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April 30, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board,
2300 Yonge Street, 27th Floor,
Toronto, Ontario
M4P 1E4

Re: 2006 Reporting for Incremental CDM Funding Approved in Rates

Dear Ms. Walli:

Please find attached the 2006 Report for Incremental CDM Funding Approved in Rates.

Should you have any questions, please feel free to contact myself at the number below.

Regards,

David Mackay
Conservation and Demand Side Management Coordinator
Bluewater Power Distribution Corporation
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Conservation and Demand Side Management
Incremental Funding Annual Report 2006

In order to promote and expand Conservation and Demand Side Management (CDM) initiatives that had commenced under Third Tranche funding in 2005, Bluewater Power Distribution Corporation sought and received approval (RP-2005-0020/EB-2005-0340) for an additional $250,000 for CDM spending in 2006.

Bluewater Power Distribution Corporation has established itself as the energy conservation and energy management expert in Sarnia-Lambton and in 2006 Bluewater Power focused its CDM efforts on energy efficient lighting.

Bluewater Power partnered with the Clean Air Foundation to deliver "Cool Shops" a program that targeted street facing small commercial businesses. A meeting was arranged in April 2006 at the Sarnia Lambton Chamber of Commerce to introduce stakeholders to the program prior to launch. Interviews were conducted for the "Street Team" positions, and two university students were chosen to represent the Clean Air Foundation and Bluewater Power in this area. The target was to conduct 300 small business audits utilizing hand held Palm based software. The official launch was held at the Cheeky Monkey (local retail store) in June 2006 with Bluewater Power CEO Janice McMichael and Sarnia Mayor Mike Bradley in attendance. Media coverage included Sarnia Observer, Sarnia Sun and Blackburn radio.

By the end of August 2006 over 400 small businesses were visited by the "Cool Shops" street team and the target of 300 audits was met.

The annual savings summary specific to Bluewater Power is as follows;

- 53.7 KW in demand
- 208,296 kWh
- $20,829 savings to businesses
- 62.91 tonnes GHG savings

The total cost for Bluewater Power to participate in this Clean Air Foundation program was $ 55,085.00

In late August, 2006 we began planning for an Alternative Energy Forum with officials from Lambton College. Bluewater Power planned to use this event as the launch for our compact fluorescent light (cfl) program. "Get Lit for a Loonie" was the tag line of the program; cfls would be sold for a dollar. A local electrical supply wholesaler was chosen to secure the 15w lamps with an Energy Star rating; 20,000 lamps were ordered from Philips Lighting in increments of 5,000.

The Alternative Energy Forum was scheduled for Saturday November 4th, 2006 with the sale of cfls to begin at 10am. The first 5,000 cfls were sold out completely by 10:30am. By mid afternoon the 2nd 5000 cfls were sold out.
"Get Lit for a Loonie" contributed to the overall success of the forum. The forum featured free seminars and vendor displays of alternative energy products and information. Solcan Ltd. gave a presentation on solar energy technology; David Mackay of Bluewater Power and a representative of Union Gas Ltd. spoke on energy conservation in the home; Hayter Plumbing and Heating Ltd. and Next Energy both gave presentations on geothermal heating and cooling systems; and Doug Fyfe of the Countryside Energy Cooperative spoke on harnessing wind energy to generate electricity. The forum was a huge success with an estimated 1500 visitors in attendance over the course of the day. The seminars were also well received; most were standing-room only, showing the amount of public interest in alternative energy technologies. The Lambton College Dean of Technology was thrilled with the response.

The Seasonal LED Light Exchange was held Saturday, November 18, 2006 at the Dow People Place, Centennial Park, Sarnia. The first 500 Bluewater Power customers were able to exchange two strings of traditional incandescent seasonal lights for one box of LED seasonal lights at no cost. The old lights were taken to Digital Friends, a local e-waste company for recycling. Customers were lined up by 7:30 a.m. for the exchange which started at 9:00 a.m. In conjunction with the LED light exchange Bluewater Power held its second Get Lit for a Loonie event. The entire supply of 10,000 cfls was sold out by 11:00 a.m.

An additional 500 cfls were ordered to accommodate 'rain checks". These were provided to customers who attended the events but were unable to purchase because the lamps sold out so quickly.

Bluewater Power was able to recover approximately one-half of the advertising costs related to the Get Lit for a Loonie & Seasonal Light Exchange programs from the Conservation Bureau's LDC Co-op Fund.

Looking to capitalize on the success of the "Cool Shops" program, Bluewater Power initiated a channel partnership process to launch a Business Incentive Program (BIP). Two local electrical supply wholesalers have been engaged to promote energy efficient lighting, specifically T8 lamps and electronic ballasts. The Chamber of Commerce Business Showcase in October was chosen as the launch for the program and was followed by a BIP presentation to the Association of Major Power Consumers of Ontario in November.

Bluewater Power was invited by the Ontario Power Authority to attend a lighting information session at the Canadian Headquarters of Osram Sylvania. In February a BIP presentation was made at a Town Hall meeting of Steeves and Rozema; a large local property management company.

To date Bluewater Power has provided incentives for four energy efficient lighting projects that have been completed; there remains an additional four projects that are nearing completion and since we are approaching the termination date for the program Bluewater Power is considering a “sunset provision”. Bluewater Power will report on the success of this initiative for our commercial customers in a separate filing in April 2008.

Bluewater Power has been overwhelmed by the uptake of our energy efficiency initiatives. We feel very confident that the education and community outreach that we completed in 2005 is now beginning to pay dividends. We have met our goals and objectives with regards to the promotion and installation of high efficiency lighting systems. We provided our customers with programs that allowed participation; the programs were easy to understand and were simple.
Our programs provided exceptional value to the end use customer and to the system as a whole.

Bluewater Power Distribution Corporation looks forward to working with the Ontario Power Authority in the summer of 2007 to deliver the LDC Conservation and Demand Management Program.

Appendix A - Evaluation of the CDM Plan

Highlighted boxes are to be completed manually, white boxes are linked to Appendix C and will be brought forward automatically.

	[5] Cumulative Totals Life-to-date	Total for 2006	Residential	Commercial	Institutional	Industrial	Agricultural	LDC System	[4] Smart Meters	Other #1	Other #2
Net TRC value ($):	412,009	**$ 412,009**	**$ 412,009**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**
Benefit to cost ratio:	3.82	3.82	3.82	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Number of participants or units delivered:	21,000	21,000	$21,000								
Lifecycle (kWh) Savings:	8,528,000	8,528,000	8,528,000	0	0	0	0	0		0	0
Report Year Total kWh saved (kWh):	2,132,000	2,132,000	2,132,000	0	0	0	0	0		0	0
Total peak demand saved (kW):	651	651	651	0	0	0	0	0		0	0
Total kWh saved as a percentage of total kWh delivered (%):	0.8	0.80	0.80								
Peak kW saved as a percentage of LDC peak kW load (%):	0.90	0.90	0.90								
[1] *Report Year Gross C&DM expenditures ($):*	146,219	$ 146,219	$ 146,219	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[2] *Expenditures per KWh saved ($/kWh):*	0.02	$ 0.02	$ 0.02	$ -	$ -	$ -	$ -	$ -		$ -	$ -
[3] *Expenditures per KW saved ($/kW):*	224.61	$ 224.61	$ 224.61	$ -	$ -	$ -	$ -	$ -		$ -	$ -

Utility discount rate (%):	0.0689

[1] Expenditures are reported on accrual basis.
[2] Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate energy savings
[3] Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate capacity savings.
[4] Please report spending related to 3rd tranche of MARR funding only. TRC calculations are not required for Smart Meters. Only actual expenditures for the year need to be reported.
[5] Includes total for the reporting year, plus prior year, if any (for example, 2006 CDM Annual report for third tranche will include 2005 and 2004 numbers, if any.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** Lighting Program Incremental Funding

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

The Lighting Program comprised of three primary components; cfl, seasonal LED and T8 with electronic ballasts. The cfls were Energy Star rated 15w lamps and were sold for $1 each with a tag line "Get Lit for a Loonie". The Seasonal LED were provided in a free exchange; 2 incandescent strings for one box of LED.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:	60w incandescent	5w Christmas lights	
Efficient technology:	15w cfl screw in	LED Christmas lights	
Number of participants or units delivered for reporting year:	20500	500	
Measure life (years):	4	30	
Number of Participants or units delivered life to date	20500	500	

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*	$ 558,227.74	558,227.74
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):		
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:	$ 146,219.00	146,219
Net TRC (in year CDN $):	$ 412,008.00	$ 412,008.00
Benefit to Cost Ratio (TRC Benefits/TRC Costs):	$ 3.82	3.82

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

Cumulative Results:

Conservation Programs:

Demand savings (kW):	*Summer*	0	0
	Winter	651	651

	lifecycle	*in year*	*Cumulative Lifecycle*	Cumulative Annual Savings
Energy saved (kWh):	8528000	2132000		
Other resources saved :				
Natural Gas (m3):				
Other (specify):				

Demand Management Programs:

Controlled load (kW)	
Energy shifted On-peak to Mid-peak (kWh):	
Energy shifted On-peak to Off-peak (kWh):	
Energy shifted Mid-peak to Off-peak (kWh):	

Demand Response Programs:

Dispatchable load (kW):	
Peak hours dispatched in year (hours):	

Power Factor Correction Programs:

Amount of KVar installed (KVar):	
Distribution system power factor at beginning of year (%):	
Distribution system power factor at end of year (%):	

Line Loss Reduction Programs:

	lifecycle	in year	
Peak load savings (kW):			
Energy savings (kWh):			

Distributed Generation and Load Displacement Programs:

Amount of DG installed (kW):		
Energy generated (kWh):		
Peak energy generated (kWh):		
Fuel type:		

Other Programs (specify):

Metric (specify):		

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*	$ 57,178.00	$ 57,178.00
	Incremental O&M:	$ 89,041.00	$ 89,041.00
	Incentive:		
	Total:	$ 146,219.00	$ 146,219.00
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. Assumptions & Comments:

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix C - Program and Portfolio Totals

Report Year: **Incremental Funding 2006**

1. Residential Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Lighting program	$ 558,227.74	$ 146,219.00	$ 412,009	3.82	2132000	8528000	651	$ 146,219
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Residential**	$ 558,228	$ 146,219	$ 412,009	3.82	2,132,000	8,528,000	651	$ 146,219
Residential Indirect Costs not attributable to any specific program	→	$ -						
Total Residential TRC Costs		$ 146,219						
****Totals TRC - Residential**	**$ 558,228**	**$ 146,219**	**$ 412,009**	**3.82**				

2. Commercial Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Commercial**	$ -	$ -	$ -	0.00	0	0	0	$ -

Commercial Indirect Costs not attributable to any specific program →				
Total TRC Costs		$ -		
****Totals TRC - Commercial**	**$ -**	**$ -**	**$ -**	**0.00**

3. Institutional Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Institutional**	$ -	$ -	$ -	0.00	0	0	0	$ -
Institutional Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Institutional**	**$ -**	**$ -**	**$ -**	**0.00**				

4. Industrial Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				

Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Industrial**	$ -	$ -	$ -	0.00	0	0	0	$ -
Industrial Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Industrial**	**$ -**	**$ -**	**$ -**	**0.00**				

5. Agricultural Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Agricultural**	$ -	$ -	$ -	0.00	0	0	0	$ -
Agricultural Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Agricultural**	**$ -**	**$ -**	**$ -**	**0.00**				

6. LDC System Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				

Name of Program C			$ -	0.00					
Name of Program D			$ -	0.00					
Name of Program E			$ -	0.00					
Name of Program F			$ -	0.00					
Name of Program G			$ -	0.00					
Name of Program H			$ -	0.00					
Name of Program I			$ -	0.00					
Name of Program C			$ -	0.00					
***Totals App. B - LDC System**	$ -	$ -	$ -	0.00	0	0	0	$ -	
LDC System Indirect Costs not attributable to any specific program →									
Total TRC Costs		$ -							
****Totals TRC - LDC System**	**$ -**	**$ -**	**$ -**	**0.00**					

7. Smart Meters Program

Only spending information that was authorized under the 3rd tranche of MARR is required to be reported for Smart Meters.

Report Year Gross C&DM Expenditures ($) →

8. Other #1 Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Other #1**	$ -	$ -	$ -	0.00	0	0	0	$ -
Other #1 Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Other #1**	**$ -**	**$ -**	**$ -**	**0.00**				

9. Other #2 Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Other #2**	$ -	$ -	$ -	0.00	0	0	0	$ -
Other #2 Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Other #2**	**$ -**	**$ -**	**$ -**	**0.00**				

LDC's CDM PORTFOLIO TOTALS

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
***TOTALS FOR ALL APPENDIX B**	$ 558,228	$ 146,219	$ 412,009	3.82	$ 2,132,000	$ 8,528,000	$ 651	$ 146,219
*Any **other** Indirect Costs not attributable to any specific program* →		$ -						
TOTAL ALL LDC COSTS		$ 146,219						
****LDC' PORTFOLIO TRC**	$ 558,228	$ 146,219	$ 412,009	3.82				

* The savings and spending information from this row is to be carried forward to Appendix A.

** The TRC information from this row is to be carried forward to Appendix A.