steps to improve its results for the RETROFIT PROGRAM throughout 2011 to 2014. Horizon Utilities implemented a channel partner engagement program through the Channel Partner Supervisor, offering training sessions and support for equipment manufacturers, distributors and contractors. This resulted in an increase in new project applications overall, improved quality in the applications (i.e. applications were correctly completed upon submission, allowing for the approval process to proceed more quickly), and an increase in the number of non-lighting applications. Horizon Utilities also refined its sales and marketing approaches to business customers and developed new campaigns; for example, offering a free energy assessment to help identify opportunities to reduce electricity usage. As a result, the number of new RETROFIT PROGRAM project applications increased by about 20% in 2013 versus 2012 and almost 70% in 2014 versus 2013; while the proportion of applications that were deemed to be ineligible or were otherwise canceled decreased by about 40% from 2012 to 2014.

Throughout 2011 to 2014, the EDA C&I Working Group, comprised of representatives of LDCs and the OPA, sought to enhance the existing C&I Program initiatives and to rectify identified operational and system deficiencies. This was a challenging undertaking, normally taking months to implement even relatively minor changes to the then-current CDM framework. In 2013, the introduction of an expedited change management process helped to fast-track minor changes into market. The removal of participant agreements and forms from the C&I Program schedules also helped reduce the length of time it took to process changes.

Management of the C&I Program by LDCs was hampered by varying interpretations of initiative eligibility requirements, a somewhat inflexible on-line system of checks and balances, and staffing shortfalls at the OPA to address questions and issues in a timely manner. Overbuilt governance, numerous initiative requirements and complex program structures restricted growth without providing the anticipated improvement in customer participation and verified demand and energy savings. In addition, EM&V assessments of the C&I Program initiatives did not achieve full transparency nor necessarily lead to program improvements. As an example, the net-to-gross ratio for the New Construction Initiative (the "HIGH PERFORMANCE NEW CONSTRUCTION" program, or "HPNC") remained at only about 50% for the entire 2011-2014 period. As a consequence, LDCs were held accountable for verified net demand and energy savings results as reported by the OPA and the IESO, yet were mostly removed from the process to determine these results and unable to proceed quickly with critical program changes.

3.2.2.1 Efficiency: Equipment Replacement Incentive Initiative (RETROFIT PROGRAM) (Schedule C-2)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in the RETROFIT PROGRAM since January 1, 2011 was 30,413 projects.
- Horizon Utilities completed 457 projects in 2014, and since January 1, 2011 contributed 1,181 projects including adjustments to prior years reported by the IESO, or 3.9% to the provincial results.

Net Savings:

- The incremental peak demand savings in 2014 was 2,594 kW and the incremental energy savings was 19,282,049 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 8,596 kW including adjustments to prior years reported by the IESO, or 14.2% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 110,582,400 kWh including adjustments to prior years reported by the IESO, or 39.3% of Horizon Utilities' 2014 CDM Target.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promoted directly by KAMs, EEMs and channel partners to eligible customers.
- Promoted on Horizon Utilities' website on a year-round basis.
- Printed advertising in the Hamilton Chamber of Commerce Membership Directory with a circulation of 2,500.
- Conducted a direct mail campaign to over 3,700 customers in specified market verticals (Health Care, Warehousing, Small and Large Retail, Small and Large Office, Restaurant, Fast Food and Small Medical sectors) highlighting electricity usage in comparison to sector average. This campaign promoted the RETROFIT PROGRAM, SBL, AUDIT FUNDING and *peaksaver* PLUS.
- Hosted an "Energy Excellence Awards" event on March 26, 2014 where recognition was given to customers that had RETROFIT PROGRAM projects with significant demand and energy savings. Also recognized were customers and their project representatives who completed projects that involved innovative design or measures. Attendance at this event increased by over 50% versus 2013.
- Promoted at 11 business-related events interfacing with over 535 customers and channel partners (see Appendix C for the list of events).
- Published case studies to promote energy efficient projects.
- Created a training support slide deck for Energy Managers.
- Printed 100 "Sell Sheets" and 150 brochures describing the RETROFIT PROGRAM (and other C&I and Industrial Program initiatives) for use by Horizon Utilities' personnel and channel partners.

Additional Comments:

- Of all of the CDM Programs offered by Horizon Utilities from 2011 to 2014, the RETROFIT PROGRAM was the largest contributor to Horizon Utilities' net cumulative energy savings.
- Horizon Utilities' 2014 RETROFIT PROGRAM results increased by 56 completed projects as compared to 2013. Horizon Utilities also received credit for closing 43 additional projects in 2014 from previous years. More than 230 project applications initiated in 2013 and 2014 remained in progress as of December 31, 2014 and carried-over into 2015.
- Horizon Utilities experienced an increase in the percentage of non-lighting project applications of over 20% in 2013 and 2014 versus less than 10% in 2011.
- The average size of retrofit projects completed in 2014 by customers of Horizon Utilities was 5.7 kW in terms of peak demand savings and 42,190 kWh in terms of net incremental energy savings. This compares to projects completed in 2013, where the average project size was 8.2 kW and 44,735 kWh, respectively (including adjustments to the 2013 results reported by the IESO). This trend of decreasing project size was experienced by other LDCs, as evidenced by similar trends in the results province-wide.
- Capability building programs from the Industrial Program had positive contributions to RETROFIT PROGRAM results. For example,160 projects that were closed out in 2014 involved a Roving Energy Manager.
- Applicants and Applicant Representatives continued to express dissatisfaction and difficulty with the on-line application system for the RETROFIT PROGRAM. This issue was addressed by LDCs through application training workshops, KAMs, channel partner/contractor training and LDC staff acting as 'Applicant Representatives' on behalf of customers. Although this was an effective method of overcoming these issues and encouraging submissions, it also reflects on the complexity and time consuming nature of the application process. As such, Applicant Representatives continued to influence the majority of applications submitted. Continued development of channel partners is essential to future program success in the Conservation First Framework.
- The requirement for pre-approval of RETROFIT PROGRAM projects prior to their commencement was a barrier to participation, particularly for participants that needed to replace equipment that failed and needed immediate replacement. In the second half of 2013, changes to the 'Prescriptive' application process for the emergency replacement of HVAC equipment were implemented to allow for project applications to be completed after-the-fact, and the incentives available were also increased.
- The requirement to have a customer invoice the LDC for their RETROFIT PROGRAM incentive was very burdensome for the customer and resulted in a negative customer experience, and was another barrier to participation.
- Processing 'Head Office' applications became much easier for the 'Lead LDC' after changes to Schedule C-2 came into effect in August 2013. The changes allowed the Lead LDC to review and approve all facilities in a Head Office application on behalf of all 'Satellite LDCs' under certain circumstances. A framework to provide additional funding for Lead LDCs taking on Head Office applications is a requirement in the Conservation First Framework to make processing applications efficient for the customer and Lead LDC.
- Streamlining of the settlements system and procedures by the OPA resulted in significant improvements in the process for paying customer incentives in 2013 and 2014.

3.2.2.2 SBL Initiative (Schedule C-3)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in SBL since January 1, 2011 was 81,049 projects.
- Horizon Utilities completed 991 projects in 2014, and since January 1, 2011 contributed 2,783 projects or 3.4% to the provincial results.

Net Savings:

- The incremental peak demand savings in 2014 was 852 kW and the incremental energy savings was 2,940,240 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 2,409 kW including adjustments to prior years reported by the IESO, or 4.0% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 17,995,592 kWh including adjustments to prior years reported by the IESO, or 6.4% of Horizon Utilities' 2014 CDM Target.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

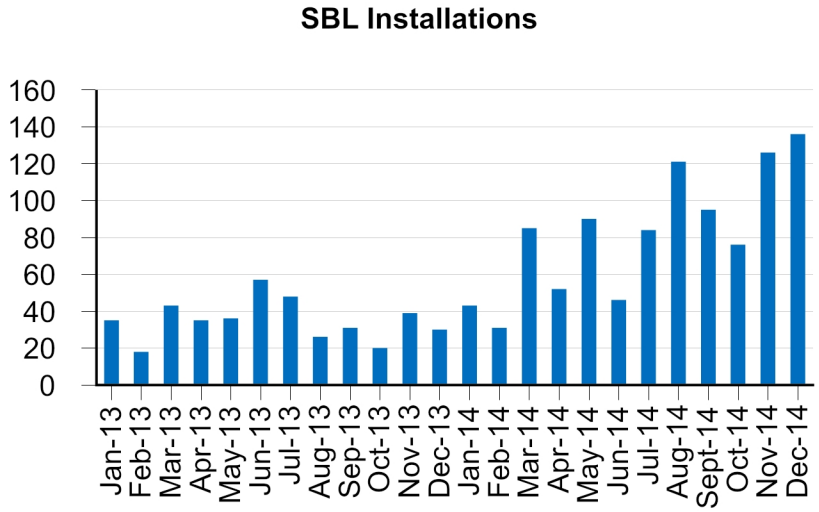
- Promoted on Horizon Utilities' website on a year-round basis, generating 492 page views with an average time-on-page of more than two minutes.
- Conducted a three tranche (April, May & June) Direct Mail campaign to 3,578 customers.
- Conducted an Outbound Calling Campaign in the Fall to over 4,300 customers resulting in a significant increase in installations in November and December.
- Continued to call on potential clients through "door-to-door" approach and distributed collateral sell sheets through this activity.
- Promoted at 11 business-related events interfacing with customers and channel partners (see Appendix C for the list of events).
- Included in collateral material available for other C&I and Industrial Program initiatives.
- Created 1,000 "Sell Sheets" for use by the personnel of Horizon Utilities' delivery agent for SBL.

Additional Comments:

- Horizon Utilities' 2014 results for SBL increased by 576 completed projects as compared to 2013 - more than double the 2013 number. A summary of the annual participation levels in the programs was as follows:

Year	Participants
2008	504
2009	3,257
2010	1,954
2011	715
2012	662
2013	415
2014	991
Total	8,498

- The table below illustrates the distribution of direct install work-orders for the period of January 2013 through December 2014 as provided by Horizon Utilities' delivery agent for SBL.



3.2.2.3 Building Commissioning Initiative (Schedule C-6)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in the Building Commissioning Initiative (also known as "EXISTING BUILDING COMMISSIONING", or ("EBC") since January 1, 2011 was 5 projects, all completed in 2014.
- Horizon Utilities completed 2 projects in 2014, contributing 40.0% to the provincial results.

Net Savings:

- The incremental peak demand savings in 2014 was 133 kW and the incremental energy savings was 157,250 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 133 kW, or 0.2% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 157,250 kWh, or 0.1% of Horizon Utilities' 2014 CDM Target.
- There were no adjustments to prior years reported by the IESO to the program-to-date results.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promoted directly by KAMs, EEMs and channel partners to eligible customers.
- Promoted on Horizon Utilities' website on a year-round basis, generating 60 page views with an average average time-on-page of more than one minute.
- Promoted at 11 business-related events (see Appendix C for the list of events).
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- Horizon Utilities deployed the first channel partner to support EBC in Ontario in 2012. An additional 12 project applications from 2013 and 2014 remained in-progress as of December 31, 2014 and carried-over into 2015.
- The prescribed implementation of this initiative originally dictated that all measurements, both pre- and post-project, be conducted within the months of June through September. Given that the pre-project phase required data be collected for 60 consecutive days, it was imperative that all pre-project measurements commence in early June or the implementation of the improvements would not be credited until the following calendar year. As technology currently exists to collect the required data in as little as two weeks, a change was implemented in late 2014 through the C&I Working Group to reduce the data collection period to 30 days.

3.2.2.4 New Construction Initiative ("HPNC") (Schedule C-4)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in HPNC since January 1, 2011 was 507 projects.
- Horizon Utilities completed 8 projects in 2014, and since January 1, 2011 contributed 21 projects including adjustments to prior years reported by the IESO, or 4.1% to the provincial results.

Net Savings:

- The incremental peak demand savings in 2014 was 151 kW and the incremental energy savings was 521,315 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 823 kW including adjustments to prior years reported by the IESO, or 1.4% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 7,644,522 kWh including adjustments to prior years reported by the IESO, or 2.7% of Horizon Utilities' 2014 CDM Target.

Marketing & Promotional Tactics Used:

- In 2014, Horizon Utilities delivered HPNC through the services of Enbridge Gas Distribution Inc. ("Enbridge") and Union Gas Limited. The initiative was also promoted on Horizon Utilities' website on a year-round basis.
- Promoted at 11 business-related events (see Appendix C for the list of events).
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- As noted previously, HPNC had a very low net-to-gross ratio, which resulted in approximately half of the expected demand and energy savings being 'lost'.
- There is typically a long project planning and development cycle for new construction projects. Estimated completion dates tend to be inaccurate and are typically delayed by at least six months.
- The application process for 'Custom' projects in HPNC required considerable customer support and skilled LDC staff, and potential participants often expressed that the effort involved exceeded the value of the incentives available.

3.2.2.5 Energy Audit Initiative ("AUDIT FUNDING") (Schedule C-1)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- The total province-wide participation in AUDIT FUNDING since January 1, 2011 was 1,641 projects.
- Horizon Utilities contributed 20 projects in 2014, and since January 1, 2011 contributed 49 projects including adjustments to prior years reported by the IESO, or 3.0% to the provincial results.

Net Savings:

- The incremental peak demand savings in 2014 was 267 kW and the incremental energy savings was 1,305,471 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 431 kW including adjustments to prior years reported by the IESO, or 0.7% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings that contributes to the 2014 demand target was 3,643,425 kWh including adjustments to prior years reported by the IESO, or 1.3% of Horizon Utilities' 2014 CDM Target.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promoted directly by KAMs, EEMs and channel partners to eligible customers.
- Promoted on Horizon Utilities' website on a year-round basis, generating 137 page views with an average time-on-page of more than two minutes..
- Promoted at 11 business-related events (see Appendix C for the list of events).
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- AUDIT FUNDING was an 'enabling' initiative, designed to support subsequent participation in the RETROFIT PROGRAM or other initiatives within the C&I Program portfolio. While no demand or energy savings were necessarily expected to be attributed to this initiative, evaluators have recognized savings towards LDCs' CDM Targets as a result of customers implementing low cost / no cost recommendations from their energy audits.
- Participation in the Energy Audit initiative was originally limited to one energy audit per customer which has restricted enabling and direction to the other initiatives. This was revised in 2014 and LDCs were able to consider additional customer participation when presented with a new scope of work.

3.2.2.6 peaksaver PLUS Initiative *(Schedule B-3)*

Initiative Activities/Progress:

The following illustrates the progress achieved in 2014:

Participation / Activity:

- Number of load control devices installed province-wide in the premises of non-residential customers since January 1, 2011 was 3,652, including 2,441 in 2014.
- Number of load control devices installed within Horizon Utilities' service area in the premises of non-residential customers in 2014 was 2, and since January 1, 2011 was 22 or 0.6% of the provincial results.
- Number of IHDs installed province-wide in the premises of non-residential customers since January 1, 2011 was 820, including 442 in 2014.
- Number of IHDs installed within Horizon Utilities' service area in the premises of non-residential customers in 2014 was 3, or 0.68% of the provincial results.

Net Savings:

- The incremental peak demand savings resulting from the load control devices installed in 2014 was 0 kW and the incremental energy savings was 0 kWh.
- No incremental peak demand savings or energy savings were attributed to the installation of IHDs.

Contribution to CDM Targets

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 12 kW, or less than 0.0% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 51 kWh or less than 0.0% of Horizon Utilities' 2014 CDM Target.
- Adjustments reported by the IESO for 2014 reduced the average peak demand savings per load control device installed, from 0.650 kW per device in 2013 to 0.545 kW per device in 2014.

Marketing & Promotional Tactics Used:

- Promoted on Horizon Utilities' web-site on a year-round basis.
- Promoted at 11 business-related events interfacing with customers and channel partners (see Appendix C for the list of events).
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- Changes to the initiative made in March 2013 to increase the participant-based funding specifically for small commercial customers, to address the expectations of delivery partners for adequate compensation to service this customer segment, did not materially contribute to Horizon Utilities results for 2014.
- The *peaksaver* PLUS program underwent the evaluation, measurement and verification process resulting in a decrease in the attributed peak demand savings in for residential central air conditioning systems in Horizon Utilities' territory. In 2012, the total peak savings for

peaksaver PLUS was 2,699 kW with 5,393 customers participating, providing a contribution of .50 kW per participant. In 2013, the total peak savings for *peaksaver* PLUS was 3,738 kW with 9,560 customers participating, providing a contribution of 0.39 kW per participant. The 2013/14 results demonstrate that the net contribution per device is lower for Horizon Utilities than the province as illustrated below. The IESO conducted a field study of Horizon Utilities *peaksaver* PLUS participants to determine the net peak demand savings per device. Full details of the IESO study have not been made available to support the rationale for discounting all Horizon Utilities participant *peaksaver* PLUS devices.

	2011	2012	2013	2014
Horizon Utilities' allocated kW Savings / RDR control device	1	0.5	0.39	0.36
Provincial average kW Savings / RDR control device	1	0.5	0.54	0.49
Difference kW / RDR control device	0	0	0.15	0.13

3.2.2.7 DR3 Initiative (Schedule D-6)

Initiative Activities/Progress:

The following illustrates the progress achieved in 2014:

Participation / Activity

- The total province-wide participation by commercial customers in DR3 since January 1, 2011 was 180 participants.
- Horizon Utilities contributed no net new participating commercial customers in 2014, and since January 1, 2011 contributed 5 participants or 2.8% to the provincial results.

Net Savings

- There were no incremental peak demand savings or incremental energy savings realized in 2014.

Contribution to CDM Targets

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 595 or 1.0% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 38,226 kWh or 0.01% of Horizon Utilities' 2014 CDM Target.
- Adjustments reported by the IESO in 2014 reduced the average peak demand savings per participant, from 119.4 kW per participant in 2013 to 112.2 kW per participant in 2014; there was no change in the average energy savings per participant.

Marketing & Promotional Tactics Used:

- See discussion in Section 3.2.3.6.

Additional Comments:

- See discussion in Section 3.2.3.6.

3.2.3 INDUSTRIAL PROGRAM

Description: Designed to help identify and promote energy saving opportunities for large building and manufacturing based customers. The Industrial Program portfolio included financial incentives and technical expertise to help organizations modernize systems for enhanced productivity and product quality, as well as provide a substantial boost to energy productivity. This allowed facilities to take control of their energy so customers can create long-term competitive energy advantages which reach across the organization.

Targeted Customer Type(s): Industrial, Commercial, Institutional, Agricultural

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

Discussion:

The Industrial Program portfolio provided valuable resources to large facilities including funding for enabling Engineering Studies and for process or system changes. The Engineering Studies in particular provided a unique opportunity for customers to complete a comprehensive analysis of an energy intensive process that would not otherwise be able to undertake. The Industrial Program also provided funding for EEMs to provide customers with a skilled individual whose only role is to assist them with conservation initiatives. These Energy Managers played a key role in customer participation.

Activities carried out in 2014 by the Key Account Manager resources for Horizon Utilities and other LDCs serviced by Horizon Utilities resulted in identification of many potential CDM projects through on-site energy assessments and further engineering studies. Some large-scale projects approved within Horizon Utilities' service area will not be completed until 2015.

Extensive legal documents, customer release of environmental credits, complex program structure and lengthy change management process restricted the change and growth of this portfolio. While the expedited change management described in Section 3.2.2 benefited the C&I Program portfolio, the Industrial Program portfolio did not experience the same results due to the narrow scope of the process.

3.2.3.1 PSUI: Preliminary Engineering Study Initiative, Detailed Engineering Study Initiative, and Project Incentive Initiative (Schedule D-1)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- The total province-wide participation by industrial customers in PSUI (also known as the "PROCESS & SYSTEMS" program) in the Project Incentive Initiative since January 1, 2011 was

15 participants. Participation rates for Preliminary Engineering Studies and Detailed Engineering Studies were not reported by the IESO.
- Horizon Utilities contributed no net new participating industrial customers in 2014, and none since January 1, 2011 that contributed to Horizon Utilities' 2014 CDM Target.
- Horizon Utilities did execute two Capital Project Agreements with industrial customers in 2014 for projects that will be completed in 2015.

Net Savings:

- None in 2014.

Contribution to Targets:

- None.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promoted directly by KAMs, EEMs and channel partners to eligible customers.
- Promoted on Horizon Utilities' website on a year-round basis.
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:
- As noted above, province-wide there were only 15 completed capital projects under PSUI from 2011 to 2014. The OPA's standard form of contract for capital projects was a significant barrier to participation as the contract term was too long and as well contained other provisions that were considered to be too onerous and/or complicated. For this reason, many customers opted to undertake projects under the RETROFIT PROGRAM even though the potential incentives would have be greater under PSUI.
- A business case was submitted by the Industrial Working Group (originally established by the OPA in 2010 to aid in the development of the CDM programs for the Industrial sector and comprised of representatives of LDCs and the OPA) in July 2012 to change the upper limit for a small project from 700 MWh to 1MM dollars in incentives. This was intended to allow more projects to be eligible for the new small capital project agreement and increase participant uptake, while still protecting the ratepayer. This small capital project agreement was finalized in August 2013.
- A number of Preliminary and Detailed Engineering Studies were submitted and completed by customers of Horizon Utilities, most of which were initiated through the KAMs and EEMs. This is a strong indication of the potential for large projects with corresponding demand and energy savings.
- While there is considerable customer interest in on-site Load Displacement (Co-Generation) projects, the OPA initially accepted waste heat/waste fuel projects only. Natural gas generation projects were on hold awaiting a decision on whether PSUI would consider these types of projects to be eligible. In June 2013, however, a decision was made to allow natural gas load

displacement generation projects to proceed under PSUI. A number of customers of Horizon Utilities have investigated natural gas generation projects, although none have proceeded that were completed as of December 31, 2014.

- There were three significant PSUI capital projects within Horizon Utilities' service area that were expected to have considerable contributions to the CDM targets but did not proceed. These projects were not only critical with respect to Horizon Utilities' 2014 CDM Target, but also to the economic viability of the customer's operation. Given the long lead time required to build and commission these projects, the delays caused significant concern for these customers.
- The first project involved a large user with a 5.6 MW Co-Generation project that was designed to produce high quality steam for generation and to use the "waste" steam for the production process. A Detailed Engineering Study was completed in October of 2012 but the OPA did not approve the review of the project and prevented it from moving forward. Connection constraints at the Hydro One Networks Inc.'s Glendale Transformer Station also prevented this project from being approved and contributing to the CDM target.
- A second large user is currently burning waste gas that the user hoped to use to build a 5.0 MW Co-Generation facility that will completely displace their load. This customer has attempted to get the project to move forward at the OPA through Horizon Utilities since November of 2011.
- A third Large Use customer's Co-Generation project was expected to deliver 9.1 MW in peak demand savings and 72 GWh of annual incremental energy savings, but was delayed due to a work-stoppage. Horizon Utilities worked with the OPA to obtain a waiver that would allow the customer to continue the project; however, economic conditions since 2011 have adversely affected production and reduced the production of furnace gases necessary to feed the generation.

3.2.3.2 Process & Systems Upgrades Initiatives 2011-2014: Monitoring & Targeting Initiative ("M&T") (Schedule D-2)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014

Participation / Activity:

- The total province-wide participation by industrial customers in M&T since January 1, 2011 was 9 participants.
- Horizon Utilities contributed no net new participating industrial customers in 2014, and since January 1, 2011 contributed 0 projects including adjustments to prior years reported by the IESO, or 0.0% to the provincial results.

Net Savings:

- None in 2014.

Contribution to Targets:

- None.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promotion directly by KAMs, EEMs and channel partners to eligible customers.
- Promoted on Horizon Utilities' website on a year-round basis.
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- The M&T Initiative was originally targeted at larger customers with the capacity to review the M&T data. This review requires the customer facility to employ an Energy Manager, or a person with equivalent qualifications, which was a barrier for some customers. As such, there was only limited interest in this initiative among Horizon Utilities' customers.
- The demand and energy savings target required for this initiative presented a significant challenge for smaller customers. Changes were made to the RETROFIT PROGRAM in 2013 that allowed smaller facilities to undertake less-complicated monitoring and targeting projects.

3.2.3.3 Process & Systems Upgrades Initiatives 2011-2014: Energy Manager Initiative (Schedule D-3)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- As of December 31, 2014, the OPA had provided funding for 379 Energy Managers across the province.
- Horizon Utilities received funding from the OPA for 5 Roving Energy Managers ("REMs") as of December 31, 2014.
- Approval for funding for two Embedded Energy Managers ("EEMs") was also provided for customers of Horizon Utilities as of December 31, 2014.

Net Savings:

- The incremental peak demand savings was 41 kW and the incremental energy savings was 1,056,692 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributes to the 2014 target was 109 kW including adjustments to prior years reported by the IESO, or 0.2% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 2,558,898 kWh including adjustments to prior years reported by the IESO, or 0.9% of Horizon Utilities' 2014 CDM Target.

Additional Comments:

- Horizon Utilities had four REMs positions (one position was vacant) as of the end of 2014, that provided assistance to at least 20 customers each for initiatives under both the Industrial Program and C&I Program portfolios. Many of these customers initiated and completed multiple projects since 2011.
- REMs have proved to be a popular and useful resource for customers, providing expertise and guidance with respect to potential energy efficiency projects. Restricting a REM to servicing only three customers, as was specified in Schedule D-3, underutilized the potential of these resources to achieve energy and peak demand savings. Maximum CDM potential is realized when these resources are deployed to the largest number of engaged customers. As such, REMs were deployed accordingly at Horizon Utilities.
- Despite having funding approval from the OPA for additional EEMs for other Horizon Utilities' customers, these customers were not successful in filling these positions. This stems from a lack of qualified resources available in the Greater Toronto/Hamilton Area.

3.2.3.4 Process & Systems Upgrades Initiatives 2011-2014: Key Account Manager (Schedule D-4)

Participation / Activity:

Horizon Utilities, working with 8 other LDCs, had a team of three KAMs in place throughout 2013. As these other LDCs subsequently refined their plans and adopted new go-to-market strategies, by June 2014 only two KAMs remained, servicing three LDCs. Up to June 2014 the KAM team serviced as many as 30 Large Use customers in the 9 LDC service territories, as well as providing additional support to many smaller customers. This greatly helped all participating LDCs augment their total commercial CDM production.

Specifically for Horizon Utilities, the KAMs provided assistance to more than 20 large user industrial customers and large commercial customers. Many of these customers initiated and completed multiple projects since 2011.

Additional Comments

- Customers appreciate dealing with a single contact to interface with an LDC, a resource that has both the technical and business background who can communicate easily with the customer and the LDC.
- As was the case with Roving and Embedded Energy Managers, Horizon Utilities found that it difficult to find candidates with the necessary qualifications and experience to serve as KAMs due to a shortage of such personnel within the service area.
- The multi-year duration for this initiative proved to be critical in its potential for success. The long business cycle required to identify, propose and implement projects with this customer base requires a multi-year program at minimum and an open ended initiative in the ideal case in order to build the long-lasting relationships and trust necessary to move these projects forward.

3.2.3.5 Efficiency: Equipment Replacement Incentive Initiative (RETROFIT PROGRAM)(Schedule C-2)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- In 2011, the OPA reported on ERII projects completed in the Industrial sector. For 2012 through 2014 there were no reported RETROFIT PROGRAM projects included in the results of the Industrial Program.

Net Savings:

- None.

Contribution to Targets:

- The program-to-date net peak demand savings that contributes to the 2014 demand target was 70 kW or <1% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 1,610,107 kWh or <1% of Horizon Utilities' 2014 CDM Target.

Marketing & Promotional Tactics Used:

- See discussion in Section 2.2.2.1.

Additional Comments:

- See discussion in Section 2.2.2.1.

3.2.3.6 DR3 Initiative (Schedule D-6)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- The total province-wide participation in DR3 since January 1, 2011 was 336 participants .
- Horizon Utilities contributed 2 net new participating industrial customers in 2014, and since January 1, 2011 has contributed 11 participants or 3.3% to the provincial results.

Net Savings:

- The incremental peak demand savings resulting from the net new participants in 2014 was 3,832 kW and the incremental energy savings was 0 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 17,093 kW or 28.3% of Horizon Utilities' 2014 CDM Target.

- The program-to-date 2011-2014 net cumulative energy savings was 692,298 kWh or 0.2% of Horizon Utilities' 2014 CDM Target.
- There were no adjustments to prior years reported by the IESO to the program-to-date results.

Marketing & Promotional Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- Promoted directly by KAMs and Roving Energy Managers to eligible customers.
- Interaction with, and support of, active Aggregators.
- Promoted on Horizon Utilities' website on a year-round basis.
- Included in collateral material available for other C&I and Industrial Program initiatives.

Additional Comments:

- Until early in 2013, customer data was not provided on an individual customer basis due to contractual requirements with the Aggregators. This limited LDCs' abilities to effectively market to prospective participants and verify savings. While LDCs eventually could confirm which customers were participating in the DR3 Program, information such as contracted amount and contract term was not provided by the OPA on an individual customer basis. As a result, LDCs were not able to verify the information provided by the OPA and IESO concerning this initiative.
- As of 2013, Aggregators were able to enter into contracts beyond 2014 which allowed them to offer a more competitive contract price (five year) than if limited to one or two year contracts.
- Metering and settlement requirements are expensive and complicated and can reduce customer compensation amounts, and presented a barrier to participation for smaller customers.
- Compensation amounts for new contracts and renewals was reduced from the initial launch of this program (premium zones and 200 hour option have been discontinued) and subsequently there was a corresponding decrease in renewal revenue.
- The Ministry of Energy's Directive to the IESO issued in March 2014, to no longer contract for new demand response capacity, prevented some of Horizon Utilities customers from participating in the DR-3 Program.

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

Initiative Activities/Progress:

The following illustrates the program activities and progress achieved in 2014:

Participation / Activity:

- 25,424 audits were conducted provincially in 2014.
- Horizon Utilities had 3,538 participants, or 13.9% of the provincial total.

Net Savings:

- Horizon Utilities' incremental peak demand savings was 717 kW and the incremental energy savings was 4,387,048 kWh.

Contribution to Targets:

- The program-to-date net peak demand savings was 1,745 kW to the 2014 target.
- The program-to-date cumulative energy savings was 15,893,583 kWh.

Marketing Tactics Used:

In 2014, Horizon Utilities provided marketing support for this initiative through:

- 3rd party Delivery Agents who were most successful when working directly with housing providers. The large upswing in participation was a direct result of working with a local housing provider, who manage thousands of qualifying tenants, and has the ability to require participation of tenants.
- Worked with clients through dedicated energy project managers, to champion the Low Income Program.
- Identification to Delivery Agents the use of electric heating to target homes for participation.
- Work shops were hosted for social services providers and social housing providers to provide an overview of the program.
- On-site presentations were conducted for staff of larger social services providers.
- Collateral materials were provided to Social Agencies.
- Website promotion and awareness activity year round generating over 960 page views with two minutes and three seconds average time on page.

Additional Comments:

- The process for enrolling in the Social Housing program was complicated and time consuming. This was addressed in late 2012 and showed some benefits in 2013 and 2014.
- The financial scope, complexity, and customer privacy requirements of this initiative are challenging for LDCs and most have contracted this program out.

- Social Housing providers proved to be the most effective channel for accessing low income customers.
- Traditional methods of marketing were avoided due to the sensitivity of the income eligibility criteria for this program. Horizon Utilities chose to market to channels where customers self-qualify.

3.2.5 PRE-2011 PROGRAMS

Savings were realized towards LDCs' 2014 CDM Targets through Pre-2011 programs. The targeted customer types, objectives, descriptions, and activities of these programs are detailed in Appendix B.

3.2.5.1 Electricity Retrofit Incentive Program (ERIP)

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in ERIP since January 1, 2011 was 2,028 projects.
- Horizon Utilities completed no ERIP projects in 2014, and since January 1, 2011 contributed 118 projects or 5.8% to the provincial results.

Net Savings:

- None in 2014.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 3,066 kW, or 5.1% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 70,800,874 kWh, or 25.2% of Horizon Utilities' 2014 CDM Target.
- There were no adjustments to prior years reported by the IESO to the program-to-date results.

3.2.5.2 HPNC Program

Initiative Activities/Progress:

The following illustrates the initiative activities and progress achieved in 2014:

Participation / Activity:

- Total province-wide participation in the pre-2011 version of the HPNC Program since January 1, 2011 was 277 projects.
- Horizon Utilities completed no projects in the pre-2011 version of the HPNC Program in 2014, and since January 1, 2011 contributed 12 projects including adjustments to prior years reported by the IESO, or 4.3% to the provincial results.

Net Savings:

- None in 2014.

Contribution to Targets:

- The program-to-date net peak demand savings that contributed to the 2014 demand target was 979 kW including adjustments to prior years reported by the IESO, or 1.6% of Horizon Utilities' 2014 CDM Target.
- The program-to-date 2011-2014 net cumulative energy savings was 21,317,889 kWh including adjustments to prior years reported by the IESO, or 7.6% of Horizon Utilities' 2014 CDM Target.

4 2014 LDC CDM Results

4.1 Participation and Savings

Table 4 Horizon Utilities Corporation Initiative and Program Level Net Savings by Year:

#	Initiative	Unit	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 Unverified Progress to Target	
			2011 Adj.*	2012 Adj.*	2013 Adj.*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program																
1	Appliance Retirement	Appliances	3,034	1,671	878	604	172	96	57	39	1,238,865	669,778	373,209	263,320	360	7,970,691
2	Appliance Exchange	Appliances	186	131	178	203	18	19	37	42	21,438	33,812	65,760	74,996	104	382,515
3	HVAC Incentives	Equipment	5,029	5,100	5,023	5,772	1,395	1,109	1,029	1,109	2,524,725	1,877,013	1,735,057	2,035,819	4,642	21,235,870
4	Conservation Instant Coupon Booklet	Items	21,872	1,249	14,067	42,295	50	9	21	86	821,438	56,527	312,559	1,153,159	167	5,233,609
5	Bi-Annual Retailer Event	Items	38,494	42,891	38,196	195,057	72	60	48	325	1,276,363	1,082,743	694,555	4,968,775	505	14,711,564
6	Retailer Co-op	Items	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Residential Demand Response	Devices	1,952	5,393	9,560	12,539	1,093	2,699	3,738	4,457	2,830	13,650	11,153	1,510	4,457	29,144
8	Residential Demand Response (IHD)	Devices	—	3,855	8,368	11,478	—	—	—	—	—	—	—	—	—	—
9	Residential New Construction	Homes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Consumer Program Total						—	**2,801**	**3,993**	**4,930**	**6,059**	**5,885,659**	**3,733,523**	**3,192,293**	**8,497,580**	**10,235**	**49,563,394**
Business Program																
10	Retrofit	Projects	87	221	401	457	968	1,932	3,268	2,594	5,421,757	11,447,324	17,938,416	19,282,049	8,596	110,582,400
11	Direct Install Lighting	Projects	715	662	415	991	688	550	453	852	1,754,193	1,875,038	1,442,489	2,940,240	2,409	17,995,592
12	Building Commissioning	Buildings	—	—	—	2	—	—	—	133	—	—	—	157,250	133	157,250
13	New Construction	Buildings	—	6	7	8	—	85	587	151	—	225,869	3,222,801	521,315	823	7,644,522
14	Energy Audit	Audits	15	4	10	20	54	21	88	267	263,983	104,121	484,829	1,305,471	431	3,643,425
15	Small Commercial Demand Response	Devices	—	9	20	22	—	6	13	12	—	33	18	—	12	51
16	Small Commercial Demand Response (IHD)	Devices	—	—	15	18	—	—	—	—	—	—	—	—	—	—
17	Demand Response 3	Facilities	5	4	5	5	536	531	597	595	20,936	7,718	9,571	—	595	38,226
Business Program Total						—	**2,247**	**3,126**	**5,005**	**4,604**	**7,460,869**	**13,660,103**	**23,098,124**	**24,206,326**	**12,999**	**140,061,466**
Industrial Program																
18	Process & System Upgrades	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Monitoring & Targeting	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Energy Manager	Projects	—	4	8	9	—	67	2	41	—	485,374	24,617	1,056,692	109	2,558,898
21	Retrofit	Projects	15	—	—	—	70	—	—	—	402,527	—	—	—	70	1,610,107
22	Demand Response 3	Facilities	6	7	9	11	3,498	6,445	13,261	17,093	205,346	155,311	331,641	—	17,093	692,298
Industrial Program Total						—	**3,568**	**6,511**	**13,263**	**17,134**	**607,873**	**640,685**	**356,258**	**1,056,692**	**17,272**	**4,861,303**
Home Assistance Program																
23	Home Assistance Program	Homes	—	247	3,756	3,538	—	25	1,008	717	—	300,370	5,351,170	4,387,048	1,745	15,893,583
Home Assistance Program Total						—	**—**	**25**	**1,008**	**717**	**—**	**300,370**	**5,351,170**	**4,387,048**	**1,745**	**15,893,583**
Aboriginal Program																
24	Home Assistance Program	Homes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25	Direct Install Lighting	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Aboriginal Program Total						—	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Pre-2011 Programs completed in 2011																
26	Electricity Retrofit Incentive Program	Projects	118	—	—	—	3,066	—	—	—	17,700,219	—	—	—	3,066	70,800,874
27	High Performance New Construction	Projects	8	4	—	—	537	442	—	—	2,913,304	3,221,557	—	—	979	21,317,889
28	Toronto Comprehensive	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Multifamily Energy Efficiency Rebates	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	LDC Custom Programs	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pre-2011 Programs completed in 2011 Total						—	**3,603**	**442**	**—**	**—**	**20,613,523**	**3,221,557**	**—**	**—**	**4,045**	**92,118,764**
Other																
31	Program Enabled Savings	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Time-of-Use Savings	Homes	—	—	—	n/a	—	—	—	2,487	—	—	—	—	2,487	—
33	LDC Pilots	Projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Total			—	—	—	—	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Adjustments to 2011 Verified Results								**193**	**—**	**2**		**2,151,259**	**—**	**12,220**	**194**	**8,649,390**
Adjustments to 2012 Verified Results									**126**	**552**			**682,390**	**4,088,349**	**676**	**14,343,093**
Adjustments to 2013 Verified Results										**1,156**				**5,566,313**	**1,156**	**11,095,738**
Energy Efficiency Total							**6,896**	**3,730**	**5,445**	**8,845**	**32,175,331**	**16,587,289**	**26,116,036**	**38,146,135**	**24,601**	**267,650,570**
Demand Response Total (Scenario 1)							**5,128**	**9,681**	**17,608**	**22,157**	**229,113**	**176,712**	**352,384**	**1,510**	**22,157**	**759,719**
Adjustments to Previous Years' Verified Results Total							**—**	**193**	**126**	**1,711**	**—**	**2,151,259**	**682,390**	**9,666,883**	**2,025**	**34,088,221**
IESO-Contracted LDC Portfolio Total (inc. Adjustments)							**12,023**	**13,604**	**23,180**	**32,712**	**32,404,444**	**18,915,260**	**27,150,809**	**47,814,528**	**48,783**	**302,498,510**
															60,360	**281,420,000**
															80.8%	**107.5%**

Full OEB Target:

% of Full OEB Target Achieved to Date (Scenario 1):

†Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Table 5 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	7.2	8.5	6.1	8.5	10.2	49.6
Business Program Total	5.9	32.7	4.6	24.2	13.0	140.1
Industrial Program Total	17.1	1.20	17.1	1.10	17.3	4.9
Home Assistance Program Total	0.7	4.4	0.7	4.4	1.7	15.9
Pre-2011 Programs completed in 2011 Total	0	0	0	0	4.0	92.1
Other Adjustments	2.6	16.30	1.7	9.70	2	34.1
Total OPA Contracted Province-Wide CDM Programs	**36.1**	**63.1**	**32.7**	**47.8**	**48.8**	**302.5**

4.2 Evaluation

METHODOLOGY	
All results are at the end-user level (not including transmission and distribution losses)	
EQUATIONS	
Prescriptive Measures and Projects	**Gross Savings = Activity * Per Unit Assumption** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Engineered and Custom Projects	**Gross Savings = Reported Savings * Realization Rate** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Demand Response	**Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contacted to ex ante ratio** **Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW** **All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)**
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver* PLUS™** participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/ prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014)		
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Business Program			
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver* PLUS™** participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Business Program			
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/ contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Industrial Program			
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/ prescriptive track).

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Industrial Program			
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/ contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDC's	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the IESO from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		
Multi-family Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

4.3 Spending

Tables 6 and 7 summarize the total spending that Horizon Utilities incurred in 2014 and cumulatively since 2011 by initiative. The table includes details by the Program Administration Budget ("PAB"), Participant Based Funding ("PBF"), Participant Incentives ("PI") and Capability Building Funding ("CBF").

Table 6: 2014 Spending

Initiative	PAB	PBF	PI	CBF	TOTAL
Consumer Program					
Appliance Retirement	35,108				35,108
Appliance Exchange	7,846				7,846
HVAC Incentives	45,913				45,913
Annual Coupons					
Bi-Annual Retailer Event	6,610				6,610
Retailer Co-op					
Residential Demand Response	1,004,098	1,200,247			2,204,345
New Construction Program	63,788				63,788
Business Program					
Equipment Replacement	1,200,792		3,279,093		4,479,885
Direct Installed Lighting	182,190	250,280	1,311,533		1,744,003
Existing Building Commissioning Incentive	9,486		123,250		132,736
New Construction and Major Renovation Initiative	132,934		435,395		568,329
Energy Audit	49,362		81,950		131,312
Small Commercial Demand Response					
Demand Response 3					

Initiative	PAB	PBF	PI	CBF	TOTAL
Industrial Program					
Process & System Upgrades					
a) preliminary engineering study	13,775				13,775
b) detailed engineering study	18,715		60,000		78,715
c) program incentive	79,950				79,950
Monitoring & Targeting	32,788		75,000		107,788
Energy Manager					0
Key Account Manager (“KAM”)					
Equipment Replacement					
Demand Response 3	16,469				16,469
Home Assistance Program					
Home Assistance Program	209,519	3,810,339			4,019,858
TOTAL SPENDING	**3,109,343**	**5,260,866**	**5,366,221**	**—**	**13,736,430**

Table 7: Cumulative Spending (2011-2014)

Initiative	PAB	PBI	PI	CBF	TOTAL
Consumer Program					
Appliance Retirement	432,542				432,542
Appliance Exchange	58,235				58,235
HVAC Incentives	180,170				180,170
Annual Coupons	67,469				67,469
Bi-Annual Retailer Event	84,275				84,275
Retailer Co-op					
Residential Demand Response	3,331,762	4,342,333	51,050		7,725,145
New Construction Program	139,804				139,804
Business Program					
Equipment Replacement	3,202,706		7,832,367		11,035,073
Direct Installed Lighting	579,554	659,720	3,266,275		4,505,549
Existing Building Commissioning Incentive	135,586		162,000		297,586
New Construction and Major Renovation Initiative	365,138		444,510		809,648
Energy Audit	146,114		104,112		250,226
Small Commercial Demand Response					
Demand Response					
Industrial Program					
Process & System Upgrades					
a) preliminary engineering study	66,711				66,711
b) detailed engineering study	125,774		144,292		270,066
c) program incentive	214,673				214,673

Initiative	PAB	PBI	PI	CBF	TOTAL
Industrial Program					
Monitoring & Targeting	84,370		112,500		196,870
Energy Manager					—
Key Account Manager (“KAM”)					—
Equipment Replacement Incentive					
Demand Response 3	58,118				58,118
Home Assistance Program					
Home Assistance Program	673,445	6,319,404			6,992,849
Pre 2011 Programs					
Electricity Retrofit Incentive Program	376,433		3,883,072		4,259,505
High Performance New Construction					
Toronto Comprehensive					
Multi-family Energy Efficiency Rebates					
Data Centre Incentive Program					
EnWin Green Suites					
Initiatives Not In Market					
Midstream Electronics					
Midstream Pool Equipment					
Demand Service Space Cooling					
Demand Response 1					
Home Energy Audit Tool					
TOTAL SPENDING	**10,322,879**	**11,321,457**	**16,000,178**	**—**	**37,644,514**

As of December 31, 2014, the final PAB funding spending was $10.323 MM (including $0.226 MM in *peaksaver*® 2011 extension). Horizon Utilities prudently managed its Program Administration Budget and delivered excellent results in a cost effective manner.

4.4 Additional Comments

Under separate cover, Horizon Utilities will be submitting an Application for payment of the 2011-2014 Conservation Demand Management (“CDM”) Performance Incentive in accordance with Section 7, Performance Incentive, of the OEB's CDM Code.

5 Combined CDM Reporting Elements

5.1 Progress Towards CDM Targets

Table 8: Net Peak Demand Savings at the End-User Level (MW) (Scenario 1)

Net Peak Demand Savings at the End User Level (MW) (Scenario 1)				
Implementation Period	**Annual**			
	2011	**2012**	**2013**	**2014**
2011 - Verified	12.0	6.9	6.9	6.8
2012 - Verified†	0.2	13.6	3.9	3.8
2013 - Verified†	0.0	0.1	23.2	5.5
2014 - Verified†	—	0.6	1.7	32.7
Verified Net Annual Peak Demand Savings Persisting in 2014:				**48.8**
Horizon Utilities Corporation 2014 Annual CDM Capacity Target:				**60.4**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**80.8%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 9: Net Energy Savings at the End-User Level (GWh)

Net Energy Savings at the End-User Level (GWh)					
Implementation Period	**Annual**				**Cumulative**
	2011	**2012**	**2013**	**2014**	**2011-2014**
2011 - Verified	32.4	32.2	32.1	31.8	128.5
2012 - Verified†	2.2	18.9	18.7	18.5	58.2
2013 - Verified†	0.0	0.7	27.2	26.4	54.2
2014 - Verified†	—	4.1	9.65	47.8	61.6
Verified Net Annual Peak Demand Savings Persisting in 2014:					**302.5**
Horizon Utilities Corporation 2014 Annual CDM Capacity Target:					**281.4**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):					**107.5%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

5.2 Variance from Strategy

As anticipated in its forecasted 2014 CDM results, Horizon Utilities was on pace to achieve 80% of the demand and 100% of its energy target. The IESO's Horizon Utilities Corporation 2011-2014 Final Results Report indicated CDM results bettered this forecast slightly with verified achievements 80.82% of demand target and 107.49% of the energy target. Improvements to this forecast were based on the following:

- Inclusion of the allocated demand savings resulting from TOU rates contributed another 2,487 kW.
- EM&V activities conducted on the *peaksaver* PLUS program.
- Better than expected uptake of the RETROFIT PROGRAM.

Table 10 illustrates the status of the additional CDM programs identified in Horizon Utilities' CDM strategy filed with the Board on Nov 1, 2010.

Table 10 – Horizon Utilities' Proposed Board-Approved CDM Programs

Program Name	Status (Active / Inactive)	Equivalent OPA Program Initiative or Schedule	Expected Year of Implementation	Estimated Participants	Estimated Peak Demand (kW)	Estimated Energy Consumption Reduction (MWh)
Residential Customer Energy Use Benchmarking	Active	Pilot project with IESO	4th Qtr. 2013 - 1st Qtr. 2014	25000	2.2	14000
Monitoring and Targeting	Active	Monitoring and Targeting Modified Schedule D-2	2012	10	1000	4300
LED Lighting	Active	Pilot projects through ERII Schedule C2	2014	3	0	4625
Small Commercial Demand Repsonse	Inactive	Residential Demand Response modified schedule B-3	4th Qtr. 2013	200	0.112	0.237
Residential Hot Water Program	Active	Residential and Small Commercial Demand Response modified schedule B-3	2013	100	0.2	22792
Generation Conservation	Cancelled	None				

Final verified results for 2014 are now included as per Table 1 on Page 2 of this report.

5.3 Outlook to 2015-2020

In order to achieve its new Conservation First energy savings target of 330.68 GWh, Horizon Utilities must achieve 55.1 GWh annually from 2015 - 2020. Momentum from the 2011-2014 Framework is expected to continue into 2015 with a forecast of 68.91 GWh of energy savings to be achieved.

Contributing to the 2015 forecast is a one large PSUI project (28 GWh) and the verified savings from the Social Benchmarking pilot project (10 GWh). Using its Customer Relationship Management ("CRM") tool, Horizon Utilities continues to track customer participation opportunities and applications received in order to maximize participation in all program initiatives.

6 Conclusion

Over the course of 2011-2014, Horizon Utilities achieved 48.783 MW in peak demand savings and 302.5 GWh in energy savings, which represents 80.82% and 107.49 of Horizon Utilities' 2014 target, respectively. These results are representative of the collaborative approach taken by Horizon Utilities, to actively engage with other LDCs, customers, channel partners and stakeholders to overcome the operational and structural issues that limited program effectiveness across all market sectors. This achievement is a success and the relationships built within the 2011-2014 CDM program term will aid results in further achievements under the Conservation First CDM Framework 2015–2020.

Provincially, Horizon Utilities ranked 13th in demand savings and 36th in energy savings delivering its market share of CDM savings. Horizon Utilities is one of 13 LDCs eligible for OEB incentives by exceeding both the 80% demand and energy thresholds.

Going forward, Horizon Utilities continues to support the electricity sector by actively participating in various CDM working groups, investigating new opportunities for cost effective CDM programs with potential business partners and maximizing its implementation opportunities for OPA-Contracted Province-Wide programs under the Conservation First CDM Framework.

Appendix A: Initiative Descriptions

Residential Program

APPLIANCE RETIREMENT INITIATIVE (Schedule B-1, 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 located in Ontario.

Description: This was an energy efficiency initiative that offered individuals and businesses free pick-up and decommissioning of old large refrigerators and freezers. Window ACs and portable dehumidifiers were also be picked up when a refrigerator or a freezer was being collected.

Targeted End Uses: Large refrigerators, large freezers, window ACs and portable dehumidifiers

Delivery: The OPA centrally contracted for province-wide marketing, call centre, appliance pick-up and decommissioning process. The LDC provided local marketing and coordination with municipal pick-up, where available.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer/Programs/Appliance-Retirement.aspx

APPLIANCE EXCHANGE INITIATIVE (Schedule B-1, Exhibit E)

Target Customer Type(s): Residential Customers

Initiative Frequency: Spring and fall

Objective: The objective of this initiative was to remove and permanently decommission older, inefficient window ACs and portable dehumidifiers in Ontario.

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

Targeted End Uses: Window ACs and portable dehumidifiers

Delivery: OPA contracted with participating retailers for collection of eligible units.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer.aspx

HVAC INCENTIVES INITIATIVE (Schedule B-1, Exhibit B)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

Objective: The objective of this initiative was to encourage the replacement of existing heating systems with high efficiency furnaces equipped with ECM, and to replace existing CACs with **ENERGY STAR** qualified systems and products**.**

Description: This was 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 CACs by approved HRAI qualified contractors.

Targeted End Uses: CACs and furnaces

Delivery: The OPA contracted centrally for delivery of the program and LDCs were encouraged to convince local contractors to participate in the initiative.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer.aspx

CONSERVATION INSTANT COUPON INITIATIVE (Schedule B-1, Exhibit A)

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

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

Description: This initiative provided customers with year round coupons. The coupons offered instant rebates towards the purchase of a variety of low cost, easy to install energy efficient measures and could be redeemed at participating retailers. Booklets were directly mailed to customers and were also available at point-of-purchase. Downloadable coupons were also available at www.saveONenergy.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, and baseboard programmable thermostats

Delivery: The OPA contracted centrally for the distribution of the coupon booklets across Ontario. LDCs distributed coupons at local events. The OPA entered into agreements with retailers to honour the coupons.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer.aspx

BI-ANNUAL RETAILER EVENT INITIATIVE (Schedule B-1, Exhibit C)

Target Customer Type(s): Residential Customers

Initiative Frequency: Bi-annual events

Objective: The objective of this initiative was to provide instant point of purchase discounts to individuals at participating retailers for a variety of energy efficient products.

Description: Twice a year (spring and fall), participating retailers hosted month-long rebate events. During the months of April and October, customers were encouraged to visit participating retailers where customers could find coupons redeemable for instant rebates towards a variety of low cost, easy to install energy efficient measures.

Targeted End Uses: Same as the Conservation Instant Coupon Booklet initiative

Delivery: The OPA entered into arrangements with participating retailers to promote the discounted products, and to post and honour related coupons. LDCs also referred retailers to the OPA.

Additional detail is available at the saveONenergy Horizon Utilities' website https://saveonenergy.ca/Consumer.aspx

RETAILER CO-OP

Target Customer Type(s): Residential Customers

Initiative Frequency: Year Round

Objective: Held promotional events to encourage customers to purchase energy efficiency measures in their regular purchasing habits other than the traditional Bi-Annual Coupon Events.

Description: The Retailer Co-op initiative provided LDCs with the opportunity to work with retailers in their service territory by holding special events at retail locations. These events were typically special promotions that encourage customers to purchase energy efficiency measures outside of the traditional Bi-Annual Coupon Events.

Targeted End Uses: Energy efficient products at Co-Op Retailer locations

Delivery: Retailers applied to the OPA for co-op funding to run special promotions that promoted energy efficiency to customers in their stores. LDCs could refer retailers to the OPA. The OPA provided each LDC with a list of retailers who qualified for Co-Op Funding as well as the 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 was to provide incentives to participants for the purpose of promoting the construction of energy efficient residential homes in Ontario.

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

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

Targeted End Uses: All "OFF" switches, ECMs, **ENERGY STAR** qualified central a/c, lighting control products, lighting fixtures, EnerGuide 83 whole home and EnerGuide 85 whole homes

Delivery: Local engagement of builders will be the responsibility of the LDC with broader marketing support across many service territories being provided by the OPA.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer.aspx

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 were to enhance the reliability of the IESO-controlled grid by accessing and aggregating specified residential and small commercial end uses for the purpose of load reduction, increase consumer awareness of the importance of reducing summer demand and providing consumers with their current electricity consumption and associated costs.

Description*:* In *peaksaver* PLUS, participants were eligible to receive a free programmable thermostat or switch, including installation. Participants also received access to price and near real-time consumption information on an IHD. Participants of the original *peaksaver* program were able to enroll in *peaksaver* PLUS and received an IHD. Horizon Utilities was given the choice to continue to offer the standard load control program (programmable thermostat or switch with a $25 bill credit) for the first 8 months of 2011 (referred to as *peaksaver* extension). After August 2011, the *peaksaver* PLUS extension ended and the program (including marketing) ceased until new IHD products were available.

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

Delivery: LDCs recruited customers and procured technology

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer.aspx

C&I Program

EFFICIENCY: EQUIPMENT REPLACEMENT INCENTIVE INITIATIVE ("ERII") (Schedule C-2)

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

Initiative Frequency: Year round

Objective: The objective of this initiative (promoted as the RETROFIT PROGRAM in 2014) was 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: This initiative offered financial incentives to customers for the upgrade of existing equipment to energy efficient equipment. Upgrade projects could 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 at the

saveONenergy website https://saveonenergy.ca/Business/Program-Overviews/Retrofit-for-Commercial.aspx

DIRECT INSTALL LIGHTING AND WATER HEATING 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 (promoted as SMALL BUSINESS LIGHTING in 2014) was to offer a free installation of eligible lighting and water heating measures of up to $1,500 (previously $1,000) to eligible owners and tenants of commercial, institutional and agricultural facilities and multi-family buildings, for the purpose of achieving electricity savings and peak demand savings.

Description: This initiative targeted customers in the General Service < 50 kW category. Qualifying customers were offered turn-key lighting and electric hot water heater measures with a value up to $1,500 at no cost. In addition, standard prescriptive incentives are available for eligible equipment beyond the initial $1,500 limit.

Target End Uses: Commercial, institutional and agricultural facilities lighting

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

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business.aspx

BUILDING COMMISSIONING INITIATIVE (Schedule C-6)

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

Initiative Frequency: Year round, system measurements required in June to September

Objective: The objective of this initiative(promoted as the EXISTING BUILDING COMMISSIONING in 2014) was to offer incentives for optimizing (but not replacing) existing chilled water systems for space cooling in non-residential facilities for the purpose of achieving implementation phase energy savings, implementation phase demand savings, or both.

Description: This initiative offered participants incentives for the following:

- 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 at the saveONenergy website https://saveonenergy.ca/Business/Program-Overviews/Existing-Building-Commissioning.aspx

NEW CONSTRUCTION INITIATIVE (Schedule C-4)

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

Initiative Frequency: Year round

Objective: The objective of this initiative (promoted as HIGH PERFORMANCE NEW CONSTRUCTION in 2014) was 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.

Description: This initiative provided incentives for new buildings to exceed existing codes and standards for energy efficiency; using both a prescriptive and custom approach.

Targeted End Uses: Building modeling, lighting, space cooling, ventilation and other Measures

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

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business/Program-Overviews/New-Construction.aspx

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 (promoted as AUDIT FUNDING in 2014) was 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 provided participants with incentives for the completion of energy audits of electricity consuming equipment located in the facility. Energy audits included development of energy baselines, usage assessments and performance monitoring and reporting.

Targeted End Uses: Various

Delivery: LDC delivered.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business/Program-Overviews/Audit-Funding.aspx

Industrial Program

PSUI (Schedule D-1)

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

Initiative Frequency: Year round

Objectives: The objectives of this initiative were to:

- Offer LDCs' 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 was an energy management program that included three initiatives: (Preliminary Engineering Study, Detailed Engineering Study, and Project Incentive). The incentives were available to large distribution connected customers with projects or portfolio projects that were expected to generate at least 350 MWh of annualized electricity savings or, in the case of Micro-Projects, 100 MWh of annualized electricity savings. The capital incentive for this initiative was the lowest of:

- $200/MWh of annualized electricity savings; or
- 70% of projects cost; or
- A one year payback

Targeted End Uses: Process and systems

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

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business.aspx

PROCESS AND SYSTEMS UPGRADES INITIATIVE 2011-2014: MONITORING & TARGETING INITIATIVE (Schedule D-2)

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

Initiative Frequency: Year round

Objective: This initiative offered access to funding for the installation of Monitoring and Targeting systems in order to deliver a minimum savings target at the end of 24 months and sustain for the term of the M&T Agreement.

Description: This initiative offered customers funding for the installation of a Monitoring and Targeting system to help them understand how their energy consumption might be reduced. A facility energy manager, who regularly oversees energy usage, was then able to use historical energy consumption performance to analyze and set targets.

Targeted End Uses: Industrial processes requiring monitoring capability

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

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business.aspx

PROCESS AND SYSTEMS UPGRADES INITIATIVE 2011-2014: ENERGY MANAGER INITIATIVE (Schedule D-3)

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

Initiative Frequency: Year round

Objective: The objective of this initiative was to provide customers and LDCs the opportunity to access funding for the engagement of energy managers in order to deliver a minimum annual savings target.

Description: This initiative provided customers with 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 was 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 were 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 had a target of 300 kW per year in demand savings to achieve from one or more facilities. LDCs received funding of up to $120,000 for a Roving Energy Manager plus $8,000 for expenses.

Targeted End Uses: Industrial process or manufacturing equipment, non-lighting electrical equipment

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

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Business.aspx

PROCESS AND SYSTEMS UPGRADES INITIATIVE 2011-2014: KEY ACCOUNT MANAGER INITIATIE (Schedule D-4)

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

Initiative Frequency: Year round

Objective: This initiative offered 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. The KAM was

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 could build relationships and become a significant resource of knowledge to the customer.

Description:

Targeted End Uses: Industrial process or manufacturing equipment, non-lighting electrical equipment

Delivery: LDC Delivered

Additional detail is available at the

saveONenergy website https://saveonenergy.ca/Business.aspx

DEMAND RESPONSE 3 INITIATIVE (Schedule D-6)

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

Initiative Frequency: Year round

Objective: This initiative (promoted as DR3 in 2014) provided for payments for service to participants to compensate them for making available electricity demand response during a demand response event**.**

Description: DR3 was 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. DR3 was a contractual resource that is an economic alternative to procurement of new generation capacity. DR3 came with specific contractual obligations requiring participants to reduce their use of electricity relative to a baseline when called upon. This initiative made payments for participants to be on standby and energy payments for the actual energy reduction provided during a demand response event. Participants were scheduled to be on standby approximately 1,600 hours per calendar year for possible dispatch of up to 100 hours or 200 hours within that year depending on the contract.

Targeted End Uses: To respond to Demand Response requests for peak energy reduction.

Delivery: DR3 was delivered by Demand Response Providers (also known as Aggregators), under contract to the OPA. The OPA administered contracts with all Aggregators and participants that provided in excess of 5 MW of demand response capacity. The OPA provided administration including settlement, measurement and verification, and dispatch. LDCs were responsible for outreach and marketing efforts.

Additional detail is available at thesaveONenergy website https://saveonenergy.ca/Business.aspx

Low Income Program

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

Target Customer Type(s): Residential Customers

Initiative Frequency: Year round

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

Description*:* The HOME ASSISTANCE PROGRAM was a turnkey program for income qualified customers. It offered residents the opportunity to take advantage of free installation of energy efficient measures that improved the comfort of their home, increased efficiency, and helped them save money. All eligible customers received a Basic and Extended Measures Audit, while customers with electric heat also received a Weatherization Audit. The program was designed to coordinate efforts with gas utilities.

Targeted End Uses: Energy Saving light bulbs, power bars, refrigerators and other appliances such as room ACs. Also for electrically heated homes are a programmable thermostat, weather stripping and insulation.

Delivery: LDC delivered.

Additional detail is available at the saveONenergy website https://saveonenergy.ca/Consumer/Home-Assistance.aspx

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 program was 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. For Horizon Utilities, the electricity savings associated with these projects were 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 program provided incentives for new buildings to exceed existing codes and standards for energy efficiency. The program used 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 program was 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. For Horizon Utilities, the electricity savings associated with these projects were attributed to 2011, 2012 and 2013

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

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

Appendix C: 2014 Events Schedule

Residential Customer Event Interactions 2014		
Date 2014	**Event**	**City**
27-Feb	Spring Home & Garden Show, Careport Centre	Hamilton
28-Feb	Spring Home & Garden Show, Careport Centre	Hamilton
1-Mar	Spring Home & Garden Show, Careport Centre	Hamilton
7-Mar	Greater Hamilton Home & Garden Show, Players Paradise	Stoney Creek
8-Mar	Greater Hamilton Home & Garden Show, Players Paradise	Stoney Creek
9-Mar	Greater Hamilton Home & Garden Show, Players Paradise	Stoney Creek
29-Mar	saveONenergy Spring Coupon Event, Lowes	Hamilton
4-Apr - 6-Apr	Lifestyle Home Show	St. Catharines
5-Apr	saveONenergy Spring Coupon Event, Lowes	Hamilton
19-Apr	saveONenergy Spring Coupon Event, Canadian Tire	Hamilton
19-Apr	Canadian Tire Event	St. Catharines
26-Apr	saveONenergy Spring Coupon Event, Lowes	Hamilton
5-Jun	World Environment Day	Hamilton
20-Jul - 22-Jul	Exchange Events, Canadian Tire	Hamilton & St. Catharines
13-Sep	Movie Night & Summer Festival Westmount Recreation Centre	Hamilton
26-Sep	Coupon Event , Canadian Tire	Hamilton & St. Catharines

Business Customer & Channel Partner Interactions 2014		
Date 2014	**Event**	**City**
22-Jan	Gerrie Electric Lunch & Learn	Hamilton
26-Mar	Hamilton District Apartment Association Trade Show	Hamilton
26-Mar	Energy Excellence Awards	Stoney Creek
27-Mar	Realtors Association of Hamilton-Burlington	Hamilton
31-Mar	Osram Sylvania & Gerrie Electric Lighting Event	Burlington
14-Apr	Nedco-Electrifest Event	Mississauga
21-Aug	Gerrie Electric BBQ	Hamilton
8-Sep	Fall Classic Golf Tournament	St. Catharines
1-Oct	Energy Into Action	Mississauga
24-Oct	Electromart Trade Show	Hamilton
4-Dec	PM Expo - Trade Show	Toronto

Appendix D: Glossary of Defined Terms

Term	Definition
AC	Air Conditioner
Audit Funding	Energy Audit Initiative
C&I	Commercial and Institutional
CAC	Central Air Conditioning
CASL	Canadian Anti-Spam Legislation
CBF	Capability Building Funding
CDM	Conservation and Demand Management
CFL	Compact Fluorescent Light
Code	Conservation and Demand Management Code for Electricity Distributors
Coupons	Coupons Initiative and Bi-Annual Retailer Event Initiative
CRM	Customer Relationship Management
DIL	Direct Install Lighting
DR1	Demand Response 1 Initiative
DR3	Demand Response 3 Initiative
EBC	Existing Building Commissioning
ECM	Electronically Commutated Motor
EDA	Electricity Distributors Association
EEM	Embedded Energy Manager
EM&V	Evaluation Measurement and Verification
ERII	Efficiency: Equipment Replacement Incentive Initiative
ERIP	Electricity Retrofit Incentive Program
GAM	Global Adjustment Mechanism
HPNC	High Performance New Construction Program
HRAI	The Heating, Refrigeration and Air Conditioning Institute of Canada
HVAC	Heating, Ventilation, and Air Conditioning
HVACR	Heating, Ventilation, Air Conditioning and Refrigeration
Hydro One	Hydro One Networks Inc.
IESO	Independent Electricity System Operator
IHD	In-Home Energy Display
KAM	Key Account Manager
LED	Light Emitting Diode
OEB or Board	Ontario Energy Board
OPA	Ontario Power Authority
PAB	Program Administration Budget
PBF	Participant Based Funding
peaksaver PLUS	Residential and Small Commercial Demand Response Initiative
PSUI	Process & Systems Program
REM	Roving Energy Manager
RETROFIT PROGRAM	Equipment Replacement Incentive Initiative
RFP	Request For Proposal
RPP	Regulated Price Plan
SBL	Small Business Lighting
Take Charge	Social Benchmarking Pilot Project Initiative
TOU	Time-of-Use

APPENDIX D - 2011-2014 FINAL RESULTS REPORT

Message from the Vice President:

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

2011-2014 Conservation Framework Highlights:

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

Please continue to monitor saveONenergy E-blasts for future updates and should you have any other questions or comments please contact LDC.Support@ieso.ca.

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and we look forward to the success ahead in the Conservation First Framework.

Sincerely,

Terry Young

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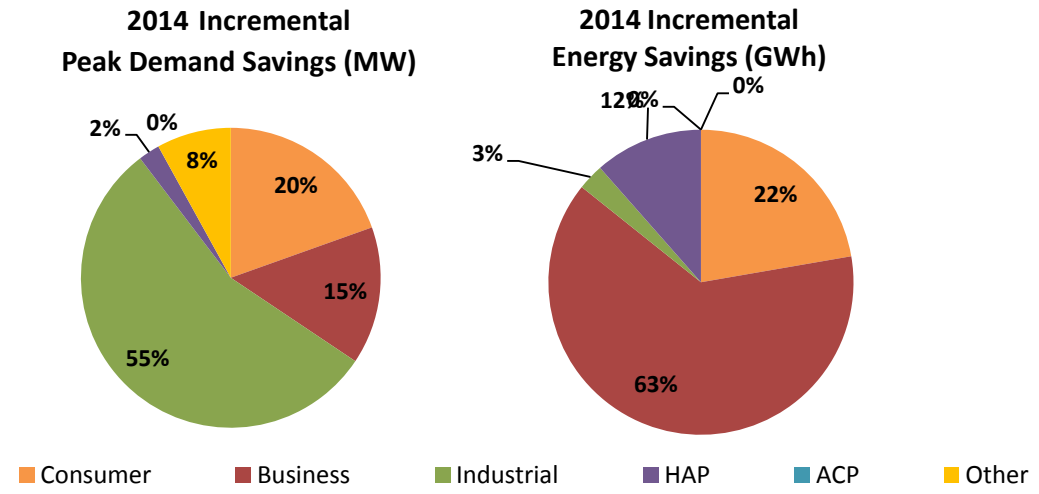
IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

LDC: Horizon Utilities Corporation

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014 Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	32.7	48.8	**80.8%**
Net Energy Savings (GWh)	47.8	302.5	**107.5%**

Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Achievement by Sector



Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

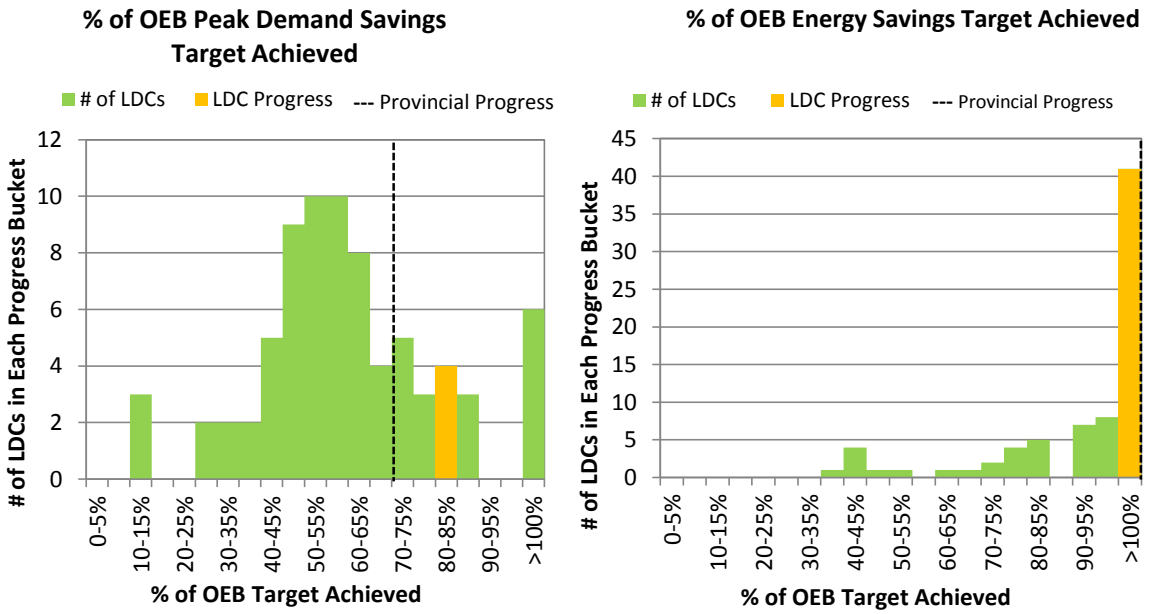


Table 1: Horizon Utilities Corporation Initiative and Program Level Net Savings by Year

Initiative	Unit	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)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	3,034	1,671	878	604	172	96	57	39	1,238,865	669,778	373,209	263,320	360	7,970,691
Appliance Exchange	Appliances	186	131	178	203	18	19	37	42	21,438	33,812	65,760	74,996	104	382,515
HVAC Incentives	Equipment	5,029	5,100	5,023	5,772	1,693	1,091	974	1,109	3,070,047	1,843,136	1,639,842	2,035,819	4,867	23,125,099
Conservation Instant Coupon Booklet	Items	21,872	1,249	14,067	42,295	50	9	21	86	810,293	56,527	311,606	1,153,159	166	5,187,125
Bi-Annual Retailer Event	Items	38,494	42,891	38,196	195,057	68	60	48	325	1,188,091	1,082,743	694,555	4,968,775	501	14,358,479
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	1,952	5,393	9,560	12,539	1,093	2,699	3,738	4,457	2,830	13,650	11,153	1,510	4,457	29,144
Residential Demand Response (IHD)	Devices	0	3,855	8,368	11,478	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumer Program Total						**3,093**	**3,975**	**4,876**	**6,059**	**6,331,565**	**3,699,646**	**3,096,125**	**8,497,580**	**10,455**	**51,053,054**
Business Program															
Retrofit	Projects	87	221	401	457	857	1,659	2,948	2,594	4,805,916	9,600,471	16,367,574	19,282,049	7,903	99,477,343
Direct Install Lighting	Projects	715	662	415	991	661	550	453	852	1,693,346	1,875,038	1,442,489	2,940,240	2,383	17,756,732
Building Commissioning	Buildings	0	0	0	2	0	0	0	133	0	0	0	157,250	133	157,250
New Construction	Buildings	0	6	7	8	0	0	6	151	0	1,331	20,831	521,315	157	566,970
Energy Audit	Audits	15	4	10	20	0	16	71	267	0	75,529	387,606	1,305,471	353	2,307,270
Small Commercial Demand Response	Devices	0	9	20	22	0	6	13	12	0	33	18	0	12	51
Small Commercial Demand Response (IHD)	Devices	0	0	15	18	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	5	4	5	5	536	531	597	595	20,936	7,718	9,571	0	595	38,226
Business Program Total						**2,054**	**2,762**	**4,086**	**4,604**	**6,520,199**	**11,560,119**	**18,228,089**	**24,206,326**	**11,536**	**120,303,842**
Industrial Program															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	4	8	9	0	60	23	41	0	479,921	178,203	1,056,692	118	2,800,895
Retrofit	Projects	15	0	0	0	70	0	0	0	402,527	0	0	0	70	1,610,107
Demand Response 3	Facilities	6	7	9	11	3,498	6,445	13,261	17,093	205,346	155,311	331,641	0	17,093	692,298
Industrial Program Total						**3,568**	**6,505**	**13,283**	**17,134**	**607,873**	**635,233**	**509,844**	**1,056,692**	**17,281**	**5,103,300**
Home Assistance Program															
Home Assistance Program	Homes	0	247	3,756	3,538	0	24	808	717	0	286,839	4,634,362	4,387,048	1,545	14,424,372
Home Assistance Program Total						**0**	**24**	**808**	**717**	**0**	**286,839**	**4,634,362**	**4,387,048**	**1,545**	**14,424,372**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aboriginal Program Total						**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	118	0	0	0	3,066	0	0	0	17,700,219	0	0	0	3,066	70,800,874
High Performance New Construction	Projects	8	4	0	0	242	146	0	0	1,244,589	582,164	0	0	389	6,724,846
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total						**3,308**	**146**	**0**	**0**	**18,944,807**	**582,164**	**0**	**0**	**3,455**	**77,525,721**
Other															
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	2,487	0	0	0	0	2,487	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						**0**	**0**	**0**	**2,487**	**0**	**0**	**0**	**0**	**2,487**	**0**
Adjustments to 2011 Verified Results							**193**	**0**	**2**		**2,151,259**	**0**	**12,220**	**194**	**8,649,390**
Adjustments to 2012 Verified Results								**126**	**552**			**682,390**	**4,088,349**	**676**	**14,343,093**
Adjustments to 2013 Verified Results									**1,156**				**5,566,313**	**1,156**	**11,095,738**
Energy Efficiency Total						**6,896**	**3,730**	**5,445**	**8,845**	**32,175,331**	**16,587,289**	**26,116,036**	**38,146,135**	**24,601**	**267,650,570**
Demand Response Total (Scenario 1)						**5,128**	**9,681**	**17,608**	**22,157**	**229,113**	**176,712**	**352,384**	**1,510**	**22,157**	**759,719**
Adjustments to Previous Years' Verified Results Total						**0**	**193**	**126**	**1,711**	**0**	**2,151,259**	**682,390**	**9,666,883**	**2,025**	**34,088,221**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**12,023**	**13,604**	**23,180**	**32,712**	**32,404,444**	**18,915,260**	**27,150,809**	**47,814,528**	**48,783**	**302,498,510**
													Full OEB Target:	**60,360**	**281,420,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**80.8%**	**107.5%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 2: Adjustments to Horizon Utilities Corporation Net Verified Results due to Variances

Initiative	Unit	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)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-1,069	93	255		-298	18	55		-545,322	33,877	95,215		-225	-1,889,229
Conservation Instant Coupon Booklet	Items	332	0	42		1	0	0		11,144	0	953		1	46,483
Bi-Annual Retailer Event	Items	3,308	0	0		4	0	0		88,271	0	0		4	353,085
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	0	0	0		0	0	0		0	0	0		0	0
Consumer Program Total						**-293**	**18**	**55**		**-445,907**	**33,877**	**96,168**		**-220**	**-1,489,661**
Business Program															
Retrofit	Projects	16	43	29		112	273	320		615,841	1,846,854	1,570,842		693	11,105,057
Direct Install Lighting	Projects	22	0	0		28	0	0		60,847	0	0		26	238,860
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	4	4		0	85	581		0	224,538	3,201,970		666	7,077,553
Energy Audit	Audits	10	1	2		54	6	18		263,983	28,592	97,223		78	1,336,155
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Business Program Total						**194**	**364**	**919**		**940,671**	**2,099,984**	**4,870,034**		**1,463**	**19,757,624**
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	1	3		0	7	-21		0	5,452	-153,586		-9	-241,997
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						**0**	**7**	**-21**		**0**	**5,452**	**-153,586**		**-9**	**-241,997**
Home Assistance Program															
Home Assistance Program	Homes	0	12	206		0	1	200		0	13,531	716,808		200	1,469,211
Home Assistance Program Total						**0**	**1**	**200**		**0**	**13,531**	**716,808**		**200**	**1,469,211**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0		0	0	0		0	0
High Performance New Construction	Projects	1	1	0		295	296	0		1,668,716	2,639,394	0		591	14,593,043
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**295**	**296**	**0**		**1,668,716**	**2,639,394**	**0**		**591**	**14,593,043**
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Adjustments to 2011 Verified Results						**196**				**2,163,479**				**194**	**8,649,390**
Adjustments to 2012 Verified Results							**686**				**4,792,238**			**676**	**14,343,093**
Adjustments to 2013 Verified Results								**1,152**				**5,529,425**		**1,156**	**11,095,738**
Total Adjustments to Previous Years' Verified Results						**196**	**686**	**1,152**		**2,163,479**	**4,792,238**	**5,529,425**		**2,025**	**34,088,221**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 3: Horizon Utilities Corporation Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.51	0.46	0.42	0.42	1.00	1.00	n/a	n/a	0.51	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.61	0.50	0.48	0.51	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.86	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.88
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
Retailer Co-op	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Program																
Retrofit	0.95	0.94	0.95	0.78	0.72	0.76	0.75	0.72	1.23	1.07	1.04	0.98	0.74	0.76	0.74	0.72
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	2.02	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	n/a	0.68	0.53	0.78	n/a	0.49	0.54	0.54	n/a	0.86	0.73	0.84	n/a	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	1.31	0.90	0.91	n/a	0.90	0.90	0.90	n/a	1.31	0.90	0.96	n/a	0.90	0.90	0.90
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	1.27	3.71	2.06	n/a	1.00	1.00	1.00	n/a	1.00	0.90	0.79	n/a	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.78	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

Results are recognized using current IESO reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	12.0	6.9	6.9	6.8
2012 - Verified†	0.2	13.6	3.9	3.8
2013 - Verified†	0.0	0.1	23.2	5.5
2014 - Verified†	0.0	0.6	1.7	32.7
Verified Net Annual Peak Demand Savings Persisting in 2014:				**48.8**
Horizon Utilities Corporation 2014 Annual CDM Capacity Target:				**60.4**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**80.8%**

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	32.4	32.2	32.1	31.8	128.5
2012 - Verified†	2.2	18.9	18.7	18.5	58.2
2013 - Verified†	0.0	0.7	27.2	26.4	54.2
2014 - Verified†	0.0	4.1	9.65	47.8	61.6
Verified Net Cumulative Energy Savings 2011-2014:					**302.5**
Horizon Utilities Corporation 2011-2014 Annual CDM Energy Target:					**281.4**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**107.5%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	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)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146	20,952	22,563	3,299	2,011	1,433	1,617	23,005,812	13,424,518	8,713,107	9,497,343	8,221	159,100,415
Appliance Exchange	Appliances	3,688	3,836	5,337	5,685	371	556	1,106	1,178	450,187	974,621	1,971,701	2,100,266	2,973	10,556,192
HVAC Incentives	Equipment	92,748	87,540	96,286	113,002	32,037	19,060	19,552	23,106	59,437,670	32,841,283	33,923,592	42,888,217	93,755	447,009,930
Conservation Instant Coupon Booklet	Items	567,678	30,891	347,946	1,208,108	1,344	230	517	2,440	21,211,537	1,398,202	7,707,573	32,802,537	4,531	137,258,436
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772	4,824,751	1,681	1,480	1,184	8,043	29,387,468	26,781,674	17,179,841	122,902,769	12,389	355,157,348
Retailer Co-op	Items	152	0	0	0	0	0	0	0	2,652	0	0	0	0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733	241,381	10,947	49,038	93,076	117,513	24,870	359,408	390,303	8,379	117,513	782,960
Residential Demand Response (IHD)	Devices	0	49,689	133,657	188,577	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	27	21	279	2,367	0	2	18	369	743	17,152	163,690	2,330,865	390	2,712,676
Consumer Program Total						**49,681**	**72,377**	**116,886**	**154,267**	**133,520,941**	**75,796,859**	**70,049,807**	**212,530,376**	**239,772**	**1,112,588,565**
Business Program															
Retrofit	Projects	2,828	6,481	9,746	10,925	24,467	61,147	59,678	70,662	136,002,258	314,922,468	345,346,008	462,903,521	213,493	2,631,401,223
Direct Install Lighting	Projects	20,741	18,691	17,833	23,784	23,724	15,284	18,708	23,419	61,076,701	57,345,798	64,315,558	84,503,302	73,304	604,196,658
Building Commissioning	Buildings	0	0	0	5	0	0	0	988	0	0	0	1,513,377	988	1,513,377
New Construction	Buildings	25	98	158	226	123	764	1,584	6,432	411,717	1,814,721	4,959,266	20,381,204	8,904	37,390,767
Energy Audit	Audits	222	357	589	473	0	1,450	2,811	6,323	0	7,049,351	15,455,795	30,874,399	10,583	82,934,042
Small Commercial Demand Response	Devices	132	294	1,211	3,652	84	187	773	2,116	157	1,068	373	319	2,116	1,916
Small Commercial Demand Response (IHD)	Devices	0	0	378	820	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	145	151	175	180	16,218	19,389	23,706	23,380	633,421	281,823	346,659	0	23,380	1,261,903
Business Program Total						**64,617**	**98,221**	**107,261**	**133,319**	**198,124,253**	**381,415,230**	**430,423,659**	**600,176,121**	**332,769**	**3,358,699,887**
Industrial Program															
Process & System Upgrades	Projects	0	0	5	10	0	0	294	9,692	0	0	2,603,764	72,053,255	9,986	77,260,782
Monitoring & Targeting	Projects	0	1	3	5	0	0	0	102	0	0	0	502,517	102	502,517
Energy Manager	Projects	1	132	306	379	0	1,086	3,558	5,191	0	7,372,108	21,994,263	40,436,427	8,384	95,324,998
Retrofit	Projects	433	0	0	0	4,615	0	0	0	28,866,840	0	0	0	4,613	115,462,282
Demand Response 3	Facilities	124	185	281	336	52,484	74,056	162,543	166,082	3,080,737	1,784,712	4,309,160	0	166,082	9,174,609
Industrial Program Total						**57,098**	**75,141**	**166,395**	**181,066**	**31,947,577**	**9,156,820**	**28,907,187**	**112,992,199**	**189,168**	**297,725,188**
Home Assistance Program															
Home Assistance Program	Homes	46	5,920	29,654	25,424	2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571
Home Assistance Program Total						**2**	**566**	**2,361**	**2,466**	**39,283**	**5,442,232**	**20,987,275**	**19,582,658**	**5,370**	**77,532,571**
Aboriginal Program															
Home Assistance Program	Homes	0	0	717	1,125	0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aboriginal Program Total						**0**	**0**	**267**	**549**	**0**	**0**	**1,609,393**	**3,101,207**	**816**	**6,319,993**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,028	0	0	0	21,662	0	0	0	121,138,219	0	0	0	21,662	484,552,876
High Performance New Construction	Projects	182	73	19	3	5,098	3,251	772	134	26,185,591	11,901,944	3,522,240	688,738	9,255	148,181,415
Toronto Comprehensive	Projects	577	15	4	5	15,805	0	0	281	86,964,886	0	0	2,479,840	16,086	350,339,385
Multifamily Energy Efficiency Rebates	Projects	110	0	0	0	1,981	0	0	0	7,595,683	0	0	0	1,981	30,382,733
LDC Custom Programs	Projects	8	0	0	0	399	0	0	0	1,367,170	0	0	0	399	5,468,679
Pre-2011 Programs completed in 2011 Total						**44,945**	**3,251**	**772**	**415**	**243,251,550**	**11,901,944**	**3,522,240**	**3,168,578**	**49,382**	**1,018,925,088**
Other															
Program Enabled Savings	Projects	33	71	46	43	0	2,304	3,692	5,500	0	1,188,362	4,075,382	19,035,337	11,496	30,751,187
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	54,795	0	0	0	0	54,795	0
LDC Pilots	Projects	0	0	0	1,174	0	0	0	1,170	0	0	0	5,061,522	1,170	5,061,522
Other Total						**0**	**2,304**	**3,692**	**61,466**	**0**	**1,188,362**	**4,075,382**	**24,096,859**	**67,462**	**35,812,709**
Adjustments to 2011 Verified Results							**1,406**	**641**	**1,418**		**18,689,081**	**1,736,381**	**7,319,857**	**3,215**	**110,143,550**
Adjustments to 2012 Verified Results								**6,260**	**9,221**			**41,947,840**	**37,080,215**	**15,401**	**238,780,637**
Adjustments to 2013 Verified Results									**24,391**				**150,785,808**	**24,391**	**296,465,211**
Energy Efficiency Total						**136,610**	**109,191**	**117,536**	**224,457**	**603,144,419**	**482,474,435**	**554,528,447**	**975,639,300**	**575,647**	**5,896,382,612**
Demand Response Total (Scenario 1)						**79,733**	**142,670**	**280,099**	**309,091**	**3,739,185**	**2,427,011**	**5,046,495**	**8,698**	**309,091**	**11,221,389**
Adjustments to Previous Years' Verified Results Total						**0**	**1,406**	**6,901**	**35,030**	**0**	**18,689,081**	**43,684,221**	**195,185,880**	**43,006**	**645,389,397**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**216,343**	**253,267**	**404,536**	**568,578**	**606,883,604**	**503,590,526**	**603,259,163**	**1,170,833,878**	**927,745**	**6,552,993,397**
													Full OEB Target:	**1,330,000**	**6,000,000,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**70%**	**109%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	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)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18,839	2,319	4,705		-5,270	479	1,037		-9,707,002	955,512	1,838,408		-3,754	-32,284,656
Conservation Instant Coupon Booklet	Items	8,216	0	1,050		16	0	2		275,655	0	23,571		18	1,149,763
Bi-Annual Retailer Event	Items	81,817	0	0		108	0	0		2,183,391	0	0		108	8,733,563
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	20	2	193		1	1	72		14,667	985	441,938		74	945,497
Consumer Program Total						**-5,145**	**480**	**1,111**		**-7,233,290**	**956,497**	**2,303,917**		**-3,555**	**-21,664,975**
Business Program															
Retrofit	Projects	312	876	961		3,208	7,233	11,961		16,266,129	42,498,052	78,146,280		22,056	347,545,386
Direct Install Lighting	Projects	444	197	51		501	204	46		1,250,388	736,541	164,667		620	7,158,143
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	15	29	72		850	1,304	2,241		3,604,553	4,825,774	8,636,179		4,401	46,187,216
Energy Audit	Audits	119	77	270		604	439	2,383		2,945,189	2,145,367	13,100,635		3,426	44,418,129
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Business Program Total						**5,162**	**9,181**	**16,631**		**24,066,259**	**50,205,734**	**100,047,761**		**30,503**	**385,148,444**
Industrial Program															
Process & System Upgrades	Projects	0	0	2		0	0	324		0	0	968,659		324	1,937,318
Monitoring & Targeting	Projects	0	1	3		0	0	54		0	528,000	639,348		54	2,862,696
Energy Manager	Projects	1	93	101		27	1,067	2,395		241,515	8,266,841	25,814,853		4,345	81,853,489
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						**27**	**1,067**	**2,774**		**241,515**	**8,794,841**	**27,422,860**		**4,723**	**61,215,516**
Home Assistance Program															
Home Assistance Program	Homes	0	887	2,898		0	222	791		0	1,316,749	4,321,794		1,009	12,515,300
Home Assistance Program Total						**0**	**222**	**791**		**0**	**1,316,749**	**4,321,794**		**1,009**	**8,581,177**
Aboriginal Program															
Home Assistance Program	Homes	0	0	133		0	0	134		0	0	563,715		134	1,127,430
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**134**		**0**	**0**	**563,715**		**134**	**1,127,430**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	12	0	0		138	0	0		545,536	0	0		138	2,182,145
High Performance New Construction	Projects	37	4	15		1,507	363	-184		2,398,941	2,832,533	-993,596		1,686	16,106,171
Toronto Comprehensive	Projects	0	15	4		0	672	185		0	4,523,517	1,324,388		857	16,219,327
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**1,645**	**1,035**	**2**		**2,944,477**	**7,356,050**	**330,792**		**2,682**	**11,104,528**
Other															
Program Enabled Savings	Projects	33	55	33		1,776	3,712	2,020		7,727,573	11,481,687	10,688,564		7,509	86,732,481
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						**1,776**	**3,712**	**2,020**		**7,727,573**	**11,481,687**	**10,688,564**		**7,509**	**86,732,481**
Adjustments to 2011 Verified Results						**3,465**				**27,746,535**				**3,215**	**110,143,550**
Adjustments to 2012 Verified Results							**15,697**				**80,111,558**			**15,401**	**238,780,637**
Adjustments to 2013 Verified Results								**23,463**				**145,679,403**		**24,391**	**296,465,211**
Adjustments to Previous Years' Verified Results Total						**3,465**	**15,697**	**23,463**		**27,746,535**	**80,111,558**	**145,679,403**		**43,006**	**645,389,397**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00	1.00	0.51	0.46	0.42	0.45	1.00	1.00	1.00	1.00	0.46	0.47	0.44	0.47
Appliance Exchange	1.00	1.00	1.00	1.00	0.51	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	1.00	1.00	0.60	0.50	0.48	0.48	1.00	1.00	1.00	1.00	0.50	0.49	0.48	0.48
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.00	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.12	0.91	1.04	1.74	1.00	1.00	1.00	1.00	0.91	0.92	1.04	1.75
Retailer Co-op	1.00	n/a	n/a	n/a	0.68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	1.00	3.65	0.78	1.03	0.41	0.49	0.63	0.63	3.65	7.17	3.09	0.62	0.49	0.49	0.63	0.63
Business Program																
Retrofit	1.06	0.93	0.92	0.84	0.72	0.75	0.73	0.71	0.93	1.05	1.01	0.98	0.75	0.76	0.73	0.72
Direct Install Lighting	1.08	0.69	0.82	0.78	1.08	0.94	0.94	0.94	0.69	0.85	0.84	0.83	0.94	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	1.97	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	0.50	0.98	0.68	0.71	0.50	0.49	0.54	0.54	0.98	0.99	0.76	0.79	0.49	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85	0.96	n/a	n/a	0.94	0.79	n/a	n/a	0.87	0.96	n/a	n/a	0.93	0.80
Monitoring & Targeting	n/a	n/a	n/a	0.59	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.36	n/a	n/a	n/a	1.00
Energy Manager	n/a	1.16	0.90	0.91	n/a	0.90	0.90	0.90	1.16	1.16	0.90	0.96	0.90	0.90	0.90	0.85
Retrofit	1.11	n/a	n/a	n/a	0.72	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.75	n/a	n/a	n/a
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26	0.49	0.70	1.00	1.00	1.00	0.32	0.99	0.88	0.78	1.00	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05	0.15	n/a	n/a	1.00	1.00	n/a	n/a	0.95	0.97	n/a	n/a	1.00	1.00
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a	n/a	0.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	n/a	0.49	0.50	0.50	0.50	1.00	1.00	1.00	n/a	0.50	0.50	0.50	0.50
Toronto Comprehensive	1.13	n/a	n/a	n/a	0.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a	n/a	0.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	1.06	1.00	0.86	n/a	1.00	1.00	1.00	n/a	2.26	1.00	0.98	n/a	1.00	1.00	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Provincial Progress Towards CDM Targets

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014†	1.4	10.8	34.2	568.6
Verified Net Annual Peak Demand Savings in 2014:				**927.7**
2014 Annual CDM Capacity Target:				**1,330**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**69.8%**

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
2012†	18.7	503.6	498.4	492.6	1,513.3
2013†	1.7	44.4	603.3	583.4	1,232.8
2014†	7.3	44.8	191.0	1,170.8	1,413.9
Verified Net Cumulative Energy Savings 2011-2014:					**6,553.0**
2011-2014 Cumulative CDM Energy Target:					**6,000**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**109.2%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	**Gross Savings = Activity * Per Unit Assumption** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Engineered and Custom Projects	**Gross Savings = Reported Savings * Realization Rate** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Demand Response	**Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio** **Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW** **All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)**
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014)		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%

Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: Horizon Utilities Corporation Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	350	96	124	85	2,495,649	669,778	793,618	558,578
Appliance Exchange**	Appliances	35	19	70	80	41,598	33,812	124,940	142,488
HVAC Incentives	Equipment	2,798	2,183	1,997	2,323	5,121,925	3,743,882	3,426,318	4,282,290
Conservation Instant Coupon Booklet	Items	44	9	19	51	735,082	53,604	276,622	668,041
Bi-Annual Retailer Event	Items	61	66	46	187	1,087,497	1,181,405	664,698	2,840,283
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	1,093	2,699	3,738	4,457	2,830	13,650	11,153	1,510
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0
Consumer Program Total		**4,381**	**5,072**	**5,994**	**7,183**	**9,484,581**	**5,696,131**	**5,297,349**	**8,493,191**
Business Program									
Retrofit	Projects	1,192	2,049	4,031	3,585	6,499,364	11,576,745	22,384,514	26,496,922
Direct Install Lighting	Projects	617	738	479	903	1,823,667	2,253,482	1,528,270	3,115,089
Building Commissioning	Buildings	0	0	0	133	0	0	0	157,250
New Construction	Buildings	0	1	11	280	0	3,158	38,576	965,399
Energy Audit	Audits	0	16	107	396	0	75,529	586,485	1,945,561
Small Commercial Demand Response	Devices	0	6	13	12	0	33	18	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	536	531	597	595	20,936	7,718	9,571	0
Business Program Total		**2,346**	**3,340**	**5,238**	**5,903**	**8,343,968**	**13,916,664**	**24,547,435**	**32,680,221**
Industrial Program									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	51	25	46	0	405,400	198,003	1,174,102
Retrofit	Projects	94	0	0	0	524,802	0	0	0
Demand Response 3	Facilities	3,498	6,445	13,261	17,093	205,346	155,311	331,641	0
Industrial Program Total		**3,592**	**6,495**	**13,286**	**17,139**	**730,148**	**560,711**	**529,644**	**1,174,102**
Home Assistance Program									
Home Assistance Program	Homes	0	19	808	717	0	287,021	4,634,362	4,387,048
Home Assistance Program Total		**0**	**19**	**808**	**717**	**0**	**287,021**	**4,634,362**	**4,387,048**
Aboriginal Program									
Home Assistance Program	Homes	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	5,876	0	0	0	33,885,712	0	0	0
High Performance New Construction	Projects	485	293	0	0	2,489,177	1,164,328	0	0
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total		**6,361**	**293**	**0**	**0**	**36,374,889**	**1,164,328**	**0**	**0**
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	2,487	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		**0**	**0**	**0**	**2,487**	**0**	**0**	**0**	**0**
Adjustments to 2011 Verified Results			**826**	**0**	**4**		**5,441,801**	**0**	**18,008**
Adjustments to 2012 Verified Results				**176**	**969**			**880,383**	**7,178,246**
Adjustments to 2013 Verified Results					**1,658**				**9,148,556**
Energy Efficiency Total		**11,552**	**5,539**	**7,718**	**11,272**	**54,704,474**	**21,448,144**	**34,656,405**	**46,733,051**
Demand Response Total		**5,128**	**9,681**	**17,608**	**22,157**	**229,113**	**176,712**	**352,384**	**1,510**
Adjustments to Previous Years' Verified Results Total		**0**	**826**	**176**	**2,631**	**0**	**5,441,801**	**880,383**	**16,344,810**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**16,680**	**16,045**	**25,502**	**36,060**	**54,933,587**	**27,066,656**	**35,889,172**	**63,079,371**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to Horizon Utilities Corporation Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-494	36	113		-911,621	68,707	199,982	
Conservation Instant Coupon Booklet	Items	1	0	0		10,349	0	836	
Bi-Annual Retailer Event	Items	5	0	0		95,962	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	0	0		0	0	0	
Consumer Program Total		**-489**	**36**	**113**		**-805,310**	**68,707**	**200,818**	
Business Program									
Retrofit	Projects	158	134	444		813,113	2,229,467	2,146,864	
Direct Install Lighting	Projects	30	0	0		65,529	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	1	0	1,076		3,158	458,240	5,929,573	
Energy Audit	Audits	52	5	27		251,763	30,210	147,108	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		**241**	**139**	**1,546**		**1,133,563**	**2,717,918**	**8,223,545**	
Industrial Program									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	3		0	4,309	39,775	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		**0**	**0**	**3**		**0**	**4,309**	**39,775**	
Home Assistance Program									
Home Assistance Program	Homes	0	0	200		0	13,531	716,808	
Home Assistance Program Total		**0**	**0**	**200**		**0**	**13,531**	**716,808**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0	
High Performance New Construction	Projects	1,074	0	0		5,113,548	5,278,787	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		**1,074**	**0**	**0**		**5,113,548**	**5,278,787**	**0**	
Other									
Program Enabled Savings	Projects	0	0	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		**0**	**0**	**0**		**0**	**0**	**0**	
Adjustments to 2011 Verified Results		**826**				**5,441,801**			
Adjustments to 2012 Verified Results			**176**				**8,083,252**		
Adjustments to 2013 Verified Results				**1,862**				**9,180,946**	
Total Adjustments to Previous Years' Verified Results		**826**	**176**	**1,862**		**5,441,801**	**8,083,252**	**9,180,946**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786
Consumer Program Total		**73,757**	**91,805**	**140,380**	**178,452**	**192,379,633**	**112,240,615**	**117,521,084**	**207,543,846**
Business Program									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0
Business Program Total		**78,048**	**122,056**	**134,399**	**171,405**	**251,304,448**	**467,801,406**	**579,468,111**	**817,313,113**
Industrial Program									
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0
Industrial Program Total		**182,552**	**75,090**	**166,809**	**184,238**	**42,656,366**	**8,852,247**	**31,546,976**	**135,895,498**
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Home Assistance Program Total		**4**	**1,777**	**2,361**	**2,466**	**56,119**	**5,524,230**	**20,987,275**	**19,582,658**
Aboriginal Program									
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		**0**	**0**	**267**	**549**	**0**	**0**	**1,609,393**	**3,101,207**
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0
Pre-2011 Programs completed in 2011 Total		**87,169**	**6,501**	**772**	**1,070**	**460,822,079**	**23,803,888**	**3,522,240**	**8,462,733**
Other									
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522
Other Total		**0**	**2,177**	**3,692**	**60,296**	**0**	**525,011**	**4,075,382**	**19,035,337**
Adjustments to 2011 Verified Results			**13,266**	**645**	**1,601**		**48,705,294**	**20,581**	**6,028**
Adjustments to 2012 Verified Results				**8,632**	**13,449**			**54,301,893**	**59,098,939**
Adjustments to 2013 Verified Results					**34,727**				**206,413,158**
Energy Efficiency Total		**213,515**	**156,735**	**168,583**	**289,384**	**942,317,539**	**616,320,385**	**753,683,966**	**1,210,925,694**
Demand Response Total		**208,015**	**142,670**	**280,099**	**309,091**	**4,901,107**	**2,427,011**	**5,046,495**	**8,698**
Adjustments to Previous Years' Verified Results Total		**0**	**13,266**	**9,277**	**49,777**	**0**	**48,705,294**	**54,322,474**	**265,518,125**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**421,530**	**312,671**	**457,958**	**648,252**	**947,218,646**	**667,452,690**	**813,052,934**	**1,476,452,516**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	1	1	115		330,093	2,009	701,488	
Consumer Program Total		**-8,628**	**1,092**	**2,273**		**-13,281,402**	**1,954,483**	**4,595,605**	
Business Program									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		**8,996**	**13,491**	**24,414**		**37,108,886**	**71,581,326**	**144,667,473**	
Industrial Program									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		**29**	**1,071**	**3,168**		**0**	**9,496,007**	**30,765,729**	
Home Assistance Program									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
Home Assistance Program Total		**0**	**222**	**791**		**0**	**1,316,749**	**4,321,794**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**134**		**0**	**0**	**563,715**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		**13,337**	**2,647**	**934**		**24,954,771**	**18,589,400**	**5,319,013**	
Other									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		**1,776**	**3,712**	**2,020**		**1,673,712**	**11,481,687**	**10,688,564**	
Adjustments to 2011 Verified Results		**15,511**				**50,455,967**			
Adjustments to 2012 Verified Results			**22,235**				**114,419,652**		
Adjustments to 2013 Verified Results				**33,734**				**200,921,892**	
Adjustments to Previous Years' Verified Results Total		**15,511**	**22,235**	**33,734**		**50,455,967**	**114,419,652**	**200,921,892**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

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