



GETTING SMART ABOUT

SMART METERS

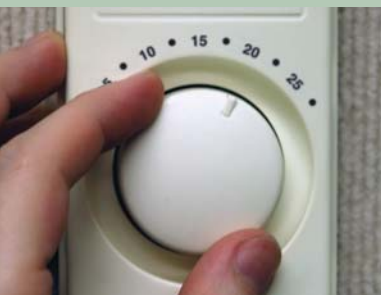
ANSWER BOOK



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SMART METERS: A NEW WAY TO THINK ABOUT ELECTRICITY

Your SMART METER is a key part of Ontario's new smart metering system – and of building a culture of conservation across this province.

By 2010, every home and small business in Ontario will have a SMART METER.

This guide explains what SMART METERS are, why Ontario is introducing them, and how they can help you manage your electricity costs.

This guide will give you all the information you need to take advantage of SMART METERS when they become fully operational. For now, your new meter will work just like your old meter. Look for updates from your local utility on their smart meter program.

As you'll see, with smart metering, you'll have new options for managing your electricity costs. And as you'll learn, if we all make some small changes to how we use electricity, we can also have a positive impact, both on the environment and on Ontario's energy system.

GETTING SMART ABOUT SMART METERS

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WHY IS ONTARIO INTRODUCING SMART METERS?

SMART METERS will help Ontario meet its energy needs.

Between now and 2025, Ontario must build almost a whole new electricity system.

This includes replacing about 80 per cent of our current generating facilities as they retire over time, and expanding the system to meet our future growth.

**Building new supply is vital.
So is conservation.**

That's why Ontario is introducing new tools – like SMART METERS – that can help.

SMART METERS will encourage us all to think more about how and when we use electricity.

SMART METERS will help smooth peak demand.

When we're all using a lot of electricity at the same time we create a "peak demand" period.

And supplying electricity at those peak times has a range of impacts:

- 1. It adds to our electricity costs** because higher demand often means higher market prices.
- 2. It's hard on the environment** because more of the less attractive forms of generation must be run to meet the peaks.
- 3. It adds to the amount Ontario needs to invest in the system** because meeting the peaks requires building even more new generation, and more transmission and distribution infrastructure.

So, working together to reduce our use at peak times makes good sense.

SMART METERS? TELL ME MORE ABOUT THEM.

How is a SMART METER different?

A SMART METER is a huge advance over Ontario's current devices.

Our old-style meters can only measure the **total amount** of electricity used over an **entire billing period** because they have to be read manually.

A SMART METER can automatically record when electricity is used.

So, in the future, your SMART METER will record your total electricity consumption **hour by hour**. And it will send that information to your local utility through either a wireless or another form of technology.

SMART METERS make time-of-use (TOU) prices possible.

With the ability to measure **when** electricity is used, **different prices** can apply at **different times** of the day. With time-of-use pricing, you will have a new way to manage your electricity use and your bills.

What are the benefits of smart metering for me?

Here are just some of the benefits you'll see when your SMART METER is fully operational and time-of-use – or TOU – pricing is in place:

- 1. You'll have a new way to take action and to manage your electricity bill under TOU rates.**
- 2. You'll have next-day access to your electricity usage information via the Internet.**
- 3. You'll no longer receive estimated bills, because your SMART METER will send readings automatically.**

TIME-OF-USE (TOU) PRICES. HOW WILL RATES CHANGE?

How will time-of-use prices work?

With TOU pricing, electricity prices will vary, based on when it is used.

That includes by time of day, by day of week (weekdays versus weekend), and by season (winter or summer).

This is a significant change from the way prices currently work.

Right now, our rates* are based on averaging out the more expensive (daytime) and cheaper (night time) prices of electricity, simply because our older meters can't report when it was used.

TOU pricing will encourage Ontarians to shift some electricity use to off-peak hours.

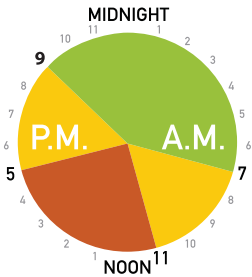
TOU pricing better reflects the way the electricity market works. Prices rise and fall over the course of the day, and tend to drop overnight and on weekends, based on the amount of supply available and our levels of demand.



**The Ontario Energy Board (OEB) sets electricity prices under the Regulated Price Plan (RPP). They are based on the electricity supply costs forecast for the year ahead, and any adjustments required due to differences between what was paid and what supplies actually cost over the previous period.*

What would TOU pricing look like today?

To prepare for smart metering, the OEB has developed the daily and seasonal time-of-use periods shown in the charts below. TOU rates are currently not in effect. In the future, the OEB is expected to announce when consumers with smart meters will pay TOU rates. Your utility will keep you informed. (For more information visit www.oeb.gov.on.ca.)



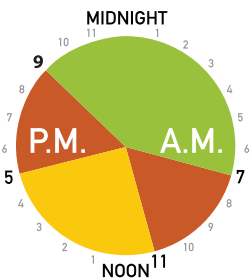
The Summer weekdays

The highest energy prices occur over the afternoon, largely due to greater air-conditioning use. That's why the on-peak rate is from 11 a.m. to 5 p.m.



Weekends and Holidays

Demand, and electricity prices are lower on weekends and holidays – as well as overnight – so these periods are all off-peak.



The Winter weekdays

Energy prices peak twice – in the early morning and in the evening – mainly due to space heating, plus increased lighting and appliance use.

There are three time-of use periods:



On-peak (9.3 cents/kWh) – demand is highest



Mid-peak (8.0 cents/kWh) – demand is moderate



Off-peak (4.4 cents/kWh) – demand is lowest

Time-of Use prices as of November 1, 2009. Prices subject to change every six months.

WHAT ARE THE BEST STRATEGIES FOR SMART METERING?

There are lots of simple things that we can do to save electricity and reduce electricity costs. Over the next few pages, you'll find some useful advice.

First, give me the fundamentals.

There are a number of effective ways to approach conservation. Your **best** strategy might combine some or all of the following:

- 1. Shift some electricity use to off-peak periods.**
Under TOU rates, shifting activities that are energy-intensive to the less expensive mid-peak and off-peak hours will make a lot of sense.
- 2. Reduce electricity use across all periods of the day.**
Conservation always makes good sense – and there are many simple things you can do.
- 3. Ensure you're not paying for nothing!**
Many electronic items – including, for example, computers, TVs and cell phone chargers – aren't fully off unless you pull the plug, so try to plug them into a power bar that you can turn off.
- 4. Opt for energy-efficient products, wherever you can.**
ENERGY STAR® appliances and compact fluorescent light bulbs (CFLs) use less power, reducing both your electricity consumption and your costs.
- 5. Take advantage of conservation promotions.**
Many utilities, and the Ontario Power Authority (OPA), are creating programs that can help you conserve.

What are the big electricity users in my home?

Some of the most costly appliances to run are those that create heat or cold – such as the following:

- **Air conditioning**
- **Clothes dryers and washers**
- **Electric heating**
- **Electric stoves**
- **Electric water heaters**

Be aware, too, of old appliances and equipment that are not as efficient as today's models. A refrigerator that is ten or more years old might be using twice as much electricity, and an older electric hot water heater that is not insulated well will also consume more.



How about some household energy saving tips that I can use right now!

Here are some low and no-cost ways to start saving electricity in your home right now.

Heating and Cooling

- **Keep your heating and cooling equipment in good repair.** Change or clean filters regularly. Anything that blocks airflow is making your equipment work harder and costing you more.
- **Check for drafts and leaks** that will let your winter heat out and invite muggy summer air in. Caulking and weather-stripping are simple and inexpensive.
- **Install a programmable thermostat** and set it to reduce the heat when you're not home and when you're sleeping.

Appliances

- **Economize on your dishwasher.** Always run full loads, set your dishwasher to the economy cycle and use the air-dry setting.
- **Make sure your refrigerator and freezer doors are sealing tightly** by testing how firmly they close on and hold on to a piece of paper, such as a five-dollar bill. If it slips out easily, the rubber seals should be replaced.
- **Don't keep an old, extra refrigerator running** just for occasional use. It could cost you \$150 or more per year in electricity.
- **Use the appliance that fits the job.** Smaller appliances, such as toaster ovens or microwaves, use less energy than stoves.

Electronics

- **Shut down your computer when it's not in use.** Powering up and down does not use extra energy and actually reduces wear. And, turn the monitor off instead of using a screen saver. Screen savers actually increase energy use by preventing your monitor from sleeping.
- **Put the swimming pool pump on a timer** and run it just a few hours a day. And, use a solar blanket to keep the water warm overnight and reduce your heater use.

Hot Water

- **Fix leaking hot faucets to save on hot water heating.** A one drip per second leak will waste about 9,000 litres per year! That's enough water for about 95 five-minute showers (and that's using a less than efficient showerhead).
- **Wash in cold water.** With today's detergents, clothes come out just as clean.

- **Wrap your electric hot water tank and pipes in a special tank blanket** to help it keep its heat. (But don't wrap a gas heater, as an inappropriate or incorrectly installed blanket is dangerous.)

Lighting

- **Replace your most frequently used incandescent bulbs with compact fluorescent light bulbs (CFLs)** which will use 75 per cent less power and last up to 10 times as long. There are many kinds of CFLs for indoor and outdoor use. Make sure you choose the right ones for you.
- **Consider automatic timers, motion sensors and dimmers**, where you can't use CFLs, to help maximize your control over lighting costs. Only timers with a mechanical switch can be used with CFLs.

How about some energy saving tips that my small business can use right now!

Heating and Cooling

- **Keep your cool air in by closing your doors**—Taking control of cooling costs will help your bottom line.
- **Install solar film on windows exposed to direct sunlight** to reduce air conditioning load by as much as 30 per cent.
- **Check your heating/cooling systems annually.** A properly maintained system will keep employees and customers comfortable, save energy and extend the life of the equipment.

Equipment and Appliances

- **Turn computers, monitors, and other equipment off when not in use.** Assign one employee the task of ensuring photocopiers and appliances are off at the end of the day.
- **If you have a compressed air system, check it for leaks.** Even a tiny leak [0.8 mm (1/32")] will waste significant amounts of energy.

Lighting

- **Replace older T12 40 watt bulbs with 34 watt bulbs.** You won't notice the light loss and you'll save on energy.
- **Add occupancy sensors in areas such as store rooms and warehouses** to save up to 30 per cent on energy costs.
- **Replace those traditional EXIT signs with newer light emitting diode (LED) signs.** You'll be replacing an energy waster of up to 30 watts with as little as 2 watts!

A FEW MORE Q & A's

Will I see a SMART METER charge on my bill?

The cost of the SMART METER initiative will be recovered through the electricity rates paid by all customers in the same way that costs for existing meters and services are recovered today.

When will I begin paying time-of-use prices?

A start date for time-of-use pricing is not yet in place for most utilities. Your local utility will notify you well in advance of when you can begin to take advantage of this new rate structure.



Will I see lower electricity bills?

With time-of-use rates, you'll see the results of your conservation efforts – and you'll save money if you can shift your heaviest electricity use to off-peak hours. Equipment like air conditioners, electrical heating, space and water heating, as well as ovens, dryers and lighting, for example, can use a great deal of energy.

Will I receive a SMART METER if I am currently with, or moving to, a retailer? Will I pay time-of-use rates?

Yes, you will receive a SMART METER, but your rates will be determined by the terms and conditions of the contract you choose to sign.

Is my usage information secure and will it remain confidential?

Yes. Ontario's electricity distribution companies are required, by law, to ensure that the SMART METERS and communication networks that are put into place are equipped with security features to prevent unauthorized access. We must also comply with federal laws regarding the privacy, protection and disclosure of personal information. Any data that is sent to the central data repository will be provided in such a way as to prevent identification of an individual customer.

Will someone still come to read my meter?

Yes, for now. When the SMART METER systems are fully operational we will be able to discontinue manual meter reading.



For More Information

If you have questions about SMART METERS,
please contact:

Hydro One Networks

Smart Meter Hotline

1-888-974-9376

or visit us online at

www.HydroOneNetworks.com/SmartMeter

Energy Conservation Tips:

www.powersaver.ca

www.powerwise.ca

www.conservationbureau.on.ca

www.oeenrcan.gc.ca

www.smartmetersontario.ca

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