Working with our Municipalities

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Empowering Municipalities: Opportunities and Obligations under the Green Energy and Green Economy Act

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By:
Max Cananzi
President and CEO
Horizon Utilities Corporation

Slide 1) Title Slide

Thanks very much and good morning.

This panel is exploring the opportunities and obligations of Ontario's municipalities and LDCs in a changing Ontario.

Many LDCs – Horizon included – are playing a significant role in the transformation of Ontario's energy needs.

Today, my presentation will address two questions:

1. How LDCs are making our communities cleaner and greener, and local businesses more healthy and profitable;
2. How LDCs can better work with our municipal leaders to build more sustainable communities.

Slide 2) Connecting with our Municipalities

At Horizon, we take working with our municipalities very seriously, and not just because they are our shareholders! Indeed, unlike many local utilities in Ontario, we have two municipal shareholders: the City of St Catharines and the City of Hamilton.

As a local distribution company, we are very committed to working closely with our mayors, councillors, and cities, and one key area is in conservation and demand management.

The previous slide is an example of one of the many community events aimed at our customers that included the participation of St Catharines Mayor Brian McMullan.

In this slide, we have an example of an installation of a Peaksaver programmable thermostat at the home of Hamilton Mayor Fred Eisenberger, which did a great deal to get the message out to the community.

Slide 3) Power Savings Blitz through BIAs

Whether residential customers or business customers, we are committed to effective implementation of high-quality conservation programming to our customers. These next few slides are examples of the innovative programs we at Horizon are delivering for our business customers that are saving them energy … and money.

As some of you will know, the Ontario Power Authority's Power Savings Blitz is a unique program which offers up to $1,000 in FREE energy efficient retrofits, such as lighting upgrades, for the small commercial sector.

Although you might think that small business owners would jump at this opportunity, the most difficult problem was getting them to believe that there are no strings attached.

We overcame this, first, by enlisting local Business Improvement Associations to get the word out to their members rather than using a direct mail campaign.

We then had Energy Shop act as our contract representatives to make face-to-face customer contact.

This innovative approach has allowed us to expedite the process, minimize costs, and achieve outstanding:

- 2,200 business customers have participated in the program;
- We have cut demand by 3,000 kW and consumption by 12 million kWh;
- The average customer has bill savings of $400 per year;
- We've created approximately 25 new jobs in our community, and kept 6 local electrical companies busy.

Slide 4) ERIP (Electricity Retrofit Incentive Program)

Another CDM program we are delivering that is achieving terrific results is the Ontario Power Authority's Electricity Retrofit Incentive Program (ERIP).

This electricity "tune-up" program rewards larger customers – including our municipal shareholders – for making upgrades to their facilities and equipment.

ERIP has been a very successful program for Horizon. We have undertaken 24 municipal projects that have achieved over 1100 kW in demand reductions.
And, by the end of this year, we will have a total of 110 projects with 5,250 kW of demand reductions. These savings make the cost of doing business more competitive for these customers.

One large project that I would like to highlight is our work with Air Liquide - a large, Hamilton-area business. The annual cost savings from this ERIP project will work out to $500,000 for the company.

Again, the face-to-face contact with our customers has been critical to help identify savings opportunities tailored to their specific needs and businesses.

Slide 5) Demand Response

Another program aimed at large customers in the communities we serve is our Demand Response partnership, which delivers financial incentives to large customers for curtailing electricity consumption at critical periods.

While customers can work with a Demand Response provider of their choosing, Horizon took the early initiative to partner with an Ontario Power Authority registered Demand Response providers to ensure this program is efficiently delivered to our customers.

Horizon selected Energy Curtailment Specialists (ECS) through a competitive RFP process. Originating in Buffalo, New York, ECS is North America's largest DR provider and now has a stronger Canadian operation as a result of our partnership.

To date, Horizon customers have nearly 24,000 kW of Demand Response under contract. This is good for the profitability of our customers, good for our local economies and good for Ontario's power planning needs.

Slide 6) Sustainable Development

The measures I have outlined demonstrate the conservation initiatives that our utility is delivering for our customers. Certainly, conservation delivery is one way that we as LDCs are playing an important part in building a cleaner and greener community. But on their own, they are not enough.

n our company, we are also committed to building a utility that will contribute to the sustainability of the communities we serve. This is why we have developed a sustainability policy and moved to an annual report that is sustainability based – focusing on the social, environmental and economic dimensions of our business in equal measure.

In addition, we have taken the bold step of making a sustainability filing with the Global Reporting Initiative. This gives us a framework for internalizing core sustainable development value.

I think we are all agreed that we want to promote communities that are more livable, sustainable, healthy and prosperous. But to ensure that we maximize this opportunity, we need to ensure that all of us in the LDC sector need to do continue to collaborate with our municipal leaders to bring about this more sustainable future.

Sustainability is no longer a buzz word. For us at Horizon, it's the central driver for what we do and we are proud to be leading the way on this initiative in Ontario.

Thank you very much.