

Guidelines have been prepared to assist customers submitting data related to energy conservation, energy efficiency and load management activities for true-up load adjustment purposes performed under Connection Cost Recovery Agreements (“**CCRA**”). For simplicity, these activities will be referred to as Conservation and Demand Management (“**CDM**”) in the balance of this document. In addition, the guidelines assist customers submitting data related to installed embedded generation (“**DG**”).

General Principles

- 1) Hydro One has developed general principles and approaches to calculating CDM and DG load adjustments for CCRA true-up purposes. The DG approach implements Transmission System Code last revised on August 26, 2013 (“**TSC**”) sections 6.5.8 and 6.5.9. Similarly, the CDM approach implements TSC section 6.5.10.
- 2) The customer is permitted to opt out of segments of Hydro One’s CDM approach if the customer can make a case for an alternative calculation methodology to Hydro One’s reasonable satisfaction. Once Hydro One is reasonably satisfied with the customer’s alternative calculation methodology, that alternative methodology will be applied by Hydro One to all true-up load adjustments performed under all of the customer’s CCRA’s. The alternative being proposed should be outlined in sufficient detail, adhere to the general principles, and must include third party verification of the resulting saving. Hydro One will review the customer’s proposal and respond in a timely manner.

The current indivisible segments of Hydro One’s CDM approach are as follows:

- A. OPA CDM programs (including similar customer CDM programs)
- B. Residential time of use metering (“**TOU**”)
- C. IESO Industrial Conservation Initiative (“**ICI**”) program
- D. IESO Dispatchable Load (“**DL**”) customer

Notes:

- i) The ICI program and DL customer segments rely on third party verification of the resulting savings
 - ii) The DG approach does not include the option to opt out of Hydro One’s calculation approach.
- 3) CDM activities must be documented by means such as an energy study or an audit. Hydro One’s CDM approach will consider the following sources of validated inputs:
 - a. OPA CDM program results, as reported by the Ontario Power Authority (OPA).
 - b. Meter readings
 - c. Third party validated inputs by means of an energy study or an audit.
 - 4) Incremental CDM/DG savings achieved during the True-Up period will be reflected in True-Up load calculations. Incremental CDM savings will be measured against CDM activities in place as of the Project In-Service Date.
 - 5) CDM results which apply to the customer’s entire service area will be further allocated to the facilities within the CCRA study area.

- 6) The customer's updated load forecast should be calculated in a manner consistent with the TSC. Hydro One will not reduce the customer's updated load forecast for CDM/DG.
- 7) CDM/DG savings will be restricted such that the same savings will not be applied to more than one load adjustment per rate pool.
- 8) Application of the CDM/DG savings will be restricted such that the incremental load does not exceed the total normal capacity as defined in CCRA.
- 9) The customer should provide applicable CDM/DG documentation supporting load adjustments, in the format specified by Hydro One, at each CCRA True-Up Point. Hydro One may audit the documentation provided by the customer and/or require additional support.
- 10) The final CCRA True-Up calculation will be the final opportunity to participate in the CDM/DG load adjustment process.