

Grimsby Power Incorporated
(ED-2002-0554)

CDM/GEA 2011-2014 Strategy Filing

November 1, 2010

Amended February 14, 2011

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1. **Distributor's Name:** Grimsby Power Incorporated (Grimsby Power, ED-2002-0554) is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's September 16, 2010 Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). This amended CDM strategy is being submitted as requested by the Ontario Energy Board (OEB) in a letter dated November 29, 2010. This submission modifies the original CDM strategy by updating Grimsby Power's final CDM targets with budget information to deliver the suite of OPA-contracted programs in the Grimsby Power service territory.
2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 2.060 MW per the CDM Targets for Electricity Distributors issued by the Ontario Energy Board (OEB) in a Decision and Order on November 12, 2010 (File No EB-2010-0215 and EB-2010-0216).
3. **Total Reduction in Electricity Consumption (kWh) Target:** 7,760 MWh per the CDM Targets for Electricity Distributors issued by the OEB in a Decision and Order on November 12, 2010 (File No EB-2010-0215 and EB-2010-0216).
4. **CDM Strategy**

4.1. High Level Description of CDM Strategy

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

Grimsby Power has concerns that the OPA Resource Planning Tool predicts that the OPA province wide programs will deliver 78% of the province wide demand target and 91% of the energy target. The OPA Resource Planning Tool is based on province wide expectations of conservation savings. Grimsby Power expects better than predicted results for the Tier 1 OPA programs based on previous OPA program results. There are also concerns over the adequacy of OPA funding. Most of our OPA funding is the Program

Administration Budget (PAB) and Incentives. Effective marketing, face to face contact and the wise use of limited resources will be the keys to driving program results. Should the results from OPA Tier 1 programs not materialize in 2011, we will pursue an application for a Tier 2 program by partnering with other utilities.

This strategy does not take into consideration the significant portion of the target that the OPA expects to result from smart meter and time-of-use rate implementation. The OPA has advised that the CDM targets assigned to all electricity distributors should include approximately 308MW of savings related to smart meters and time-of-use rates. This advice was based on a study commissioned by the OPA and filed with the OEB as part of the Integrated Power Supply Plan proceeding.

Grimsby Power will continue to employ several different educational and marketing approaches depending on the customer class it is targeting. With the consumer program, Grimsby Power will create awareness and promote the CDM programs via traditional methods such as bill inserts, newspaper ads, online advertising and attendance at community events. For our commercial, institutional and industrial customers, information sessions and face-to-face meetings have proven to be effective in the past. In addition, collaboration with other LDCs to educate local contractors about the conservation programs available to their clients will be fundamental in our ability to meet our CDM Targets.

In keeping with OPA advice on establishing 2011-2014 LDC targets, Grimsby Power expects to reach our target using a combination of OPA Province-Wide programs, Board-Approved programs, and Smart Metering/TOU rates.

The following tables summarize both our annual resource savings and cumulative savings by year which at this time is our preliminary review of the expected annual milestones of both peak demand and energy consumption through the delivery of the OPA-Contracted Province-Wide programs.

Annual Resource Savings	2011	2012	2013	2014
Peak Demand Reduction – MW	0.92	1.25	1.61	2.06
Electricity Consumption Reduction - MWh	827	1,732	2,495	3,323
Cumulative Savings	2011	2012	2013	2014
Electricity Consumption Reduction - MWh	827	2,559	5,054	8,377

5. OPA-Contracted Province-Wide CDM Programs

Program Descriptions

Grimsby Power is planning to deliver all OPA-contracted province-wide programs to its customer base. The following tables outline the program name, operating budget and projected peak demand and energy savings by customer segment.

5.1 Consumer Program

The Consumer Program will provide incentives to both existing home owners and developers/builders to encourage the installation of energy efficient measures in both existing and new home construction. The program has a number of initiatives and delivery channels.

Table 5.1.1 Consumer Program Initiatives and Description

Name	Years	Description	Target Customers
Instant Rebates	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Incentive	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pools Incentive	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Rebates	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement	2011-14	Free pick-up/decommissioning of old, working, inefficient appliances	Residential
Exchange Events	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Residential New Construction	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes	Residential
Residential Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential

Table 5.1.1 Consumer Program Summary and Budget

Consumer Program Summary	
Total Operating Budget	\$191,061.44 *
Projected Reduction in Peak Demand	630 kW
Projected Reduction in Energy Consumption	3,828 MWh

*Budget figures apply to both peak demand and energy consumption reductions and include only Program Administration Budget (PAB) funding from the OPA.

5.2 Commercial & Institutional Program

The Commercial and Institutional (C&I) Program is designed to assist building owners and operators as well as tenants and occupants to pursue energy efficient projects. This is achieved by offering energy audits, marketing the value of being energy efficient and promoting incentives for the installation of energy efficient measures.

Name	Years	Description	Target Customers
Equipment Replacement Incentive Initiative (ERII) (formerly ERIP)	2011-14	The Electricity Retrofit Incentive Initiative is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Commercial Institutional
Direct Install – Lighting (formerly Power Savings Blitz)	2011-14	Continuation of the former lighting retrofit incentive program (PSB) for small business customers in the General Service < 50kW.	Commercial Institutional
Direct Install – Space Cooling and Refrigeration	2011-14	New initiative that provides incentives towards servicing of roof-top and ground-mounted air conditioners with a capacity of 25 tons or less. This program will also service refrigeration units (fridges, coolers, walk-in freezers) provided an a/c unit was serviced.	Commercial Institutional
New Construction (formerly HPNC)	2011-14	Inclusion of existing HPNC program which provides incentives for energy efficient new building (or additions to existing buildings) design as well as installation of energy efficient measures.	Commercial Institutional
Small Commercial Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities. We will await the results of the OPA pilots (expected before July 1) before proceeding to offer our customers the best choice.	Commercial Institutional

DR1	2011-14	An initiative where distribution-connected electricity customers volunteer to provide DR capabilities to reduce peak demand and increase system reliability	Commercial Institutional
DR3	2011-14	An initiative where distribution-connected electricity customers provide DR capability to reduce peak demand and increase system reliability	Commercial Institutional
Building Commissioning	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	Commercial Institutional
Energy Audits	2011-14	An initiative that offers energy audits to identify ERII opportunities with an incentive subsidy of up to 50% of the cost of the audit	Commercial Institutional

Table 5.2.1 Commercial and Institutional Program Summary and Budget

Consumer Program Summary	
Total Operating Budget	\$189,511.52 *
Projected reduction in Peak Demand	990 kW
Projected reduction in Energy Consumption	3,764 MWh

*Budget figures apply to both peak demand and energy consumption reductions and include only Program Administration Budget (PAB) funding from the OPA.

5.3 Industrial Program

The industrial program offers initiatives similar to the C&I program with the notable exceptions being the Industrial Accelerator and funding for an Energy Manager and/or a Key Account Manager. Grimsby Power does not currently have any customers in the >5 MW class which would qualify a customer for an on-site Energy Manager. However, GPI may be able to partner with neighbouring LDCs for a Roving Energy Manager or Key Accounts Manager to help drive demand and energy results. Grimsby Power is expecting our customer base to pursue opportunities with Demand Response 1 with the expectation that they can move to Demand Response 3 by Summer 2014 at the latest.

Name	Years	Description	Target Customers
Equipment Replacement (formerly ERIP)	2011-14	Incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Industrial
Industrial Accelerator	2011-14	New component aimed at improving the energy efficiency of equipment and production processes by offering capital incentive and enabling initiatives.	Industrial
Energy Manager / Roving Energy Manager	2011-14	Access funding for customer-employed energy manager(s) for eligible consumers. Access funding for LDC-employed roving energy manager(s).	Industrial
Key Accounts Manager	2011-14	Join with other LDCs in close geographical proximity to apply for a shared Key Accounts Manager.	Industrial
DR1	2011-14	An initiative where distribution-connected electricity customers volunteer to provide DR capabilities to reduce peak demand and increase system reliability	Industrial
DR3	2011-14	An initiative where distribution-connected electricity customers provide DR capability to reduce peak demand and increase system reliability	Industrial

Table 5.3.1 Industrial Program Summary and Budget

Consumer Program Summary	
Total Operating Budget	\$40,000.00 *
Projected reduction in Peak Demand	440 kW
Projected reduction in Energy Consumption	785 MWh

5.4 Low Income Programs

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

6. Potential Board-Approved CDM Programs

6.1. At this time Grimsby Power Incorporated does not have any Board-Approved programs planned. GPI expects OPA CDM programs will allow Grimsby Power to achieve 100% of its targets. Should this assumption need to be readdressed in order for us to meet our CDM Targets, we will potentially develop, or join with another Local Distribution Company (LDC), in seeking a Board-Approved CDM Program.

7. Program Mix

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

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

8. CDM Programs Co-ordination

8.1. Grimsby Power has been working closely with other LDCs of similar size and/or geographical closeness in the administration, marketing and delivery of the previous 2007 to 2010 OPA-Contracted Province-Wide programs. Through this continued collaboration Grimsby Power expects to achieve efficiencies of delivery and cost savings in the future.

Grimsby Power will work closely with local Social Service Agencies, local municipal governments, natural gas distributors and other LDC's to deliver its portfolio of OPA-Contracted Province-Wide CDM Programs, including an OPA-Contracted Low Income program.

We will work with natural gas distributors to coordinate installation services for the Low Income Program where possible with gas distributors paying for gas saving measures and electricity distributors paying for electricity saving measures. We will also refer gas savings measures identified through Energy Audits to gas conservation programs aimed at business. The residential and business new construction program may also offer gas savings measures that qualify for gas rebates.