

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, Sch. B, as amended.

AND IN THE MATTER OF an Application by Talbot Windfarm, LP for an order under section 92 and subsection 96(2) of the *Ontario Energy Board Act, 1998*, granting leave to construct an electricity transmission line and related transmission facilities.

AND IN THE MATTER OF a Motion by Talbot Windfarm, LP to review and vary the Decision and Order, issued on October 28, 2009, granting leave to construct transmission facilities.

NOTICE OF MOTION

Talbot Windfarm, LP ("Talbot") will make a motion to the Ontario Energy Board (the "Board"), to be heard in a manner and at a time to be determined by the Board in one of the Board's hearing rooms, 25th Floor, 2300 Yonge Street, Toronto, Ontario.

THIS MOTION IS FOR:

1. An extension of the time limit for bringing this motion; and
2. An order varying condition 1.5 (Appendix A) of the Board's Decision and Order issued on October 28, 2009 (the "Decision and Order"), but only to the extent necessary to permit Talbot to commence construction of the Talbot Transmission System without the final customer impact assessment ("Final CIA") having been issued by Hydro One Networks Inc. ("HONI"), and on the added condition that Talbot shall not be permitted to interconnect the Talbot Transmission System without the Final CIA having been issued.

THE GROUNDS OF THIS MOTION ARE AS FOLLOWS:

Overview

1. By its Decision and Order, the Board granted leave to Talbot to construct the Talbot Transmission System (defined in Appendix "A" to the Decision and Order as the "Transmission Line and Associated Facilities"). That approval was subject to certain conditions, including a condition (condition 1.5) to the extent that no site activity shall commence until HONI has issued the Final CIA.

2. At the time, it was expected, and the Board noted in its Decision and Order, that a draft CIA would be issued in October 2009. Talbot expected the Final CIA shortly thereafter.
3. To date, the Final CIA has still not been issued, due to reasons entirely beyond Talbot's control. However, in order to meet the construction schedule and achieve the required commercial operation date ("COD") of December 31, 2010, it is vital that construction begin immediately.
4. It is still expected that the Final CIA will be issued and that it will reflect a favourable assessment of the Talbot Windfarm interconnection. Therefore, Talbot proposes that the Decision and Order be varied to permit site activity to begin now, without the Final CIA. This variance would have no adverse effect on system reliability or on other HONI customers since, in accordance with Chapter 6.4 of the Transmission System Code, interconnection would only take place once the Final CIA has been issued.

The Talbot Windfarm Development

5. Talbot is a limited partnership constituted under the laws of the Province of Ontario. Currently, the general partner of Talbot is Talbot Windfarm GP Inc. Until November 30, 2009, the general partner was a wholly-owned subsidiary of Renewable Energy Systems Canada Inc. ("RES Canada"). Following that date, Enbridge Pipelines Inc. became a 90-percent owner of the general partner.
6. On January 14, 2009, RES Canada entered into a Renewable Energy Supply III Contract with the Ontario Power Authority ("OPA") in respect of the sale of electricity from a windfarm known as Talbot Windfarm it intended to develop in Chatham-Kent (the "Talbot Contract").
7. On August 28, 2009, RES Canada and the OPA transferred the Talbot Contract from RES Canada to Talbot. Talbot will be the owner of the Talbot Windfarm, while RES Canada Wind Operations LP will be the operator.
8. The Talbot Windfarm, once constructed, will consist of 43 Siemens Turbines with a nameplate capacity of 2.3 MW each. The turbines and the related infrastructure will feed a total of 98.9 MW of power into Ontario's provincial electricity grid.

The Board's Requirement for a Final CIA before the Start of Construction

9. On July 20, 2009, Talbot filed the within Application for Leave to Construct Transmission Facilities in respect of the Talbot Transmission System (the "Application").

10. On October 28, 2009, the Board issued its Decision and Order (the “Decision and Order”) with respect to the Application, which grants Talbot leave to construct the Talbot Transmission System, subject to certain Conditions of Approval.
11. Several of the Conditions of Approval require Talbot to meet conditions precedent before Talbot may commence construction on the Talbot Transmission System. Specifically, subsection 1.5 of the Conditions of Approval requires the following:

1.5 TALBOT shall satisfy the Hydro One Networks Inc. (“HONI”) requirements as reflected in the Final Customer Impact Assessment report. **No site activity shall commence until the Final Customer Impact Assessment report has been issued by HONI.** Talbot shall file a copy of the Final Customer Impact Assessment report with the Board immediately upon its receipt [emphasis added].

The highlighted sentence is the subject of this Motion.

The Talbot Windfarm Construction Schedule

12. The Talbot Windfarm is scheduled to start generating and transmitting electricity from some of the 43 turbines by September 15, 2010 and achieve full commercial operation by no later than December 31, 2010. In order to do so, construction of the Talbot Windfarm, including the Talbot Transmission System, must commence in March 2010. In any case, the Decision and Order requires construction to begin by no later than July 30, 2010.
13. In order to commission Talbot Windfarm and reach the planned commercial operation date (“COD”) of December 31, 2010, the commissioning of the turbines must start in mid-September 2010. Turbines cannot be commissioned without the Talbot Transmission System first being interconnected with the provincial electricity grid. Accordingly, Talbot must be in a position to interconnect by September 2010.
14. Interconnection requires a planned electrical outage of the transmission line to which Talbot Windfarm is being connected. Such planned outages are very difficult to achieve during the two peak-load seasons of summer (June-August) and winter (December-March). Accordingly, if Talbot Windfarm cannot achieve interconnection in the fall of 2010, the entire interconnection process may need to be pushed back to the spring of 2011.

A Delayed Commercial Operation Date May Threaten Project Viability

15. The financial impact of delaying the COD is significant and may threaten the financial viability of Talbot Windfarm. Specifically, Talbot would face the following adverse consequences:
 - (a) Loss of revenue in the amount of \$3 million for every month the COD is delayed, both through foregone power sales and through payments needed to be made for idle generation assets;
 - (b) Loss of eco-Energy benefits totalling up to \$30 million over ten years if commercial operation cannot be achieved by March 31, 2011; and
 - (c) Loss of tax benefits with a net present value of up to \$9.8 million if commercial operation cannot be achieved by December 31, 2010.

Delays With Respect to Final CIA

16. Talbot submitted an Updated Joint System Impact Assessment / Customer Impact Assessment application to HONI on June 12, 2009, more than a month before filing the Application, and nine months before bringing this motion.
17. At the time Talbot filed the Application on July 12, 2009, it anticipated receipt of the Final CIA by September 29, 2009. This expected timeline was based on a draft schedule provided by HONI on July 6, 2009.
18. As a result of an ongoing protection impact assessment, Talbot subsequently expected the draft CIA to be delayed until mid-October (with the Final CIA being issued shortly thereafter) and so advised the Board in its answer to Staff Interrogatory 3(a), filed on September 29, 2009.
19. By way of an October 19, 2009 letter HONI subsequently projected the following revised proposed timeline:
 - Release of a draft CIA for comment by early November 2009;
 - Execution of a pre-connection cost recovery agreement ("CCRA") by December 15, 2009;
 - Execution of the CCRA by January 2010; and
 - Execution of the connection agreement by mid-August 2010.
20. Since construction of the Talbot Windfarm was scheduled to begin in March 2010, Talbot did not consider HONI's revised timeline to materially impact the development of the project.

21. HONI subsequently circulated the draft CIA to all connected customers on November 27, 2009.
22. When HONI circulated the draft CIA, it indicated that all affected customers were to provide comments to HONI by December 31, 2009. Talbot expected the Final CIA to be issued two to three weeks after the deadline to provide comments. Since construction was not scheduled to begin until mid-March 2010, Talbot was not unduly concerned about the time frame.
23. On February 8, 2010, HONI advised that the Final CIA was being delayed because HONI was connecting four windfarms that all held the same queue position for purposes of transmission rights allocation, and that HONI had to take the unusual step of preparing a joint CIA for all four windfarms.
24. On February 19, 2010, HONI nonetheless indicated that it expected the CCRA to be signed in the third week of March, 2010. The Final CIA is a precursor to the CCRA.
25. On March 1, 2010, HONI further advised that it was still in the process of finalizing the Final CIA due to HONI working on simultaneous CIAs for the following four windfarms:
 - Kruger Energy Chatham Windfarm (101.2 MW);
 - Invenergy Raleigh Wind Energy Centre (78 MW);
 - Talbot Windfarm (99 MW); and
 - Gosfield Wind Project (50.6 MW).

HONI further stated that the cumulative fault levels resulting from the four simultaneous wind developments would require HONI to install suitable mitigation measures, the cost of which would be shared between the four wind developments on a *pro rata* basis based on their respective nameplate capacities.

26. Talbot is prepared to pay its *pro rata* share of any commercially reasonable mitigation measures and abide by HONI's requirements. However, due to the continuing delay in HONI issuing its final CIA, and the abovenoted Board requirement that a Final CIA be issued and filed before construction on the Talbot Transmission System can begin, the development of Talbot Windfarm is now being severely jeopardized.
27. It is clear that the Final CIA will be issued eventually, but the timeframe remains unpredictable.

No Adverse Effect if Construction Is Allowed to Proceed in the Absence of a Final CIA

28. Talbot is not requesting an order permitting it to interconnect and energize the Talbot Transmission System before the Final CIA is issued. Accordingly, there will not be an electrical connection between the provincial electricity grid and the Talbot Transmission System, and thus no effect on system reliability. Interconnection will take place in accordance with Chapter 6.4 of the Transmission System Code once the Final CIA has been issued. The order being sought would therefore have no adverse (or any) impact on the public interest.

Board Rules

29. Talbot relies on rules 5, 7, 10, 42, 43, 44, and 45 of the Board's Rules of Practice and Procedure.

DOCUMENTARY EVIDENCE:

30. Talbot will rely on the following documentary evidence in support of its motion:
- (a) The Affidavit of Nicolas Muszynski sworn March 19, 2010; and
 - (b) Such further evidence as counsel may advise and the Board may accept.

Dated March 19, 2010 at Toronto, Ontario

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Talbot Windfarm, LP

TO: Ms. Kirsten Walli
Board Secretary
Ontario Energy Board

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, Sch. B, as amended.

AND IN THE MATTER OF an Application by Talbot Windfarm, LP for an order under section 92 and subsection 96(2) of the *Ontario Energy Board Act, 1998*, granting leave to construct an electricity transmission line and related transmission facilities.

AND IN THE MATTER OF a motion by Talbot Windfarm, LP to review and vary the Decision and Order, issued on October 28, 2009, granting leave to construct transmission facilities.

AFFIDAVIT OF NICOLAS MUSZYNSKI SWORN MARCH 19, 2010

I, **NICOLAS MUSZYNSKI**, of the City of Montreal, Province of Quebec, make oath and say:

1. I am a developer with Renewable Energy Systems Canada Inc. and have had extensive involvement with the development of the Talbot Windfarm. As such, I have direct knowledge of the matters to which I hereby depose. Where I do not have direct knowledge, I have stated the source of my information and believe it to be true.

Overview

2. I make this Affidavit in support of a motion (the "Motion") by Talbot Windfarm, LP ("Talbot") to the Ontario Energy Board (the "Board") to review and vary condition 1.5 of its October 28, 2009 Decision and Order by which the Board granted leave to construct transmission facilities to connect the windfarm known as Talbot Windfarm, located near Chatham, Ontario, to the provincial electricity grid (the "Decision and Order").
3. The core issue of the Motion is that Talbot's contractors must begin construction immediately in order not to jeopardize the Talbot Windfarm project. However, one of the Board's conditions to begin construction is that Talbot must first have obtained and filed the final customer impact assessment ("Final CIA") from Hydro One Networks Inc. ("HONI"). When the Decision and Order was issued, Talbot expected a draft CIA to be issued in October 2009, with a Final CIA to be issued shortly thereafter. Although the draft CIA was in fact issued in the fall of 2009,

Talbot has only recently learned that the Final CIA has been delayed due to circumstances beyond its control, and may not be issued for several weeks.

4. Talbot is accordingly seeking a variance from the Board to allow it to begin construction before the Final CIA has been issued. In accordance with Chapter 6.4 of the Transmission System Code, interconnection will only take place once the Final CIA has been issued.

The Talbot Windfarm Development

5. Talbot is a limited partnership constituted under the laws of the Province of Ontario. Currently, the general partner of Talbot is Talbot Windfarm GP Inc. Until November 30, 2009, the general partner was a wholly-owned subsidiary of Renewable Energy Systems Canada Inc. ("RES Canada"). Following that date, Enbridge Pipelines Inc. became a 90-percent owner of the general partner.
6. On January 14, 2009, RES Canada entered into a Renewable Energy Supply III Contract with the Ontario Power Authority ("OPA") in respect of the sale of electricity from a windfarm known as Talbot Windfarm it intended to develop in Chatham-Kent (the "Talbot Contract").
7. On August 28, 2009, RES Canada and the OPA transferred the Talbot Contract from RES Canada to Talbot. Talbot will be the owner of the Talbot Windfarm, while RES Canada Wind Operations LP will be the operator.
8. The Talbot Windfarm, once constructed, will consist of 43 Siemens Turbines with a nameplate capacity of 2.3 MW each. The turbines and the related infrastructure will feed a total of 98.9 MW of power into Ontario's provincial electricity grid.

The Board's Requirement for a Final CIA before the Start of Construction

9. On July 20, 2009, Talbot filed the within Application for Leave to Construct Transmission Facilities in respect of the Talbot Transmission System (the "Application"). Attached hereto and marked as **Exhibit "A"** to my Affidavit is a true copy of the Application, without the supporting evidence previously filed with the Board.
10. On October 28, 2009, the Board issued its Decision and Order (the "Decision and Order") with respect to the Application, which grants Talbot leave to construct the Talbot Transmission System, subject to certain Conditions of Approval. Attached hereto and marked as **Exhibit "B"** to my Affidavit is a true copy of the Board's Decision and Order.
11. Several of the Conditions of Approval require Talbot to meet conditions precedent before Talbot may commence construction on the Talbot Transmission

System. Specifically, subsection 1.5 of the Conditions of Approval requires the following:

1.5 TALBOT shall satisfy the Hydro One Networks Inc. ("HONI") requirements as reflected in the Final Customer Impact Assessment report. **No site activity shall commence until the Final Customer Impact Assessment report has been issued by HONI.** Talbot shall file a copy of the Final Customer Impact Assessment report with the Board immediately upon its receipt [emphasis added].

The highlighted sentence is the subject of this Motion.

The Talbot Windfarm Construction Schedule

12. The Talbot Windfarm is scheduled to start generating and transmitting electricity from some of the 43 turbines by September 15, 2010 and achieve full commercial operation by no later than December 31, 2010. In order to do so, construction of the Talbot Windfarm, including the transmission infrastructure required to connect it to the provincial electricity grid (the "Talbot Transmission System"), must commence in March 2010. I am advised by Rupert Crighton, project manager for the construction of the Talbot Windfarm, that Talbot's contractor, RES Canada Construction LP ("RES Construction"), has developed a detailed construction schedule pursuant to which construction was to be started on March 15, 2010. Now shown to me by Mr. Crighton, and marked as **Exhibit "C"** to my Affidavit, is a copy of the construction schedule for the Talbot Transmission System. In any case, the Decision and Order requires construction to begin by no later than July 30, 2010.
13. In order to commission Talbot Windfarm and reach the planned commercial operation date ("COD") of December 31, 2010, the commissioning of the turbines must start in mid-September 2010. Turbines cannot be commissioned without the Talbot Transmission System first being interconnected with the provincial electricity grid. Accordingly, Talbot must be in a position to interconnect by September 2010.
14. Interconnection requires a planned electrical outage of the transmission line to which Talbot Windfarm is being connected. Such planned outages are very difficult to achieve during the two peak-load seasons of summer (June-August) and winter (December-March). Accordingly, if Talbot Windfarm cannot achieve interconnection in the fall of 2010, the entire interconnection process may need to be pushed back to the spring of 2011.

A Delayed Commercial Operation Date May Threaten Project Viability

15. The financial impact of delaying the COD is significant and may threaten the financial viability of Talbot Windfarm. Specifically, Talbot would face the following adverse consequences:

- (a) Loss of revenue in the amount of \$3 million for every month the COD is delayed, both through foregone power sales and through payments needed to be made for idle generation assets.

Based on the price payable for electricity under the Talbot Contract and RES Canada's wind resource assessment and energy yield analysis, Talbot is projecting average monthly electricity sales of approximately three million dollars (\$3,000,000). Furthermore, even if no electricity is sold, Talbot will still be required to pay for idle generation assets, including 43 wind turbines worth approximately \$3.5 million each. The extent of such foregone revenue would be exacerbated in the event that Talbot cannot obtain a planned outage date in the winter of 2010/2011.

- (b) Loss of eco-Energy benefits if commercial operation cannot be achieved by March 31, 2011.

Pursuant to a contract between Talbot and the federal Department of Natural Resources, Talbot Windfarm is receiving eco-Energy funding in the amount of \$10/MWh for electricity generated in the first ten years of operation, but only if Talbot Windfarm is commissioned by March 31, 2011. The total annual maximum payment eligibility is \$3,004,000.00 per year, and \$30,064,490.41 during the ten-year term. If the COD is delayed beyond March 31, 2011, Talbot stands to forego up to \$30 million in revenue. Since it is unlikely that Talbot would be able to obtain a planned outage date in the winter of 2010/2011, the Talbot Transmission System must realistically be interconnected in the fall of 2010 to meet the March 31, 2011 COD.

- (c) Loss of tax benefits if commercial operation cannot be achieved by December 31, 2010.

I am advised by George Leing, senior counsel for RES Americas Inc. (RES Canada's affiliate), that if Talbot Windfarm does not achieve its COD by the end of 2010, Talbot will lose substantial tax benefits for the 2011 tax year, primarily in the form of foregone capital cost allowance for the 43 turbines. It is estimated that the net present value of the foregone tax benefits if Talbot Windfarm is not commissioned by December 31, 2010 is \$9.8 million, or approximately \$230,000 per turbine.

Delays With Respect to Final CIA

16. Talbot submitted an Updated Joint System Impact Assessment / Customer Impact Assessment application to HONI on June 12, 2009, more than a month before filing the Application, and nine months before bringing this motion. This document was filed with the Board as Exhibit F, Schedule 3, Tab 2 of the Application.
17. At the time Talbot filed the Application on July 12, 2009, it anticipated receipt of the Final CIA by September 29, 2009. This expected timeline was based on a draft schedule provided by HONI on July 6, 2009. Attached hereto and marked as **Exhibit "D"** to my Affidavit is a true copy of the draft schedule.
18. As a result of an ongoing protection impact assessment, Talbot subsequently expected a draft CIA to be delayed until mid-October (with the Final CIA being issued shortly thereafter) and so advised the Board in its answer to Staff Interrogatory 3(a), filed on September 29, 2009.
19. Attached hereto and marked as **Exhibit "E"** to my Affidavit is an October 19, 2009 letter from HONI to Mr. Clibbon, projecting the following revised proposed timeline:
 - Release of a draft CIA for comment by early November 2009;
 - Execution of a pre-connection cost recovery agreement ("CCRA") by December 15, 2009;
 - Execution of the CCRA by January 2010; and
 - Execution of the connection agreement by mid-August 2010.
20. Since construction of the Talbot Windfarm was scheduled to begin in March 2010, Talbot did not consider HONI's revised timeline to materially impact the development of the project.
21. HONI subsequently circulated the draft CIA to all connected customers on November 27, 2009. The draft CIA (dated October 14, 2009), is attached hereto and marked as **Exhibit "F"** to my Affidavit. Talbot is requesting that the Board hold this draft CIA in confidence, as it contains proprietary engineering data and is subject to a confidentiality agreement between Talbot and HONI.
22. When HONI circulated the draft CIA, it indicated that all affected customers were to provide comments to HONI by December 31, 2009. Talbot expected the Final CIA to be issued two to three weeks after the deadline to provide comments. Since construction was not scheduled to begin until mid-March 2010, Talbot was not unduly concerned about the time frame.

23. On February 8, 2010, I participated in a meeting with several individuals, including John Sabiston, Manager of Transmission Planning with HONI, who stated that the Final CIA was being delayed because HONI was connecting four windfarms that all held the same queue position for purposes of transmission rights allocation, and that HONI had to take the unusual step of preparing a joint CIA for all four windfarms.
24. On February 19, 2010, I participated in a conference call with Mike Dang, Senior Engineer of Transmission and Connection Planning with HONI, during which Mr. Dang indicated that he expected the CCRA to be signed in the third week of March, 2010. The Final CIA is a precursor to the CCRA.
25. On March 1, 2010, I received an e-mail from Mr. Sabiston, advising that HONI was still in the process of finalizing the Final CIA due to HONI working on simultaneous CIAs for the following four windfarms:
 - Kruger Energy Chatham Windfarm (101.2 MW);
 - Invenergy Raleigh Wind Energy Centre (78 MW);
 - Talbot Windfarm (99 MW); and
 - Gosfield Wind Project (50.6 MW).

Mr. Sabiston further indicated in his e-mail that the cumulative fault levels resulting from the four simultaneous wind developments would require HONI to install suitable mitigation measures, the cost of which would be shared between the four wind developments on a *pro rata* basis based on their respective nameplate capacities. Attached hereto and marked as **Exhibit "G"** to my Affidavit is a true copy of Mr. Sabiston's email.

26. Talbot is prepared to pay its *pro rata* share of any commercially reasonable mitigation measures and abide by HONI's requirements. However, due to the continuing delay in HONI issuing its final CIA, and the abovenoted Board requirement that a Final CIA be issued and filed before construction on the Talbot Transmission System can begin, the development of Talbot Windfarm is now being severely jeopardized.
27. From all of my discussions with HONI, it is clear to me that the question is not whether a Final CIA will be issued, but when. I therefore believe that the requested variance would be appropriate.

THIS IS EXHIBIT "A" REFERRED TO IN
THE AFFIDAVIT OF NICOLAS MUSZYNSKI
SWORN BEFORE ME THIS 19TH DAY OF
MARCH, 2010.

Monique Rucinski
A COMMISSIONER FOR TAKING AFFIDAVITS



ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, Sch. B, as amended;

AND IN THE MATTER OF an Application by Talbot Windfarm, LP for an order under section 92 and subsection 96(2) of the *Ontario Energy Board Act, 1998*, granting leave to construct an electricity transmission line and related transmission facilities.

APPLICATION FOR LEAVE TO CONSTRUCT

1. The Applicant, **Talbot Windfarm, LP** is a limited partnership constituted under the laws of the Province of Ontario. Currently, Talbot Windfarm, LP has two general partners: **Talbot Windfarm Holdings Inc.** and **Talbot Windfarm GP Inc.** Both general partners are wholly-owned subsidiaries of **Renewable Energy Systems Canada Inc.** ("RES Canada"). RES Canada was incorporated as a Quebec corporation in 2003, with its head office in the City of Montreal. It, in turn, is a wholly-owned subsidiary of **Renewable Energy Systems Limited** ("RES"), headquartered in London, England. RES is a member of Sir Robert McAlpine group of companies, a British, family-owned firm with over 100 years of experience in construction and engineering. It is one of the fastest growing renewable energy development companies in the world and has been at the forefront of the wind energy industry since it was founded in 1982.
2. On January 14, 2009, RES Canada entered into two Renewable Energy Supply III Contracts ("RES III Contracts") with the Ontario Power Authority ("OPA") in respect of the sale of electricity from two wind farms that RES Canada intended to construct and operate. This Application is in respect of the transmission facilities associated with one such facility, the Talbot Windfarm. RES Canada and the OPA are in the process of transferring the RES III Contract in respect of the Talbot Windfarm, from RES Canada to Talbot Windfarm, LP.
3. Talbot Windfarm, LP proposes to construct the following transmission facilities to connect the Talbot Windfarm to the Independent Electricity System Operator ("IESO") – controlled transmission grid:
 - (i) the Talbot Windfarm Substation that will step up the voltage from 34.5 kV to 230 kV and will comprise a HICO equivalent, three-phase 60 Hz 33/44/55 MVA transformer surrounded by a sound-barrier wall;

(ii) the Talbot Windfarm Transmission Line, comprising a single circuit, overhead 230 kV transmission line that will extend from a point of interconnection with the Talbot Windfarm Substation, approximately 10.3 kilometres, to a point of interconnection with the Talbot Windfarm Switching Station; and

(iii) the Talbot Windfarm Switching Station, comprising two disconnect-type switches with a continuous maximum operating voltage of 250 kV and a continuous current rating of 1,200 A as well as type SF6 breakers with a continuous operating voltage of 150 kV.

The above-noted facilities (together, the "Proposed Facilities") are more particularly described in Exhibits C and E.

4. The location of each component of the Proposed Facilities is more particularly described in Exhibit D, Tabs 2 and 3.
5. Construction of the Proposed Facilities is scheduled to commence in the spring of 2010, with an in-service date of October, 2010. Details of the project schedule are provided in Exhibit C, Tab 3, Schedule 1.
6. In order to construct the Proposed Facilities, the Applicant requires certain lease and easement rights over private lands. RES Canada has obtained three of the five required leases and will assign these to Talbot Windfarm, LP, pursuant to the assignment provisions therein. Talbot Windfarm, LP has negotiated the terms of the remaining two leases and expects to execute them shortly. The two forms of leases that have or will be entered into with private landowners are included in Exhibit G, Tab 2, Schedules 3 and 4.
7. RES Canada has obtained the easements that are required in connection with the Proposed Facilities, with the exception of the easement/right-of-entry that is required from Hydro One Networks Inc. ("Hydro One") and from CSX Transportation Inc. ("CSX"). Both of these agreements are expected to be executed shortly. All of the easement agreements, that have or will be executed, are in the name of Talbot Windfarm, LP. The form of agreement that has been entered into with individual owners of private easement lands is included in Exhibit G, Tab 3, Schedule 3. The agreements with Hydro One and CSX will be in the form offered by each of these entities.
8. In addition to leases and easements described above the Applicant will also require:
 - (i) municipal rights-of-way over roads that are managed by the Municipality of Chatham-Kent; and

(ii) a right-of-way over Highway 401 (managed by the Ontario Ministry of Transportation;

Details of the required municipal and provincial right-of-ways and the timing for the receipt thereto are included in Exhibit G, Tabs 4 and 5, respectively.

9. The process by which the Proposed Facilities will be connected to the transmission facilities of Hydro One is well underway. The Talbot Windfarm is in the IESO "committed generation" queue. The IESO issued its Part I System Impact Assessment ("SIA") Report in October 2008, indicating that the proposed connection of the Talbot Windfarm to the IESO – controlled grid was acceptable. An updated and joint SIA and Customer Impact Assessment application was submitted to the IESO and to Hydro One, in June 2009, to reflect a decision to change the type of turbines that will be used at the Talbot Windfarm. A Part II SIA is expected to be issued by the IESO in the fall of 2009 followed, thereafter, by the issuance of a Customer Impact Assessment by Hydro One.
10. The Talbot Windfarm is subject to the environmental screening process (Category B) under the Ontario Ministry of the Environment's ("MOE") *"Guide to Environmental Assessment Requirements for Electricity Projects"* (March 2001). A Notice of Commencement for the environmental screening study was issued on July 6, 2007. To ensure that environmental issues were fully considered, RES Canada voluntarily self-elevated its Talbot Windfarm project from an environmental screening to a more detailed environmental review.
11. An Environmental Review Report/Environmental Impact Statement ("ERR") was completed by Dillon Consulting Limited in fulfillment of provincial and federal environmental regulatory requirements. A copy of the ERR is included Exhibit H, Tab 1, Schedule 2.
12. A Notice of Completion of the ERR was released on May 1, 2009. This Notice triggered the beginning of a 30-day review period which expired on June 1, 2009. During this period, a total of 37 requests to elevate the Talbot Windfarm project to an individual environmental assessment under the *Environmental Assessment Act* were received. The MOE is in the process of reviewing these requests and a decision in this regard is imminent. A detailed description of the status of the environmental assessment process is included in Exhibit H, Tab 1, Schedule 1.
13. RES Canada and the applicant, Talbot Windfarm, LP, have conducted extensive consultation with affected parties, including individuals, government agencies and Aboriginal People. Details of this consultation effort are included in the ERR at Exhibit H, Tab 1, Schedule 2.
14. In the result, Talbot Windfarm, LP hereby applies to the Ontario Energy Board pursuant to the *Ontario Energy Board Act, 1998* ("OEB Act") for:

(i) leave to construct the Proposed Facilities pursuant to section 92 and subsection 96(1) of the OEB Act; and

(ii) approval of the forms of lease agreements (included in Exhibit G, Tab 2, Schedules 3 and 4) and easement agreement (included in Exhibit G, Tab 3, Schedule 3), pursuant to section 97 of the OEB Act.

15. The following are the names of RES Canada's authorized representatives and its counsel for the purpose of serving documents on RES in this proceeding:

(a) authorized representatives

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Renewable Energy Systems Canada Inc.

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Talbot Windfarm GP Inc.

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Fraser Milner Casgrain LLP

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Toronto, ON
M5X 1B2

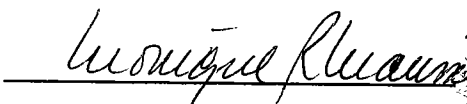
Telephone: 416-863-4471
Facsimile: 416-863-4592
E-mail: helen.newland@fmc-law.com

Dated July 20, 2009 at Toronto, Ontario

Talbot Windfarm, LP
by its counsel
Fraser Milner Casgrain LLP

per: _____
H.T. Newland

THIS IS EXHIBIT "B" REFERRED TO IN
THE AFFIDAVIT OF NICOLAS MUSZYNSKI
SWORN BEFORE ME THIS 19TH DAY OF
MARCH, 2010.


A COMMISSIONER FOR TAKING AFFIDAVITS





EB-2009-0290

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S. O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Talbot
Windfarm LP for an Order granting leave to construct
transmission facilities to connect the Talbot Windfarm, to be
located in the Municipality of Chatham-Kent, to the Ontario
Grid.

BEFORE: Cynthia Chaplin
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

Application and Proceeding

Talbot Windfarm LP (the "Applicant" or "Talbot") filed an application with the Ontario Energy Board (the "Board") dated July 20, 2009, under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the "Act"). The Applicant applied for an order of the Board for leave to construct approximately 10.3 kilometres of 230 Kilovolt ("kV") single circuit overhead electricity transmission line extending from the Talbot Substation, east of Ridgeway, in a northwest direction to a new Switching Station ("JS") adjacent to the Hydro One 230kV line WL44C, just north of Highway 401 and north of Ridgeway (the "application"). At Talbot JS the proposed transmission line will connect with existing Hydro One Networks Inc. ("HONI") 230kV transmission line WL44C and potentially in the future to line WL45C. The construction of the associated facilities, Talbot substation and Talbot switching station is part of the application.

The Board assigned File No. EB-2009-0290 to this application and issued a Notice of Application dated August 6, 2009 (the "Notice"). Talbot served and published the Notice as directed by the Board. In the Notice the Board indicated that it would hold either a written or an oral hearing and asked that each party to the application indicate its preference.

The Board issued Procedural Order No. 1 on September 10, 2009 (the "Procedural Order"), noting that no party had requested intervenor status, and only London Hydro had requested observer status. The Procedural Order made provision for interrogatories to be submitted by September 18, 2009, responses to be provided by September 28, 2009, submissions to be made by October 2, 2009, and reply submissions to be made by October 9, 2009. Interrogatories were filed by Board staff and responses were received by the specified date.

On September 9, 2009, a letter was received from Mr. Melvin McLean who asserted that Melvin McLean Farms Limited was the sole owner of lands affected by the Application, title having been granted by Crown Patent in 1848. The Board treated this letter as a request for intervenor status. After receiving and considering written submissions from Mr. McLean and Talbot on the issue of the ownership of the lands affected by the Application, the Board determined that Mr. McLean was not a landowner who would be directly affected by the Application and on September 25, 2009, issued Procedural Order No. 2 denying Mr. McLean intervenor status.

Confidentiality Request

At the time the application was filed, Talbot requested that certain parts of the application¹ be held in confidence by the Board pursuant to Rule 10.01 of the Board's *Rules of Practice and Procedure* and *Practice Direction on Confidentiality* ("Practice Direction"). In support of its request, Talbot stated that the exhibits comprised proprietary engineering information that, if publicly disclosed, would be detrimental to the Applicant's competitive position. Talbot explained that as the exhibits were engineering drawings, it was not possible to file unredacted versions or to provide summaries of them.

At the time of filing responses to interrogatories on September 28, 2009, Talbot requested that some of the documents filed as responses - one document in its entirety,

¹ Ex. E, Tab 2, Schedule 2; Exhibit 3, Tab 3, Schedule 3; and Exhibit F, Tab 3, Schedule 2.

a single line engineering diagram, and parts of other documents, dealing with consultations with Aboriginal communities and the Ministry of Energy and Infrastructure - be kept confidential. Talbot filed redacted and unredacted copies of the documents for which confidentiality was requested.

The Practice Direction states that the onus is on the person requesting confidential treatment to demonstrate to the satisfaction of the Board that confidential treatment is warranted in any given case. Parties are directed to make every effort to limit the scope of their requests for confidentiality to an extent commensurate with the commercial sensitivity of the information at issue and to prepare meaningful redacted documents or summaries so as to maximize the information that is available on the public record. Appendix B of the Practice Direction lists some of the factors that the Board may consider when considering whether to grant a request for confidentiality, and states "Information that is in the public domain will not be considered confidential".

The Board has reviewed the material and determined that there are two main categories of information requested to be held confidential: engineering information including turbine generator data, protection and operating philosophy reports, and electrical diagrams all of which are provided to the Independent Electricity System Operator ("IESO") for its System Impact Assessment report, ("SIA") (on forms provided by the IESO) and information relating to consultations on Aboriginal issues and with Aboriginal communities.

With regard to the engineering information, the IESO will post its final SIA on its website; included in the final SIA will be some or all of the technical information and data that Talbot has supplied and for which it seeks confidentiality. A review of the IESO website shows that much of this type of data is in fact published.

As noted above, the Practice Direction specifically states that information in the public domain will not be considered confidential; as the final SIA has not been completed, the information has yet to enter the public domain but will do so shortly. Given the imminent release of the information to the public through the posting of the SIA on IESO's website, the Board will grant the request for confidentiality only until the time that the SIA is posted on the IESO website.

With regard to the single line diagram found in Schedule 5-1 and referred to in the letter accompanying the interrogatory responses, the information that will appear in the final

SIA will be data; the line diagram as a whole conveys engineering information that cannot all be reduced to data and may not appear in the final SIA and enter the public domain. The Board accepts that the single line diagram contains proprietary engineering information the public disclosure of which could be detrimental to the applicant, and grants the request that it be kept confidential.

With regard to the redactions that relate to Aboriginal consultations, the Board notes that the redactions, which are minimal, relate to individual conversations. The Board accepts that the redactions relate to sensitive commercial information which could cause harm to the applicant's competitive position, and its ongoing negotiations with affected Aboriginal communities. The Board grants the applicant's request that the redacted information be kept confidential and that only the redacted copies of the documents be made public.

Evidence and Board Findings

Project Need

Talbot's evidence stated that its parent, Renewable Energy Systems Limited ("RES Canada"), entered into a Renewable Energy Supply III Contract ("RES III contract") with the Ontario Power Authority for the sale of 99 MW of electricity generated by the Talbot Windfarm. The transmission line and related facilities which are the subject of this application are needed to connect the generation facilities with the HONI transmission grid.

The Board is satisfied that the need for the transmission line and related facilities is established.

System Impact Assessment and Customer Impact Assessment

A SIA (Part One) Report dated October 1, 2008 ("preliminary SIA") for this project was included in the pre-filed evidence (at Tab F2-2). The report concludes that "the proposed connection arrangement of the facility is acceptable" and that "under the studied conditions the connection of the proposed facility does not cause any thermal loading impacts on the local transmission facilities". There are also numerous technical requirements specified. The preliminary SIA study does not constitute a complete SIA study in that it does not include the dynamic studies that are normally part of the final SIA.

The Applicant explained that "an updated and joint SIA and Customer Impact Assessment application was submitted to the IESO and to Hydro One in June 2009, to reflect a decision to change the type of turbines that will be used at the Talbot Windfarm" [Exhibit B/Tab 1/Schedule 1/ p3].

Talbot also provided a document which is the proposal for a Customer Impact Assessment ("CIA") study normally completed by the Transmitter, in this case Hydro One.

Talbot advised that the final SIA and CIA studies were originally expected to be released in September 2009; Talbot has recently advised that they will be issued in October 2009.

Without the final SIA and CIA reports, the Board does not have evidence to conclude that the proposed project will not have a negative impact on the reliability of the grid or on service to other customers. While the decision by IESO and HONI not to intervene in this application may indicate that the pending SIA and CIA reports confirm the facility will not affect the grid or its customers negatively, the Board is not prepared to allow any site activity to commence until the final SIA and CIA reports are filed with the Board. The Board's decision to grant this application is conditional on the filing of the final SIA and CIA reports with the Board, and a commitment from Talbot that it will fulfill the requirements and recommendations of the final SIA and CIA reports.

The Conditions of Approval will include the requirement that the final SIA and CIA reports be filed with the Board prior to the commencement of any site activity, and that Talbot will fulfill the requirements and recommendations of the final SIA and CIA reports.

Land Rights and Form of Easement Agreement

The evidence shows that Notice was properly served on the affected landowners. There were no valid landowner requests for intervenor status.

Talbot reported that all lease agreements have been executed for all the lands necessary for the building of the transmission line, and that it is in the process of negotiating easements and rights of entry with Hydro One and CSX Transportation.

Talbot submitted its proposed Form of Agreement to be offered to landowners. The Board finds the Form of Agreement acceptable.

Environmental Assessments and Public Consultations

The Talbot Windfarm project was commenced on July 6, 2007. To ensure that environmental issues were fully considered, Talbot stated that it voluntarily self-elevated the project to a more detailed Environmental Review. A Notice of Completion of an Environmental Review Report was released on May 1st, 2009. The 30 day review period expired on June 1, 2009.

According to Talbot, 37 requests to conduct an individual environmental assessment were received. Although the Ministry of Energy denied all the Requests to Elevate on July 28, 2009, two parties appealed that decision and, according to Talbot, the appeal relates to the impact of the windfarm itself. The Board notes that construction of the transmission line and related facilities cannot begin until this Environmental Assessment Act process is complete.

Talbot has consulted with the local community and other stakeholders directly and in the course of conducting the environmental assessment. Evidence was filed documenting contacts and meetings with officials, community organizations and public open houses and information sessions. In particular, Talbot advised that it identified and contacted potentially affected Aboriginal communities, and consulted with them. Talbot provided evidence of its consultations and indicated that the Aboriginal communities have expressed no objection to the project. While consultations are continuing, the Board is satisfied that the Applicant has conducted its consultation with the Aboriginal communities appropriately.

Project Costs and Impact upon Ratepayers

It is the Applicant's evidence that the proposed facilities will be paid for and owned by the Applicant and the project will therefore have no impact on transmission rates in Ontario. The Board accepts this evidence.

Conclusion

Having considered all of the evidence related to the application, the Board finds the proposed project to be in the public interest.

THE BOARD ORDERS THAT:

Pursuant to section 92 of Act, Talbot Windfarm Limited Partnership is granted leave to construct electricity transmission facilities near Ridgetown in the Township of Chatham-Kent, as described in the first paragraph of this Order and Decision, subject to the Conditions of Approval attached as Appendix A to this Order.

ISSUED at Toronto on October 28, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

**Conditions of Approval for
Talbot Windfarm LP
Transmission Line and Associated Transmission Facilities (the "Project")
EB-2009-0290**

DATED: October 28, 2009

**Conditions of Approval for
Talbot Windfarm LP
Transmission Line and Associated Transmission Facilities (the "Project")
EB-2009-0290**

1 General Requirements

1.1 Talbot Windfarm LP ("TALBOT") shall construct the Project and restore the Project land in accordance with its Leave to Construct application, evidence and undertakings, except as modified by this Order and these Conditions of Approval.

1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate July 30, 2010, unless construction of the Project has commenced prior to that date.

1.3 TALBOT shall implement all the recommendations of the Environmental Screening Reports filed in the pre-filed evidence.

1.4 TALBOT shall satisfy the Independent Electricity System Operator ("IESO") requirements and recommendations as reflected in the Final System Impact Assessment report. No site activity shall commence until the Final System Impact Assessment report has been issued by IESO. Talbot shall file a copy of the Final System Impact Assessment report with the Board immediately upon its receipt.

1.5 TALBOT shall satisfy the Hydro One Networks Inc. ("HONI") requirements as reflected in the Final Customer Impact Assessment report. No site activity shall commence until the Final Customer Impact Assessment report has been issued by HONI. Talbot shall file a copy of the Final Customer Impact Assessment report with the Board immediately upon its receipt.

1.6 TALBOT shall advise the Board's designated representative of any proposed material change in the Project, including but not limited to material changes in the proposed route, construction techniques, construction schedule, restoration procedures, or any other material impacts of construction. TALBOT shall not make a material change without prior approval of the Board or its designated representative. In the event of an emergency the Board shall be informed immediately after the fact.

1.7 TALBOT shall obtain all necessary approvals, permits, licences, certificates and easement rights required to construct, operate and maintain the Project, and shall provide copies of all such written approvals, permits, licences and certificates upon the Board's request.

2 Project and Communications Requirements

2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Electricity Facilities & Infrastructure.

2.2 TALBOT shall designate a person as Project engineer and shall provide the name of the individual to the Board's designated representative. The Project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. TALBOT shall provide a copy of the Order and Conditions of Approval to the Project engineer, within ten (10) days of the Board's Order being issued.

2.3 TALBOT shall develop, as soon as possible and prior to the start of construction, a detailed construction plan. The detailed construction plan shall cover all material construction activities. TALBOT shall submit five (5) copies of the construction plan to the Board's designated representative at least ten (10) days prior to the commencement of construction. TALBOT shall give the Board's designated representative ten (10) days written notice in advance of the commencement of construction.

2.4 TALBOT shall furnish the Board's designated representative with all reasonable assistance needed to ascertain whether the work is being or has been performed in accordance with the Board's Order.

2.5 TALBOT shall, in conjunction with HONI and the IESO, develop an outage plan which shall detail how proposed outages will be managed. TALBOT shall provide five (5) copies of the outage plan to the Board's designated representative at least ten (10) days prior to the first outage. TALBOT shall give the Board's designated representative ten (10) days written notice in advance of the commencement of outages.

2.6 TALBOT shall furnish the Board's designated representative with five (5) copies of written confirmation of the completion of Project construction. This written confirmation shall be provided within one month of the completion of construction.

3 Monitoring and Reporting Requirements

3.1 Both during and for a period of twelve (12) months after the completion of construction of the Project, TALBOT shall monitor the impacts of construction, and shall file five (5) copies of a monitoring report with the Board within fifteen (15) months of the completion of construction of the Project. TALBOT shall attach to the monitoring report a log of all comments and complaints related to construction of the Project that have been received. The log shall record the person making the comment or complaint, the time the comment or complaint was received, the

substance of each comment or complaint, the actions taken in response to each if any, and the reasons underlying such actions.

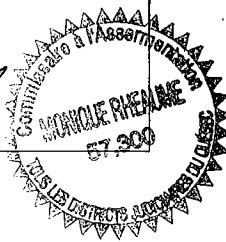
3.2 The monitoring report shall confirm TALBOT's adherence to Condition 1.1 and shall include a description of the impacts noted during construction of the Project and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction of the Project. This report shall describe any outstanding concerns identified during construction of the Project and the condition of the rehabilitated Project land and the effectiveness of the mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

-- End of document --

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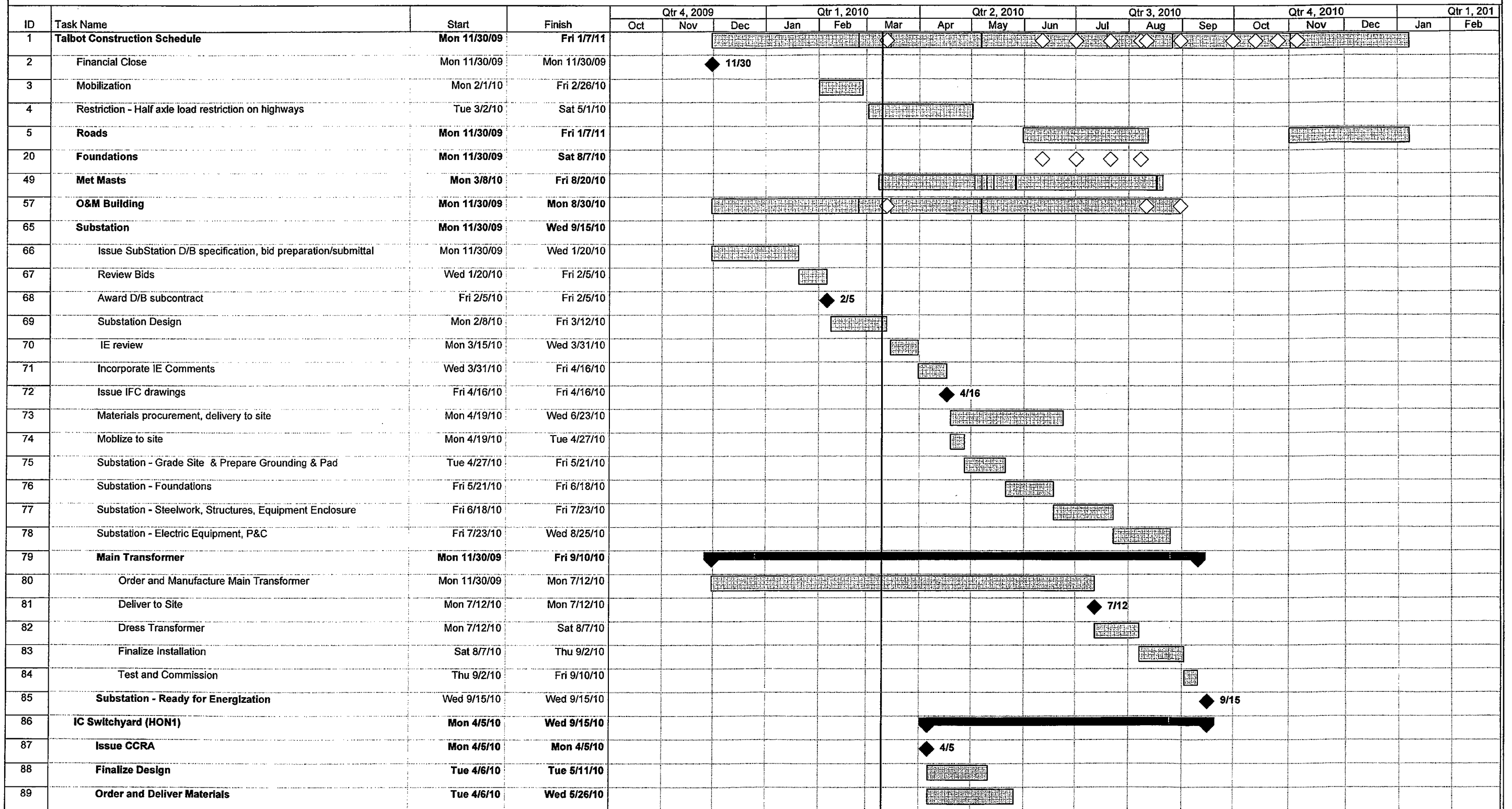
Monique Rheaume

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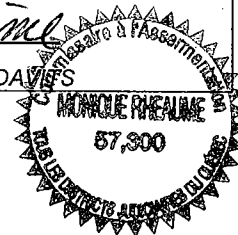
TALBOT WIND FARM
DETAILED CONSTRUCTION SCHEDULE (43 x 2.3MW = 98.9MW)
BASELINE



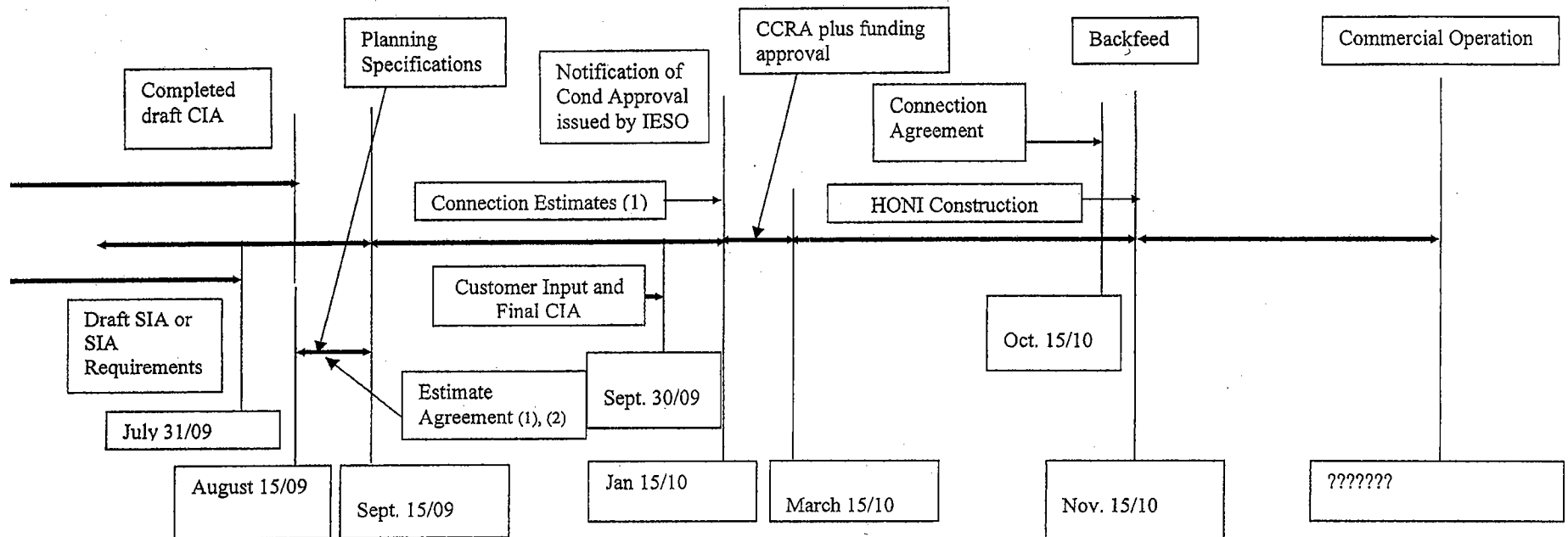
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Monique Beaune

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Proposed Draft Schedule July 6/09
RES Canada Talbot Wind Farm Connection



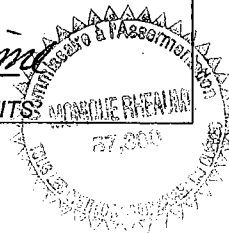
NOTES:

- (1) Assumes no further revision based on changes to SIA or customer input on CIA
- (2) Assumes Generator meets its obligations under the Estimate Agreement

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Monique Rheaume

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483 Bay Street
North Tower, 15th Floor
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5029
Fax: (416) 345-5406
Email: bing.young@hydroone.com

Bing Young
Director - System Development Division



October 19th, 2009

Peter Clibbon
Director
Renewable Energy Systems Canada
300 Leo-Pariseau, Suite 2516
Montreal, Quebec
H2X 4B3

Reference: Talbot Wind Farm Interconnection Application

Dear Mr. Clibbon:

Further to my letter dated October 5th, 2009 (in response to your letter dated September 25th, 2009, requesting the earliest possible backfeed date for the Talbot wind farm) and further to recent discussions between Renewable Energy Systems Canada ("RES Canada") and Hydro One Network Inc. ("Hydro One") I am writing to address your concerns with respect to RES Canada's interconnection of the Talbot wind farm to Hydro One's transmission network.

From various communications from RES Canada, Hydro One understands that the Talbot wind farm would require backfeed by September 15th, 2010 in order to allow sufficient time for the final commissioning of the turbines, the substation and other related electrical infrastructure of the Talbot wind farm project.

The requested target backfeed date could be met subject to the following:

- Release of the draft CIA report two weeks after the release of the draft SIA (including the protection impact assessment) by the IESO, currently expected by early November 2009, assuming that the SIA will not contain additional requirements that would significantly change the scope of Hydro One connection work;
- Execution of a pre-CCRA letter agreement to provide for advance funding of the long lead time items and the initiation of the detailed design work by December 15th, 2009;
- Execution of the CCRA by end of January 2010 at which point Hydro One will be making the commitment to a backfeed date as per the regular interconnection process. This may require study quality estimates in the CCRA. RES Canada will bear the risk (cost and schedule) associated with study quality estimates.
- Execution of the Connection Agreement by mid August 2010.

All the items above are subject to the appropriate agreements that RES Canada and Hydro One will need to enter into and the associated terms and conditions. If the above conditions and/or assumptions cannot be met the backfeed date may be at risk.

Hydro One will work with RES Canada towards achieving the requested target backfeed date and will continue to explore the opportunities for improving upon the milestone dates throughout the remaining phases of the of the connection process.

Yours truly,

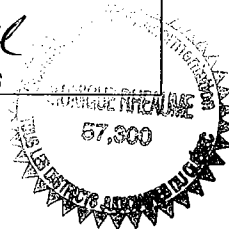
ORIGINAL SIGNED BY BING YOUNG

Bing Young
Director - System Development

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MARCH, 2010.

Monique Fleaume

A COMMISSIONER FOR TAKING AFFIDAVITS



CONFIDENTIAL DOCUMENT
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**ORIGINAL HAS BEEN FILED IN CONFIDENCE PURSUANT TO RULE 10 OF THE
ONTARIO ENERGY BOARD'S RULES OF PRACTICE AND PROCEDURE**

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MARCH, 2010.

Monique Rhéaume

A COMMISSIONER FOR TAKING AFFIDAVITS



O'Reilly, Karen

From: john.sabiston@HydroOne.com
Sent: Monday, March 01, 2010 1:29 PM
To: Nicolas Muszynski; David.Janigan@kruger.com; berk.gursoy@brookfieldpower.com; jmurphy2@invenenergyllc.com
Cc: witold.kellermann@HydroOne.com; michael.lesychyn@hydroone.com; joe.taylor@HydroOne.com
Subject: RES III Projects and Fault Current Mitigation measure for Windsor Walker TS#1

Gentlemen

Hydro One Networks Inc (Hydro One) is in the process of finalizing a Customer Impact Assessment (CIA) for Kruger Energy Chatham Wind Farm (101.2 MW), Invenenergy Raleigh Wind Energy Centre (78 MW), Renewable Energy Systems Canada Talbot Wind Farm (99 MW) and Gosfield Wind Project (50.6 MW) (the "Proponents") which are all located in the municipality of Chatham-Kent-Essex. The draft CIA dated October 12, 2009 and the engineering analysis currently underway by Hydro One to finalize the CIA indicates that the connection of the Proponents results in the fault levels at Windsor Walker TS #1 exceeding the applicable limit in Appendix 2 of the Transmission System Code (the " Code ").

In accordance with 6.1.2 and 6.4.4 of the Code, Hydro One is required to ensure that new or modified connections to its transmission system are constructed with such mitigation measures as may be required so that no new fault levels exceed the limit set out in Appendix 2 of the Code. To reduce the fault levels at Windsor Walker TS #1, Hydro One will install a suitable mitigation measure which is currently under development.

As the mitigation measure is triggered collectively by the Proponents, the Proponents will be responsible for sharing the engineering and installation cost of the mitigation measure at Windsor Walker TS #1. The cost will be shared in proportion to the Proponents' respective rated MW capacity. The cost and payment details will be included in each proponent's CCRA that is to be executed for the connection to Hydro One's Transmission System and completed in accordance with the Code.

Future customers that benefit from the mitigation measure and connect within 5 years of the in-service date of the mitigation measure will be required to pay a share of the cost in proportion to their respective rated capacities. Such payments will be applied as refunds to earlier connecting customers.

If you have any questions or require clarification on this matter, please do not hesitate to contact me.

Sincerely

John Sabiston
Manager
Transmission Planning
(416)345-5390

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