

In 2010, the Corporation continued to support the Province of Ontario's strategy to create a culture of conservation. Toronto Hydro achieved energy savings of approximately 126,800 megawatt-hours in 2010.

3.0 ENVIRONMENTAL RESPONSIBILITY



CR INDICATORS

Conservation and Demand Management ("CDM")

Total kilowatt-hours and kilowatts saved by customers due to conservation and demand management programs implemented by THESL

Energy Consumption

Includes electricity and natural gas consumed by facilities, fuels consumed by vehicles and equipment and line losses per year. It does not include propane or electricity generated from onsite sources such as solar panels

Greenhouse Gas Emissions

Greenhouse gas emissions (Scope 1 and 2) that occur within the boundaries of Toronto Hydro. Emissions are measured in CO₂e

ELECTRICITY USED (MWh)*

2010	21,600
2009	21,200
2008 Baseline	22,870

LINE LOSSES (MWh)

2010	773,700
2009	756,200
2008 Baseline	781,190

TOTAL ELECTRICITY CONSUMED (MWh)

2010	795,300
2009	777,400
2008 Baseline	804,050

TOTAL FUEL CONSUMED (GJ)

2010	118,400
2009	121,500
2008 Baseline	126,000

* 2007 and 2008 data includes some estimates.



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Conservation and Demand Management

In 2010, THESL invested approximately \$26.7 million in CDM programs and achieved energy savings of approximately 126,800 MWh, bringing total energy savings since the start of its CDM programs to approximately 784,300 MWh – the annual equivalent consumed by approximately 87,100 homes.

THESL’s target for 2010 was a 32 MW reduction in electricity demand. It delivered a total reduction of 34 MW through a broad portfolio of consumer CDM programs, such as The Great Exchange (lighting, air conditioning and dehumidifier drop-offs), Take a Load Off, Great Refrigerator Roundup, and also through business-to-business CDM programs such as Power Savings Blitz, the Business Incentive Program and the Data Centre Incentive Program.

The following chart provides details of how each program contributed to THESL’s 2010 CDM results:

Actions	Program	Approximate Amount of Energy Saved
204 project applications (commercial customers)	Business Incentive Program	34,300 MWh
17 project applications	Data Centre Incentive Program	10,500 MWh
12,600 lighting retrofits (small business customers)	Power Savings Blitz program	67,400 MWh
7,100 installations (mostly residential customers)	<i>peaksaver</i> [®]	6 MW of peak demand
Sold 1,500 ENERGY STAR washers and distributed 4,700 drying racks	Take a Load Off	700 MWh
Distributed 72,000 power bars with timers	Beat the Peak	2,700 MWh
Collected 8,300 inefficient room A/C units and 1,600 old dehumidifiers	The Great Exchange	2,000 MWh
Collected 18,000 strings of old Christmas lights in exchange for 8,700 LED strings or gift cards	Festive Light Exchange	300 MWh
Collected 5,600 refrigerators and freezers	Great Refrigerator Roundup	6,900 MWh

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CDM results: Energy savings (MWh)

2010	126,800
2009	120,100
2008	64,400

CDM results: Energy reduction (MW)

2010	34
2009	41
2008	31



Power Savings Blitz
Lil' Bean N' Green video



Case Study: Data Centre Incentive Program

The Data Centre Incentive Program provides financial incentives for measurable reductions in peak kilowatt usage from a customer’s data centre. In 2010, THESL approved a total of 40 applications (representing a potential reduction of 2.5 MW) and achieved approximately 10,500 MWh of energy savings through 17 Data Centre Incentive Program project applications.

The Scarborough Hospital, for example, completed a data centre project that halved the number of servers to 54, removed 20 tonnes of coolant and reduced peak electricity demand by approximately 69 kW and achieved approximately 488,792 kWh of annual energy savings.



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CDM Programs

'Tis the Season for LEDs!

The festive season is almost upon us and in the spirit of giving, Toronto Hydro is offering our customers 1 free set of multi-coloured LED lights in exchange for 2 sets of incandescent seasonal lights.*

Join us at our 7th annual Festive Light Exchanges across the city.

For details about your local event, visit torontohydro.com/FLEX

*Maximum of 200 strings of LED lights will be available at each event, each one free string per family while supplies last. Offer is extended to City of Toronto residents only.

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GET BIP INCENTIVES FOR ELECTRICITY SAVING ENERGY EFFICIENCY RETROFITS

SUBSTANTIAL INCENTIVES MEAN A GREAT INVESTMENT OPPORTUNITY

Who qualifies for BIP incentives? Businesses, non-profits, and individuals who own and operate a building or facility that is eligible for a BIP incentive. The program is available for buildings that are at least 10 years old and have a minimum floor area of 1,000 sq. ft. or more. The program is also available for buildings that are at least 10 years old and have a minimum floor area of 1,000 sq. ft. or more. The program is also available for buildings that are at least 10 years old and have a minimum floor area of 1,000 sq. ft. or more.

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Business Incentive Program

CASE STUDY

INCENTIVES HELP MAKE A \$334,000 LIGHTING RETROFIT PROJECT A WINNER

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Join us Sign up for peaksaver* Get a \$75 credit

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IT PAYS TO MAKE YOUR DATA CENTRE MORE ENERGY EFFICIENT

WE'LL HELP FUND DATA CENTRE IMPROVEMENTS THAT REDUCE ELECTRICITY USE

TAKE ADVANTAGE OF INCENTIVES, PLUS IMPROVE OPERATIONS AND EFFICIENCY

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TAKE A LOAD OFF AND RACK UP THE SAVINGS

You can save \$140

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Get rid of that old fridge and save some energy.

You're going to need it.

Book an appointment to participate in The Great Refrigerator Roundup at 1-877-797-9473 and we'll come over and take away your old fridge for free. You won't have to lift a finger.

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UP TO \$1,000 IN ENERGY-EFFICIENT UPGRADES

FOR YOUR BUSINESS

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TAKE A LOAD OFF TORONTO & LEARN HOW TO SAVE ENERGY

COMING THIS FALL

IMPORTANT: You must bring your August/September Toronto Hydro bill to be eligible to receive a power bar. For full details, visit torontohydro.com/powerbar.

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CDM UPDATE

Spring cleaning with lasting results

Socks and the City

To kick start fall and winter repairs in our New Leaflet Program

WHY SOCKS?

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Low-income CDM Programs

THESL joined forces in 2010 with Social Housing Services Corporation (“SHSC”) to continue delivering conservation and efficiency programs to many Toronto residents who live in social housing.

With the installation of various energy saving devices, from compact fluorescent light bulbs to power bars, and the distribution of educational materials, the 2010 initiative resulted in approximately 1.2 MW of electricity demand being removed from the grid.

THESL, the City, and Enbridge Gas Distribution Inc. also developed and implemented a new program for low-income single family customers. Through this initiative, energy audits and energy retrofit tools (compact fluorescent lights, power bars, drying racks, weather-stripping and water-saving devices) were provided to residents in 93 low-income homes from mid-October to the end of December.



Also, in Toronto’s low-income communities, THESL, in collaboration with the Toronto Police Services Toronto Anti-Violence Intervention Strategy (“TAVIS”) and local community groups, launched the ‘Light the Night’ initiative. The program was designed to enable those in Toronto’s vulnerable neighbourhoods to keep their porches lit – efficiently – during off-peak evening hours. Under this program, by providing approximately 5,000 energy-efficient compact fluorescent lights for front and rear porch lights and educational pamphlets about TOU rates, THESL was able to help make neighbourhoods safer, while also using the event as an opportunity to teach residents how to reduce their electricity bills.



Jeff Pearson
 Detective Sergeant (6185), Organized Crime Enforcement
 Toronto Police Service

“The Light the Night initiative was developed in partnership with Toronto Hydro to provide assistance to neighbourhoods that were experiencing challenges in relation to violence. Light the Night did more than just brighten these at-risk communities; it gave the Toronto Police Service a positive forum to speak with residents, assisted us in building trust and created community partnership opportunities. Together we improved light levels and efficiency, but Light the Night also created opportunities for ongoing communication and outreach.”



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CDM Leadership

In November 2010, the OEB amended THESL’s distribution licence to incorporate the implementation of regulations under the Green Energy Act. The amendments require THESL, as a condition of its licence, to achieve 1,304 GWh of energy savings and 286 MW of summer peak demand savings, over the period beginning January 1, 2011 through December 31, 2014.

To meet this challenge, THESL, in collaboration with the other electricity distribution companies and gas companies of the CLD came together at the ‘Energy into Action’ conference in November to deliver a joint ‘call to action’ to Ontario’s largest businesses. At this conference, the CLD, which serves approximately 80 per cent of Ontario’s electricity customers, and most of the Province’s natural gas customers, outlined a framework to help the approximate 400 attendees reach their organizations’ energy savings goals. The CLD also announced the launch of new energy conservation incentive programs that include gas and electricity saving opportunities.



Gideon Forman

Executive Director, Canadian Association of Physicians for the Environment

“In addition to their environmental benefits, energy conservation programs can also have a positive impact on human health. In 2010, smog from Ontario’s coal plants caused over 150,000 illnesses such as asthma attacks. In Toronto alone, roughly 2,130 people succumb to premature death by smog annually. Doctors want the province to close the coal plants this year. But until that happens, energy conservation programs are vital in reducing our demand for dirty coal-powered electricity.”

CDM Customer Education and Awareness

Time-of-Use (“TOU”) Rates

In 2010, customer traffic to www.torontohydro.com increased by approximately 83 per cent over 2009, to 3.7 million visits, as THESL introduced personalized TOU billing information for many residential customers, power outage location maps, as well as online registration for its award-winning conservation programs.

As at December 31, 2010, approximately 509,000 customers were transitioned to TOU rates. THESL is the first major utility in Ontario to implement these rates on this scale. Persuading customers to use the TOU web presentment site will be a priority. At the same time, THESL will continue to educate customers on ways to reduce their energy consumption.



TOU website

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Greenhouse Gas (“GHG”) Emissions

In 2010, GHG emissions totalled 134,900 tonnes of CO₂e, compared to 178,800 tonnes in 2009 – a reduction of 43,900 tonnes of CO₂e. The emissions factor used to calculate the 2010 total was 1.6, compared to 2.0 in 2009 (based on information from the 2008 National Inventory Report).

For a complete year-over-year breakdown of GHG emissions and Energy Consumption results, see the charts on the next page.

Fleet

In its 2009 CR Report, Toronto Hydro indicated it was targeting an 87 per cent reduction in GHG emissions by 2014 (relative to its 2007 baseline) through a combination of fleet innovation, asset modernization and facilities efficiencies, as well as through the Ontario government’s decision to close coal-fired generation plants. In order to achieve this target, Toronto Hydro closely monitors greenhouse gas emissions from four key sources: its corporate fleet, its facilities, line losses, and SF₆ gas.

The goal for GHG emissions reduction from the corporate fleet is 50 per cent by 2020. In 2010, GHG emissions were reduced by 0.8% compared to 2009. The reduction was achieved despite increased vehicle use by construction and maintenance crews working and by crews for training new apprentices, resulting from our enhanced capital investment and workforce renewal strategy.

By replacing cargo vans and mini-vans last year with four smaller, more fuel-efficient and lighter Transit Connect vehicles, the aim is to reduce fuel consumption. Toronto Hydro also purchased 31 new hybrid vehicles as part of the annual vehicle replacement program.

Definitions

Greenhouse gases (“GHG”): The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Less prevalent – but very powerful – greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

Source: United Nations Framework Convention on Climate Change (“UNFCCC”)

Scope 1 GHG emissions: A reporting company’s emissions generated by sources that are owned or controlled by the reporting company.

Source: The Greenhouse Gas Protocol, Corporate Standard

Scope 2 GHG emissions: Accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Source: The Greenhouse Gas Protocol, Corporate Standard

Scope 3 GHG emissions: An optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company.

Source: The Greenhouse Gas Protocol, Corporate Standard

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GHG Emissions (continued)

FLEET GHG Emissions (Scope 1) (tCO₂e)

2010	4,500
2009	4,500
2008	4,500

FACILITIES Natural Gas GHG Emissions (Scope 1) (tCO₂e)

2010	2,600
2009	2,700
2008	3,000

FACILITIES Electricity GHG Emissions (Scope 2) (tCO₂e)

2010	3,500
2009	4,700
2008	4,100

SF6 GHG Emissions (Scope 1) (tCO₂e)

2010	500
2009	500
2008	500

LINE LOSS GHG Emissions (Scope 2) (tCO₂e)

2010	123,800
2009	166,400
2008	140,600

GHG INVENTORY: TOTAL GHGS (Scope 1) (tCO₂e)

2010	7,600
2009	7,800
2008	8,000

GHG INVENTORY: TOTAL GHGS (Scope 2) (tCO₂e)

2010	127,200
2009	171,000
2008	144,700

TOTAL REPORTABLE GHG EMISSIONS (Scope 1 and 2)

2010	134,900
2009	178,800
2008	152,700

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Waste Diversion

Since 2005, the waste recovery team has collected many types of waste from its operations including paint, printer toner cartridges, cable wire and transformer oil, and reclaimed approximately 85 per cent of all waste generated from its operations.

With the capital work that is currently underway to modernize the grid, there are large quantities of materials to be reclaimed and sorted. An internal team works closely with construction crews to ensure that source separation occurs and materials are not mixed. Wherever possible, reclaimed materials are sold to ready buyers. THESL is also initiating new systems and procedures to enhance the delineation of the company’s various waste categories.

Last year, THESL was contracted by the Ontario Power Authority to decommission the air conditioners, dehumidifiers and festive incandescent lighting strings that were collected through all Great Exchange and Festive Lighting Exchange events in the City, to ensure the component parts were reclaimed rather than being sent to landfill.

“ An internal team works closely with construction crews to ensure that source separation occurs and materials are not mixed. Wherever possible, reclaimed materials are sold to ready buyers. ”

Local Environmental Initiatives



In keeping with the Shareholder Direction, Toronto Hydro undertook several initiatives last year related to protecting and enhancing the urban forest. As noted in previous CR Reports, Toronto Hydro has sponsored the City’s Tree Advocacy Program since 1999. During that time, Toronto Hydro’s

involvement has led to the planting of approximately 33,500 trees. In 2010, approximately 3,300 native trees and shrubs were planted as part of this program, in addition to approximately 350 native trees at Pine Point Park.

Since 2006, Toronto Hydro has been lending its support to a local community program called ‘Lights Out Toronto’. This public awareness campaign is aimed at reducing migratory bird deaths caused when night-migrating birds collide with buildings at night. By turning their lights out after work hours, building owners are encouraged not only to reduce their energy consumption and decrease light pollution, but also to help create a safer environment for many of North America’s migratory bird species.