

1 Q. On page 17, lines 10 to 12 of Mr. Wells' Pre-filed Evidence, he references a
2 multi-year energy conservation initiative. Please provide details of this
3 initiative including results to date.

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6 A. In the spring of 2003 Hydro launched a multi-year energy conservation
7 initiative called HYDROWISE. The purpose of the initiative is to identify
8 opportunities for customers to manage their electricity bills by helping them
9 understand electricity use in the home. The program will be implemented in
10 three phases. Phase I and part of phase II is now complete.

11
12 The contents of each phase are as follows:

- 13 Phase I - program identity
14 - media commencement
15 - information brochures
16 Phase II - continuation of phase I
17 - website development
18 - information posters
19 - partner development
20 - start of school program
21 Phase III - continuation of phase II
22 - completion of school program

23
24 For more information on the HYDROWISE initiative please see the attached
25 report, "Community Based Conservation Initiatives, Multi-Year Plan".



Community Based Conservation Initiatives

*Multi-Year Plan
December, 2002*



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Introduction

This report is in response to paragraph 38 (iv) of Order No. P.U. 7 (2002-2003) dated June 7, 2002 of the Board of Commissioners of Public Utilities (PUB) in which Newfoundland and Labrador Hydro (Hydro) was directed to file on or before December 31, 2002, a multi-year plan directed towards its community-based conservation initiatives.

Prior to receipt of the Board's Order, Hydro had been active in identifying improvements to its Customer Communications Process which encompasses Energy Conservation activities. As well, Hydro has partnered with the Conservation Corps of Newfoundland and Labrador for a number of years to provide specialized services to its rural customers, i.e. home energy evaluations. This partnership has been further extended in 2002.

Although Hydro has undertaken a number of energy conservation initiatives in the past, described in the background section below, a refocused long-term program for rural customers is required in order to sustain change:

- To modify attitudes and behavior,
- To focus greater attention and interest on energy conservation,
- To provide a program that is recognizable and accessible and that will assist customers to
 - Enjoy a more comfortable living environment, and
 - Reduce their energy costs.

Hydro is confident that the plan outlined in this document will demonstrate its continued commitment and meet its responsibilities to its customers in the area of energy conservation.

Background

Hydro recognizes the need for energy conservation initiatives both from a corporate and a community-based perspective. From a corporate perspective, an energy conservation initiative can be used as a capital cost deferral mechanism for diesel systems to demonstrate environmental responsibility. An effective energy conservation program is also beneficial from a community-based perspective. Hydro's response to customers is promoting energy efficiency by making information available to educate customers in the wise use of electricity. In its community-based initiatives, Hydro has also partnered with the Conservation Corps of Newfoundland and Labrador to provide more specialized energuide and energy audit services to customers. In 2000, Energy Advisors from the Conservation Corps and Customer Services staff visited several of Hydro's service areas on the Island and performed home evaluation for a number of high use customers. Town Hall information sessions were also provided for the general public.

Energy and demand conservation initiatives undertaken by Hydro over the years include:

- Education through
 - Customer Newsletters
 - Natural Resources Canada Publications
- Home Energuide Evaluations in co-operation with the Conservation Corps
- Wrap up for Savings Insulation Program
- Energy Management Training for Frontline Staff
- Compact Fluorescent Lighting Programs in high cost Diesel Communities
- Oil-fired Hot Water Tank Promotion in Diesel Communities
- Residential Load Control in Charlottetown, Labrador

Hydro's goal in introducing these initiatives was to promote *wise* use of electricity and to provide customers with options to help them move toward this goal. Programs in diesel communities were also focused toward identifying and documenting options for capital

cost deferral. These programs however were individual in nature and not part of a long-term goal or plan.

Objectives

The objectives of Hydro's new multi-year energy conservation program are to:

1. Create a "program identity" that will be common to all its energy conservation initiatives. This identity will be used to promote the wise use of electricity by:
 - Reinforcing and sustaining a common message over an extended period of time
 - Providing a program that is recognizable, beneficial and accessible to customers
 - Modifying attitudes & behavior
 - Providing information in recognizable and customer friendly formats, i.e., custom brochures, corporate website, local media; and
2. Through continuous education and promotion, create an environment where two-way communications will develop, i.e. customers will know the program and its purpose and feel comfortable in making inquiries to address their individual needs.

Challenges

With any new program there will be challenges to overcome. Many of the nationally available materials on energy conservation do not address the needs of rural customers. The needs and concerns of Hydro customers vary widely across its diverse service territory. For example, a domestic diesel customer paying a higher block rate of \$0.13 per kWh will have different concerns than a Labrador West domestic customer presently paying about one-tenth of that price. Thus, the information provided has to be customized to fit customer characteristics and rural constraints.

Experience has proven that a program of information-type broad mail-outs is not the correct approach to sustain change. Nor is offering financial incentives, which will only increase the demand for financial incentives. The challenge is to educate and inform customers over time in a continuous and consistent manner. Resources to assist in this task will have to range internally from public relations and customer service employees to diesel system representatives in isolated service areas, and externally from professional communication specialists to municipal representatives and local partners.

Multi-Year Plan

Hydro's intended key program element is to create a program identity for extended use, and to encourage customer participation in response to various applications of such a program identity to address their individual needs.

As the development and promotional stages of this program is critical in getting customers to identify with and embrace the concepts of energy conservation, Hydro has engaged a professional consultant to assist in these areas.

Under the program identity, the multi-year plan will entail:

- Development of information brochures with a consistent “look and feel” appropriate for Hydro's service regions, on standard topics such as:
 - Energy Tips
 - Hot Water Usage
 - Draft Sealing
 - Heating Choices
 - Appliances
 - Windows
 - Lighting
 - Others as applicable.

- Continuation of an existing alliance with the Conservation Corps for the delivery of home energy audits and related services. (Under the existing alliance, the Conservation Corps delivers its Energuide for the home evaluation program to rural customers and Hydro provides financial leveraging in the form of a 50% cost offset to promote the sustainability of the program.)
- Use of local media (print, radio, cable) for delivering the program identity over time.
- Enhancement of Hydro's website with resource linkages for all aspects of energy conservation, brochure ordering etc.
- Establishment of local business partners (notably in more remote service areas).
- Development and implementation of an Energy Conservation school program.
- Development of information products under the program identity that educate, i.e. Understanding Consumption and the Lifeline, Understanding Your Demand Charge.
- Development of posters for use in communities (i.e. public service facilities, general stores).
- Development or purchase of displays on energy conservation services and products system for use in public areas.

The multi-year energy conservation plan will be a phased and continuous approach to creating a professional energy conservation program over the next number of years.

The following phases are planned:

PHASE I: 2002/2003	<ul style="list-style-type: none">✓ Program Identity✓ Media Commencement✓ Information Brochures✓ Continued alliance with Conservation Corps
Phase II: 2003/2004	<ul style="list-style-type: none">✓ Continue Phase I✓ Information Poster(s)✓ Website development✓ Partner development✓ Start of school program
Phase III: 2004 on	<ul style="list-style-type: none">✓ Continue Phase I and II✓ Complete school program by Fall 2004

In addition to the structured plan outlined above, Hydro will continue to target specific community conservation initiatives should unique circumstances arise. An example would be to defer capital on an isolated diesel system. Any such independent initiatives will be carried out under the corporate program identity.

While Hydro will track various statistics on customer participation such as, number of calls, materials distributed etc., a key performance evaluation tool for the plan will be the Annual Customer Satisfaction Survey and customers rating of Hydro's performance in the attributes:

- *"A company which has the customer's best interest at heart"*
- *"Education or information about electricity use".*