

March 31st 2006

Mr. John Zych, Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street Suite 2700
Toronto, Ontario
M4P 1E4

Dear Mr. Zych;

**Re: HAWKESBURY HYDRO INC.
RP-2004-0203\EB-2005-0379
CONSERVATION AND DEMAND ANNUAL REPORT**

As directed by the Board, please find enclosed our Annual report on CDM initiatives for 2005.

Pease find enclosed:

- 1) Introduction
- 2) Evaluation of our CDM Plan
- 3) Discussion of our CDM Program
- 4) Lessons Learned
- 5) Conclusion

Respectfully Yours,

Michel Poulin
Manager
613-632-6689

1) INTRODUCTION

Under RP-2004-0203, The Board is also prepared to give approval of planned conservation and demand management activities prior to these costs actually being incurred.

PROGRAM CONTENT

INDUSTRIAL CUSTOMER PROGRAM

Hawkesbury Hydro Inc. intends to give incentives to industries who will purchase energy efficient equipments identified as ENERGUIDE PRODUCT FOR INDUSTRY. Hawkesbury Hydro Inc. strongly believes that this incentive program will encourage major industries in our community to improve their energy management and consequently contribute to the reduction of electricity generation and reduce the greenhouse gases that contribute to climate change.

INTERVAL METERING

In order to respond to some initiatives from the Ontario Government, Hawkesbury Hydro Inc. would like to promote the installation of interval (smart meters). Hydro Hawkesbury Inc. strongly believe that this will help load shifting.

COMMERCIAL AND RESIDENTIAL CUSTOMER PROGRAM

Hawkesbury Hydro Inc. will honor the ENERGY STAR high efficiency product on the market.

The industrial customer program along with the commercial and residential customer program are part of our main objectives. We want our customers to benefit immediately of all incentives available to reduce their consumption and our efforts will be deployed towards the incentives to our customers.

COMMUNICATION & AWARENESS

Hawkesbury Hydro Inc. would like to play a role in energy conservation by enlightening its customers. Hawkesbury Hydro Inc. would like to offer its customers helpful tips by means of a monthly newspaper publication. (Tip of the month)

POWER SYSTEM AND LOAD STUDY

Our next program will consist of a power system and load flow analysis to determine future betterments to improve our line loss.

Hawkesbury Hydro Inc. would like to perform this study to reach the optimization of its distribution system and emergency operations, reduce generation and GHG.

2) EVALUATION OF THE CDM PLAN

Appendix A. Please double click on the spreadsheet below

Appendix A - Evaluation of the CDM Plan

	Total	Residential	Commercial	Institutional	Industrial	Agriculture	DC System	Other 1	Other 2
<i>Net TRC value (\$):</i>	-\$5,894	-\$4,894		-\$1,000					
<i>Benefit to cost ratio:</i>	\$0	\$0.25							
<i>Number of participants or units delivered:</i>	\$16	\$15		\$1					
<i>Total kWh to be saved over the lifecycle of the plan (kWh):</i>	\$27,857	\$27,857		\$0					
<i>Total in year kWh saved (kWh):</i>	\$1,455	\$1,455							
<i>Total peak demand saved (kW):</i>	\$0	N/A							

3) DISCUSSION OF THE PROGRAM

Appendix B: Refrigerators.

Please double click on the spreadsheet below.

Appendix B - Discussion of the Program
(complete this section for each program)

A. **Name of the Program:** **ENERGYSTAR-REFRIGERATORS**

Description of the program (including intent, design, delivery, partnerships and evaluation):

Hawkesbury Hydro will remit incentive for Refrigerators replacement .

Measure(s):

	Measure 1	Measure 2 (if apply)	Measure 3 (if applicable)
<i>Base case technology:</i>	Current Std for refrigerators		
<i>Efficient technology:</i>	Energystar refrigerators		
<i>Number of participants or units delivered</i>	6		
<i>Measure life (years):</i>	19		

B. **TRC Results:**

<i>TRC Benefits (\$):</i>	\$ 365.70
<i>TRC Costs (\$):</i>	\$ -
<i>Utility program cost (less incentives):</i>	\$ 284.86
<i>Participant cost:</i>	\$ 400.00
<i>Total TRC costs:</i>	\$ 684.86
<i>Net TRC (in year CDN \$):</i>	<i>-\$ 319.16</i>

<i>Benefit to Cost Ratio (TRC Benefits/TRC Costs):</i>	\$ 0.53
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C. **Results:** (one or more category may apply)

Conservation Programs:

<i>Demand savings (kW):</i>	<i>Summer</i>	n/a
	<i>Winter</i>	n/a
	<i>lifecycle in year</i>	
<i>Energy saved (kWh):</i>	7596	400
<i>Other resources saved :</i>		
<i>Natural Gas (m3):</i>		
<i>Other (specify):</i>		

Appendix B: Clothes Washer

Please double click on the spreadsheet below

Appendix B - Discussion of the Program
(complete this section for each program)

A. **Name of the Program** ENERGYSTAR-CLOTHES WASH

Description of the program (including intent, design, delivery, partnerships and evaluation)

Hawkesbury Hydro will remit incentive for CLOTHES

Measure(s):

Measure 1 re 2 (if applre 3 (if applicable)

Base case technology: Current standard for clothes washer

Efficient technology: Energy Star Top Loading Clothes Washers

Number of participants 2

Measure life (years): 14

B. **TRC Results:**

TRC Benefits (\$): \$ 91.88

TRC Costs (\$): \$ -

Utility program cost (less incentives): \$ 284.89

Participant cost: \$ 200.00

Total TRC costs: \$ 484.89

Net TRC (in year CDN \$): -\$ 393.01

Benefit to Cost Ratio (TRC Benefit / Total TRC Costs): \$ 0.19

C. **Results:** (one or more category may apply)

Conservation Programs:

Appendix B: Freezers

Please double click on the spreadsheet below.

Appendix B - Discussion of the Program
(complete this section for each program)

A. **Name of the Program:** ENERGYSTAR-FREEZERS (RESIDENTIAL)

Description of the program (including intent, design, delivery, partnerships and evaluation):

Hawkesbury Hydro will remit incentive for FREEZERS

Measure(s):

Measure 1 Measure 2 (if applicable) Measure 3 (if applicable)

Base case technology: Current standard for freezer

Efficient technology: Energy Star Freezer

Number of participants: 2

Measure life (years): 21

B. **TRC Results:**

TRC Benefits (\$): \$ 64.18

TRC Costs (\$): \$ -

Net program cost (less incentives): \$ 284.86

Participant cost: \$ 400.00

Total TRC costs: \$ 684.86

Net TRC (in year CDN \$): -\$ 620.68

Benefit to Cost Ratio (TRC Benefits / Total TRC Costs): \$ 0.09

C. **Results:** (one or more category may apply)

Conservation Programs:

Demand savings Summer: n/a

Winter: n/a

lifecycle: in year

Energy saved (kWh): 1392 66

Appendix B: Windows

Please double click on the spreadsheet below.

Appendix B - Discussion of the Program
(complete this section for each program)

A. **Name of the program:** ENERGYSTAR-WINDOWS AND DOORS

Description of the program (including intent, design, delivery, partnerships and evaluation):

Hawkesbury Hydro will remit incentive for

Measure(s):

Measure 1 Measure 2 (if applicable) Measure 3 (if applicable)

Base case	average existing stock		
Efficient technology	window upgrade		
Number of	1		
Measure lit	25		

B. TRC Results:

TRC Benefits (\$):	\$ 390.34
TRC Costs (\$):	
cost (less incentives):	\$ 284.86
Participant cost:	\$ 3,200.00
Total TRC costs:	\$ 3,484.86
Net TRC (in year CDN)	-\$ 3,094.52

Benefit to Cost Ratio (\$ 0.11

C. Results: (one or more category may apply)

Conservation Programs:

Demand side	Summer	n/a
	Winter	n/a
	lifecycle	in year
Energy saved	12229	489
Other resources saved :		

Appendix B: Dishwasher

Please double click on the spreadsheet below.

Appendix B - Discussion of the Program

(complete this section for each program)

A. **Name of the program:** ENERGYSTAR- DISWASHER (R)

Description of the program (including intent, design, delivery, partnerships and evaluation):

Hawkesbury Hydro will remit incentive for

Measure 1 re 2 (if applicable) 3 (if applicable)

Base case Current standard dishwasher

Efficient technology Energy Star Dishwasher

Number of 4

Measure lifetime 13

B. **TRC Results:**

TRC Benefits (\$): \$ 218.07

TRC Costs (\$): \$ -

cost (less incentives): \$ 284.86

Participant cost: \$ 400.00

Total TRC costs: \$ 684.86

Net TRC (in year CDN -\$ 466.79)

Benefit to Cost Ratio (\$ 0.32

C. **Results:** (one or more category may apply)

Conservation Programs:

Demand side Summer n/a

Winter n/a

lifecycle in year

Energy saved 4680 360

Appendix B: Interval (smart) Meters

Please double click on the spreadsheet below.

**Appendix B - Discussion of the Program
(complete this section for each program)**

A. **Name of the program** INTERVAL METERS (INDUSTRIAL)

Description of the program (including intent, design, delivery, partnerships and evaluation)

Hawkesbury Hydro will remit incentive to

Measure 1 re 2 (if applicable) 3 (if applicable)

Base case Current standard meters

Efficient technologies smart meters

Number of 1

Measure list 15

4) LESSON LEARNED

In 2005, our program launch did not go as smooth as planned. More promotion and education will be required from Hawkesbury Hydro to accomplish our goal. We expected a better response from our customers. Never the less, a major part of our CDM plan will occur in 2006. A line loss and optimization study will be performed, to improve line loss and emergency responses (minimize line loss during such operations). We will actively act on the obtain results to improve our distribution system. Hawkesbury Hydro is looking forward to this important aspect of our plan.

5) CONCLUSION

Even if our expectations were not met in 2005, we still feel that the customers who did benefit from our program appreciated the incentive and we also think that our program accelerated the appliance replacement in several households. With more customer education and marketing in 2006, more customers will fully be aware of our program, the importance of energy conservation and more customers will benefit from our Energy star rebate program. As for our system optimization program, we truly believe that this study will make us more efficient. Major betterments activities will result from this report and line losses will improve.

Respectfully Yours,

Michel Poulin
Manager