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Report on Conservation and Demand Management

Extracted from the December 2009 PUB Quarterly report

3.2 Conservation and Demand Management (CDM)

3.2.1 Introduction

In 2009, Hydro expanded staff resources focused on energy efficiency, launched an expanded portfolio of rebate programs for residential and commercial customers, further developed an efficiency program targeting Industrial Customers, and continued work with Newfoundland Power on the development of the provincial delivery of the takeCHARGE program.

Work has continued with government partners, community groups and individual customers to engage on energy efficiency and to create energy savings.

3.2.2 Energy Efficiency Planning and Coordination

Hydro and Newfoundland Power worked closely to develop and implement the takeCHARGE program for energy efficiency.

In June 2009, the first rebate programs offered jointly by the two utilities were launched:

- Residential
 - i. Insulation
 - i. Energy Star Windows
 - ii. Thermostats
- Commercial
 - i. Lighting

In order to provide these programs, late in 2008 and early in 2009, staffing levels were increased for Hydro's Energy Efficiency group. The group was increased to include technical and marketing skills, a support role and a focused resource on the development of the industrial program.

As well, training and orientation on new programs, processes and specific technologies were delivered to staff involved in customer services. This included Customer Services Representatives, Customer Services Technologists and Meter Readers.

3.2.3 Customer Awareness

As the takeCHARGE brand was launched to the public in November 2008, promotional activities for 2009 were focused on developing awareness and understanding of the takeCHARGE brand and program to ensure customers became aware of the utilities' efforts to assist them to conserve with rebates and information.

This was achieved through a mass market approach providing television, web, radio and print ads on the brand and the specific rebated technologies. The preliminary numbers from research conducted on the effectiveness of this campaign show very strong results, with nearly 80% awareness of the takeCHARGE initiative.

Hydro also participated in ten trade show events across the province, promoting the takeCHARGE brand to residential and commercial audiences.

As takeCHARGE is a joint utility program, mass marketing efforts were focused on getting customers to visit the website for information. The website was launched in 2008 with the brand and activity for 2009 was very strong. Provincially, there were web and bill insert-based contests to encourage customers to visit the website. Hydro also independently launched a customer promotion that will continue into 2010, providing customers with the additional incentive of an energy efficiency kit for a limited time to encourage participation in the rebate programs.

Industrial customers have also been engaged in discussions on efficiency through the development of the Industrial Customer Efficiency Program which will launch in 2010.

3.2.4 Community Outreach

Community based promotions and marketing are critical to creating awareness of the program and providing rebate program detailed information. The launch events for the Energy Savers Rebates focused on bringing the information to retail locations where customers would be purchasing the windows, thermostats and insulation. The events were outdoor hot dog giveaways to encourage a relaxed environment for customers to speak with takeCHARGE representatives about the programs. These events were also the first to be conducted in partnership with retailers, helping to forge a network of retailer relationships to bring the programs to customers.

Work continued with retailers for the remainder of the year, providing them education on the rebate programs and assisting to inform their floor staff on the benefits of the specific technologies. Retailers are a critical piece in the decision making process for customers doing home improvements and Hydro spent time visiting key retailers and providing all retailers in the Hydro service areas with promotional materials for display.

In addition to a mass marketing approach to create strong awareness of the takeCHARGE program, November 14 to 20 was designated Energy Efficiency Week. Television spots were aired nightly, demonstrating ways to save energy at home. Hydro also targeted awareness with families through activities at skating rinks in target communities. A contest was also held through the website, with a chance to win Energy Star windows. These efforts demonstrated a clear spike in website activity, with an increase in website visits of 83% over the previous week. The average time spent on the website also increased 27%, possibly a result of customers investigating the rebates and tips mentioned in the week's promotional campaigns. These are both positive indicators of the success of these types of outreach methods.

3.2.5 Energy Efficiency Programs

Rebates

Hydro relaunched the Wrap Up for Savings insulation upgrade rebate program in 2006 and ended this program in June 2009 when it was replaced with the takeCHARGE portfolio of Energy Savers Rebates.

As described earlier, rebate programs addressing both residential and commercial customers were launched in June 2009. The following table provides an overview of all rebate activities for 2009.

2009	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Wrap Up for Savings	1	2	2	2	2							
Residential												
Insulation							1	3	2	2	8	2
Window							2	1	5		7	3
Thermostat									2	3	5	3
Commercial												
Lighting										2	12	7
Total	1	2	2	2	2	0	3	4	9	7	32	15

Internal Energy Efficiency

Hydro has been taking active steps to encourage behaviour change and improve technology and control systems in its own facilities. Activities across the regions include installation of programmable thermostats at the Bay d'Espoir training centre, removal of some heating load at the Holyrood Thermal Generating Station, and a variety of activities encouraging employees to turn off lights and turn back heaters, among others. The largest effort for 2009 was a retrofit of the Hydro Place building including the heating and air conditioning, lighting and control systems. Energy efficiency opportunities were identified in an energy audit completed in 2008 and work was completed throughout 2009. The project is expected to result in a reduction of approximately 1 GWh/yr or 25% of the annual energy use of the building.

Further steps were taken to strengthen the tracking and monitoring of energy use at facilities across the province and this data is provided to employees as part of the internal communications efforts to engage employees in energy conservation in the workplace.

Partner and Special Projects

The provincial Department of Natural Resources provided funding to Hydro to conduct a pilot project to explore conservation and efficiency opportunities in two coastal Labrador communities. Port Hope Simpson and Hopedale were selected from a community application process. The Conservation Corps Newfoundland and Labrador were contracted to deliver home and commercial energy walkthroughs and conduct public awareness events. The walkthrough agents were hired and trained locally. Participation numbers were high for the program, with 61% and 81% of homeowners participating in Hopedale and Port Hope Simpson, respectively. Additional outreach was conducted in schools to bring information to all members of the family.

Rural delivery of programs is often challenging, coordinating supply and demand in an economical and customer focused manner. Hydro worked with the Department of Natural Resources and Amerispec on

a focused promotion for EcoEnergy home audit bookings on the south coast of Labrador. This effort resulted in more than 20 leads for bookings provided to the Hydro call centre. This was a pilot project to explore methods of promotions within a targeted geography in a short term campaign. Discussions are ongoing for similar initiatives in 2010.

Hydro also undertook an LED holiday light promotion through the Canadian Blood Services' *Light up a Life* campaign, distributing approximately 6,000 sets of LED lights and takeCHARGE information to people who made a blood donation during the holiday season at blood collection sites across the province.

3.2.6 Costs

Hydro's 2009 CDM costs are outlined in the table below. Costs related directly to the delivery of the takeCHARGE Rebate programs are included in the CDM Program Portfolio costs. Costs associated with general awareness, planning functions and partnership programs and initiatives that would be incurred regardless of the specific rebate programs currently being offered are included in the Support Costs.

Hydro's CDM Costs by Category (\$000s)

	2009
CDM Program Portfolio	
Residential Insulation	40
Residential Windows	44
Residential Thermostat	13
Commercial Lighting	13
Industrial	57
Support Costs	
Education	262
Support	53
Planning	176
Total	658

3.2.7 Energy Savings

Delays in the launch of the takeCHARGE rebate programs until mid-year resulted in less than anticipated participation. Participation did increase into the home heating season and is expected to continue to increase. In addition to the takeCHARGE rebates, Hydro was involved in a number of other initiatives and projects to create awareness of efficiency opportunities and to promote a wide range of technologies and behaviours to help consumers save. These initiatives also created considerable savings during 2009. All savings are shown in the table below.

Hydro Energy Savings (MWh) 2009	
takeCHARGE Program Portfolio	
Residential Insulation	31
Residential Windows	12
Residential Thermostat	6
Commercial Lighting	3
Industrial	0
Other Initiatives	
Hydro existing ¹	1,309
Wrap Up for Savings 2009 ²	38
Coastal Labrador Community Energy Efficiency Pilot Project ³	987
Outreach and Promotions	339
LED Distribution with Canadian Blood Services	334
Total	3,059

¹ Reflects savings currently being seen on the system from activities that have taken place prior to 2009. For example, previous rebates issued through the Wrap Up for Savings program would create savings for approximately a 25 year period, whereas a CFL distribution would create savings for approximately 5 years.

² Wrap Up for Savings was active until June 2009 when it was replaced with the takeCHARGE Energy Savers Residential Insulation program.

³ Savings are modeled savings from the technologies included in the energy efficiency kits distributed to participating homeowners.

3.2.8 Outlook

2010 will see growth in the residential and commercial rebate program participation and the launch of the Industrial Customer Efficiency Program. Efforts will continue to strengthen and expand the network of retailers and community groups to further reach customers at a community level.

Hydro will also continue to work with the Department of Natural Resources to promote additional Provincial and Federal Government energy efficiency programs.