



# For Manufacturers Only

## Everything that keeps a manufacturer awake at night...

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Energy – Challenges and Opportunities

London Convention Centre

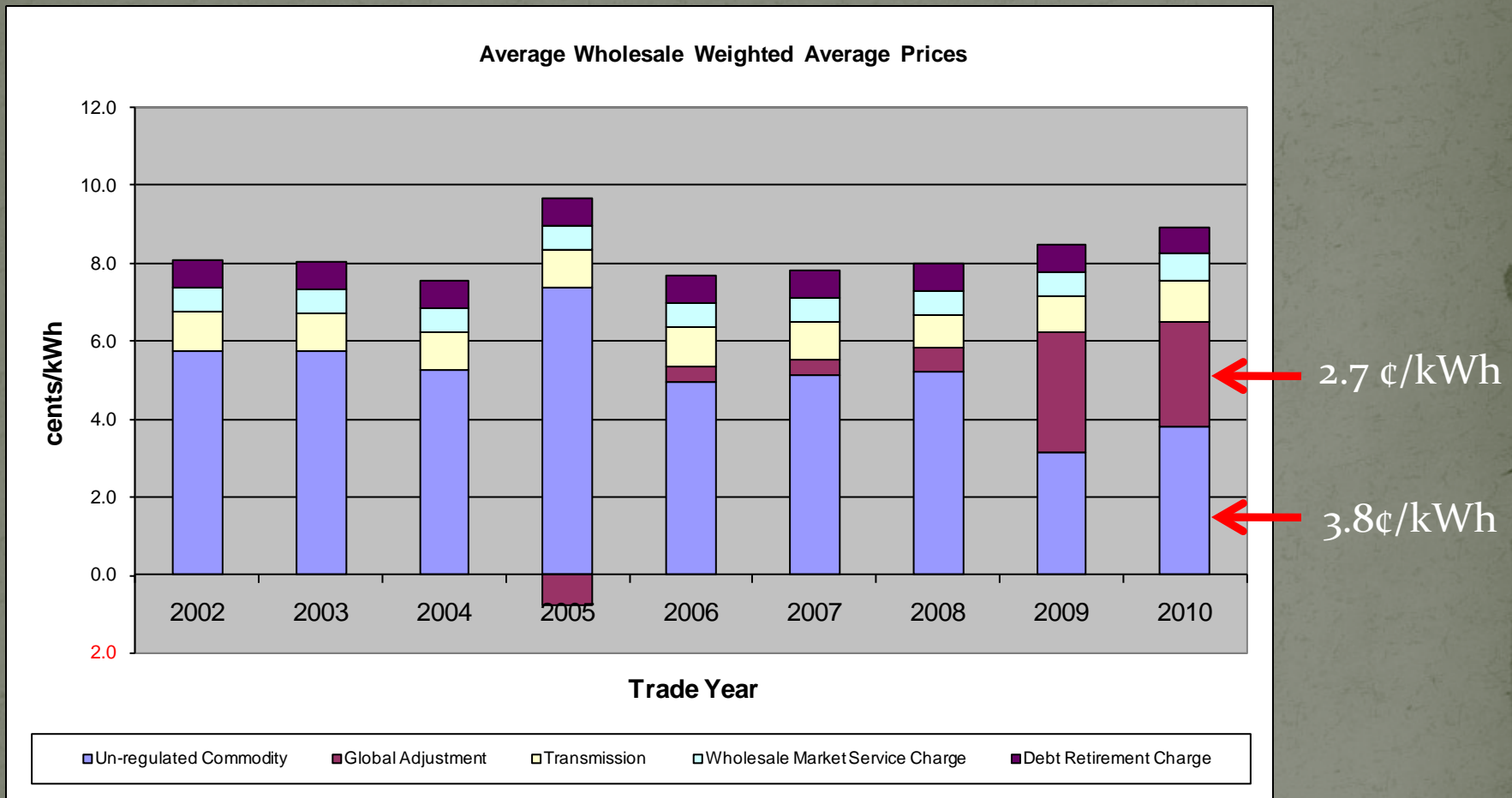
February 24, 2011

# Agenda...

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- The electricity marketplace – where it is going?
- Electricity - a controllable input cost;
- London Hydro – continued success on the energy conservation front;
- Energy conservation - a glimpse at the solutions in our portfolio;
- Key messages.

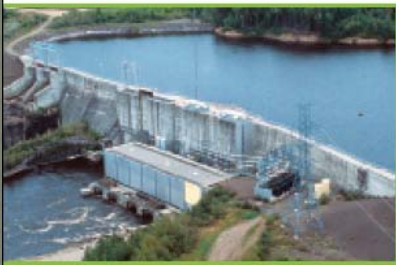
# Electricity Pricing ... Trend to Date



“Provincial benefit” renamed “global adjustment” after it became a cost as opposed to a credit. It basically pays for cost for renewable energy generation in Ontario.

# Electricity Pricing ... The Future

## Ontario's Long-Term Energy Plan



Building Our Clean Energy Future



## Section 7, Electricity Prices

Over the next five years, however, residential electricity prices are expected to rise by about 7.9 per cent annually (or 46 per cent over five years). This increase will help pay for critical improvements to the electricity capacity in nuclear and gas, transmission and distribution (accounting for about 44 per cent of the price increase) and investment in new, clean renewable energy generation (56 per cent of the increase).

# Example Energy Efficiency Retrofit...

## Measure Description:

Replace standard F40 T12 lamps and standard magnetic ballast (@ 93 W per 2-lamp, 4 foot long fixture) with T8 lamps and electronic ballast (@ 60 W per fixture).

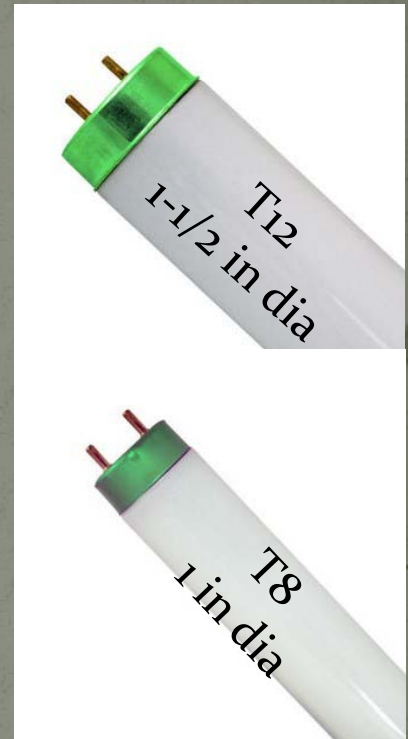
## Assumptions:

- Power consumption delta = 33 W per fixture
- Fixture ON time  $\approx$  12 hours/day x 6 days/week x 52 weeks/year  $\approx$  3744 hours/year
- Energy price  $\approx$  10 ¢/kWh (peak uplifted price)
- Operating life of lamps = 20,000 hours
- Number of fixtures in area "A" = 400

Overall =  $33\text{W} \times 3744 \text{ hours/year} \times 10 \text{ ¢/kWh} / 1000 \text{ W/kW} = \$12.36 \text{ year}$

Over 5 year life of lamps & ballast,  $\$12.36/\text{fixture} \times 5 \text{ years} \times 400 \text{ fixtures} = \$25\text{K}$

**QUESTION: HOW MUCH PRODUCT DO YOU NEED TO SELL TO NET \$25K?**



# London Hydro's Successes....

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- 2010 ERIP \$ 2,326,975 in incentives
- Over 300 projects
- Budget 20
- Multiply x 5 for economic benefit
  
- 2010 Power Savings Blitz
  - 3,781 Small Businesses retrofitted
  - Over \$ 3.9 million dollars invested in energy efficient lighting upgrades



# Reasons for London Hydro's Success....

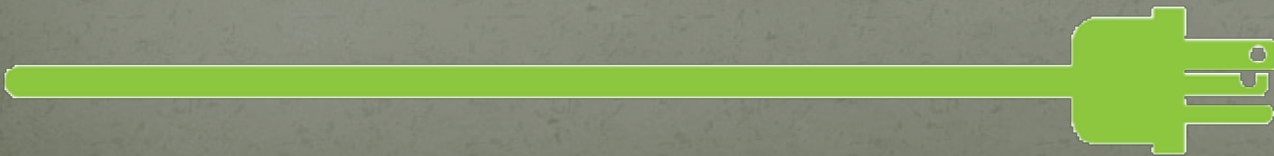
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- We understand electricity and the (often-confusing) tariff structure;
- We come to wherever our customers are -
  - Whether that be at your offices or a meeting such as this – provided we can deal with the decision makers.
- We hold your hand throughout the process –
  - The Ontario Power Authority programs are like any other government program - an exercise in extensive (and mostly unnecessary) documentation and legal mumbo-jumbo that are clearly barriers for busy people with businesses to run.

# Manufacturing Sector Solutions...

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London Hydro's Goal: To insure that we get more than our fair share of Provincial energy efficiency incentives installed in local manufacturing plants.



# saveONenergy RETROFIT PROGRAM

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Incentives of up to 50% of project costs will be available for pre-approved retrofits for commercial, industrial, governmental, social housing and municipal facilities that result in true savings.

# saveONenergy HIGH-PERFORMANCE NEW-CONSTRUCTION

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saveONenergy HIGH PERFORMANCE NEW CONSTRUCTION is a program that will provide design assistance and significant financial incentives for new construction or additions, and major renovation projects that exceed the Ontario Building Code.

# saveONenergy DEMAND RESPONSE

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- saveONenergy DEMAND RESPONSE DR<sub>1</sub> is a voluntary program that compensates eligible industrial and commercial businesses for reducing their energy demand during peak times.
- saveONenergy DEMAND RESPONSE DR<sub>3</sub> a contractual program for businesses who can commit to specific obligations for a higher return in revenue.

# saveONenergy PROCESS & SYSTEMS

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saveONenergy PROCESS & SYSTEMS designed for large electricity users, fast track your energy efficiency with Incentives of up to 70% of Capital Costs.

# saveONenergy AUDIT FUNDING

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saveONenergy AUDIT FUNDING. Substantial incentives available to conduct energy studies of medium and large size facilities.

# saveONenergy EXISTING BUILDING COMMISSIONING

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saveONenergy EXISTING BUILDING  
COMMISSIONING is a program designed to help  
commercial buildings owners to maintain and  
improve energy-efficiency through low cost,  
operational maintenance changes for Chilled Water  
Plants.

# Key Messages...

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- The price of electricity is promised to skyrocket;
- Electricity is a **CONTROLLABLE** expense;
- London Hydro has solutions;
- London Hydro & Union Gas work together for our customers; and
- Don't let your inaction eat into your company's bottom line.

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Don't delay. Visit the London Hydro display in the trade show area to see what you can do reduce your ongoing energy losses.



# Questions??

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