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July 16, 2010

Ontario Energy Board  
Kirstin Walli, Board Secretary  
P.O. Box 2319  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1 E4

Dear Kirstin:

**Re: Essex Powerlines Corporation 500 kW & 250kW Solar Generation Projects**

Pursuant to section 80 of the *Ontario Energy Board Act, 1998*, please find enclosed a notice in respect of the above-stated generation projects.

Essex Powerlines Corporation (Essex) has entered into contracts pursuant to the Ontario Power Authority's Feed-In Tariff ("FIT") Program. Essex proposes to construct and operate two (2) roof-mounted solar renewable energy generation facilities with a capacity of 500kW and 250 kW ("the Solar Projects"). The Solar Projects will sit on the roof-top of Municipal-owned recreational complexes and will connect to the distribution grid. Essex is the signatory to the FIT Contracts and will own the Solar Projects.

The Applicant respectfully submits that a review of the section 80 notice for these projects is not necessary but Essex is advising the Board of its intentions. In keeping with the fundamental principles of the *Green Energy Act, 2009*, the Applicant is pursuing the development of renewable energy supply. The Solar Projects have been selected by way of a competitive process with the OPA and has successfully been awarded Feed-in Tariff contracts. In granting such contracts, the OPA has conducted a thorough review of the proposed project including its ability to connect to the distribution system. (the Tecumseh project has received approval by the OPA (Schedule 2) and the LaSalle OPA approval is expected imminently) The Solar Projects represent the first generation projects owned by the Applicant as a local distribution company and do not represent a material increase in generation capacity for the province. Therefore, it is not necessary for the Board to proceed with a review pursuant to section 82 (b). As indicated, the Applicant submits that for the reasons stated above, the impact of the project would not adversely affect the development and maintenance of a competitive market.

With reference to the Board issued guidelines G-2009-0300, Regulatory and Accounting Treatments for Distributor-Owned Generation Facilities, Essex will follow these accounting procedures to ensure that information reported for rate setting purposes relates only to the distributor's rate-regulated business and does not include the assets, liabilities, revenues and costs associated with its non-rate regulated activities. No costs for these projects were included in our recently approved 2010 Cost of Service application.

The cost of the projects is \$3.0 million for the Tecumseh project and \$1,7 million for the LaSalle project. The projects will be funded 80% with new debt arrangements. The remaining amount will be funded by internal equity.

In both cases, no distribution system expansion is required for Essex to connect these generators. There are no other FIT generators looking to connect to Essex's system at this time and there is sufficient capacity to connect the Solar Projects.

While the *Ontario Energy Board Act, 1998*, affords the Board 60 days before which it must make a determination as to whether it will review the notice, the Applicant respectfully and urgently requests that the Board make a determination with respect to section 80 review in an expeditious manner. The Applicant has entered into a FIT contract with the OPA and the Applicant is required under the FIT contract to meet certain milestone dates.

Confirmation with respect to whether the Board intends to review the Solar Projects, or in the event that the Board considers a review necessary, an expeditious review, would provide some certainty to the Applicant before it proceeds to purchase equipment, and take the necessary steps to ensure commercial operation before the end of 2010.

Please do not hesitate to contact the writer should you have any questions or concerns.

Yours very truly,

A handwritten signature in black ink, appearing to read "RD Dimmel". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard Dimmel, CMA  
General Manager