



June 30, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

RE: EB-2009-0077

Distribution System Code Proposed Amendments Regarding Connection Cost Responsibility - Submission from Gengrowth Renewables Inc.

Dear Ms. Walli:

This is the submission of Gengrowth Renewables Inc. ("Gengrowth") in respect of the Ontario Energy Board's (the "Board") Notice of Proposal (the "Notice") to Amend a Code – Proposed Amendments to the Distribution System Code (the "Code"), Board File No: EB-2009-0077 (the "Proposed Amendments") dated June 5, 2009.

Issue:

While we commend the Board for considering the Proposed Amendments, we feel that the Proposed Amendments are overly biased against 'first movers' that have been developing renewable energy projects under existing programs put in place by the Ontario Power Authority ("OPA"). As we have communicated to the Board in previous letters, Gengrowth is one of Ontario's leading renewable energy developers. The company was one of the earliest adopters and pioneers of the Province's initial standard price green energy program, the Renewable Energy Standard Offer Program ("RESOP") and is currently developing nine (9) RESOP projects under this program.

The 'first movers' have already faced significant cost increases in the development of their projects due to municipal, provincial and Hydro One Networks Inc. ("HONI") delays. These projects are now facing a global economic and financing crisis. In this context, for the Board to put in place a system that benefits 'new projects' that have not had to face permitting delays and related cost increases, and does not provide the same treatment to 'first mover' projects under development is punitive to the 'first movers'.

This is a significant concern as we are in the process of trying to close financing, purchase turbines and connect our projects; which, in the current economic environment, are extremely difficult tasks. The Proposed Amendments, as written, will make these tasks more difficult as banks, investors, turbine suppliers and construction companies will be asking: "why would we want to be part of the 'first mover' projects, when they are clearly disadvantaged compared to the 'new projects'?"

While we understand that the Proposed Amendments need to have a cut-off date of some kind, we feel that the Board and the Proposed Amendments need to recognize developers that, in the face of significant delays, force majeure events and one of the worst global economic downturns in history, have acted in good faith to move their projects forward and have invested significant amounts of money. As a result, any benefits provided for under the Proposed Amendments should incorporate a retroactive component to

ensure the 'first movers' reap the same benefits, so that they can get their projects online as soon as possible and start delivering green power to Ontario.

Recommendations:

Our recommendation is that the Proposed Amendments should only not apply to those projects that have been connected to the distribution system and reached commercial operations. All other projects, irrespective of the date they applied to connect to the distribution system, should be able to benefit from the cost allocation provisions outlined in the Proposed Amendments.

We feel that this recommendation will equitably treat all renewable energy projects under development and help ensure that the Provincial mandate to get green energy online quickly is realized.

Please feel free to contact me at any time to discuss this submission.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Merkur".

Paul Merkur
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