



**David O'Brien,**  
President and CEO  
of Toronto Hydro  
Corporation

# Toronto Hydro Offers Pilot Challenge Program for



## **Q. What is the Toronto Hydro Summer Challenge?**

**A.** It's simple and designed to encourage customers to reduce their energy demand during the summer period by rewarding them with financial savings. From July 15, 2006 to September 15, 2006, we are challenging our customers to reduce their kilowatt hour (kWh) electricity consumption by at least 10% and we'll give them an additional 10% credit on their hydro bill for meeting this goal. We believe that this pilot program is the first of its kind in Canada.

All eligible Toronto Hydro residential and small commercial (<50kW) customers are automatically enrolled; they just need to start conserving. The result is win-win for customers: not only will they save money on their summer electricity bills from their conservation efforts, they will also receive a credit equal to 10% of their total hydro charges billed for the two months.

## **Q. Who are the eligible customers?**

**A.** This pilot program is open to Residential and Small Commercial customers who have established service with Toronto Hydro on or before September 15, 2005, on the same metered account and remain an active customer until after September 15, 2006.

## **Q. How do you determine each customer's benchmark?**

**A.** Our customers' 2006 electricity use will be compared against their equivalent 2005 use, weather normalized to account for the abnormally hot 2005 summer. We will tell customers what their actual target is in terms of kilowatt-hours and we will continue to provide tips on how to reach that goal. If they meet or beat this target, we will provide a 10% credit.

## **Q. Where did you come up with this electricity credit idea?**

**A.** We have all recently been made aware of the challenges in supply contained in the recent IESO forecast. Minister Duncan has also just increased the conservation target to 6300 MW. We felt that Toronto Hydro had to offer our customers an easy and effective way to help meet this challenge.

After looking at some of the best practices around the world we felt that the California 20/20 program offered a good template for our pilot project. California's 20/20 program was implemented to help with the state's 2001 energy crisis by offering customers a 20% credit on summer electricity bills if they used 20% less electricity than they consumed in the comparable months the year prior.

## **Q. What take up do you expect from Toronto's program?**

**A.** We hope that 100% of our eligible customers will take advantage of this pilot program. In California, the take up was about 33%. Our challenge to our customers is to beat that number and really make a difference.

About 500,000 Toronto Hydro customers will be eligible to participate and if one third of these customers reach the 10% target it would amount to 45.6 million kilowatt-hours in savings, equivalent to taking about 5,000 homes off the grid for a year. Imagine the savings if all of our customers rise to the challenge.

Not only will our customers benefit from this pilot program, but so will the rest of Ontario. Remember that this is a program that is running during the peak summer consumption period and any reductions in consumption that we can achieve from our program will mean that the demand for expensive imported electricity will be reduced. This will help Ontario reduce the need to import expensive summer peak electricity.

## **Q. What's expected of Toronto Hydro customers to get the credit?**

**A.** All customers have to do is conserve electricity. We have been providing our customers with energy-reducing tips for years - turning the thermostat up one degree in the summer, switching to CFL light bulbs, and closing the curtains on sunny days are easy ways to conserve. By making simple changes to their electricity usage habits, I believe many Torontonians can achieve the 10% reduction required to get the credit.

The 10% reduction is cumulative, so a customer can reduce by 7% in one month and then 3% the next, as long as the combined reduction equals 10%. If a customer has qualified, the credit will be applied to their bill after the program has ended.

# Summer Electricity Reduction

David O'Brien, President and CEO of Toronto Hydro Corporation, provides some insight on the Summer Challenge pilot program that is currently running in Toronto.

## Q. How will Toronto Hydro pay for this?

A. The estimated cost of the program is \$5.6 million at a 33% take-up rate. \$3 million will be funded through already allocated conservation and demand-management funding. Any program achievement over and above the \$3 million in approved conservation and demand management funding would be recovered through future rates starting May 1, 2007.

## Q. What if customers achieve more or less than a 10% energy reduction?

A. Our customers need to achieve at least the targeted 10% electricity reduction to get the 10% credit. If they achieve less than the 10% target they will not receive the credit, but they will still benefit from reduced energy costs by lowering consumption. If customers achieve more than a 10% electricity reduction, they receive the 10% credit and reduce their electricity costs with any additional energy savings accomplished. In the long run, everyone will be a winner. ■



Anthony Haines, Chief Administrative Officer, Toronto Hydro, and the Honourable Dwight Duncan, Minister of Energy, at the July 13, 2006 launch of the Summer Challenge Pilot Program (Photo courtesy of Toronto Hydro).

## Peaksaver Dispatch Service

In the spring of 2006 Toronto Hydro introduced its peaksaver demand response program to enable the utility to shave peak demand during periods when the electricity grid is stressed.

The peaksaver AC program is targeted at residential and small business customers and enables the utility to remotely 'cycle down' homeowners' central air-conditioners, water heaters, and pool pumps. A special wireless device is installed at the customer's location, which can be remotely activated to reduce central AC settings for up to four hours during peak demand periods. During the August 1st heat wave, peaksaver helped reduce peak demand by more than 10 megawatts in Toronto.

The peaksaver brand name is available to other utilities that would like to implement a similar demand response program. The utilities within the Coalition of Large Distributors have recently adopted the peaksaver name for their programs.

After enrolment of customers and installations have been completed, a process has been established for remote activation of the devices to respond to system emergency requirements from the IESO. The activation process is referred to as demand response dispatching, and involves interactions with the IESO - receiving notifications, the remote activation of peaksaver devices, and IESO settlements. The Emergency Load Reduction Program has a minimum requirement of one MW for participation.

Peaksaver technology allows the devices to be remotely activated from anywhere in the province. This allows participating distributors to take advantage of peaksaver's demand response dispatching operation, already established by Toronto Hydro.

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