



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

June 13, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

**RE: Canadian Niagara Power Inc. (ED-2002-0572)
Conservation and Demand Management (CDM) Code for Electricity Distributors –
Amended CDM Strategy (EB-2010-0215)**

Dear Ms. Walli:

Canadian Niagara Power Inc. (CNPI) submitted a CDM Strategy on November 1, 2010 filed in accordance with the Ontario Energy Board's (OEB) "*Conservation and Demand Management Code for Electricity Distributors*", issued on September 16, 2010. In a November 26, 2010 letter, the OEB directed CNPI to provide estimated, prospective budgets for planned OPA-contracted Province-Wide CDM Programs and Board-Approved Programs. In order to have all the information contained in one document, we are submitted an amended CDM Strategy.

The budget information is CNPI's best estimate and includes proposed administration costs; participation based funding and customer incentives. We have also updated the 2011-2014 CDM Targets, which were finalized by the OEB after submission of our original CDM Strategy.

Two hard copies of the amended submission are enclosed. An electronic copy of this submission in pdf format was submitted through the OEB's *Regulatory Electronic Submission System* (RESS).

CNPI collaborated with 13 other electricity distributors, collectively known as the "Niagara Erie Power Alliance (NEPA) GEA Group", on the development of its 2011-2014 CDM Strategy. The following Table 1 lists the NEPA participating distributors, their respective customer counts and 2011-2014 CDM targets issued by the OEB on June 22, 2010.

Local Distribution Company	Customer Count 2009 OEB Yearbook	2011-2014 Energy Savings Target (GWh)	2014 Summer Peak Demand Savings Target (MW)
Algoma Power Inc.	11,687	7.370	1.280
Brant County Power Inc.	9,614	9.850	3.300
Brantford Power Inc.	37,668	48.920	11.380
Canadian Niagara Power Inc.	24,731	25.080	6.400
Espanola Regional Hydro Distribution Corp.	3,383	2.760	0.520
Greater Sudbury Hydro Inc.	46,539	43.710	8.220
Grimsby Power Inc.	10,073	7.760	2.060
Haldimand County Hydro Inc.	20,911	13.300	2.850
Niagara Peninsula Energy Inc.	50,823	58.040	15.490
Niagara-on-the-Lake Hydro Inc.	7,880	8.270	2.420
Norfolk Power Distribution Inc.	18,895	15.680	4.250
PUC Distribution Inc.	32,825	30.830	5.580
Welland Hydro-Electric System Corp.	21,916	20.600	5.560
Westario Power Inc.	21,805	20.950	4.240
Total	318,750	313.12	73.55

This CNPI Amended 2011-2014 CDM Strategy is respectfully submitted for the OEB's consideration.

Sincerely

ORIGINAL SIGNED BY

Douglas Bradbury, P.Eng.
Director, Regulatory Affairs

Canadian Niagara Power Inc.

(ED-2002-0572)

Conservation & Demand Management (CDM) /
Green Energy Act (GEA) 2011-2014 Strategy Filing

Filed: November 1, 2010

Amended: June 13, 2011

Canadian Niagara Power Inc.

CDM Strategy Filing

Filed: November 1, 2010

Amended: June 13, 2011

1. **Distributor's Name:** Canadian Niagara Power Inc. (CNPI, ED-2002-0572) is filing this amended CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's November 29, 2010 letter and in accordance to the Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215) issued on September 16, 2010. This Strategy outlines how CNPI will meet the electricity demand and energy targets set out in its amended license. This CDM Strategy Filing for CNPI includes the municipalities under this license of the Town of Fort Erie, the Township of Gananoque (local branding and reported in the OEB Yearbook as "Eastern Ontario Power") and the City of Port Colborne (Port Colborne Hydro Inc. currently under lease by CNPI).

2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** Based on the Decision and Order issued by the OEB on November 12, 2010, the assigned CDM 2011-2014 Targets are:

CNPI (Fort Erie & Gananoque): 4.070 MW
CNPI (Port Colborne): 2.330 MW

3. **Total Reduction in Electricity Consumption (kWh) Target:** Based on the Decision and Order issued by the OEB on November 12, 2010, the assigned CDM 2011-2014 Targets are:

CNPI (Fort Erie & Gananoque): 15,810,000 kWh
CNPI (Port Colborne): 9,270,000 kWh

4. **CDM Strategy**

At the time of this amended filing, there are initiatives, or portions/processes of initiatives, in each program segment that are not ready for launch and/or delivery.

CNPI utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration CNPI's service territory's residential profile and past CDM program results, to forecast its reductions in Peak Demand and Electricity Consumption.

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 308 MW of savings related to smart meters and time-of-use rates. This advice was based on a study commissioned by the OPA and filed with the OEB as part of the Integrated Power Supply Plan proceeding.

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

OPA Provincial Programs		2011	2012	2013	2014	Total Projected Budget	
Consumer	kW	320	750	1240	1760	\$ 2,056,377	
	MWh	983	3061	6299	10719		
Commercial	kW	940	1980	3130	4450	\$ 2,308,981	
	MWh	2005	6379	12594	20816		
Industrial	kW	130	150	160	170	\$ 613,958	
	MWh	87	259	477	781		
Total Annual Peak Demand							
	kW	1390	2880	4530	6380		
Total Cumulative Energy							
	MWh	3075	9699	19370	32316		
Projected Budget		\$	1,194,475	1,493,795	1,366,171	924,875	\$ 4,979,316

5. OPA-Contracted Province-Wide CDM Programs

CNPI will continue to utilize a customer-centric marketing approach, including elements ranging from bill inserts to attending community events. CNPI's strategy for Commercial and Industrial customers will further building on developing and maintaining strong customer relationships in addition to traditional marketing approaches.

A fully-allocated and cost effective strategy requires a minimum funding level. As noted in our November 1, 2010 filing, "CNPI's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-Contracted Province-Wide programs". Adjustments to our strategy are incorporated to accommodate the revised targets and our finalized portion of the fixed funding. Further adjustment to this plan may be required should program deliverables change or market conditions alter.

The following information outlines the OPA-Contracted Province-Wide programs by name, years of operation and target customers.

5.1. Consumer Programs

Name	Years	Description	Target Customers
Conservation Instant Coupon Booklet Initiative and Bi-Annual Retailer Event Initiative - Initiative Schedule B1	2011-14	In-store discounts on energy efficient products	Residential
Midstream Electronics Initiative - Initiative Schedule B1	2011-14	Retail promotion of energy efficient televisions	Residential
Midstream Pool Equipment Initiative - Initiative Schedule B1	2011-14	Retail promotion of "right sized" pool equipment	Residential
HVAC Incentives Initiative - Initiative Schedule B1	2011-14	On-line rebates on high efficiency replacement of heating/cooling systems	Residential
Appliance Retirement Initiative - Initiative Schedule B1	2011-14	Free pick-up/decommissioning of old, working inefficient appliances	Residential
Appliance Exchange Initiative - Initiative Schedule B1	2011-14	Room air conditioner and dehumidifier exchange events at retailers	Residential
Home Energy Assessment Tool Initiative - Initiative Schedule B1	2011-14	On-line, home energy assessment and recommendations on how energy consumption can be reduced	Residential
Residential New Construction - Initiative Schedule B2	2011-14	Incentives for builders to construct efficient, smart, and integrated new homes or for the major renovations to older homes	Residential
Residential Demand ("DR") Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Residential
TOTAL	2011-14	1,760 KW	10,719 MWh

5.2. Commercial & Institutional Programs

Name	Years	Description	Target Customers
Energy Audit - Initiative Schedule C1	2011-14	An incentive program designed to encourage commercial and institutional facilities to undertake assessments to identify reductions in electricity demand and consumption	Commercial Institutional
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures	Commercial Institutional
Direct Install Lighting and Water Heating - Initiative Schedule C3	2011-14	A retrofit incentive program for small business customers in the General Service < 50kW.	Commercial Institutional
Direct Service Space Cooling Refrigeration Initiative – Initiative Schedule C5	2011-14	An initiative that provides incentive towards servicing of rooftop and ground-mounted air conditioners with a capacity of 25 tons or less.	Commercial Institutional
New Construction and Major Renovation - Initiative Schedule C4	2011-14	An initiative, which provides incentives for energy efficient new building design as well as installation of energy efficient measures.	Commercial Institutional
Existing Building Commissioning - Initiative Schedule C6	2011-14	Commissioning of chilled water plants for customers with a demand > 50 kW and facilities larger than 50,000 sq ft.	Commercial Institutional
Small Commercial Demand Response	2011-14	Free, installed direct load control devices and in-home display systems/capability. Non-DR offers: subsidized in-home display systems/capabilities	Commercial Institutional
Demand Response 1 - Initiative Schedule D5	2011-14	An initiative where distribution-connected electricity customers voluntary provide DR capabilities to reduce peak demand and increase system reliability	Commercial Institutional
Demand Response 3 - Initiative Schedule D6	2011-14	An initiative where distribution-connected electricity customers provide firm, contract DR capability to reduce peak demand and increase system reliability	Commercial Institutional
TOTAL	2011-14	4,450 KW	20,816 MWh

5.3. Industrial Programs

Name	Years	Description	Target Customers
Efficiency: Equipment Replacement Incentive - Initiative Schedule C2	2011-14	An incentive program designed to encourage high-efficiency electricity retrofits to existing structures.	Industrial
Preliminary Engineering Study, Detailed Engineering Study, Project Incentive and Monitoring & Targeting – Initiative Schedules D1 & D2	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 - Initiative Schedule D3	2011-14	Access funding for customer-employed energy manager(s) for eligible consumers. Access funding for LDC-employed roving energy manager(s).	Industrial
Key Account Manager – Initiative Schedule D4	2011-14	Join with other LDCs in close geographical proximity to apply for a shared Key Accounts Manager.	Industrial
Demand Response 1 - Initiative Schedule D5	2011-14	An initiative where distribution-connected electricity customers voluntarily provide DR capabilities to reduce peak demand and increase system reliability	Industrial
Demand Response 3 - Initiative Schedule D6	2011-14	An initiative where distribution-connected electricity customers provide firm, contract DR capability to reduce peak demand and increase system reliability	Industrial
TOTAL	2011-14	170 KW	781 MWh

5.4. Low Income Programs

CNPI intends on participating in the OPA-Contracted Province-Wide Low Income Program. CNPI's strategy provides for preliminary and forecast reduction in peak electricity demand and electricity consumption.

6. Potential Board-Approved CDM Programs

At this time CNPI does not have any Board-Approved programs planned. It is the intent to meet demand and energy reduction requirements by delivering OPA-Contracted Province-Wide programs should funding be available to do so. Requirement to participate in Board-Approved programs may result from an inability to deliver OPA-Contracted Province-Wide programs within the determined prescribed OPA funding model or the net results do not meet intended demand and energy savings. It is our intent to review opportunities to collaborate with other LDCs for Board-Approved programs.

7. Program Mix

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

CNPI intends on participating in the OPA-Contracted Province-Wide Low Income Program.

8. CDM Programs Co-ordination

CNPI has been working closely with other LDCs of similar size and/or geographical proximity in the administration, marketing and implementation of the current OPA-Contracted Province-Wide programs being offered. Through this continued collaboration CNPI is projecting to achieve similar delivery efficiencies.

CNPI will, where appropriate, work closely with local Social Service Agencies, local municipal governments, natural gas distributors and other LDCs to deliver its portfolio of OPA-Contracted Province-Wide CDM Programs, including an OPA-Contracted Low Income program.