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By Electronic Filing and By E-mail

November 12, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli

**Motion by Consumers Council of Canada ("CCC")
in relation to section 26.1 of the *Ontario Energy Board Act, 1998* and
Ontario Regulation 66/10 ("O.Reg.66/10")
Board File No.: EB-2010-0184
Our File No.: 339583-000072**

Further to the Board's Decision and Procedural Order No. 6 dated October 22, 2010, please find enclosed the evidence of Canadian Manufacturers & Exporters ("CME"), namely the Affidavit of Jack Hughes sworn November 12, 2010.

Please contact me if you have any questions or require any additional information.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

PCT/kt
Encl.

c Ministry of the Attorney General
All Intervenors
Paul Clipsham (CME)

OTT014268308\1

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF a motion by the Consumers Council of Canada in relation to section 26.1 of the *Ontario Energy Board Act, 1998*, and Ontario Regulation 66/10.

A F F I D A V I T

I, **JACK HUGHES**, Barrister & Solicitor, of the City of Ottawa, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am an associate with Borden Ladner Gervais LLP in Ottawa ("BLG"), the solicitors for Canadian Manufacturers & Exporters ("CME"), and as such, have personal knowledge of the facts set out in this Affidavit.
2. I was asked by Peter C.P. Thompson, Q.C. to search the Internet for publicly available documents that arguably relate to statements made by Mr. Beale in his Affidavit sworn November 5, 2010, pertaining to the "regulatory scheme" under which the Province of Ontario purports to justify the constitutionality of the assessments that form the subject matter of these proceedings.
3. The documents that I have obtained from Internet sources that arguably have relevance to allegations in Mr. Beale's Affidavit include the following:
 - (a) Attached as **Exhibit "A"** to this my Affidavit are excerpts from Hansard dated June 9 and June 17, 1998 related to the introduction of Bill 35, the *Energy Competition Act, 1998*, including as a schedule thereto the *Ontario Energy Board*

Act, 1998, which comprises one part of the regulatory scheme to which Mr. Beale refers in his Affidavit;

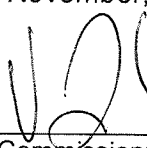
- (b) Attached as **Exhibit “B”** to this my Affidavit are excerpts from Hansard dated June 15, 2004 pertaining to Bill 100, an Act to amend the *Electricity Act, 1998* and the *Ontario Energy Board Act, 1998*, which is another part of the scheme to which Mr. Beale refers in his Affidavit;
- (c) Attached as **Exhibit “C”** to this my Affidavit are excerpts from Hansard dated February 23, 2009 pertaining to the Introduction of Bill 150, the *Green Energy and Green Economy Act, 2009*, which is another part of the scheme Mr. Beale alleges in his Affidavit;
- (d) Attached as **Exhibits “D”, “E”, “F” and “G”**, respectively, to this my Affidavit are excerpts from the Ontario Energy Board’s Retail Settlement Code, Transmission System Code, Distribution System Code and the Independent Electricity System Operator (“IESO”) Market Rules being other parts of the scheme Mr. Beale describes in his Affidavit;
- (e) Attached as **Exhibits “H”, “I” and “J”**, respectively, to this my Affidavit are news releases dated April 27, 2007, May 22, 2009, 2:15 p.m. and May 22, 2009, 2:34 p.m. pertaining to the Home Energy Savings Program (“HESP”) indicating that monies being provided under the Programs are incentives funded by Ontario taxpayers, and not costs associated with any particular regulatory scheme;
- (f) Attached as **Exhibit “K”** to this my Affidavit is an excerpt from Hansard dated April 22, 2009, in which the funds provided under the HESP are characterized as “an important financial contribution being made by Canadian taxpayers and

Ontario taxpayers to incent Ontario families into pursuing energy conservation policies.”;

- (g) Attached as **Exhibits “L” and “M”**, respectively, to this my Affidavit are excerpts from the 2007 Ontario Budget confirming the Government’s investment of \$24M to provide Ontario homeowners with rebates of up to \$150 for home energy audits, and excerpts from the 2009 Ontario Budget indicating the use of taxpayer funds to increase funding for audits and retrofits under the HESP;
- (h) Attached as **Exhibits “N”, “O”, “P” and “Q”**, respectively, to this my Affidavit are Ministry of Energy Spending Estimates for the periods 2007-08, 2008-09, 2009-10 and 2010-11;
- (i) Attached as **Exhibits “R”, “S” and “T”**, respectively, to this my Affidavit are excerpts from Ontario’s Climate Change Action Plans for the years ending August 2007, August 2008 and August 2009;
- (j) Attached as **Exhibit “U”** to this my Affidavit is an undated document containing Frequently Asked Questions (“FAQs”) pertaining to the HESP program;
- (k) Attached as **Exhibit “V”** to this my Affidavit is an undated document containing FAQs pertaining to the Ontario Solar Thermal Heating Incentive Program (“OSTHI”);
- (l) Attached as **Exhibit “W”** to this my Affidavit is a publication from the C.D. Howe Institute dated April 22, 2010 entitled “Ontario’s Green Energy “Fee”; the Trouble with Taxation through Regulation”;

- (m) Attached as **Exhibit "X"** to this my Affidavit are excerpts from Hansard dated November 1 and 2, 2010; and
- (n) Attached as **Exhibits "Y"** and **"Z"** to this my Affidavit are a Press Release dated July 15, 2009 pertaining to the Electric Vehicle Incentive Program ("EVIP") and a document dated July 2010 describing that Program.

SWORN BEFORE ME at the City of Ottawa,)
in the Province of Ontario, this 12 day)
of November, 2010.)

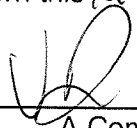


A Commissioner etc.



JACK HUGHES

This is **Exhibit "A"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, consisting of a stylized 'J' followed by a loop and a long horizontal stroke.

A Commissioner, etc.

June 9, 1998

INTRODUCTION OF BILLS

ENERGY COMPETITION ACT, 1998 / LOI DE 1998 SUR LA CONCURRENCE DANS LE SECTEUR DE L'ÉNERGIE

Mr Wilson moved first reading of the following bill:

Bill 35, An Act to create jobs and protect consumers by promoting low-cost energy through competition, to protect the environment, to provide for pensions and to make related amendments to certain Acts / Projet de loi 35, Loi visant à créer des emplois et à protéger les consommateurs en favorisant le bas prix de l'énergie au moyen de la concurrence, protégeant l'environnement, traitant de pensions et apportant des modifications connexes à certaines lois.

The Speaker (Hon Chris Stockwell): Is it the pleasure of the House that the motion carry? Carried.

Hon Jim Wilson (Minister of Energy, Science and Technology): By introducing the Energy Competition Act, the Ontario government is moving to keep its promise to ensure a reliable, affordable and safe supply of electricity while increasing opportunities for investment and job creation.

The intent of these proposed reforms is to boost the economy by encouraging jobs and investment while fulfilling the white paper commitment to maintain and enforce the province's standards for environmental protection, including existing limits on emissions.

Subject to the approval by the Legislature, electricity customers stand to benefit most from a competitive electricity market with greater choice and the lowest possible prices.

June 17, 1998

ORDERS OF THE DAY

ENERGY COMPETITION ACT, 1998 / LOI DE 1998 SUR LA CONCURRENCE DANS LE SECTEUR DE L'ÉNERGIE

Mr Wilson moved second reading of the following bill:

Bill 35, An Act to create jobs and protect consumers by promoting low-cost energy through competition, to protect the environment, to provide for pensions and to make

related amendments to certain Acts / Projet de loi 35, Loi visant à créer des emplois et à protéger les consommateurs en favorisant le bas prix de l'énergie au moyen de la concurrence, protégeant l'environnement, traitant de pensions et apportant des modifications connexes à certaines lois.

Hon Jim Wilson (Minister of Energy, Science and Technology): I'd like to say in the beginning, Mr Speaker, that I'll be sharing my time with the member for Huron and the member for Northumberland this afternoon.

It's an historic time in the province of Ontario as this government moves to open up our electricity industry to competition. We are in many ways leading North America and the world with the Energy Competition Act, the bill that's the subject of our discussion here today for second reading. But we're also following many other jurisdictions in the world - Australia, New Zealand, Britain, California, with President Clinton's pronouncement just over two months ago that all of the United States will be embracing competition in their electricity sector. This has come about because of Sir Adam Beck's and the former Conservative Premier James Whitney's vision for Ontario Hydro. This vision has essentially been completed and it's time to open a new chapter in the history of our electricity industry, and indeed of our industrial policy, in Ontario because so much of what we do, obviously, in terms of attracting jobs depends on our competitiveness, and subsequently the backbone of competitiveness is affordable and fair energy prices for our businesses and residential consumers.

We should remember that at the turn of the century electricity was still one of the modern miracles of science. I just want to paraphrase for a few minutes from Mr Ron Daniels, the dean of medicine and chair of our Market Design Committee, who spoke to the Toronto board of trade just this morning. He reminded us that at a time when most people obtained their heat by burning wood and their light by burning candles, electricity was a novel technology, a miracle fuel that you could not see, hear, touch or smell. Yet at the flick of a switch it was suddenly there ready to turn motors, light streets, power railcars and do a thousand other useful jobs.

Today, after nearly a century, we all take electricity pretty much for granted and we've come to depend on it a lot more than we realize, at least until a major ice storm - as we saw, Mr Speaker, in your part of the province earlier this year - or a fallen tree knocks out the system for a few hours and reminds us just how vulnerable we are when the lights go off.

In 1906, public power won the day when the Conservatives under James Whitney created the Hydro-Electric Power Commission of Ontario and named Adam Beck as its first chairman. In the beginning, the corporation bought electricity from the private sector and transmitted it to communities throughout southern Ontario. It wasn't long before demand was such that the utility began building and operating its own generating facilities.

Over the past 92 years Ontario Hydro became one of the world's largest electricity monopolies; indeed one of the largest electricity generators in all of North America and

the world. It was designed to provide power in the most cost-effective way possible and to accomplish public policy objectives such as industrial development and rural electrification. I think all members would agree that for most of that 92 years, Ontario Hydro served the people of Ontario very well. During much of that time, if we had simply left it up to market forces, perhaps rural Ontario would not have been electrified as quickly as it was. In the western industrialized world many parts of Ontario were the first to receive electricity in their rural areas, well ahead of other jurisdictions. For that we are grateful to Ontario Hydro and we're grateful to the vision of our forefathers, who set out a very good plan. There aren't too many plans that last about a century, and clearly the original plan for Ontario Hydro lasted almost that long.

As Ron Daniels reminded the board of trade this morning, that vision has been realized, and in the last 10 years the performance at Ontario Hydro has not been what a prudent shareholder would expect. The shareholder is the people of Ontario, as represented by the minister, and people are demanding greater choice and greater accountability. By Hydro's own admission, we've seen that mistakes have been made. We've seen a large debt piled up.

But I remind people that the people who were there during the dark days of Ontario Hydro decision-making are not the same people who are there today. This government has put in place a new senior management, a new board in particular which has put in place a senior management team. That board is quite ably chaired by Mr Bill Farlinger who, yes, is a friend of the government, but he is also very much a friend of the people of Ontario in that he brings to the job a lifetime of corporate advice, corporate experience, to ensure that the proper decisions are taken in these very difficult times for Ontario Hydro and that the company is brought through with a clear vision of what its future is. I want to talk at the end about what that vision is, because it's a very exciting vision, for not only the shareholders but of course the employees and management at Ontario Hydro.

Also, Mr Ron Osborne, who joined Ontario Hydro just a few months ago, coming from Bell Canada and Maclean Hunter before that, brings a lifetime of tremendous experience too. New board members whom we've put in place I think in the last couple of years have admitted the mistakes of the corporation and have been setting out various plans, like the nuclear asset optimization plan, to ensure that we move forward to bring our nuclear assets back up to world excellence and put behind us the days of minimally acceptable performance by parts of that corporation. Those days are behind us.

Hydro is extremely important; there's no doubt of that. Our hydro rates have gone up since 1986 about 52% to 56%, on average about 54%. In the last five years alone hydro rates have gone up 30%. When we attracted the industrial jobs in the 1950s, 1960s and 1970s in this province, Ontario had the lowest electricity rates in Canada. We now have the third-highest, just behind Nova Scotia and Prince Edward Island. That is a shame.

The bill before us today, the Energy Competition Act, sets out a framework for us to introduce competition and to give the best guarantee we can to the ratepayers of the lowest possible prices.

We've seen in the jurisdictions I mentioned earlier - Argentina, Australia, New Zealand, California, other states, and Britain - that prices have gone down with the introduction of competition anywhere between 8% and 40%.

We've seen over the last decade, with the introduction of competition in the natural gas sector in Ontario, that not only did it bring greater consumer choice but prices have gone down at least 30% and for some large customers 40%, and that's net of inflation. We should have seen prices go up a bit each year, even though inflation's been fairly low, but indeed we've seen prices go the other way.

The benefits, as Mr Daniels points out in his remarks - I'll just say that I think he's done a good job of putting together the following statement: "The day of the monopoly is over, for the evidence is that electricity restructuring offers several specific gains, including fairer prices that are determined on a competitive basis in a market that's open to many different buyers and sellers."

It's a dramatic change for the province, because we're moving from providing electricity at cost, where the cost determines prices - and that means Hydro could make whatever decisions it wanted and had a free-for-all, nothing binding on it in terms of prices. It could have a review of its rates before the Ontario Energy Board, but in recent years more often than not Hydro ignored the outcome of those hearings and went ahead and set its own rates anyway, unlike gas, where the energy board does set the rates consumers pay.

We saw that costs were determined and rates went up according to the costs. We now move to a system where price will determine cost, which we know is how all our other commodities are bought and sold in this province. People are probably very unfamiliar with cost determining price, because in our daily lives when we go to the store or otherwise, most of the products we buy or services we purchase have as their fundamental formula that costs will be determined by the price the market will bear.

That will be a big plus as we remove the government's debt guarantee and Hydro has to act on a more businesslike basis and be more prudent in its judgements. It's already doing that under the new leadership of the last couple of years, under Mr Farlinger's leadership.

Mr Daniels also points out that there will be greater choice and greater clout for electricity consumers and the potential for system-wide improvements in safety, reliability and environmental protection.

Think of this dramatic change for the province too: We're going from a system where the company chose its customers to a system where customers choose their electrical supply company, something we take for granted in other goods and services. We choose the products, we choose what companies we want to have provide services to us, but for 92 years the people of Ontario have never had that choice. Even though the private sector and environmental groups and indeed the unions have been asking for a breakup of this monopoly for many years, no other government had the gumption to do it.

As Ron Daniels reminded the board of trade, there have been 16 reports, royal commissions, select committees and legislative hearings that have all focused over the last three decades on Ontario Hydro; no fewer than 16 of these. The last one, upon whose advice we acted, was chaired by the Honourable Donald Macdonald in 1996 and it was the Advisory Committee on Competition in Ontario's Electricity System. It formed the basis of the government's white paper that I introduced on November 6 last year, and it forms the basis of the new competitive model that we have before the House today.

We will also see with the introduction of competition a more efficient distribution of electricity, a more businesslike approach to system planning and investment, a better overall balance between supply and demand and, finally, as Dean Daniels points out, improvements to the overall financial health of the system, since the risks and costs of the system will be spread out among new players, including private companies and their shareholders, rather than just ratepayers and taxpayers.

One of the reasons we know we'll have lower costs, particularly in Toronto, is that there are tremendous savings to be made immediately on the distribution side. I'm going to outline just briefly in the time I have where the savings could come from with the introduction of competition.

In the generation sector, and about 70% of the wholesale price of electricity today is the generation side, we know from the unions themselves and the new management at Hydro that there are tremendous efficiencies to be found there, but those efficiencies will only come if Hydro is forced to sharpen its pencil by having to compete with others for generation.

We know on the distribution side, which is the local wires, that there are tremendous savings to be had there. In Toronto, the new Toronto Hydro Commission is admitting that they may be able to pass off savings in the near future in the 20% range on the distribution portion of the bill. If you look at our distribution sectors, which are themselves local monopolies run by our municipal electrical utilities - we give credit to Hazel McCallion in Mississauga again. You have distribution costs there of 8%. In Toronto, in the old Toronto Hydro and now the amalgamated six MEUs that have come together to create the new Toronto Hydro, distribution costs are in the 25% range - totally unacceptable. Some of that is not management's fault, some of that is congestion problems in the city, but by their own admission last week, we should see rates fall in Toronto to at least come in line with those rates enjoyed by areas in the GTA. So there are savings there. If this bill hadn't been introduced, I don't think we would have seen the impetus for those companies. Those monopolies now will all be commercialized just like Ontario Hydro, and they'll have to act like businesses and pass those savings on to their customers.

Finally, in the area of stranded debt, as members know, the Ministry of Finance, following on the work by Dr Bryne Purchase, the former chief economist of the province,

will be issuing an options paper at the end of this month or the first part of July further enlightening all of us on how we're going to deal with the issue of stranded debt. We're receiving lots of advice out there.

Mr Bud Wildman (Algoma): How large is the stranded debt?

Hon Mr Wilson: "How large is the stranded debt?" is a very good question. There are three different expert accounting teams that are in Ontario Hydro now, along with the Ministry of Finance, all trying to figure out where those cobwebs are and all trying to find every penny of debt. It's an examination of conscience for some, I would say, and it's an examination of the books for others, as they go through Ontario Hydro, line by line, department by department. We will have a full airing, as we have had. I think one of the reasons we have had all-party consensus on the approach to this legislation is that I and my colleagues have all been very open and honest about this entire process, and we certainly will have a full airing with respect to the stranded debt.

But I don't like the word "new." I hear members opposite on talk shows, and others, talking about new charges. There's nothing new in this. I said to a panel of political experts on Studio 2 the other day, as they went on about new charges and new debt, "There's nothing new." The ratepayers in this province have always been on the hook for the decommissioning costs. They've always been on the hook for any debt that Hydro incurs, because every penny of it has been guaranteed, and that guarantee will be removed over the next couple of years. Hydro will have to act like a business and make decisions like a business. If they don't, we'll make sure there's a board in there that does, although we have great confidence in this particular board and the direction they've been steering Hydro in as it prepares for open competition.

There's nothing new. There's not a thing in this bill that would cause new financial pressures. It's all designed - all of the payments in lieu, the payments in lieu of corporate taxes that Hydro's been exempt from over the years. Its successor companies will pay money, not into the consolidated revenue fund, but money and charges that are in the system now will go towards paying down, will go into the financial holding company called the Ontario Hydro Financial Corp, or Holdco, and all that money will go towards paying down the stranded debt. That is a tremendous positive whatever way you slice it.

We will ensure and the Ontario Energy Board will ensure that the savings from lower debt interest costs and lower debt servicing costs will be passed on to consumers. We can see that prices over time should fall as a result of getting the burden off people's electricity bill, because 30% of their bill today at their house and their business is simply debt servicing charges.

It has always been serviced. As I said, Hydro's never missed a bond payment. There's \$32 billion worth of bonds out there. They've never missed a payment and they've never missed a payment in any of their operations. So for someone to say that there are new charges or for the Municipal Electric Association to say rates are going to go up X per

cent, they simply aren't making the case to back up those statements, and when asked to present that case they simply haven't been able to do so over the past several months.

For the most part, though, I'd like to thank the local utilities. They're going through a significant change, just like Ontario Hydro; the monopoly parts of their business will be separated as Hydro's will. I want to thank the environmental groups and then I'll thank the unions in a minute. Many of the environmental groups in the province, Energy Probe and others, have been extremely supportive of this legislation.

To think that those great inventors over the years who came up with ways to generate electricity through biomass or through solar power or wind power - it was illegal for them to sell that to willing customers, because Ontario Hydro and the local distribution companies, the local municipal electric utilities, had a monopoly on the wires. Yet we all paid for those wires, and there's a lot of consumers out there that want green power.

They want power, and they're probably willing to pay a cent or two per kilowatt-hour for power that comes from sources other than the fossil fuel sources, which we know create a great many emissions into our air that aren't good for us. Even though Hydro has met all its statutory and voluntary emissions standards, which are the toughest in the world - and they deserve full credit for that - it still would be nice to see a healthy green power, an environmentally friendly industry, be encouraged in this province. This legislation allows that to happen, because people that generate green power will be able to get their power now to their willing customers.

Second, I want to thank the unions as I wind up. We've had tremendous response from John Murphy and the Power Workers' Union. He has taken a very responsible approach. I think that the Power Workers' Union realizes, as much as anyone, that the days of a big monopoly functioning relatively inefficiently are over. They know prices are high. They know that all our jobs in Ontario depend on what we do through this legislation in getting prices down, that future jobs in the province depend very much on this legislation. The Power Workers' Union themselves, not the government, have been taking out newspaper ads and running media spots about private-public partnerships.

We have at least one party in this House that always dismissed partnerships with the private sector. It's the big evil. We saw it again in question period today. Yet we have a very responsible union out there which represents people in well-paying jobs, Ontario Hydro jobs, which says that, "No we can't keep going back to the taxpayers through the debt guarantee for more and more money to pump into this monopoly," that we should get business-like, and that the way to get business-like is to have the discipline of the market through a competitive structure.

They fully embraced where we're going and we thank them for that. I thank them for that involvement. In fact, that union is such a pleasure to work with. We've seen recently that the whole nuclear asset optimization plan obviously won't work without the employees' cooperation and embracing of that plan and we've seen flexibility between the union and management being able to move workers from Bruce to Pickering and Darlington, so we

can bring those plants back up to world excellence and then begin to work on bringing back Bruce, depending on market conditions, after the year 2000.

1530

I'll wind up just by talking about the new vision for Ontario Hydro, because there's a lot of doom and gloom out there when you talk about this industry. I pointed out earlier that it served us very well for 92 years and that it indeed has a very bright future. Clearly Ontario Hydro has admitted, because it holds such a large part of the generating market - almost 95% of the generation in the province is done by that monopoly right now - it will have to give up market share in order to address the issue of market power. In other words, it will have to give up part of the market so that new generators can come in on a level playing field and compete with it.

What is Hydro doing? It's aggressively looking to the northeast United States. With restructuring introducing competition in the US market, you'll see probably over the next 10 years amalgamations of many of the generating companies. In fact, you almost see it daily when you read in the financial press in North America of the deals that are being worked out between different companies. It's expected that about 10 years from now, over the next decade, there will be 15 or 16 major generators in the US and in North America. Ontario Hydro wants to be one of those major players.

As a shareholder in Ontario Hydro, we don't talk about privatization because, first of all, that company needs a number of years, and the successor companies will need a number of years, to get their value back up, to enhance their value. Ontario Hydro is a badly devalued and demoralized entity right now. We do not want a fire sale so we are not talking about privatization. We are talking about introducing competition and commercializing, making sure that the new successor companies have to, by law, act in a prudent manner and in a business-like manner.

But one of the reasons we're not talking about privatization is my dream for Ontario Hydro is that, once again, it will begin to return a healthy profit back to the shareholder - and the shareholder is the people of Ontario - and that money in the future could be used to either lower electricity rates again or, once the debt is paid off, clearly that's money that could go into general revenues that can support health care and education and other priorities that the government of the day might have. That's one vision of where the money should go once Ontario Hydro is again a major player in the North American market.

However, people should not underestimate Ontario Hydro's ability to be a major player in North America. They clearly have a plan that they're putting in place and they're sharing with their employees that, as they give up market share in Ontario, they will capture new markets, beginning in the northeastern United States. It's very possible beginning almost immediately, because Hydro's price vis-à-vis the northeast United States is a very competitive price for electricity.

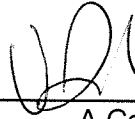
We're not competitive vis-à-vis Quebec right now where there's about a 30% advantage because they have the natural advantage of hydroelectric power and we have mostly nuclear power. On a good day 50% to 70% of the power is provided by nuclear power. It's great power and it's environmentally quite clean with respect to emissions, but it's expensive to get on line and to maintain. But once it gets going, nuclear power provides us with a clean, efficient and safe form of electricity.

When the plants are running well, and they will be again, Ontario Hydro will be very competitive in the US market, so that's where they're headed. They're going to need all their employees, and I bet in the future they're going to need more employees. In fact, they're starting to hire back former employees right now to bring them back up to world excellence in the nuclear division.

I don't think we're going to see the big layoffs the NDP were talking about on a talk show recently. Clearly they're going to have to sharpen their pencils, clearly they're going to have to become more efficient, but at the end of the day North America is their market and they will always have a mandate to serve the people of Ontario first. But if successful in the North American market, not only will it help to eliminate past debts and mistakes, it will return, we hope, very healthy profits back to the people of Ontario who after a few years of not seeing a return from Ontario Hydro probably deserve to see their investment improve and get a dollar return back on that.

I will yield the floor now to my colleagues. I want to thank members of this House, though, from all sides for supporting the bill on first reading. We ask for your support on second reading today and tomorrow and we look forward to committee hearings for a couple of weeks in August. I thank all members for their cooperation and for sharing in our new vision for a competitive energy market in this province.

This is **Exhibit "B"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

No. 62A



N° 62A

ISSN 1180-2987

**Legislative Assembly
of Ontario**

First Session, 38th Parliament

**Assemblée législative
de l'Ontario**

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Tuesday 15 June 2004

Mardi 15 juin 2004

Speaker
Honourable Alvin Curling

Président
L'honorable Alvin Curling

Clerk
Claude L. DesRosiers

Greffier
Claude L. DesRosiers

The Speaker: All those against, please rise and be recognized by the Clerk.

Nays

| | | |
|------------------|---------------------|---------------------|
| Arnott, Ted | Hudak, Tim | Prue, Michael |
| Baird, John R. | Jackson, Cameron | Runciman, Robert W. |
| Barrett, Toby | Klees, Frank | Scott, Laurie |
| Bisson, Gilles | Kormos, Peter | Sterling, Norman W. |
| Churley, Marilyn | Marchese, Rosario | Wilson, Jim |
| Dunlop, Garfield | Miller, Norm | Witmer, Elizabeth |
| Hampton, Howard | Murdoch, Bill | Yakabuski, John |
| Hardeman, Ernie | O'Toole, John | |
| Horwath, Andrea | Ouellette, Jerry J. | |

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 56; the nays are 25.

The Speaker: I declare the motion carried.

STATEMENTS BY THE MINISTRY AND RESPONSES

ELECTRICITY RESTRUCTURING

Hon Dwight Duncan (Minister of Energy, Government House Leader): For the past 10 years, the people of this province have witnessed our electricity system decline from being the envy of the world to a point where if we don't act quickly and prudently, we will find ourselves in very serious trouble. With this legislation, we begin to unravel the mess that was left by the previous government, as witnessed in Bill 35. Of Ontario's present generation capacity of 30,000 megawatts, almost 18,000 megawatts are due for retirement or refurbishment by 2020. During that period, peak demand is expected to grow by 400 megawatts per year. We find ourselves in this situation because previous governments failed to act prudently, failed to act responsibly and sometimes just failed to act.

From its first days in office, the McGuinty government has made energy issues a top priority and has moved boldly to bring positive change where it was desperately needed, but we have much to do to secure our energy future. This we know for certain: All else remaining constant, if Ontario's electricity system were left to continue on the course it has followed, it would cease to serve us, cease to power our economy and cease to be the great enabler it has been for more than a century.

Interjections.

The Speaker (Hon Alvin Curling): Order. Member for Nepean-Carleton, I'd like you to be quiet so I can hear the minister.

Hon Mr Duncan: Therefore, it gives me great pride to stand in the House today to introduce the proposed Electricity Restructuring Act for consideration by this assembly. Through this legislation, we are charting new ground in the history of Ontario's electricity sector. We are putting Ontario back on a solid footing by taking a balanced approach that addresses the critical need for new supply, increased conservation, consumers' desire

for price stability, the importance of public leadership and the need for private investment.

Our plan includes a strong public leadership role, clear accountabilities and a coordinated planning approach to address the growing gap between electricity supply and demand, in order to keep the lights on now and far into the future. Beyond all else, our proposed legislation will create stability in a sector that has been rocked far too often. It would reorganize the institutional structure in a way that will best suit the people of Ontario over the long term.

Under our proposed legislation, the Ontario government would continue to set targets for conservation and electricity from renewable sources and set guidelines for diversity of supply. However, responsibility for ensuring long-term supply adequacy, a mandate that no existing institution in Ontario's electricity sector now carries, would belong to a new institution, the Ontario Power Authority. It will ensure that never again will we find ourselves in the predicament we're in today.

The power authority would assess adequacy and reliability of electricity resources and forecast future demand. It would also prepare an integrated system plan for generation, transmission and conservation, to be reviewed by the Ontario Energy Board. In addition to its planning functions, the power authority would have the power to procure new supply and demand management initiatives, either by competition or by contract. When necessary, it would use a competitive and transparent procurement process which would foster innovative and creative approaches to meeting our supply needs.

It's crucial that private investors be allowed to enter Ontario and support the construction of the thousands of megawatts of electricity that we need to build over the next 15 years. We must send a clear and unambiguous message that Ontario's electricity sector is a great place in which to invest.

Having a fully functioning electricity sector is not only about generating raw power. To that end, the power authority would establish a conservation bureau, headed by a chief energy conservation officer, to provide leadership in planning and coordination of electricity conservation and demand management measures that will help consumers save energy and money. This would be the first time for this type of initiative in Ontario. The conservation bureau would help us build a true conservation culture, which, as the Premier has clearly stated, must be a cornerstone of Ontario's long-term energy future.

Under the proposed legislation, the wholesale electricity market would continue to operate but there would be several changes in the oversight mechanisms. The Independent Electricity Market Operator, or IMO, would be renamed the Independent Electricity System Operator, or IESO. It would continue to operate the wholesale market and be responsible for the operation and reliability of the power system. Responsibility for the market surveillance panel would be transferred from the IMO to the Ontario Energy Board. The Ontario Energy Board already has oversight powers to guard against abuse of

market power. The transfer of the market surveillance panel to the board is consistent with the board's consumer protection responsibilities and will consolidate and strengthen this mandate.

Under the proposed legislation, the Ontario Energy Board would continue to have a strong role in protecting consumers through licensing and rate regulation, and would ensure economic efficiency, cost-effectiveness and financial viability of the elements of Ontario's electricity system.

With regard to electricity rates, the board would approve an annual rate plan for low-volume and other small consumers, who would pay a blended price based on regulated, contract and forecasted competitive prices. This would ensure that prices to consumers are fair, stable and predictable and that those who use power will pay its true price.

Under the proposed legislation, consumers who do not wish to participate in the regulated rate plan would have other options, such as purchasing their electricity from energy retailers.

Medium and large businesses would continue to have the flexibility to pay the market price for electricity, or could use energy retailers or financial hedging instruments to manage energy costs.

There is no doubt that this legislation is very complex. In addition, there are many technical regulations that will need careful and thorough attention because they will have far-reaching implications for our citizens and our economy.

Accordingly, this bill will be subject to extensive consultation and input over the summer in order to ensure we get it right, and to ensure that changes are made in the best interests of Ontarians.

We know we will need the ongoing benefit of the ideas, expertise and dedication of those in the electricity sector to meet the challenges that face us. We also invite all citizens to bring us their ideas and concerns at those hearings.

If we work together, we can build an Ontario that has an electricity supply that is the envy of our competitors and a magnet for investors. If we work together, we can make up for over a decade lost in Ontario's electricity sector and ensure Ontario's prosperity for decades to come.

The proposed legislation is a start. By ensuring a reliable, sustainable and diverse supply of power at stable, competitive prices, and creating a conservation culture, we are delivering the real, positive change that Ontarians need and deserve.

The Speaker: Responses?

Mr John O'Toole (Durham): I want to first say that I attended the minister's announcement just a short time ago in the press gallery, and it really is important that I stand here today and recognize former ministers John Baird and Jim Wilson.

There's absolutely nothing new in this bill. In fact, it's a reannouncement of what I heard on April 15 at the Empire Club. Really, the only things you've added here

are two new layers of bureaucracy, and how you're going to pay for that on top of that is going to be in the bill. At the end of the day, this is about raising the cost of electricity.

The new power authority you've announced replaces the IMO, which has been doing the planning and implementation. No one here on this side would disagree with the conservation authority you're announcing. The only issue is, you've cancelled the tax credits in your last budget that we had already implemented on energy-efficient appliances.

Minister, you've got to know that you're running out of time. The clock is ticking. While you're eliminating 25% of the generating capacity, what is the cost to the taxpayers of Ontario? Ultimately, all of this is going to show up in your bill at your house.

The consumers of Ontario should be put on notice today by you and this government that you have no intention of keeping any promises. This is yet another broken promise, because you are raising electricity prices.

Look at the objectives of our government. No one would disagree with sustainability, increased conservation and engaging the private sector; they're all laudable. In fact, we support those initiatives. But there's a gaping hole in the generation part of the equation. You know that. In three years, this province could be plunged into darkness because of your inaction. You've created more bureaucracy and not one new kilowatt of power.

Minister, you should know that your false commitment to shut down the five coal plants, which are laudable objectives, was hasty and reckless. You simply can't remove 7,500 megawatts of generating capacity out of the system with no plan. How long is it going to take you to replace that lost generation capacity? The people of Ontario should be concerned, because at the end of the day, you, the consumer of Ontario—that's you and I—are going to pay the price.

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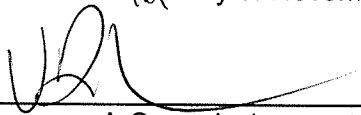
The minister isn't being truthful. In fact, I wonder if his own caucus is aware of the great risk. There has been much study done on this. Our previous minister, John Baird, set up the generation-conservation-supply task force, an excellent report. There is the Manley report, the Epp report; you can go back to the Macdonald report. We've studied.

Over the summer, I'm going to be watching and I'm going to be encouraging the consumers of Ontario—the small businesses, the dairy farmers who know their price for electricity is going to double. That's the warning shot that's been made here today.

Minister, you really have no plan except to create more bureaucracy and increase the price. Of course you can create more supply, but the issue remains, at what price? You think you can provide natural gas as a short-term solution, but with all the information I've heard on the supply of natural gas or liquefied natural gas, the question remains for all the experts, at what price?

Be straight with the people of Ontario and tell them your bill today really isn't the restructuring of electricity,

This is **Exhibit "C"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, consisting of a stylized 'J' followed by a series of loops and a long horizontal stroke extending to the right.

A Commissioner, etc.



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**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Monday 23 February 2009

Lundi 23 février 2009

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

Clerk
Deborah Deller

Greffière
Deborah Deller

RENEWABLE ENERGY

Mr. Lorenzo Berardinetti: It's with great pleasure that I rise and remind members about the McGuinty government's commitment to creating a cleaner, greener and healthier Ontario. We all recognize the need to reduce our dependence on fossil fuels and increase the province's sources of renewable energy to help clean our air, combat climate change and stimulate Ontario's economy.

After eight years of increased reliance on coal and no long-term energy plan under the previous government, the McGuinty Liberals have been moving forward with the most ambitious climate change initiative in North America: the elimination of coal.

We have already cut our coal generation by one third, and by 2011 it will be cut by two thirds. We're also supporting renewable energy projects, from wind and water to bioenergy and solar. We're increasing capacity at the Sir Adam Beck generating station, which will produce an additional 1.6 billion kilowatt hours of clean, renewable electricity per year. In 2003, there were only 15 megawatts of wind power in operation in Ontario from 10 wind turbines. Ontario now has 964 megawatts of wind power online from 589 wind turbines.

These investments are examples of the McGuinty government's commitment to Ontario's environment and future generations through renewable energy sources that allow us all to breathe easier.

ENERGY CONSERVATION

Mr. Pat Hoy: Climate change is quickly becoming the central issue of this new century. The McGuinty government understands that energy conservation must involve everyone working together to use less energy, whether it is in our houses, businesses, schools or industrial operations. We also recognize that government has a primary role by making resources available and conservation affordable.

More than 124,000 Ontarians have participated in the Ontario home energy savings program, which provides homeowners with up to \$150 toward the cost of a home energy audit. More than 42,000 Ontarians have completed retrofits and received rebates of up to \$10,000 for retrofits that address the energy issues identified in that audit.

The Ontario solar thermal heating incentive has allocated up to \$14.4 million to assist Ontario institutional, commercial and industrial organizations in advancing solar water and solar air installations.

My colleague Phil McNeely also introduced a private member's bill in this House that would require home energy rating reports. This bill received praise from many organizations, including the Consumers Council of Canada.

These initiatives underscore the McGuinty Liberals' commitment to being a leading jurisdiction in energy conservation. We will continue to work hard for Ontarians to show that it's actually pretty easy to be green.

INTRODUCTION OF BILLS

GREEN ENERGY AND GREEN
ECONOMY ACT, 2009LOI DE 2009 SUR L'ÉNERGIE VERTE
ET L'ÉCONOMIE VERTE

Mr. Smitherman moved first reading of the following bill:

Bill 150, An Act to enact the Green Energy Act, 2009 and to build a green economy, to repeal the Energy Conservation Leadership Act, 2006 and the Energy Efficiency Act and to amend other statutes / *Projet de loi 150, Loi édictant la Loi de 2009 sur l'énergie verte et visant à développer une économie verte, abrogeant la Loi de 2006 sur le leadership en matière de conservation de l'énergie et la Loi sur le rendement énergétique et modifiant d'autres lois.*

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

First reading agreed to.

The Speaker (Hon. Steve Peters): The minister for a short statement.

Hon. George Smitherman: I will make a statement during ministerial statements.

STATEMENTS BY THE MINISTRY
AND RESPONSESRENEWABLE ENERGY
AND ENERGY CONSERVATION

Hon. George Smitherman: It's a pleasure to welcome guests to the Legislature today.

Since 2003, the government of Ontario has been moving forward with the most ambitious climate change initiative in North America: the elimination of coal. Our progress to date, a renaissance of our energy system, reflected by billions in new investments, has been so successful that today Ontario is raising the bar on our collective ambitions.

If the Green Energy and Green Economy Act that has been introduced today is passed, it would make this province North America's green energy leader. The act, which would in turn amend no less than 15 existing statutes, has two equally important thrusts: first, making it easier to bring renewable energy projects to life, and secondly, creating a culture of conservation, one where we go about our daily lives using less energy. These two thrusts combined would support a new green economy for this province and help create sustainable green employment for Ontarians.

1320

Economic modelling predicts that the act would help create more than 50,000 direct and indirect jobs in the next three years: employment in construction, manufac-

turing and assembly, servicing and installation, engineering and trucking; vast job opportunities and more efficient building design and retrofits involving architects, engineers, contractors and installers; work for builders, financiers, electricians and inspectors; and jobs in technology as we build on our smart-metering initiative and move toward a smart grid.

If passed, the act would turbocharge the creation of renewable energy in this province and set the standard for green energy policy across this continent. It would make this province the destination of choice for green power developers and incentive proponents, large and small, to develop projects by offering an attractive price for renewable energy and the certainty that creates an attractive investment climate: certainty that power would be purchased at a fair price; certainty that wherever feasible, the power would be connected to the grid; certainty that government would issue permits in a timely way.

If passed, the act would ensure that new green power doesn't get tripped up in all kinds of red tape, but instead that new renewable generation would be built and flowing into the system faster, complete with service-time guarantees on our processes. And it would enable the government to set reasonable domestic content requirements for renewable power projects to ensure that more dollars are spent right here at home.

Our proposed legislation would create a best-in-class renewable energy feed-in tariff, a feed-in tariff that would offer an attractive price for renewable power, including wind, both onshore and offshore, solar, hydro, biomass, biogas and landfill gas, and would not limit the size of projects; a feed-in tariff that would guarantee that price for the life of the contract. With this single bold move, Ontario would join the ranks of global green power leaders like Denmark, Germany and Spain. We would also adopt a new and very different approach to the development of the grid infrastructure necessary to take the energy to market.

Our green energy experiences over these past several years have told us volumes about where our best renewable opportunities lie. Working proactively with our energy agencies, we would initiate investments in the development of new transmission capacity, and the act would replace the snail's pace with a sense of urgency.

Nowhere would our intentions be clearer than when it comes to streamlining the cumbersome processes that have created a patchwork of municipal bylaws. Like the Smoke-Free Ontario Act that came before it, this act would build on municipal leadership, uploading responsibilities to Queen's Park. The current model, where different municipalities have imposed varying setbacks on wind projects, would be replaced by universal setbacks from adjacent homes and other sensitive areas.

The proposed legislation would coordinate approvals from the Ministries of the Environment and Natural Resources into a streamlined process within a service guarantee. And so long as all necessary documentation is successfully completed, permits would be issued within a six-month service window. My ministry would emerge

with new capabilities and new leadership to support the facilitation of renewable energy projects.

The proposed act contemplates the emergence of thousands of smaller projects, especially in our urban areas. The reliability of our electricity system would be substantially enhanced with distributed generation projects that, for example, transform roofs that currently reflect the sun to rooftops that put it to use, for, while the bill may be called the Green Energy Act, make no mistake that the conservation thrust is just as important. Without a doubt, the least expensive energy to be found is the energy that we do not use in the first place. This legislation and the policies that it engenders seek to create a culture of conservation. We know that Ontarians themselves support this. Their actions speak volumes of their intentions. Recall Earth Hour, when we banded together in respect of our natural environment: one hour's worth of reverence that helps to stimulate awareness and create momentum for the culture of conservation, a culture capable of easing the burden on Mother Earth and our pocketbooks at the same time.

We've seen recent data that shows that people are changing their behaviour. For example, when it comes to changing light bulbs, a recent survey found that 84% of Canadian households have at least one green bulb in their home. We can build on that awareness to make even more impressive inroads.

If passed, the act would amend Ontario's building code, making energy efficiency a central tenet. We'll establish Energy Star as the energy efficiency standard so that household appliances sold in Ontario achieve continued reductions in their energy use, and implement standards for the efficient use of water, as this too has a direct impact on the electricity grid.

Building on the unanimous support offered by members of the Ontario Legislature to the bill introduced by the member for Ottawa-Orléans, my parliamentary assistant Phil McNeely, this proposed legislation would enable us to mandate home energy audits on all homes at the time of sale, and we won't stop there.

We must and we will take even bolder steps to address energy use in our own government operations and those that we fund. We'll establish Leadership in Energy and Environmental Design—LEED—silver as the new standard for the new buildings, and we will work with our broader public sector players like colleges, hospitals, universities and municipalities to develop energy plans to reduce their energy consumption.

In partnership with the private sector, we will invest in making commercial and industrial operations more energy-efficient and more productive at the same time. Because all energy consumers would reap the benefits of an improved energy system, we want to recognize that our investments in certain initiatives and programs that would be made possible by the legislation would be borne through energy rates.

This bill, this Green Energy Act, continues to transform Ontario's electricity generation system into one of the cleanest, greenest energy supply mixes in the world.

Indeed, we've made great strides already, and the Green Energy Act would stimulate an even greater focus in this area. Make no mistake: The things that we want, that all Ontarians want, are a cleaner climate, jobs in the green economy, enhanced productivity, a culture of conservation and a break for Mother Nature.

Thank you very much, Mr. Speaker.

Interruption.

The Speaker (Hon. Steve Peters): I'd just remind our guests: It's a pleasure to have you all here today; you are certainly welcome to observe but not to participate in the democratic process that is unveiling before you.

Responses?

RENEWABLE ENERGY AND ENERGY CONSERVATION

Mr. John Yakabuski: It's my pleasure to respond to the minister. I must commend him on his choice of neckties today. I searched through my closet, but the only green tie I could find was one with shamrocks on it. I just didn't think it would fly.

Anyhow, he did say to me the other day, "You know, Yak, there are things in this bill you're going to like more than others," and he's absolutely right about that.

The environment has no greater friends in this Legislature than the members of the PC Party. I'll give you a couple of examples. Lands for Life, which was brought in by the previous government, was the biggest set-aside of protected lands in the history of this province; also the Smart Growth initiative that the current government borrowed much of when it came out with its current growth plan.

But the act that he is presenting today leaves us with a whole lot more questions than it does answers. The act is vague in many ways, and in the briefing that I had earlier today from ministry staff, they conceded that there are so many things yet to be determined through consultations with the OPA and other groups. As I said, there are so many questions about what this act will actually do. In fact, as the minister showed—he even gave me a CD today—there are no less than 15 statutes and acts that this act being presented today will actually amend here in the province of Ontario. So it's a very broad and far-reaching act, but we're getting very little information about what it will actually directly do.

One of the questions that people ask, and one of the questions I hear when we're out—this has been in the news because the minister has been out on a pre-selling tour this last little while with his supporters about this act. One of the questions we're getting is: "What will it actually mean to the ultimate price of electricity?" One thing about our economy here in the province of Ontario, and indeed the tremendous standard of living that we have enjoyed for decades: It has been built on access to reliable, abundant, affordable electricity. So there are some questions as to what this act will actually mean to the price of electricity. I know the Premier is talking about 50,000 new green jobs as a result of it, and he talks

about some of them being in the manufacturing sector. The manufacturing sector is one of the ones that is most affected by the price of electricity, and indeed the forestry sector as well.

The other group of people who are most affected by the price of electricity, and the minister knows this, are the people who are in the lowest level of incomes. If you're making a six-figure salary, the price of electricity is a relatively small part of your budget. But with the things that you cannot eliminate from your budget, such as food and housing and clothing, if you are a low-income resident of the province of Ontario, that electricity component of the bill is indeed significant, and we need to have some answers as to how this is going to be affected by this initiative.

1330

There's no question that conservation is important. No watt, no kilowatt, no megawatt, should ever be wasted. I can tell the minister, and I've told his predecessor, that several years ago my wife and I, along with our children, embarked on a program to conserve energy in our own home. We reduced our usage in our home by 40%, but over the last few years that has kind of levelled off, so we haven't done much better over the last couple of years. But we did do a pretty darned good job between 2003 and 2005 in making the changes in our home to reduce our usage of electricity. I think that is an important thing, and I think there are some gains to be made out there today in that part of this act.

The conservation part of this act, I think, is a little easier to understand than some of the things such as the feed-in tariffs that the minister is talking about, which indeed will offer incentives to produce new, green, renewable power. I think the people in the province of Ontario have a right to know what those incentives are going to be and how much they're going to be. For example, in the latest RES III buy-ins that you recently awarded 492 megawatts of wind, there has been no release of even the average price that you paid in that, which is unusual, given that those average prices were released on the earlier renewable energy standard offers that were awarded in the province of Ontario. So there are issues to be asked about.

The minister talks about and the Premier talked about the municipal component and how they're going to remove some of that red tape. Well, this is the government that has instituted more red tape in the last five years than any government before them. So we do have to see how that's going to roll out.

We will have a chance to debate this further in the House—

The Speaker (Hon. Steve Peters): Thank you.

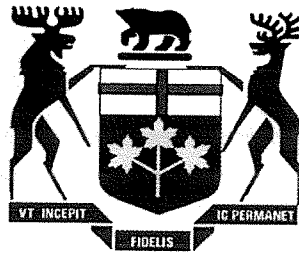
RENEWABLE ENERGY AND ENERGY CONSERVATION

Mr. Peter Tabuns: Today, Ontario kind of accepted Denmark's point of nearly 40 years ago. In the 1970s, Denmark decided that one oil crisis was enough. It had

This is **Exhibit "D"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

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A Commissioner, etc.



Ontario

Ontario Energy Board

RETAIL SETTLEMENT CODE

1 GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 Purpose of the Code

This Code sets the minimum obligations that a distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers and in facilitating service transaction requests where a competitive retailer provides service to a consumer. These obligations arise through sections 26 through 31, inclusive, of the *Electricity Act, 1998* and the conditions of distributions' licences and retailers' licences.

1.2 Definitions

"Act" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B.

"affiliate" with respect to a corporation, has the same meaning as in the *Business Corporations Act*.

"Affiliate Relationships Code" means the code, approved by the Board and in effect at the relevant time, which among other things, establishes the standards and conditions for the interaction among electricity distributors or transmitters and their respective affiliates.

"ancillary services" means services necessary to maintain the reliability of the IMO-controlled grid; including frequency control, voltage control, reactive power and operating reserve services.

"Board" means the Ontario Energy Board.

"building" means a building, portion of a building, structure or facility.

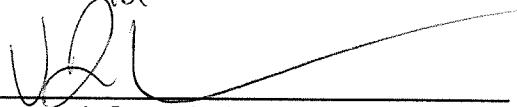
"competitive electricity costs" are those costs billed through the IMO or paid by the distributor to embedded retail generators or neighbouring distributors that cover competitive electricity services. Such costs will apply to electricity supply whether such supply is provided via SSS or a competitive retailer.

"competitive electricity services" means those services provided through the IMO, embedded retail generators or neighbouring distributors that are deemed by the Board to be competitive as set out in Appendix A.

"competitive retailer" is a person who retails electricity to consumers who do not take SSS.

"consumer" means a person who uses, for the person's own consumption, electricity that the person did not generate.

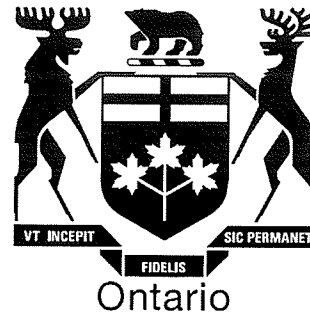
This is **Exhibit "E"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

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A Commissioner, etc.

Ontario Energy
Board

Commission de l'Énergie
de l'Ontario



ONTARIO ENERGY BOARD

Transmission System Code

June 10, 2010

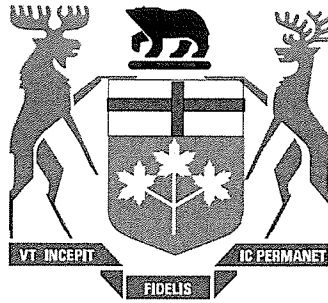
1. PURPOSE

1.0.1 The purpose of this Transmission System Code (the “Code”) is to set out:

- (a) the minimum conditions that a transmitter shall meet in designing, constructing, managing, maintaining and operating its transmission system;
- (b) the rules governing a transmitter's obligation to connect customers to its transmission system, and to provide transmission service to its customers;
- (c) the obligations between a transmitter and its customers and between a transmitter and its neighbouring Ontario transmitters;
- (d) the rules governing the economic evaluation of transmission system connections and expansions;
- (e) the minimum standards for facilities connected to a transmission system; and
- (f) through the connection agreement set out in Appendix 1, the obligations of a customer to the transmitter to whose transmission system the customer’s facilities are connected.

This is **Exhibit "F"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010


A Commissioner, etc.



Ontario

ONTARIO ENERGY BOARD

Distribution System Code

Last revised on October 1, 2010
(Originally Issued on July 14, 2000)

Distribution System Code

1 GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 The Purpose of this Code

This Code sets the minimum conditions that a distributor must meet in carrying out its obligations to distribute electricity under its licence and the *Energy Competition Act, 1998*. Unless otherwise stated in the licence or Code, these conditions apply to all transactions and interactions between a distributor and all retailers, generators, distributors, transmitters and consumers of electricity who use the distributor's distribution system.

1.2 Definitions

In this Code:

"Accounting Procedures Handbook" means the handbook approved by the Board and in effect at the relevant time, which specifies the accounting records, accounting principles and accounting separation standards to be followed by the distributor;

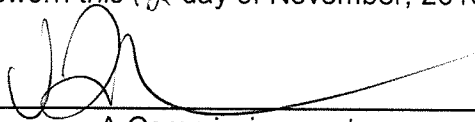
"Act" means the Ontario Energy Board Act, 1998, S.O. 1998, C. 15, Schedule B;

"Affiliate Relationships Code" means the code, approved by the Board and in effect at the relevant time, which among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"ancillary services" means services necessary to maintain the reliability of the IESO-controlled grid; including frequency control, voltage control, reactive power and operating reserve services;

"bandwidth" means a distributor's defined tolerance used to flag data for further scrutiny at the stage in the VEE process where a current reading is compared to a reading from an equivalent historical billing period. For example, a 30 percent bandwidth means a current reading that is either 30 percent lower or 30 percent higher than the measurement from an equivalent historical billing period will be identified by the VEE process as requiring further scrutiny and verification;

This is **Exhibit "G"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

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A Commissioner, etc.

MARKET RULES

for the Ontario
Electricity Market

1. Definitions

1.1 Market Rules

- 1.1.1 The rules set forth in Chapters 1 to 11 are called the Market Rules for the Ontario Electricity Market (the “*market rules*”) and constitute the *market rules* made under the authority and for the purposes of the Electricity Act, 1998.

1.2 Italicized Expressions

- 1.2.1 Italicized expressions used in the *market rules* have the meanings ascribed thereto in the definitions set forth in Chapter 11. Words and phrases defined in the Electricity Act, 1998 have the same meaning when used in the *market rules*.

2. Background and Legislative Authority

2.1 White Paper

- 2.1.1 In November, 1997, the Government of Ontario issued a White Paper entitled “Direction for Change: Charting a Course for Competitive Electricity and Jobs in Ontario”, which set forth the broad framework for electricity sector reform with a view to the establishment of a competitive electricity market in Ontario.

2.2 Market Design Committee

- 2.2.1 During the course of 1998 and early 1999, the Market Design Committee, a committee created by Order in Council 2156/97 and comprised of representatives of stakeholders and consumers within the electricity industry, in its four quarterly reports made recommendations to the Government of Ontario on the design of the competitive electricity market for Ontario. As part of its responsibilities, the Market Design Committee was tasked with the preparation of initial draft rules governing the Ontario wholesale electricity market for submission to the *Minister*.

In late January, 1999, the Market Design Committee submitted a set of draft initial rules to the *Minister*, with such further development of and revisions to the draft initial rules as may be necessary or appropriate being contemplated to be made prior to opening of the competitive markets.

2.3 Legislative Authority

- 2.3.1 The legislative authority for the *market rules* is contained in the *Electricity Act, 1998*, enacted as Schedule A to the *Energy Competition Act, 1998*, which received Royal Assent on October 30, 1998. Specifically, subsection 32(1) of the *Electricity Act, 1998*, which was proclaimed into force on November 7, 1998, contemplates that there will be made rules governing the *IMO-controlled grid* and establishing and governing the *IMO-administered markets* related to electricity and *ancillary services*.

3. Market Objective

- 3.1.1 The objective of the *IMO-administered markets* is to promote an efficient, competitive and reliable market for the wholesale sale and purchase of electricity and *ancillary services* in Ontario.

4. Objectives and Status of Market Rules

4.1 Objectives and Status of Market Rules

- 4.1.1 The objectives of the *market rules* are to govern the *IMO-controlled grid* and to establish and govern efficient, competitive and reliable markets for the wholesale sale and purchase of electricity and *ancillary services* in Ontario.

4.2 Purposes of Market Rules

4.2.1 Accordingly, the *market rules* include provisions:

- 4.2.1.1 governing the making, *amendment* and *publication* of the *market rules*;
- 4.2.1.2 governing the conveying of electricity into, through or out of the *IMO-controlled grid* and the provision of *ancillary services*;
- 4.2.1.3 governing the terms and conditions pursuant to which persons may be authorized by the *IMO* to participate in the *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid*;
- 4.2.1.4 governing the manner in which electricity and *ancillary services* are sold, purchased and *dispatched* in the *IMO-administered markets*;
- 4.2.1.5 governing standards and procedures to be observed in system *emergencies*;
- 4.2.1.6 authorizing and governing the giving of directions by the *IMO*;
- 4.2.1.7 authorizing and governing the making of orders by the *IMO*;
- 4.2.1.8 providing a mechanism for the resolution of certain disputes arising under the *market rules*;
- 4.2.1.9 providing mechanisms for monitoring, surveillance and investigation of activities in the *IMO-administered markets* and the conduct of *market participants*; and
- 4.2.1.10 providing generally for the exercise by the *IMO* of such powers and authority as may be necessary or desirable for the purpose of carrying out its objects in relation to the *IMO-administered markets* and the *IMO-controlled grid*.

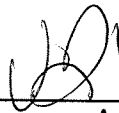
4.3 Contractual Force

- 4.3.1 The *market rules* have the effect of a contract between each *market participant* and the *IMO* by virtue of the execution by the *IMO* and each *market participant* of the *participation agreement* under which each *market participant* and the *IMO* agree to perform and observe the *market rules* so far as they are applicable to each *market participant* and the *IMO* as provided for in the *market rules*, their respective *licences* and *applicable law*.

4.4 Coming into Force and Transitional Provisions

- 4.4.1 Subject to subsection 32(7) of the *Electricity Act, 1998*, the sections of the *market rules* identified in Appendix 1.1 come into force on the dates specified in Appendix 1.1 and, except as otherwise provided in section 4.4A, the remaining sections of the *market rules* come into force on the date on which subsection 26(1) of the *Electricity Act, 1998* is proclaimed into force.
- 4.4.2 Unless repealed earlier by means of an *amendment* to the *market rules*, all of this section 4.4, other than section 4.4.1, shall cease to have effect on the date on which subsection 26(1) of the *Electricity Act, 1998* is proclaimed into force.
- 4.4.3 Notwithstanding the coming into force of the whole of Chapter 4 on the date referred to in Appendix 1.1, it is understood that Chapter 4 is, with the exception of sections 3.2.1, 6.1.2 and 6.1.8 of that Chapter, being brought into force primarily to support the process to be conducted prior to the *market commencement date* for the registration of *registered facilities* referred to in section 2 of Chapter 7, as such process pertains to *connection agreements*, and no person shall be required to comply with any provision of Chapter 4, other than sections 3.2.1, 6.1.2 and 6.1.8 of that Chapter, that is not reasonably required for such purpose if such compliance would be inconsistent with the manner in which that person lawfully and in accordance with any applicable contractual obligations operates its *facilities* on such date.
- 4.4.4 Notwithstanding the coming into force of portions of section 4 of Chapter 5 on the date referred to in Appendix 1.1, it is understood that those portions of section 4 of Chapter 5 are being brought into force primarily to support the processes to be conducted prior to the *market commencement date* for the registration of *registered facilities* for the provision of *ancillary services* and *reliability must-run resources* referred to in section 2 of Chapter 7 and for the procurement of *ancillary services* and *reliability must-run resources* under contracts that will have effect on and after the *market commencement date*. Accordingly:

This is **Exhibit "H"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

News

McGuinty Government Helps Homeowners Fight Climate Change - April 27, 2007

The Ontario government is investing \$24 million over four years to help homeowners save money and help fight climate change, Premier Dalton McGuinty announced today.

The Ontario government is investing \$24 million over four years to help homeowners save money and help fight climate change, Premier Dalton McGuinty announced today.

"We want to give homeowners the tools they need to save money and help reduce greenhouse gases," said Premier McGuinty. "This is another step in our plan to build a cleaner, greener future for Ontario."

The provincial program will provide homeowners up to \$150 toward a home energy audit. The goal is to conduct 130,000 audits over the next four years. Following the audit, homeowners will be eligible for a federal ecoENERGY grant, which provides financial support and information for energy retrofits in homes.

"We are building a culture of conservation in Ontario," said Minister of Energy Dwight Duncan. "This program will reduce natural gas and electricity consumption, save homeowners money and help reduce greenhouse gas emissions by up to 260,000 tonnes."

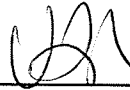
An energy audit can show homeowners how to improve energy efficiency for things such as cooling, hot water and insulation around the house. A typical homeowner could save about \$1,200 per year on their energy bills and reduce greenhouse gas emissions by 1-2 tonnes.

Rebates for home energy audits are just one of the ways the McGuinty government is helping Ontarians reduce greenhouse gases and protect the environment. Other initiatives include:

- Awarding 36 renewable energy projects under the Standard Offer Program, including one of the world's largest solar farms to be built in Sarnia
- Protecting 1.8 million acres of greenspace in the Greenbelt, providing a safe habitat for 66 species at risk, and
- Closing the single largest source of air pollution in the Greater Toronto Area -- the Lakeview Generating Station.

"Imagine an Ontario that is greener, cleaner and -- at the same time -- more productive than ever before," said Premier McGuinty. "Working and building together, that dream is within our reach."

This is **Exhibit "I"**
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A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

A Commissioner, etc.



- Delicious
- Digg
- Facebook

Ontario Home Energy Savings Program Key to Building a Culture of Conservation

May 22, 2009 2:15 PM

Ontario is committed to building a culture of conservation.

It's central to the government's energy plans and at the heart of the Green Energy Act. Key to this aim is the Ontario Home Energy Savings Program (OHESP) through its combination of energy audits and energy retrofit grants. Home energy audits help increase awareness about the energy we use in our daily lives. Plus financial support for retrofits can help consumers to tangibly reduce energy use which leads to lower energy costs.

HOME ENERGY AUDITS VITAL TO UNDERSTANDING ENERGY USE

The OHESP provides homeowners with up to \$150 towards the cost of an initial home energy audit, completed by a Natural Resources Canada-certified energy advisor. Homeowners are provided with a personalized energy efficiency report, including a rating from 0 to 100 (the higher the number, the more energy efficient the home is). Also, the adviser provides advice on voluntary changes that can be made to the house to make it more energy efficient and could result in reducing your energy bill. It is up to the homeowner to decide whether to make those changes.

The program provides key incentives for making improvements, including:

- heating, cooling and ventilation systems
- domestic hot water system
- solar hot water and geothermal systems that use renewable energy sources

- insulation (including ceiling, exposed floor, foundation, basement, and crawl space)
- air sealing
- doors and windows
- water conservation toilets

SUPPORT FOR HOME ENERGY RETROFITS CRITICAL TO FIGHTING CLIMATE CHANGE

Since it launched in March, 2007, the Home Energy Savings Program has provided over \$75 million in grants to homeowners who have completed 150,000 audits and 52,800 retrofits. This has resulted in a reduction of 191,000 tonnes of carbon dioxide (CO₂) and energy savings equivalent to the heating and cooling needs for 36,600 homes.

With \$178 million in new funding added in the 2009 Ontario Budget, the enhanced program is expected to achieve an additional estimated CO₂ saving of 538,000 tonnes and energy savings equivalent to the heating and cooling needs for 101,000 homes over the next two years.

CONTACTS

- | | |
|---|---|
| <ul style="list-style-type: none">• Amy Tang Minister's Office 416-327-6747 amy.tang@ontario.ca | <ul style="list-style-type: none">• Anne Smith Communications Branch 416-327-7226 Anne.Smith@ontario.ca |
|---|---|

Ministry of Energy and Infrastructure
ontario.ca/MEI

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 - IMPORTANT NOTICES

LAST MODIFIED: MAY 03, 2010

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A Commissioner, etc.



- Delicious
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Ontario Helps Homeowners Save on Energy Costs

May 22, 2009 2:34 PM

McGuinty Government Further Boosts Culture of Conservation

Ontario homeowners can now unlock substantially increased rebates for energy efficiency upgrades from roof to basement.

Ontario is more than doubling its investment in its popular Home Energy Savings Program.

Rebates for changes like fixing insulation in ceilings, foundations, basements, and crawl spaces as well as upgrading leaky windows and doors are increasing by 25 percent or more. Making simple efficiency upgrades at home can make a noticeable difference on energy bills.

Additional examples of program enhancements include:

- Provincial funding for solar domestic hot water systems is increasing by 150 percent -- to \$1250, up from \$500,
- Home energy audits will soon be mandatory at the point of sale (unless waived by the buyer) and can be transferred, allowing new homeowners to take advantage of retrofit rebates.

These changes come on the heels of the passage of the Green Energy Act which seeks to build a culture of conservation in Ontario. The key to unlocking the rebates is simple - getting a home energy audit. The audit is a key step for Ontarians to understand their home's energy consumption. It provides valuable information

about the energy efficiency of a home and how you can save more on your energy bill.

QUICK FACTS

- The province currently offers up to \$150 for the cost of a home energy audit (average cost is about \$300).
- The budget for the Home Energy Savings Program is increasing by \$178 million over the next two years.
- The Home Energy Savings Program can assist homeowners to complete over an estimated 460,000 home energy audits and an estimated 170,000 energy efficient retrofits over the next two years.
- To date, over 150,000 Ontario homeowners have completed a home energy audit and over 52,800 homes have been retrofitted.

LEARN MORE

- Ontario Home Energy Savings Program Key to Building a Culture of Conservation
- Get more information about Ontario's Home Energy Saving Program and how it works.
- Read more about the proposed Green Energy Act - and how it supports Ontario's efforts to build a culture of conservation.
- Find out what Ontario doing to combat climate change.
- Did you know May 17-23 is Energy Conservation Week? Find out more about how you can help conserve energy.

Ministry of Energy and Infrastructure
ontario.ca/MEI

"Home energy audits help homeowners understand their energy consumption and offer ways of how best to lower it. This will put money back in their pockets and also reduce greenhouse gas emissions."

– George Smitherman
Deputy Premier and Minister of Energy and Infrastructure

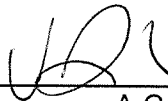
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This is **Exhibit "K"**
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sworn this 12 day of November, 2010

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A Commissioner, etc.



No. 138

N° 138

ISSN 1180-2987

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Wednesday 22 April 2009

Mercredi 22 avril 2009

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

Clerk
Deborah Deller

Greffière
Deborah Deller

There are thousands and thousands of new, good-paying jobs there, including at the only mass-production wind turbine manufacturer in all of Canada. With 300,000 manufacturing jobs being lost in this province, why is this government still stubbornly refusing to implement a real buy-Ontario program for our green energy products?

Hon. Dalton McGuinty: My colleague knows that Minister Smitherman is consulting on what might be the right number for this particular matter. But I would hope that we'd get her support when it comes to our new Green Energy Act. It has been received internationally as being very bold, very progressive and puts us at the front of the line in North America. Our intention is to create 50,000 new jobs. It's to unleash an explosion of economic activity and new investment in energy from renewables.

Interjections.

Hon. Dalton McGuinty: My colleagues opposite may not be particularly enamoured with this notion of energy from renewable sources, but we think it's a smart way to go and we think that Ontarians want us to do this.

The Speaker (Hon. Steve Peters): Final supplementary.

Ms. Andrea Horwath: The Premier talks a good game when it comes to green jobs and green energy but the government's talk is cheap. Its watered-down approach only requires 25% domestic content for public transit vehicles. New Democrats think that should be 50%. This government has no domestic content policy requirements for green energy projects at all. We say it should be 60%. With so many Ontarians in need of good-paying manufacturing jobs, why won't you commit to a 60% requirement for new energy projects?

Hon. Dalton McGuinty: Again, I want to assure my honourable colleague that Minister Smitherman is consulting on the appropriate number. But I do want to bring home to her and members of the House just how important a signal we send to the international investment community when it comes to our new Green Energy Act.

I want to quote briefly a story that appeared in the Toronto Star just last week. It says:

"Asia's largest maker of wind turbines is seriously sizing up the Ontario market as a potential home for new manufacturing, citing what it considers the right combination of policies, infrastructure and local activity.

"Tulsi Tanti, founder and chair of Suzlon Energy Ltd., told the Star ... that the Ontario government's proposed Green Energy Act is a 'very strong' initiative that helps set the province apart from other jurisdictions in North America."

Sometimes we never really know how progressive we've become until it's recognized internationally. I'd like my colleague to look at the international response to this Green Energy Act.

ENERGY RATES

Ms. Andrea Horwath: Back to the Premier: Ontarians want to do the right thing by the environment, but

times are very tough in this province and that's why we need environmental choices that are affordable. The McGuinty government's approach assumes that Ontarians have the spare cash to fund an energy audit and it assumes that people have thousands upon thousands of dollars to pay for retrofits with money that they simply don't have. Your reimbursement process is complicated and inaccessible to most Ontarians. Why, I want to ask the Premier, does this government make it so difficult for Ontarians to do the right thing by the environment?

Hon. Dalton McGuinty: My colleague may have a point. There are so many programs out there right now in combination with the federal government that I think we need to find a way to make it easier for homeowners in particular to find their way through these and come up with a simpler approach to helping them.

But here's the good news. You can earn up to \$10,000 in savings and in refunds, both from the province of Ontario and the federal government, if you choose to pursue an energy audit and renovate your home. I think that's an important financial contribution being made by Canadian taxpayers and Ontario taxpayers to incent Ontario families into pursuing energy conservation policies.

I will agree that we can and should do something to make the process simpler, but I disagree that we're not doing a lot when it comes to helping Ontarians.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: Most low-income people actually live in apartments. Forty per cent of tenants face unaffordable rents in the province, yet this government's deluded approach to environmental issues is penalizing these cash-strapped tenants. Smart metering is going to cost tenants a lot more, and you know that landlords in fact are going to pass on any increased electricity costs associated with the Green Energy Act.

Before tenants get unfairly whacked or forced out of their houses altogether, why won't the McGuinty government implement a permanent rate assistance program for vulnerable tenants?

Hon. Dalton McGuinty: I think we were talking originally about some environmental initiatives and costs which might be borne by tenants. One of the things that we're proud to participate in, together with the federal government, is a program valued at over \$700 million, if my memory serves me correctly, to retrofit existing social housing to help get those costs down. I think that's an important step. There's always more to be done.

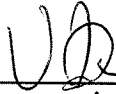
We're proud of the record that we also have when it comes to dealing with rents and, in fact, how little they've gone up relative to cost of living in so many other different areas.

The Speaker (Hon. Steve Peters): Final supplementary.

Ms. Andrea Horwath: I was hoping the Premier would commit to helping those vulnerable tenants who are going to be hit hard and can't afford the cost increases.

There's no doubt that we do need to green Ontario's energy supply—I think all of us would agree to that—and

This is **Exhibit "L"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, appearing to be 'JD' followed by a long horizontal stroke.

A Commissioner, etc.



07 **ONTARIO BUDGET**

**Investing in People
&
Expanding Opportunity**
Ontario's New Economic Strength



The Honourable Greg Sorbara
Minister of Finance



Budget Papers

FOREWORD

Expanding opportunity for Ontarians is the primary goal of the McGuinty government. The government wants everyone to have a fair opportunity to succeed. It is the right thing for Ontario's families and the smart thing for the economy.

The government has made great progress, but there is much more to do. For this province to be at its best, Ontarians must be 13 million of the best-educated, most highly skilled, healthy, productive and innovative people in the world. This fourth Budget builds on the McGuinty government's plan by focusing on three precious resources: our children, our environment and our communities.

This Budget is the next step in the McGuinty government's plan to strengthen Ontario by strengthening its people. The government is committed to making opportunity more accessible and success more achievable. The proposed new Ontario Child Benefit (OCB) would deliver \$2.1 billion over five years to nearly 1.3 million children from low-income families. The OCB would help families by shortening the gap between getting by and getting ahead. The government is increasing social assistance rates for the third time.

This Budget proposes to increase the number of new housing allowances to 35,000; increase support to Legal Aid Ontario; enrich benefits for about 155,000 injured workers; and phase in a higher minimum wage over three years. The Budget also proposes to provide seniors with more flexibility in managing their finances. These initiatives build on the government's plans to help improve the quality of life of all Ontarians.

Protecting the environment that Ontarians share is also an economic imperative. It is possible to have a green economy and a growing economy at the same time. Those who ignore climate change will see their economies decline, but those who lead the fight can reap huge economic benefits. This spring, the McGuinty government will announce a clean air plan. In the interim, this Budget builds on progress with some immediate funding initiatives: support for the Trees Ontario Foundation, a home energy audit rebate and cutting-edge research in bio-based auto manufacturing and alternative fuels.

The communities in which Ontarians live are at the centre of creating new opportunities. This Budget proposes a reduction in high Business Education Tax (BET) rates as well as measures to create a property tax framework for the province that is fair and predictable. The new BET system will reduce rates over seven years for more than 500,000 businesses in Ontario, saving them \$540 million annually when fully implemented.

The 2007 Budget builds on the progress that the government has made in eliminating the deficits Ontario has faced. The fiscal deficit has been addressed. In 2006–07, a surplus of \$310 million is anticipated. The medium-term fiscal outlook now projects a surplus of \$0.4 billion in 2007–08, if the reserve is not required, and surpluses of \$1.3 billion in 2008–09 and \$1.6 billion in 2009–10.

SECTION E: EXPANDING OPPORTUNITIES FOR A GREENER ONTARIO

OVERVIEW

Ontario's future well-being and long-term prosperity depend on both a strong economy and a sustainable, healthy environment. The McGuinty government is committed to expanding opportunities for a greener Ontario.

This spring, the government will present a plan to establish a greener economy in Ontario, including addressing air quality and climate change in a way that also strengthens Ontario's economy.

To build on the government's sustained efforts to improve the environment and the economy, this Budget proposes close to \$125 million in immediate initiatives to further establish the foundation for environmental action.

To encourage individuals to support energy efficiency, the government will invest \$24 million to provide Ontario homeowners with rebates of up to \$150 for home energy audits. The government will also allocate \$1.5 million to Project Porchlight, which delivers energy-efficient light bulbs to Ontario homes.

Trees help remove carbon dioxide from the air. In this Budget, the government is providing \$2 million to the Trees Ontario Foundation, an organization dedicated to planting trees throughout Ontario.

Innovation is key to a greener economy. The government is providing \$6 million to the Ontario BioAuto Council, a multi-industry initiative to position the province as a global leader in manufacturing auto parts and other materials from agricultural and forestry feedstocks. The government is also investing \$15 million in the Ontario Centres of Excellence. Investments in lightweight and bio-based materials, along with the development of alternative fuels, can lead to the clean car technologies of the future.

The government is providing \$21 million to Queen's University, which is working in partnership with the private sector to establish a convergence centre for bio-products and bio-materials. The Province is providing \$6 million to Lakehead University, which is building its capacity to contribute to the competitive and sustainable development of Ontario's boreal forest. As well, the government is providing \$3 million to the University of Ontario Institute of Technology, which is developing its capacity in hydrogen technology research.

Green communities enhance Ontario's quality of life. Building on the Move Ontario priorities announced in the 2006 Budget, construction will begin on the Toronto–York subway, Brampton AcceleRide and Mississauga Transitway, easing traffic and reducing greenhouse gas emissions. Provincial gas tax revenues to support municipal transit will reach \$313 million in 2007 and will total \$1.6 billion by 2010. This Budget also announces a doubling of the Rural Infrastructure Investment Initiative to \$140 million. The initiative supports municipal water and wastewater infrastructure.

The government is providing \$2 million to the Trees Ontario Foundation. Accelerated tree planting helps remove carbon dioxide from Ontario's air.

The simple act of replacing a light bulb is the most accessible action available to people to conserve electricity. Based on their proven success in Guelph, Thunder Bay, Ottawa and the Yukon, the government will be providing Project Porchlight with \$1.5 million to enable local volunteers to deliver an energy-efficient light bulb to over 500,000 Ontario homes this summer. The energy savings from this will be enough to power over 5,200 homes a year.

To encourage homeowners to undertake energy audits, the government is providing \$24 million over four years to help lower the cost of a home energy audit by up to \$150. This new initiative will complement the recently announced federal ecoENERGY Retrofit Program, which provides financial support and information for energy retrofits in homes, as well as in small buildings and industries.

In February 2007, the Province introduced Bag It Back, a new deposit return program for recycling wine, beer and spirit containers, which encourages Ontarians to return empty containers for a refund, resulting in less waste going to landfill. This program will help divert about 25,000 to 30,000 additional tonnes of glass from landfills — which is equivalent to about 80 million bottles. The new container return program will also free up space in Blue Boxes, giving municipalities the opportunity to expand recycling programs.

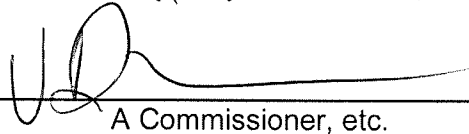
Tax Initiatives

The Ontario Government has several tax initiatives in place that support energy conservation in the province.

- To promote the use of fuel-efficient hybrid vehicles in Ontario and support the auto industry's efforts to develop improved vehicle technology, the Province provides a retail sales tax (RST) rebate for qualifying hybrid vehicles, to a maximum of \$2,000.
- The rebate for hybrid vehicles is an element of the RST rebate for alternative fuel vehicles. The RST paid on vehicles powered by alternative fuels is refunded, to a maximum of \$750 for propane vehicles and \$1,000 for vehicles powered by any other alternative fuel.
- There is also a temporary RST rebate for solar, wind, micro hydro-electric and geothermal energy systems installed into residential premises. See Chapter III: *Ontario's Tax System Supports Expanded Prosperity* for more details.

Ontario's tax system also provides support for the conservation of ecologically sensitive land certified under the Ecological Gifts Program. Any gain arising from a qualifying donation of such land made after May 1, 2006 is exempt from corporate and personal income tax and from corporate minimum tax.

This is **Exhibit "M"**
to the Affidavit of Jack Hughes
sworn this *12* day of November, 2010


A Commissioner, etc.



2009 ONTARIO BUDGET

Confronting the Challenge
Building Our Economic Future

The Honourable Dwight Duncan
Minister of Finance

IN-YEAR EXPENSE PERFORMANCE

Total expense in 2008–09 is currently projected to be \$97,317 million, an increase of \$1,147 million, or 1.2 per cent, from the 2008 Budget forecast. This increase primarily reflects the government's continued action to protect key public services.

**Summary of Expense Changes Since 2008 Budget
(\$ Millions)**

Table 4

| | Interim 2008–09 |
|---|----------------------------|
| Program Expense Changes | |
| Health | 274.5 |
| Children's and Social Services/Social Housing | 259.7 |
| Education | 143.2 |
| Infrastructure and Transportation | 142.2 |
| Justice | 125.1 |
| Other Program Expense Changes | 239.7 |
| Total Program Expense Changes | 1,184.4 |
| Interest on Debt Savings | (37.0) |
| Total Expense Changes | 1,147.4 |

Expense Changes

Highlights of key 2008–09 expense changes from the 2008 Budget forecast are as follows:

- **Health** expense increased by \$274.5 million, primarily due to \$540 million in additional funding for the Ontario Health Insurance Plan (OHIP) program to address higher-than-planned utilization increases and the impact of the new Ontario Medical Association (OMA) agreement. The OHIP funding increase was partially offset by savings in the Ontario Drug programs, public health and other Provincial health programs.
- **Children's and Social Services/Social Housing** expense increased by a net \$259.7 million, largely to support the delivery of programs for the vulnerable, including social assistance and child protection services.
- **Education** expense increased by a net \$143.2 million, largely due to a \$279.9 million increase to support salary increases for education sector staff that were planned for in the 2008 Budget to be offset from the Contingency Fund. Sector savings include higher-than-expected education property taxes, as well as the expenditure restraint measures announced in the 2008 Ontario Economic Outlook and Fiscal Review, which deferred less urgent school capital improvement projects.
- **Infrastructure and transportation** expense increased by \$142.2 million, primarily due to increased funding for audits and retrofits under the Home Energy Savings Program, changes in the timing of transportation infrastructure projects, additional spending on enhanced driver's licence initiatives and road safety legislation introduced in the fall of 2008.

This is **Exhibit "N"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010


A Commissioner, etc.

MINISTRY OF ENERGY

The Ministry of Energy's mandate includes the creation of an energy conservation culture while ensuring a reliable, sustainable, and diverse supply of energy at competitive prices, with minimal impact on the province's environment. The Ministry develops and advises on all aspects of energy policy for Ontario. Through its oversight of the Ontario Energy Board, the Ontario Power Authority and the Independent Electricity System Operator, the Ministry is responsible for setting the legislative policy framework to assure safe and reliable supply and delivery of both electricity and natural gas to the province's energy consumers. The Ministry also represents the shareholder in dealings with Hydro One and Ontario Power Generation.

MINISTRY PROGRAM SUMMARY

(\$)

| VOTE PROGRAM | | Estimates 2007-08 | Estimates 2006-07 | Difference Between 2007-08 and 2006-07 | Actual 2005-06 |
|--|---|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 2901 | Ministry Administration Program | 8,101,400 | 7,649,600 | 451,800 | 6,195,369 |
| 2902 | Energy Sector Transformation Program | 59,410,900 | 18,657,700 | 40,753,200 | 16,717,118 |
| | Less: Special Warrants | 26,700,000 | - | 26,700,000 | - |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 40,812,300 | 26,307,300 | 14,505,000 | 22,912,487 |
| | Special Warrants | 26,700,000 | - | 26,700,000 | - |
| | Statutory Appropriations | 62,699 | 50,244 | 12,455 | 46,964 |
| | Ministry Total Operating Expense | 67,574,999 | 26,357,544 | 41,217,455 | 22,959,451 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 102,155,000 | 102,500,000 | (345,000) | 97,679,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 29,563,000 | 30,000,000 | (437,000) | 24,055,400 |
| | Net Consolidation Adjustment - Ontario Power Authority | 56,147,400 | 29,100,000 | 27,047,400 | 21,394,689 |
| | Consolidation and Other Adjustments | - | - | - | (1,136,230) |
| Total Including Consolidation & Other Adjustments | | 255,440,399 | 187,957,544 | 67,482,855 | 164,952,310 |

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | Estimates 2007-08 | Estimates 2006-07 | Difference Between 2007-08 and 2006-07 | Actual 2005-06 |
|--|----------------------|----------------------|--|--------------------|
| CAPITAL EXPENSE | | | | |
| Net Consolidation Adjustment - Independent Electricity System Operator | 32,075,000 | 39,300,000 | (7,225,000) | 40,536,000 |
| Net Consolidation Adjustment - Ontario Energy Board | 1,800,000 | 1,800,000 | - | 965,200 |
| Net Consolidation Adjustment - Ontario Power Authority | 1,042,600 | 300,000 | 742,600 | 270,076 |
| Total Including Consolidation & Other Adjustments | 34,917,600 | 41,400,000 | (6,482,400) | 41,771,276 |
| Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets) | 290,357,999 | 229,357,544 | 61,000,455 | 206,723,586 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901

This program provides financial, audit, administrative, corporate policy and business planning, human resources support and systems development services. Legal and communications services are also included in this program.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2007-08 | Estimates 2006-07 | Difference Between 2007-08 and 2006-07 | Actual 2005-06 |
|--------------------------|---|----------------------|----------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Ministry Administration | 8,101,400 | 7,649,600 | 451,800 | 6,195,369 |
| | Total Including Special Warrants | 8,101,400 | 7,649,600 | 451,800 | 6,195,369 |
| | Less: Special Warrants | 3,100,000 | - | 3,100,000 | - |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 5,001,400 | 7,649,600 | (2,648,200) | 6,195,369 |
| | Special Warrants | 3,100,000 | - | 3,100,000 | - |
| S | Minister's Salary, the <i>Executive Council Act</i> | 46,858 | 37,550 | 9,308 | 35,211 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | 15,841 | 12,694 | 3,147 | 11,753 |
| | Total Statutory Appropriations | 62,699 | 50,244 | 12,455 | 46,964 |
| | Total Operating Expense | 8,164,099 | 7,699,844 | 464,255 | 6,242,333 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|--|-----------|------------------|
| | OPERATING EXPENSE | | |
| 2901-1 | Ministry Administration | | |
| | Salaries and wages | | 4,531,100 |
| | Employee benefits | | 564,800 |
| | Transportation and communication | | 300,300 |
| | Services | | 3,150,600 |
| | Supplies and equipment | | 249,600 |
| | Subtotal | | 8,796,400 |
| | Less: Recoveries | | 695,000 |
| | Total Operating Expense | | 8,101,400 |
| | Sub-Items: | | |
| | Main Office | | |
| | Salaries and wages | 1,600,400 | |
| | Employee benefits | 183,500 | |
| | Transportation and communication | 150,000 | |
| | Services | 89,500 | |
| | Supplies and equipment | 55,000 | 2,078,400 |
| | Financial and Administrative Services | | |
| | Services | 964,000 | |
| | Less: Recoveries from other items | 410,000 | 554,000 |
| | Human Resources | | |
| | Services | 29,100 | 29,100 |
| | Communications Services | | |
| | Salaries and wages | 1,110,200 | |
| | Employee benefits | 146,400 | |
| | Transportation and communication | 63,800 | |
| | Services | 483,800 | |
| | Supplies and equipment | 62,200 | 1,866,400 |
| | Analysis and Planning | | |
| | Salaries and wages | 1,820,500 | |
| | Employee benefits | 234,900 | |
| | Transportation and communication | 61,500 | |
| | Services | 282,900 | |
| | Supplies and equipment | 52,800 | 2,452,600 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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VOTE -
ITEM STANDARD ACCOUNT BY ITEM AND SUB-ITEMS
#

OPERATING EXPENSE*Legal Services*

| | | |
|----------------------------------|---------|---------|
| Transportation and communication | 25,000 | |
| Services | 836,200 | |
| Supplies and equipment | 25,000 | 886,200 |

Audit Services

| | | |
|------------------------|--------|--------|
| Supplies and equipment | 54,600 | 54,600 |
|------------------------|--------|--------|

Information Systems

| | | |
|-----------------------------------|---------|---------|
| Services | 465,100 | |
| Less: Recoveries from other items | 285,000 | 180,100 |

| | | |
|--------------------------------|--|------------------|
| Total Operating Expense | | 8,101,400 |
|--------------------------------|--|------------------|

Statutory Appropriations

| | | |
|---|--|--------|
| S | Minister's Salary, the <i>Executive Council Act</i> | 46,858 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | 15,841 |

| | | |
|--|--|------------------|
| Total Operating Expense for Ministry Administration Program | | 8,164,099 |
|--|--|------------------|

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902

This program is responsible for developing the energy policy framework of Ontario that is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to achieve a diverse, environmentally-sustainable and competitively-priced energy supply and transmission and distribution system. The program supports energy conservation and efficiency and the development of renewable energy.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2007-08 | Estimates 2006-07 | Difference Between 2007-08 and 2006-07 | Actual 2005-06 |
|--------------------------|--|------------------------------|------------------------------|---|---------------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Policy and Programs | 59,410,900 | 18,657,700 | 40,753,200 | 16,717,118 |
| | Total Including Special Warrants | 59,410,900 | 18,657,700 | 40,753,200 | 16,717,118 |
| | Less: Special Warrants | 23,600,000 | - | 23,600,000 | - |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 35,810,900 | 18,657,700 | 17,153,200 | 16,717,118 |
| | Special Warrants | 23,600,000 | - | 23,600,000 | - |
| | Total Operating Expense | 59,410,900 | 18,657,700 | 40,753,200 | 16,717,118 |

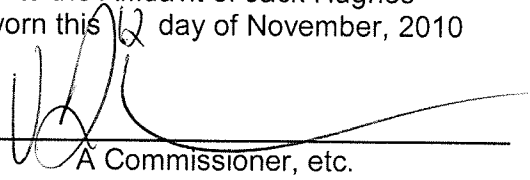
ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|--|--|------------|------------|
| OPERATING EXPENSE | | | |
| 2902-1 | Policy and Programs | | |
| | Salaries and wages | | 7,200,100 |
| | Employee benefits | | 885,300 |
| | Transportation and communication | | 271,900 |
| | Services | | 17,064,700 |
| | Supplies and equipment | | 188,900 |
| | Transfer payments | | |
| | Bio-Energy Research | 2,000,000 | |
| | Energy Supply Initiatives | 29,100,000 | |
| | Conservation Initiatives | 2,700,000 | 33,800,000 |
| Total Operating Expense | | | 59,410,900 |
| Total Operating Expense for Energy Sector Transformation Program | | | 59,410,900 |

This is **Exhibit "O"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010


A Commissioner, etc.

MINISTRY OF ENERGY

The Ministry of Energy's mandate includes the creation of an energy conservation culture while ensuring a reliable, sustainable, and diverse supply of energy at competitive prices, with minimal impact on the province's environment. The Ministry develops and advises on all aspects of energy policy for Ontario, including electricity, natural gas, oil and alternative energy. Through its oversight of the Ontario Energy Board, the Ontario Power Authority and the Independent Electricity System Operator, the Ministry is responsible for setting the legislative and policy framework to assure safe and reliable supply and delivery of both electricity and natural gas to the province's energy consumers. The Ministry also represents the shareholder in dealings with Hydro One and Ontario Power Generation.

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | | Estimates 2008-09 | Estimates 2007-08 | Difference Between 2008-09 and 2007-08 | Actual 2006-07 |
|--|---|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 2901 | Ministry Administration Program | 9,263,700 | 8,101,400 | 1,162,300 | 8,075,335 |
| 2902 | Energy Sector Transformation Program | 73,035,200 | 59,410,900 | 13,624,300 | 30,407,500 |
| | Less: Special Warrants | - | 26,700,000 | (26,700,000) | - |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 82,298,900 | 40,812,300 | 41,486,600 | 38,482,835 |
| | Special Warrants | - | 26,700,000 | (26,700,000) | - |
| | Statutory Appropriations | 64,014 | 62,699 | 1,315 | 53,726 |
| | Ministry Total Operating Expense | 82,362,914 | 67,574,999 | 14,787,915 | 38,536,561 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 102,206,000 | 102,155,000 | 51,000 | 101,595,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 33,069,800 | 29,563,000 | 3,506,800 | 26,523,747 |
| | Net Consolidation Adjustment - Ontario Power Authority | 55,145,000 | 56,147,400 | (1,002,400) | 28,182,126 |
| Total Including Consolidation & Other Adjustments | | 272,783,714 | 255,440,399 | 17,343,315 | 194,837,434 |

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | Estimates 2008-09 | Estimates 2007-08 | Difference Between 2008-09 and 2007-08 | Actual 2006-07 |
|--|----------------------|----------------------|--|--------------------|
| CAPITAL EXPENSE | | | | |
| Net Consolidation Adjustment - Independent Electricity System Operator | 27,750,000 | 32,075,000 | (4,325,000) | 31,269,000 |
| Net Consolidation Adjustment - Ontario Energy Board | 2,420,300 | 1,800,000 | 620,300 | 1,892,735 |
| Net Consolidation Adjustment - Ontario Power Authority | 1,410,000 | 1,042,600 | 367,400 | 696,000 |
| Total Including Consolidation & Other Adjustments | 31,580,300 | 34,917,600 | (3,337,300) | 33,857,735 |
| Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets) | 304,364,014 | 290,357,999 | 14,006,015 | 228,695,169 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901

This program provides financial, audit, administrative, corporate policy and business planning, human resources support and systems development services. Legal and communications services are also included in this program.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2008-09 | Estimates 2007-08 | Difference Between 2008-09 and 2007-08 | Actual 2006-07 |
|--------------------------|---|----------------------|----------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Ministry Administration | 9,263,700 | 8,101,400 | 1,162,300 | 8,075,335 |
| | Total Including Special Warrants | 9,263,700 | 8,101,400 | 1,162,300 | 8,075,335 |
| | Less: Special Warrants | - | 3,100,000 | (3,100,000) | - |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 9,263,700 | 5,001,400 | 4,262,300 | 8,075,335 |
| | Special Warrants | - | 3,100,000 | (3,100,000) | - |
| S | Minister's Salary, the <i>Executive Council Act</i> | 47,841 | 46,858 | 983 | 40,152 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | 16,173 | 15,841 | 332 | 13,574 |
| | Total Statutory Appropriations | 64,014 | 62,699 | 1,315 | 53,726 |
| | Total Operating Expense | 9,327,714 | 8,164,099 | 1,163,615 | 8,129,061 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------------------------|--|-----------|------------------|
| OPERATING EXPENSE | | | |
| 2901-1 | Ministry Administration | | |
| | Salaries and wages | | 4,991,800 |
| | Employee benefits | | 625,700 |
| | Transportation and communication | | 300,300 |
| | Services | | 3,839,900 |
| | Supplies and equipment | | 201,000 |
| | Subtotal | | 9,958,700 |
| | Less: Recoveries | | 695,000 |
| | Total Operating Expense to be Voted | | 9,263,700 |
| Sub-Items: | | | |
| Main Office | | | |
| | Salaries and wages | 1,647,500 | |
| | Employee benefits | 188,200 | |
| | Transportation and communication | 150,000 | |
| | Services | 88,200 | |
| | Supplies and equipment | 55,000 | 2,128,900 |
| Financial and Administrative Services | | | |
| | Services | 964,000 | |
| | Less: Recoveries from other items | 410,000 | 554,000 |
| Human Resources | | | |
| | Services | 29,100 | 29,100 |
| Communications Services | | | |
| | Salaries and wages | 1,259,200 | |
| | Employee benefits | 166,600 | |
| | Transportation and communication | 63,800 | |
| | Services | 498,800 | |
| | Supplies and equipment | 62,200 | 2,050,600 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|--------------------------|--|-----------|------------------|
| OPERATING EXPENSE | | | |
| | <i>Analysis and Planning</i> | | |
| | Salaries and wages | 2,085,100 | |
| | Employee benefits | 270,900 | |
| | Transportation and communication | 61,500 | |
| | Services | 436,600 | |
| | Supplies and equipment | 58,800 | 2,912,900 |
| | <i>Legal Services</i> | | |
| | Transportation and communication | 25,000 | |
| | Services | 1,303,500 | |
| | Supplies and equipment | 25,000 | 1,353,500 |
| | <i>Audit Services</i> | | |
| | Services | 54,600 | 54,600 |
| | <i>Information Systems</i> | | |
| | Services | 465,100 | |
| | Less: Recoveries from other items | 285,000 | 180,100 |
| | Total Operating Expense to be Voted | | 9,263,700 |
| | Statutory Appropriations | | |
| S | Minister's Salary, the <i>Executive Council Act</i> | | 47,841 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | | 16,173 |
| | Total Operating Expense for Ministry Administration Program | | 9,327,714 |

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902

This program is responsible for developing the energy policy framework of Ontario that is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to achieve a diverse, environmentally-sustainable and competitively-priced energy supply and transmission and distribution system. The program supports energy conservation and efficiency and the development of renewable energy.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2008-09 | Estimates 2007-08 | Difference Between 2008-09 and 2007-08 | Actual 2006-07 |
|--------------------------|--|-------------------|-------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Policy and Programs | 73,035,200 | 59,410,900 | 13,624,300 | 30,407,500 |
| | Total Including Special Warrants | 73,035,200 | 59,410,900 | 13,624,300 | 30,407,500 |
| | Less: Special Warrants | - | 23,600,000 | (23,600,000) | - |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 73,035,200 | 35,810,900 | 37,224,300 | 30,407,500 |
| | Special Warrants | - | 23,600,000 | (23,600,000) | - |
| | Total Operating Expense | 73,035,200 | 59,410,900 | 13,624,300 | 30,407,500 |

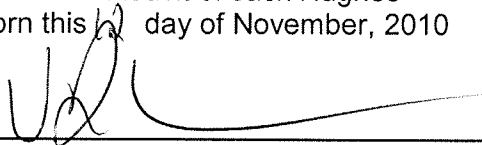
ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|---|------------|-------------------|
| | OPERATING EXPENSE | | |
| 2902-1 | Policy and Programs | | |
| | Salaries and wages | | 8,356,700 |
| | Employee benefits | | 1,044,300 |
| | Transportation and communication | | 890,200 |
| | Services | | 16,935,100 |
| | Supplies and equipment | | 467,700 |
| | Transfer payments | | |
| | Municipal Eco-Challenge Fund - Capacity Build | 9,505,000 | |
| | Ontario Renewable Heat Program | 4,090,000 | |
| | Residential Green Power Initiative | 200,000 | |
| | Residential Renewable Energy Program | 940,000 | |
| | Ontario Home Energy Retrofit Program | 21,587,500 | |
| | Home Energy Audit Fund | 5,368,700 | |
| | Bio-Energy Research | 1,750,000 | |
| | Conservation Initiatives | 1,900,000 | 45,341,200 |
| | Total Operating Expense to be Voted | | 73,035,200 |
| | Total Operating Expense for Energy Sector Transformation Program | | 73,035,200 |

This is **Exhibit "P"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, consisting of a stylized 'J' followed by a series of loops and a long horizontal stroke.

A Commissioner, etc.

MINISTRY OF ENERGY AND INFRASTRUCTURE

The mandate of the Ministry of Energy and Infrastructure includes the creation of an energy conservation culture while ensuring a reliable, sustainable, and diverse supply of energy at competitive prices, with minimal impact on the province's environment; the development and advice on all aspects of energy policy for Ontario, including electricity, natural gas, oil and alternative energy.

The Ministry of Energy and Infrastructure is the central agency responsible for managing infrastructure planning and capital priority setting for the Government of Ontario. It is responsible for the implementation of the government's growth management policy through the development of growth plans in collaboration with other ministries and in consultation with the local government sector, stakeholders and the public; the development of effective asset management policies and policies and programs for gaming, infrastructure financing, including alternative financing and procurement (AFP), and realty accommodation policy.

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--|--------------------------------------|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 2901 | Ministry Administration Program | 18,758,700 | 20,516,400 | (1,757,700) | 16,629,451 |
| 2902 | Energy Sector Transformation Program | 185,012,400 | 73,035,200 | 111,977,200 | 69,397,456 |
| 2903 | Infrastructure and Growth Planning | 17,474,600 | 17,799,600 | (325,000) | 12,161,054 |
| 2904 | Realty Development and Management | 64,635,100 | 62,814,300 | 1,820,800 | 61,427,347 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 285,880,800 | 174,165,500 | 111,715,300 | 159,615,308 |

MINISTRY PROGRAM SUMMARY

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| VOTE | PROGRAM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--------------------------|---|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| | Statutory Appropriations | 224,187 | 272,028 | (47,841) | 128,028 |
| | Ministry Total Operating Expense | 286,104,987 | 174,437,528 | 111,667,459 | 159,743,336 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 120,755,000 | 102,206,000 | 18,549,000 | 105,875,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 34,646,200 | 33,069,800 | 1,576,400 | 28,777,280 |
| | Net Consolidation Adjustment - Ontario Power Authority | 79,935,000 | 55,145,000 | 24,790,000 | 42,054,870 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - Corporate | (800,000) | 122,000 | (922,000) | (2,531,000) |
| | Net Consolidation Adjustment - Ontario Realty Corporation - General Real Estate Portfolio | 121,116,100 | 165,040,900 | (43,924,800) | 152,312,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - Transmission Corridor Program | - | - | - | 2,661 |
| | Net Consolidation Adjustment - Ontario Infrastructure Projects Corporation | 162,408,000 | 96,555,000 | 65,853,000 | 64,165,000 |
| | Net Consolidation Adjustment - Toronto Waterfront Revitalization Corporation | 73,807,300 | 54,691,700 | 19,115,600 | 25,094,110 |
| | Net Consolidation Adjustment - Ontario Racing Commission | 11,400,000 | 11,200,000 | 200,000 | 10,225,700 |
| | Total Including Consolidation & Other Adjustments | 889,372,587 | 692,467,928 | 196,904,659 | 585,718,957 |

MINISTRY PROGRAM SUMMARY

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| VOTE | PROGRAM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--|---|----------------------|----------------------|--|--------------------|
| CAPITAL EXPENSE | | | | | |
| 2903 | Infrastructure and Growth Planning | 4,009,457,000 | 283,986,000 | 3,725,471,000 | 478,528,809 |
| 2904 | Realty Development and Management | 215,990,000 | 105,386,000 | 110,604,000 | 182,284,524 |
| TOTAL CAPITAL EXPENSE TO BE VOTED | | 4,225,447,000 | 389,372,000 | 3,836,075,000 | 660,813,333 |
| | Statutory Appropriations | 1,000 | - | 1,000 | - |
| | Ministry Total Capital Expense | 4,225,448,000 | 389,372,000 | 3,836,076,000 | 660,813,333 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 25,425,000 | 27,750,000 | (2,325,000) | 28,697,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 1,907,900 | 2,420,300 | (512,400) | 2,071,390 |
| | Net Consolidation Adjustment - Ontario Power Authority | 1,191,000 | 1,410,000 | (219,000) | 1,196,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - Corporate | 1,700,000 | 1,872,000 | (172,000) | 2,370,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - General Real Estate Portfolio | (615,003,600) | (612,771,400) | (2,232,200) | (421,662,567) |
| | Net Consolidation Adjustment - Ontario Infrastructure Projects Corporation | (7,434,000) | (9,291,000) | 1,857,000 | (5,046,000) |
| | Net Consolidation Adjustment - Toronto Waterfront Revitalization Corporation | (16,056,000) | (35,608,000) | 19,552,000 | (2,998,790) |
| | Net Consolidation Adjustment - Ontario Racing Commission | 120,000 | 100,000 | 20,000 | 98,000 |
| | Other Adjustments - Federal-Provincial Infrastructure Programs | (894,713,500) | - | (894,713,500) | - |
| Total Including Consolidation & Other Adjustments | | 2,722,584,800 | (234,746,100) | 2,957,330,900 | 265,538,366 |

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--|-----------------------------------|----------------------|----------------------|--|--------------------|
| CAPITAL ASSETS | | | | | |
| 2904 | Realty Development and Management | 1,000 | - | 1,000 | - |
| TOTAL CAPITAL ASSETS TO BE VOTED | | 1,000 | - | 1,000 | - |
| Ministry Total Capital Assets | | 1,000 | - | 1,000 | - |
| Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets) | | | | | |
| | | 3,611,957,387 | 457,721,828 | 3,154,235,559 | 851,257,323 |

THE ESTIMATES, 2009-10

MINISTRY OF ENERGY AND INFRASTRUCTURE

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901

This program provides financial, audit, administrative, corporate policy and business planning, human resources support and systems development services. Legal and communications services are also included in this program.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--------------------------|--|-------------------|-------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Ministry Administration | 18,758,700 | 20,516,400 | (1,757,700) | 16,629,451 |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 18,758,700 | 20,516,400 | (1,757,700) | 16,629,451 |
| S | Minister's Salary, the <i>Executive Council Act</i> | 47,841 | 95,682 | (47,841) | 95,682 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | 32,346 | 32,346 | - | 32,346 |
| | Total Statutory Appropriations | 80,187 | 128,028 | (47,841) | 128,028 |
| | Total Operating Expense | 18,838,887 | 20,644,428 | (1,805,541) | 16,757,479 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|--|-------------------|-----------|
| | OPERATING EXPENSE | | |
| 2901-1 | Ministry Administration | | |
| | Salaries and wages | 8,975,000 | |
| | Employee benefits | 1,075,500 | |
| | Transportation and communication | 461,900 | |
| | Services | 10,641,500 | |
| | Supplies and equipment | 299,800 | |
| | Subtotal | 21,453,700 | |
| | Less: Recoveries | 2,695,000 | |
| | Total Operating Expense to be Voted | 18,758,700 | |
| | <i>Sub-Items:</i> | | |
| | <i>Main Office</i> | | |
| | Salaries and wages | 3,518,600 | |
| | Employee benefits | 397,700 | |
| | Transportation and communication | 122,400 | |
| | Services | 377,600 | |
| | Supplies and equipment | 87,300 | 4,503,600 |
| | <i>Communications Services</i> | | |
| | Salaries and wages | 2,658,100 | |
| | Employee benefits | 356,300 | |
| | Transportation and communication | 88,300 | |
| | Services | 1,179,200 | |
| | Supplies and equipment | 81,800 | 4,363,700 |
| | <i>Legal Services</i> | | |
| | Transportation and communication | 70,000 | |
| | Services | 3,144,900 | |
| | Supplies and equipment | 40,000 | 3,254,900 |
| | <i>Analysis and Planning</i> | | |
| | Salaries and wages | 2,798,300 | |
| | Employee benefits | 321,500 | |
| | Transportation and communication | 65,300 | |
| | Services | 1,326,500 | |
| | Supplies and equipment | 62,600 | 4,574,200 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|--|-----------|-------------------|
| | OPERATING EXPENSE | | |
| | <i>Financial and Administrative Services</i> | | |
| | Transportation and communication | 115,900 | |
| | Services | 3,414,600 | |
| | Supplies and equipment | 28,100 | |
| | Subtotal | 3,558,600 | |
| | Less: Recoveries from other items | 2,410,000 | 1,148,600 |
| | <i>Human Resources</i> | | |
| | Services | 29,100 | 29,100 |
| | <i>Audit Services</i> | | |
| | Services | 54,600 | 54,600 |
| | <i>Information Systems</i> | | |
| | Services | 1,115,000 | |
| | Less: Recoveries from other items | 285,000 | 830,000 |
| | Total Operating Expense to be Voted | | 18,758,700 |
| | Statutory Appropriations | | |
| S | Minister's Salary, the <i>Executive Council Act</i> | | 47,841 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | | 32,346 |
| | Total Operating Expense for Ministry Administration Program | | 18,838,887 |

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902

This program is responsible for developing the energy policy framework of Ontario that is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to achieve a diverse, environmentally-sustainable and competitively-priced energy supply and transmission and distribution systems. The program supports energy conservation and efficiency and the development of renewable energy.

Through its oversight of the Ontario Energy Board, the Ontario Power Authority and the Independent Electricity System Operator, this program is responsible for setting the legislative and policy framework to assure safe and reliable supply and delivery of both electricity and natural gas to the province's energy consumers. It also represents the shareholder in dealings with Hydro One and Ontario Power Generation.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--|---------------------|----------------------|----------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Policy and Programs | 185,012,400 | 73,035,200 | 111,977,200 | 69,397,456 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 185,012,400 | 73,035,200 | 111,977,200 | 69,397,456 |
| Total Operating Expense | | 185,012,400 | 73,035,200 | 111,977,200 | 69,397,456 |

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|--|--|-------------|-------------|
| OPERATING EXPENSE | | | |
| 2902-1 | Policy and Programs | | |
| | Salaries and wages | | 11,052,500 |
| | Employee benefits | | 1,395,200 |
| | Transportation and communication | | 1,016,200 |
| | Services | | 10,708,200 |
| | Supplies and equipment | | 405,300 |
| | Transfer payments | | |
| | Home Energy Audit Fund | 34,451,900 | |
| | Ontario Home Energy Retrofit Program | 111,693,100 | |
| | Ontario Renewable Heat Program | 4,090,000 | |
| | World Green Building Council | 250,000 | |
| | Residential Renewable Energy Program | 7,200,000 | |
| | Bio-Energy Research | 850,000 | |
| | Conservation Initiatives | 1,900,000 | 160,435,000 |
| Total Operating Expense to be Voted | | | 185,012,400 |
| Total Operating Expense for Energy Sector Transformation Program | | | 185,012,400 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903

This program develops and coordinates implementation of sound infrastructure strategies for the province, including central agency management of the provincial capital planning process and budget development; leads negotiations with the federal government on new cost-shared infrastructure programs; leads the implementation of an asset management framework for the government; provides infrastructure economics and financial advice and analysis, as well as expertise on water economics.

This program provides leadership in the development and implementation of the government's province-wide growth management policy, under the *Places to Grow Act*. This includes creating regional growth management plans with local governments, Aboriginal communities, and other stakeholders, and facilitating the alignment of government policy and funding across multiple ministries to support implementation of the program.

This program also coordinates development of policy to support government direction in responsible gaming and economic development in the gaming sector and provides oversight to Waterfront Toronto, Infrastructure Ontario, the Ontario Racing Commission and the Ontario Lottery and Gaming Corporation.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--|---|----------------------|--------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Infrastructure and Growth Policy and Programs | 17,474,600 | 17,799,600 | (325,000) | 12,161,054 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 17,474,600 | 17,799,600 | (325,000) | 12,161,054 |
| Total Operating Expense | | 17,474,600 | 17,799,600 | (325,000) | 12,161,054 |
| CAPITAL EXPENSE | | | | | |
| 2 | Infrastructure Programs | 3,809,457,000 | 108,986,000 | 3,700,471,000 | 478,528,809 |
| 3 | Capital Contingency Fund | 200,000,000 | 175,000,000 | 25,000,000 | - |
| TOTAL CAPITAL EXPENSE TO BE VOTED | | 4,009,457,000 | 283,986,000 | 3,725,471,000 | 478,528,809 |
| Total Capital Expense | | 4,009,457,000 | 283,986,000 | 3,725,471,000 | 478,528,809 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | |
|--------------------------|---|-------------------|
| OPERATING EXPENSE | | |
| 2903-1 | Infrastructure and Growth Policy and Programs | |
| | Salaries and wages | 10,103,100 |
| | Employee benefits | 1,300,800 |
| | Transportation and communication | 308,200 |
| | Services | 5,458,600 |
| | Supplies and equipment | 327,800 |
| | Transfer payments | |
| | Toronto Waterfront Revitalization Corporation | 4,445,000 |
| | Subtotal | 21,943,500 |
| | Less: Recoveries | 4,468,900 |
| | Total Operating Expense to be Voted | 17,474,600 |
| | Total Operating Expense for Infrastructure and Growth Planning | 17,474,600 |

CAPITAL EXPENSE

| | | |
|--------|--|----------------------|
| 2903-2 | Infrastructure Programs | |
| | Services | 2,500,000 |
| | Transfer payments | |
| | Toronto Waterfront Revitalization | 66,301,000 |
| | Water and Wastewater Investments | 74,500,000 |
| | Ontario Infrastructure Projects Corporation | 9,865,000 |
| | Federal - Provincial Infrastructure Programs | 1,779,390,500 |
| | Federal - Provincial Infrastructure Programs - Federal | |
| | Contributions | 1,876,900,500 |
| | Total Capital Expense to be Voted | 3,809,457,000 |

*Sub-Items:**Infrastructure Programs*

| | | | |
|--|---------------|---------------|---------------|
| Services | | 500,000 | |
| Transfer payments | | | |
| Toronto Waterfront Revitalization | 66,301,000 | | |
| Water and Wastewater Investments | 74,500,000 | | |
| Ontario Infrastructure Projects Corporation | 9,865,000 | | |
| Federal - Provincial Infrastructure Programs | 1,779,390,500 | | |
| Federal - Provincial Infrastructure Programs - | | | |
| Federal Contributions | 1,876,900,500 | 3,806,957,000 | 3,807,457,000 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|--|-----------|---------------|
| | CAPITAL EXPENSE | | |
| | Asset Management | | |
| | Services | 2,000,000 | 2,000,000 |
| | Total Capital Expense to be Voted | | 3,809,457,000 |
| 2903-3 | Capital Contingency Fund | | |
| | Other transactions | | 200,000,000 |
| | Total Capital Expense to be Voted | | 200,000,000 |
| | Total Capital Expense for Infrastructure and Growth Planning | | 4,009,457,000 |

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904

This program identifies and executes the strategic policy interests of the owner with respect to the stewardship and strategic management of the Ministry's real estate portfolio and the broader government-owned and -controlled portfolio. The program works to ensure that real estate policy and decisions support the broad range of government initiatives and directives. It provides direction and oversight to the Ontario Realty Corporation and works closely with other ministries to develop policies, frameworks and strategies to support real estate planning and decision-making related to the use of Ministry-owned properties and other property and accommodation matters.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2009-10 | Estimates 2008-09 | Difference Between 2009-10 and 2008-09 | Actual 2007-08 |
|--------------------------|---|--------------------|--------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Realty Programs | 64,635,100 | 62,814,300 | 1,820,800 | 61,427,347 |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 64,635,100 | 62,814,300 | 1,820,800 | 61,427,347 |
| S | Bad Debt Expense, the <i>Financial Administration Act</i> | 144,000 | 144,000 | - | - |
| | Total Statutory Appropriations | 144,000 | 144,000 | - | - |
| | Total Operating Expense | 64,779,100 | 62,958,300 | 1,820,800 | 61,427,347 |
| CAPITAL EXPENSE | | | | | |
| 2 | Realty Programs | 215,989,000 | 105,386,000 | 110,603,000 | 182,284,524 |
| 4 | Realty Development and Management - Expense related to Capital Assets | 1,000 | - | 1,000 | - |
| | TOTAL CAPITAL EXPENSE TO BE VOTED | 215,990,000 | 105,386,000 | 110,604,000 | 182,284,524 |
| S | Amortization Expense, the <i>Financial Administration Act</i> | 1,000 | - | 1,000 | - |
| | Total Statutory Appropriations | 1,000 | - | 1,000 | - |
| | Total Capital Expense | 215,991,000 | 105,386,000 | 110,605,000 | 182,284,524 |
| CAPITAL ASSETS | | | | | |
| 3 | Realty Development and Management | 1,000 | - | 1,000 | - |
| | TOTAL CAPITAL ASSETS TO BE VOTED | 1,000 | - | 1,000 | - |
| | Total Capital Assets | 1,000 | - | 1,000 | - |

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | |
|---------------------------------|---|--------------------|
| OPERATING EXPENSE | | |
| 2904-1 | Realty Programs | |
| | Salaries and wages | 2,806,100 |
| | Employee benefits | 424,000 |
| | Transportation and communication | 41,800 |
| | Services | 61,317,400 |
| | Supplies and equipment | 45,800 |
| | Total Operating Expense to be Voted | 64,635,100 |
| Statutory Appropriations | | |
| | Other transactions | |
| S | Bad Debt Expense, the <i>Financial Administration Act</i> | 144,000 |
| | Total Operating Expense for Realty Development and Management | 64,779,100 |
| CAPITAL EXPENSE | | |
| 2904-2 | Realty Programs | |
| | Services | 215,988,000 |
| | Transfer payments | |
| | Realty Transactions | 1,000 |
| | Total Capital Expense to be Voted | 215,989,000 |
| 2904-4 | Realty Development and Management - Expense related to Capital Assets | |
| | Other transactions | |
| | Loss on asset disposal | 1,000 |
| | Total Capital Expense to be Voted | 1,000 |
| Statutory Appropriations | | |
| | Other transactions | |
| S | Amortization Expense, the <i>Financial Administration Act</i> | 1,000 |
| | Total Capital Expense for Realty Development and Management | 215,991,000 |

THE ESTIMATES, 2009-10

MINISTRY OF ENERGY AND INFRASTRUCTURE

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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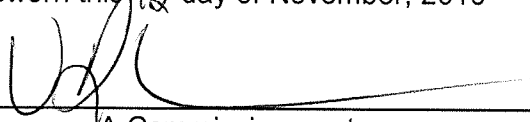
| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | |
|---------------------|---|--------------|
| | CAPITAL ASSETS | |
| 2904-3 | Realty Development and Management | |
| | Land and marine fleet | 1,000 |
| | Total Capital Assets to be Voted | 1,000 |
| | Total Capital Assets for Realty Development and Management | 1,000 |

RECONCILIATION TO PREVIOUSLY PUBLISHED DATA

| OPERATING EXPENSE | Estimates 2008-09 \$ | Actual 2007-08 \$ |
|---|----------------------------|-------------------------|
| Total Operating Expense previously published* | 91,968,914 | 82,508,573 |
| Government Reorganization | | |
| Transfer of functions from other Ministries | 82,468,614 | 77,234,763 |
| Restated Total Operating Expense | 174,437,528 | 159,743,336 |

*Total Operating Expense includes Statutory Appropriations, Special Warrants and total operating expense to be voted. The 2007-08 Actuals are adjusted to reflect new Ministry structure(s) in 2008-09.

This is **Exhibit "Q"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010


A Commissioner, etc.

MINISTRY OF ENERGY AND INFRASTRUCTURE

The mandate of the Ministry of Energy and Infrastructure includes the creation of an energy conservation culture while ensuring a reliable, sustainable, and diverse supply of energy at competitive prices, with minimal impact on the province's environment; the development of and advice on all aspects of energy policy for Ontario, including electricity, natural gas, oil and alternative energy.

The Ministry of Energy and Infrastructure is the central agency responsible for managing infrastructure planning and capital priority setting for the Government of Ontario. It is responsible for the implementation of the government's growth management policy through the development of growth plans in collaboration with other ministries and in consultation with the local government sector, stakeholders and the public; the development of effective asset management policies and policies and programs for infrastructure financing, including alternative financing and procurement (AFP), and realty accommodation policy.

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--|--------------------------------------|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| 2901 | Ministry Administration Program | 18,170,200 | 18,758,700 | (588,500) | 17,334,507 |
| 2902 | Energy Sector Transformation Program | 203,715,100 | 185,012,400 | 18,702,700 | 87,781,007 |
| 2903 | Infrastructure and Growth Planning | 20,658,800 | 16,184,800 | 4,474,000 | 10,536,092 |
| 2904 | Realty Development and Management | 67,111,500 | 64,635,100 | 2,476,400 | 67,069,115 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 309,655,600 | 284,591,000 | 25,064,600 | 182,720,721 |

MINISTRY PROGRAM SUMMARY

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| VOTE | PROGRAM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--------------------------|---|----------------------|----------------------|--|--------------------|
| OPERATING EXPENSE | | | | | |
| | Statutory Appropriations | 224,187 | 224,187 | - | 1,133,083 |
| | Ministry Total Operating Expense | 309,879,787 | 284,815,187 | 25,064,600 | 183,853,804 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 122,456,900 | 120,755,000 | 1,701,900 | 111,388,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 35,429,100 | 34,646,200 | 782,900 | 30,463,870 |
| | Net Consolidation Adjustment - Ontario Power Authority | 81,311,000 | 79,935,000 | 1,376,000 | 62,425,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - Corporate | (12,003,300) | (800,000) | (11,203,300) | (5,395,000) |
| | Net Consolidation Adjustment - Ontario Realty Corporation - General Real Estate Portfolio | 202,148,600 | 121,116,100 | 81,032,500 | 205,995,000 |
| | Net Consolidation Adjustment - Ontario Infrastructure Projects Corporation | 161,642,500 | 162,408,000 | (765,500) | 86,512,000 |
| | Net Consolidation Adjustment - Toronto Waterfront Revitalization Corporation | 75,544,100 | 73,807,300 | 1,736,800 | 27,073,720 |
| | Total Including Consolidation & Other Adjustments | 976,408,687 | 876,682,787 | 99,725,900 | 702,316,394 |

MINISTRY PROGRAM SUMMARY

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| VOTE | PROGRAM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--|---|----------------------|----------------------|--|----------------------|
| CAPITAL EXPENSE | | | | | |
| 2903 | Infrastructure and Growth Planning | 935,995,300 | 4,009,457,000 | (3,073,461,700) | 54,108,979 |
| 2904 | Realty Development and Management | 199,759,300 | 215,990,000 | (16,230,700) | 95,799,436 |
| TOTAL CAPITAL EXPENSE TO BE VOTED | | 1,135,754,600 | 4,225,447,000 | (3,089,692,400) | 149,908,415 |
| | Statutory Appropriations | 1,000 | 1,000 | - | - |
| | Ministry Total Capital Expense | 1,135,755,600 | 4,225,448,000 | (3,089,692,400) | 149,908,415 |
| | Net Consolidation Adjustment - Independent Electricity System Operator | 23,900,000 | 25,425,000 | (1,525,000) | 21,911,000 |
| | Net Consolidation Adjustment - Ontario Energy Board | 1,372,000 | 1,907,900 | (535,900) | 2,225,702 |
| | Net Consolidation Adjustment - Ontario Power Authority | 2,047,000 | 1,191,000 | 856,000 | 1,010,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - Corporate | 1,800,000 | 1,700,000 | 100,000 | 2,125,000 |
| | Net Consolidation Adjustment - Ontario Realty Corporation - General Real Estate Portfolio | (861,702,100) | (615,003,600) | (246,698,500) | (613,510,991) |
| | Net Consolidation Adjustment - Ontario Infrastructure Projects Corporation | (34,918,500) | (7,434,000) | (27,484,500) | (9,721,000) |
| | Net Consolidation Adjustment - Toronto Waterfront Revitalization Corporation | (15,131,400) | (16,056,000) | 924,600 | (5,547,950) |
| | Other Adjustments - Federal-Provincial Infrastructure Programs | (346,258,100) | (894,713,500) | 548,455,400 | - |
| | Total Including Consolidation & Other Adjustments | (93,135,500) | 2,722,464,800 | (2,815,600,300) | (451,599,824) |

MINISTRY PROGRAM SUMMARY

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| VOTE PROGRAM | | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--|-----------------------------------|----------------------|----------------------|--|--------------------|
| CAPITAL ASSETS | | | | | |
| 2904 | Realty Development and Management | 1,000 | 1,000 | - | - |
| TOTAL CAPITAL ASSETS TO BE VOTED | | 1,000 | 1,000 | - | - |
| Ministry Total Capital Assets | | 1,000 | 1,000 | - | - |
| Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets) | | 883,273,187 | 3,599,147,587 | (2,715,874,400) | 250,716,570 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901

This program provides financial, audit, administrative, corporate policy and business planning, human resources support and systems development services. Legal and communications services are also included in this program.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--------------------------|--|-------------------|-------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Ministry Administration | 18,170,200 | 18,758,700 | (588,500) | 17,334,507 |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 18,170,200 | 18,758,700 | (588,500) | 17,334,507 |
| S | Minister's Salary, the <i>Executive Council Act</i> | 47,841 | 47,841 | - | 60,120 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | 32,346 | 32,346 | - | 33,334 |
| | Total Statutory Appropriations | 80,187 | 80,187 | - | 93,454 |
| | Total Operating Expense | 18,250,387 | 18,838,887 | (588,500) | 17,427,961 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|-------------------------|--|-----------|-------------------|
| OPERATING EXPENSE | | | |
| 2901-1 | Ministry Administration | | |
| | Salaries and wages | | 9,253,800 |
| | Employee benefits | | 1,111,500 |
| | Transportation and communication | | 376,000 |
| | Services | | 11,097,200 |
| | Supplies and equipment | | 331,700 |
| | Subtotal | | 22,170,200 |
| | Less: Recoveries | | 4,000,000 |
| | Total Operating Expense to be Voted | | 18,170,200 |
| Sub-Items: | | | |
| Main Office | | | |
| | Salaries and wages | 3,393,600 | |
| | Employee benefits | 397,700 | |
| | Transportation and communication | 122,400 | |
| | Services | 377,600 | |
| | Supplies and equipment | 87,300 | 4,378,600 |
| Communications Services | | | |
| | Salaries and wages | 2,924,600 | |
| | Employee benefits | 378,000 | |
| | Transportation and communication | 88,300 | |
| | Services | 1,179,200 | |
| | Supplies and equipment | 81,800 | 4,651,900 |
| Legal Services | | | |
| | Transportation and communication | 70,000 | |
| | Services | 3,144,900 | |
| | Supplies and equipment | 40,000 | 3,254,900 |
| Analysis and Planning | | | |
| | Salaries and wages | 2,935,600 | |
| | Employee benefits | 335,800 | |
| | Transportation and communication | 65,300 | |
| | Services | 918,100 | |
| | Supplies and equipment | 62,600 | 4,317,400 |

MINISTRY ADMINISTRATION PROGRAM - VOTE 2901, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|--------------------------|--|-----------|-------------------|
| OPERATING EXPENSE | | | |
| | <i>Financial and Administrative Services</i> | | |
| | Transportation and communication | 30,000 | |
| | Services | 3,768,900 | |
| | Supplies and equipment | 60,000 | |
| | Subtotal | 3,858,900 | |
| | Less: Recoveries from other items | 2,790,000 | 1,068,900 |
| | <i>Human Resources</i> | | |
| | Services | 160,000 | |
| | Less: Recoveries | 110,000 | 50,000 |
| | <i>Audit Services</i> | | |
| | Services | 236,000 | |
| | Less: Recoveries | 160,000 | 76,000 |
| | <i>Information Systems</i> | | |
| | Services | 1,312,500 | |
| | Less: Recoveries from other items | 940,000 | 372,500 |
| | Total Operating Expense to be Voted | | 18,170,200 |
| | Statutory Appropriations | | |
| S | Minister's Salary, the <i>Executive Council Act</i> | | 47,841 |
| S | Parliamentary Assistant's Salary, the <i>Executive Council Act</i> | | 32,346 |
| | Total Operating Expense for Ministry Administration Program | | 18,250,387 |

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902

This program is responsible for developing the energy policy framework of Ontario that is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to achieve a diverse, environmentally-sustainable and competitively-priced energy supply and transmission and distribution systems. The program supports energy conservation and efficiency and the development of renewable and cleaner energy, including activities related to the implementation of the *Green Energy and Green Economy Act, 2009*.

This program also includes initiatives that support Ontario's legal obligations with respect to consulting with Aboriginal peoples and that facilitate the participation of Aboriginal peoples in the development and implementation of renewable energy projects, and transmission and distribution systems.

Through its oversight of the Ontario Energy Board, the Ontario Power Authority and the Independent Electricity System Operator, this program is responsible for setting the legislative and policy framework to assure safe and reliable supply and delivery of both electricity and natural gas to the province's energy consumers. It also represents the shareholder in dealings with Hydro One and Ontario Power Generation.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--|---------------------|----------------------|----------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Policy and Programs | 203,715,100 | 185,012,400 | 18,702,700 | 87,781,007 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 203,715,100 | 185,012,400 | 18,702,700 | 87,781,007 |
| Total Operating Expense | | 203,715,100 | 185,012,400 | 18,702,700 | 87,781,007 |

ENERGY SECTOR TRANSFORMATION PROGRAM - VOTE 2902, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|--|--|-------------|-------------|
| OPERATING EXPENSE | | | |
| 2902-1 | Policy and Programs | | |
| | Salaries and wages | | 12,048,900 |
| | Employee benefits | | 1,524,600 |
| | Transportation and communication | | 492,600 |
| | Services | | 20,324,100 |
| | Supplies and equipment | | 377,700 |
| | Transfer payments | | |
| | Home Energy Audit Fund | 34,439,700 | |
| | Ontario Home Energy Retrofit Program | 111,717,500 | |
| | Ontario Renewable Heat Program | 4,090,000 | |
| | World Green Building Council | 100,000 | |
| | Residential Renewable Energy Program | 14,800,000 | |
| | Conservation Initiatives | 2,200,000 | |
| | Aboriginal Engagement Agreements | 200,000 | |
| | Green Energy Initiatives | 1,400,000 | 168,947,200 |
| Total Operating Expense to be Voted | | | 203,715,100 |
| Total Operating Expense for Energy Sector Transformation Program | | | 203,715,100 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903

This program develops and coordinates implementation of sound infrastructure strategies for the province, including central agency management of the provincial capital planning process and budget development; leads negotiations with the federal government on new cost-shared infrastructure programs; leads the implementation of an asset management framework for the government; provides infrastructure economics and financial advice and analysis, as well as expertise on water economics.

This program provides leadership in the development and implementation of the government's province-wide growth management policy, under the *Places to Grow Act, 2005*. This includes creating regional growth management plans with local governments, Aboriginal communities, and other stakeholders, and facilitating the alignment of government policy and funding across multiple ministries to support implementation of the program. This program provides oversight to Waterfront Toronto and Infrastructure Ontario.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--|---|--------------------|----------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Infrastructure and Growth Policy and Programs | 20,658,800 | 16,184,800 | 4,474,000 | 10,536,092 |
| TOTAL OPERATING EXPENSE TO BE VOTED | | 20,658,800 | 16,184,800 | 4,474,000 | 10,536,092 |
| Total Operating Expense | | 20,658,800 | 16,184,800 | 4,474,000 | 10,536,092 |
| CAPITAL EXPENSE | | | | | |
| 2 | Infrastructure Programs | 735,995,300 | 3,809,457,000 | (3,073,461,700) | 54,108,979 |
| 3 | Capital Contingency Fund | 200,000,000 | 200,000,000 | - | - |
| TOTAL CAPITAL EXPENSE TO BE VOTED | | 935,995,300 | 4,009,457,000 | (3,073,461,700) | 54,108,979 |
| Total Capital Expense | | 935,995,300 | 4,009,457,000 | (3,073,461,700) | 54,108,979 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903, cont'd

STANDARD ACCOUNTS CLASSIFICATION

(\$)

| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | | |
|---------------------|---|-------------|--------------------|
| OPERATING EXPENSE | | | |
| 2903-1 | Infrastructure and Growth Policy and Programs | | |
| | Salaries and wages | | 10,428,400 |
| | Employee benefits | | 1,333,400 |
| | Transportation and communication | | 327,000 |
| | Services | | 5,804,100 |
| | Supplies and equipment | | 265,900 |
| | Transfer payments | | |
| | Toronto Waterfront Revitalization Corporation | 2,152,000 | |
| | Infrastructure and Growth Fund | 2,500,000 | 4,652,000 |
| | Subtotal | | 22,810,800 |
| | Less: Recoveries | | 2,152,000 |
| | Total Operating Expense to be Voted | | 20,658,800 |
| | Total Operating Expense for Infrastructure and Growth Planning | | 20,658,800 |
| CAPITAL EXPENSE | | | |
| 2903-2 | Infrastructure Programs | | |
| | Services | | 2,499,000 |
| | Transfer payments | | |
| | Toronto Waterfront Revitalization | 81,084,000 | |
| | Water and Wastewater Investments | 9,500,000 | |
| | Ontario Infrastructure Projects Corporation | 9,765,000 | |
| | Federal - Provincial Infrastructure Programs | 372,155,500 | |
| | Federal - Provincial Infrastructure Programs - Federal | | |
| | Contributions | 260,990,800 | |
| | Asset Management | 1,000 | 733,496,300 |
| | Total Capital Expense to be Voted | | 735,995,300 |

INFRASTRUCTURE AND GROWTH PLANNING - VOTE 2903, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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VOTE -
ITEM # STANDARD ACCOUNT BY ITEM AND SUB-ITEMS

CAPITAL EXPENSE*Sub-Items:**Infrastructure Programs*

| | | | |
|--|-------------|-------------|-------------|
| Services | | 500,000 | |
| Transfer payments | | | |
| Toronto Waterfront Revitalization | 81,084,000 | | |
| Water and Wastewater Investments | 9,500,000 | | |
| Ontario Infrastructure Projects Corporation | 9,765,000 | | |
| Federal - Provincial Infrastructure Programs | 372,155,500 | | |
| Federal - Provincial Infrastructure Programs - | | | |
| Federal Contributions | 260,990,800 | 733,495,300 | 733,995,300 |

Asset Management

| | | | |
|-------------------|--|-----------|-----------|
| Services | | 1,999,000 | |
| Transfer payments | | | |
| Asset Management | | 1,000 | 2,000,000 |

| | | | |
|--|--|--|--------------------|
| Total Capital Expense to be Voted | | | 735,995,300 |
|--|--|--|--------------------|

2903-3 Capital Contingency Fund

| | | | |
|--------------------|--|--|-------------|
| Other transactions | | | 200,000,000 |
|--------------------|--|--|-------------|

| | | | |
|--|--|--|--------------------|
| Total Capital Expense to be Voted | | | 200,000,000 |
|--|--|--|--------------------|

| | | | |
|---|--|--|--------------------|
| Total Capital Expense for Infrastructure and Growth Planning | | | 935,995,300 |
|---|--|--|--------------------|

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904

This program identifies and executes the strategic policy interests of the owner with respect to the stewardship and strategic management of the Ministry's real estate portfolio and the broader government-owned and -controlled portfolio. The program works to ensure that real estate policy and decisions support the broad range of government initiatives and directives. It provides direction and oversight to the Ontario Realty Corporation and works closely with other ministries to develop policies, frameworks and strategies to support real estate planning and decision-making related to the use of Ministry-owned properties and other property and accommodation matters.

VOTE SUMMARY

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| ITEM # | ITEM | Estimates 2010-11 | Estimates 2009-10 | Difference Between 2010-11 and 2009-10 | Actual 2008-09 |
|--------------------------|---|--------------------|--------------------|--|-------------------|
| OPERATING EXPENSE | | | | | |
| 1 | Realty Programs | 67,111,500 | 64,635,100 | 2,476,400 | 67,069,115 |
| | TOTAL OPERATING EXPENSE TO BE VOTED | 67,111,500 | 64,635,100 | 2,476,400 | 67,069,115 |
| S | Bad Debt Expense, the <i>Financial Administration Act</i> | 144,000 | 144,000 | - | 1,039,629 |
| | Total Statutory Appropriations | 144,000 | 144,000 | - | 1,039,629 |
| | Total Operating Expense | 67,255,500 | 64,779,100 | 2,476,400 | 68,108,744 |
| CAPITAL EXPENSE | | | | | |
| 2 | Realty Programs | 199,758,300 | 215,989,000 | (16,230,700) | 95,799,436 |
| 4 | Realty Development and Management - Expense related to Capital Assets | 1,000 | 1,000 | - | - |
| | TOTAL CAPITAL EXPENSE TO BE VOTED | 199,759,300 | 215,990,000 | (16,230,700) | 95,799,436 |
| S | Amortization Expense, the <i>Financial Administration Act</i> | 1,000 | 1,000 | - | - |
| | Total Statutory Appropriations | 1,000 | 1,000 | - | - |
| | Total Capital Expense | 199,760,300 | 215,991,000 | (16,230,700) | 95,799,436 |
| CAPITAL ASSETS | | | | | |
| 3 | Realty Development and Management | 1,000 | 1,000 | - | - |
| | TOTAL CAPITAL ASSETS TO BE VOTED | 1,000 | 1,000 | - | - |
| | Total Capital Assets | 1,000 | 1,000 | - | - |

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904, cont'd

STANDARD ACCOUNTS CLASSIFICATION

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| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | |
|---------------------------------|---|--------------------|
| OPERATING EXPENSE | | |
| 2904-1 | Realty Programs | |
| | Salaries and wages | 2,950,700 |
| | Employee benefits | 442,700 |
| | Transportation and communication | 52,300 |
| | Services | 63,607,100 |
| | Supplies and equipment | 57,700 |
| | Other transactions | 1,000 |
| | Total Operating Expense to be Voted | 67,111,500 |
| Statutory Appropriations | | |
| | Other transactions | |
| S | Bad Debt Expense, the <i>Financial Administration Act</i> | 144,000 |
| | Total Operating Expense for Realty Development and Management | 67,255,500 |
| CAPITAL EXPENSE | | |
| 2904-2 | Realty Programs | |
| | Services | 199,757,300 |
| | Transfer payments | |
| | Realty Transactions | 1,000 |
| | Total Capital Expense to be Voted | 199,758,300 |
| 2904-4 | Realty Development and Management - Expense related to Capital Assets | |
| | Other transactions | |
| | Loss on asset disposal | 1,000 |
| | Total Capital Expense to be Voted | 1,000 |
| Statutory Appropriations | | |
| | Other transactions | |
| S | Amortization Expense, the <i>Financial Administration Act</i> | 1,000 |
| | Total Capital Expense for Realty Development and Management | 199,760,300 |

REALTY DEVELOPMENT AND MANAGEMENT - VOTE 2904, cont'd

STANDARD ACCOUNTS CLASSIFICATION, cont'd

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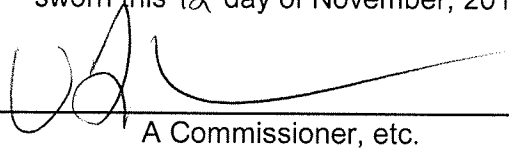
| VOTE - ITEM # | STANDARD ACCOUNT BY ITEM AND SUB-ITEMS | |
|---------------------|---|--------------|
| | CAPITAL ASSETS | |
| 2904-3 | Realty Development and Management | |
| | Land and marine fleet | 1,000 |
| | Total Capital Assets to be Voted | 1,000 |
| | Total Capital Assets for Realty Development and Management | 1,000 |

RECONCILIATION TO PREVIOUSLY PUBLISHED DATA

| OPERATING EXPENSE | Estimates 2009-10 \$ | Actual 2008-09 \$ |
|---|-------------------------------------|----------------------------------|
| Total Operating Expense previously published* | 286,104,987 | 185,510,515 |
| Government Reorganization | | |
| Transfer of functions to other Ministries | (1,289,800) | (1,656,711) |
| Restated Total Operating Expense | 284,815,187 | 183,853,804 |

*Total Operating Expense includes Statutory Appropriations, Special Warrants and total operating expense to be voted. The 2008-09 Actuals are adjusted to reflect new Ministry structure(s) in 2009-10.

This is **Exhibit "R"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A Commissioner, etc.

Go Green

Ontario's Action Plan On Climate Change

August 2007

Developing clean, renewable energy

Investment in renewable energy has been stepping up since 2003—in that year there were exactly 10 wind turbines in the province. Now we're up to nearly 700 that are up and running or in the works, making Ontario one of the biggest producers of wind energy in Canada.

We're making similar strides in solar power, with a massive new solar energy farm under development now near Sarnia.

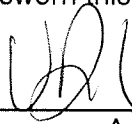
Starting now, Ontarians are going to find it easier to invest in renewable energy and conservation.

The Government of Ontario announced a new \$150 million investment to make this easier – and more. These programs, funded through money set aside in the 2007 budget, include:

- A Home Energy Retrofit program that will provide up to \$5,000 for home energy retrofits that include Energy Star® qualified furnaces for heating, domestic solar water heaters and insulation – as well as rebates for home energy audits
- A retail sales tax exemption at the point of sale (that is, there is no provincial sales tax when you buy) for Energy Star® light bulbs, decorative light strings, refrigerators, dishwashers, clothes washers, freezers, dehumidifiers and room air conditioners purchased, rented or leased from July 20, 2007 and before July 20, 2008
- A target to help equip 100,000 homes with solar power in Ontario
- Extending the retail sales tax rebate on qualifying solar, wind, micro hydro-electric and geothermal equipment to December 31, 2009
- A one-stop shop, in partnership, starting with a release of a website developed with the Clean Air Foundation, where consumers can go to find out how to go solar
- A program for the industrial, commercial and institutional sectors to encourage the use of solar thermal equipment
- A program to be developed with Ontario's green energy retailers to help Ontarians purchase 100 per cent green power
- A pilot project to provide zero-interest loans for homeowners to install renewable energy systems

We want your investment in renewable energy to benefit your pocket book and the environment, too. There's already a toll free line and a website where you can find out how – go to 1-888-668-4636 or www.energy.gov.on.ca.

This is **Exhibit "S"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, appearing to be 'WHL', is written over a horizontal line.

A Commissioner, etc.



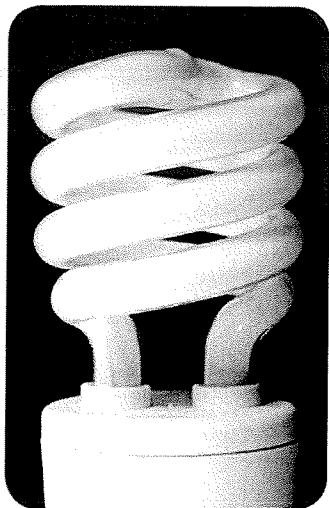
Ontario's Climate Change *Action Plan*

Creating Our Sustainable Future

Annual Report 2007-2008

Protecting our environment.





Quick Fact

Local Bans on the Use of Outdoor Clotheslines Lifted

In April 2008, Ontario removed local bans on the use of outdoor clotheslines. Prior to this, some developers had prohibited the use of clotheslines as unsightly, but in the new, green Ontario, energy-saving air drying is a sight to behold. The new regulation was made under Ontario's *Energy Conservation Leadership Act, 2006*, which allows for the removal of barriers to conservation, including municipal bylaws and other covenants. Lifting bans on clotheslines is expected to reduce greenhouse gas emissions related to the use of clothes dryers.

In September 2007, the province established the **Ontario Biogas Systems Financial Assistance Program**. This three-year program provides Ontario farmers and agri-food businesses with \$9 million to help them capture methane and reduce GHG emissions. The funding helps with the installation of biogas systems that convert agriculture and food-based products and by-products into useful, clean and renewable energy. As of September 1, 2008, 46 feasibility studies and 12 construction projects were approved. Because of the program's initial popularity, the government increased its budget by \$2 million in the first quarter of 2008. (Refer to the Making Industry Greener section for more information on how farmers are helping the province meet its climate change objectives.)

Energy Conservation and Green Energy at Home

Homes use energy for running appliances and lighting as well as heating water and space. In surveys, Ontarians have said overwhelmingly that it should be easier for them to practise conservation, and that conservation at home is the best place to start. The Ontario government agrees, and this is why one of the most significant actions to date has been to give people access to programs that help them reduce their residential energy use and move to cleaner, greener energy sources.

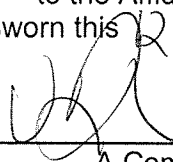
Ontario's Home Energy Audit and Retrofit Programs provide up to \$5,000 per household for home energy improvements and related equipment. As of September 1, 2008, more than 78,000 home energy audits and nearly 20,000 retrofits had been completed, thanks to funding assistance from the province of \$112 million over five years.

In June 2008, in partnership with Hydro One and Enersource Mississauga, Ontario launched **PowerHouse Renewable Energy Technologies Funding Program**, a two-year, \$1.3-million pilot program to provide financing for residential renewable technologies such as solar, wind and ground-source heat pumps. As of September 1, 2008, 80 applications had been received.

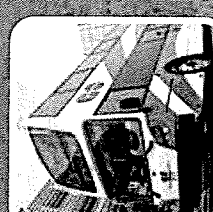
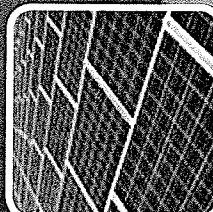
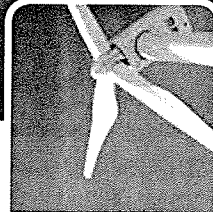
In addition to conserving energy, homeowners can also use renewable energy in their homes. Ontario provides a **Retail Sales Tax rebate** on eligible solar, wind, micro hydro-electric and geothermal equipment that is installed in residential buildings by December 31, 2009. This is in addition to a Retail Sales Tax exemption on eligible EnergyStar® household appliances and light bulbs until August 31, 2009.

As well, the government has appointed an **Ontario Solar Task Force** to provide recommendations on how to meet the province's goal of installing 100,000 solar roof systems in homes across Ontario. The goal is supported by **Go Solar Ontario**, a "one-stop shop" for public information on solar energy that was established by the government in partnership with the Clean Air Foundation. The program includes a toll-free number (1-866-922-2896), a website (www.gosolarontario.ca), promotions and community workshops with technical information on solar energy, advice on solar incentive offers, a question and answer service, and additional information sources.

This is **Exhibit "T"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, appearing to be "WJH", is written over a horizontal line.

A Commissioner, etc.



Annual Report 2008-09

Climate Change **ACTION PLAN**



Protecting our environment.



1,162^{MW}

of installed wind capacity reached in Ontario as of August 2009.

their energy consumption and costs. Managing the use of other appliances like air conditioners can also help reduce electricity demand and cost.

Harnessing the power of conservation

Conservation is cheaper and cleaner than providing new energy supply. During 2008-09, efforts to improve efficiency and reduce energy use across the province continued – with emphasis on reducing electricity demand during peak demand periods.

Conservation efforts – especially those targeted at peak demand – can reduce the amount of electricity infrastructure we need. This in turn reduces the cost of the electricity system for all users, while also providing benefits to the environment.

By 2025 the province is targeting savings of more than 20 per cent of the forecasted peak demand. By the end of 2007 Ontario had already reached its first interim target – 1,350 MW. These efforts are contributing towards the province's additional target of 1,350 MW in conservation savings by the end of 2010, with a 450 MW demand reduction achieved in 2008.

A key focus of energy conservation is to target the energy efficiency of buildings. As part of a joint Federal/Provincial/Territorial process, Ontario's building code is being revised. Work is currently under way to update the model National Energy Code for Buildings, and to incorporate energy efficiency for houses into the next model. Ontario's building code has contained energy conservation provisions since it was first published in 1975, and includes resource conservation as a core purpose and objective.

One of the other ways the province is working to achieve its conservation goals is to make energy efficiency improvements “one house at a time.” In May 2009 the government announced plans to more than double its investment in the Ministry of Energy and Infrastructure's popular Home Energy Savings Program.

The increased rebates provide extra help for homeowners who undertake energy efficiency upgrades and other GHG-saving home improvements. Assistance is available for a range of improvements, such as fixing the insulation in attics, foundations, basements and crawl spaces, and upgrading leaky windows and doors.

The program enhancements include numerous additions designed to increase uptake of conservation measures. For instance, provincial funding for solar domestic hot water systems increased 150 per cent to \$1,250 from \$500.

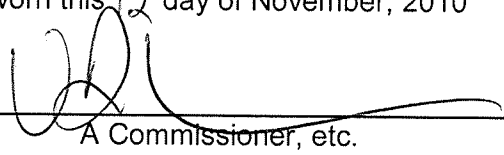
To take advantage of the rebates available under the program, homeowners must first conduct a home energy audit – which is a vital step in understanding a home's energy consumption. The audits provide information on where the energy is spent, and also indicate which improvements can save homeowners the most on their energy bills.

The Ontario Power Authority and the province's local distribution companies are also leading a number of other conservation initiatives targeting residential, commercial and industrial sectors. For example, the consumer program offers Ontario's residential customers a broad range of opportunities to participate in energy conservation, including coupons for rebates on energy-efficient equipment, an appliance retirement initiative and incentives for devices that manage energy demand. The business program offers energy-efficiency opportunities for new construction and existing buildings in commercial and institutional sectors, as well as various energy demand management options. The industrial energy efficiency program provides financial incentives to support green operations and practices of industrial consumers that are directly connected to Ontario's transmission system.

Key GHG Reduction Initiatives and their Forecasted Impact on Ontario's Total Emissions (continued)

| Initiative Name/Description | Lead Ministry | Partners | GHG Reductions (Mt CO ₂ e)* | |
|--|---------------|----------|--|-----------------|
| | | | December 31, 2014 | January 1, 2020 |
| <i>Fuel Efficiency Standard</i> Federal regulations to limit GHG emissions from the automotive sector under the Canadian Environmental Protection Act, 1999. | MOE | | 2.24 | 5.45 |
| <i>Green Commercial Vehicle Program/Anti-Idling Retrofits</i> A four-year \$15-million program that provides funding in the form of grants for companies to 1) Purchase hybrid and alternative-fuel vehicles; and 2) Retrofit heavy-duty vehicles with anti-idling technologies. | MTO | | 0.02 | 0.02 |
| <i>Heavy Truck Speed Limiters</i> A \$425K program to develop mandatory speed limiters for all large trucks operating in the province. A speed limiter is an electronic device within a truck engine that caps the truck's top speed at a maximum of 105 km/h. Mandatory speed limiter requirements are now in place. | MTO | | 0.26 | 0.26 |
| <i>Home Energy Savings Program</i> A \$372-million grant program to assist homeowners with completing an energy audit and associated retrofit work. The program also educates the public about where and how to improve energy efficiency in homes and reduce emissions. | MEI | | 0.16 | 0.16 |
| <i>Methane Landfill Capture</i> Involves regulations which require landfill methane gas collection for new, expanding or operating landfills larger than 1.5 million cubic metres total waste disposal volume. | MOE | | 2.19 | 2.4 |
| <i>Ontario Bus Replacement Program & Public Transit Commitments</i> The province is supporting the achievement of GHG reductions through numerous funding programs and projects for transit. Dedicated transit programs such as Gas Tax Funding and the Ontario Bus Replacement Program provide municipalities with transit funding to renew, improve and expand their systems. Significant provincial investment in GO Transit will also help deliver top quality inter-regional transit service, serving millions of riders every year. | MTO | MMAH | 0.7 | 1.1 |

This is **Exhibit "U"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010


A Commissioner, etc.

Home Energy Savings Website (FAQs)

On March 31, 2010, the federal government announced funding cuts to the ecoEnergy Retrofit Homes Program. This means that homeowners who booked a pre-retrofit audit before March 31, 2010 can access grants from both the federal government as well as the Ontario Home Energy Savings program. Until further notice, homeowners who booked an audit after March 31, 2010 can only access grants only from the Ontario Home Energy Savings Program.

The Government of Ontario is committed to encouraging conservation, and will continue efforts to help residents achieve their home energy efficiency goals.

The following information is provided to help answer some of your questions about how the federal announcement might affect you. Please visit this website again in the future for updates.

1. What effect does this announcement have on the Ontario Home Energy Savings Program (HESP)?

Due to the sudden nature of the federal announcement to cancel a partnership program, Ontario is reviewing its options to create and deliver effective conservation programs to Ontarians. Until such time a decision is made and notice given, Ontario will continue to fund new pre-retrofit audits and retrofits. This means we will continue to pay 50% of your home's audit, up to \$150. Audits will qualify you for up to \$5,000 in provincial retrofit grants. Please continue to check back here for further information and updates.

2. Can I still enter the federal ecoENERGY-Retrofit program?

No. Effective March 31, 2010, the federal program is not providing grants for new pre-audits that are booked.

Only the homeowners who have already booked or completed a pre-retrofit evaluation by March 31, 2010 remain eligible to apply for a federal retrofit grant.

3. How does the date that I book my pre-retrofit audit affect my ability to access grants?

Homeowners who scheduled pre-retrofit evaluations by March 31, 2010 remain eligible to apply to both the HESP and ecoENERGY programs. Homeowners are reminded that they are required to complete their renovations and follow-up with a post-retrofit evaluation and submit their application by March 31, 2011.

Homeowners who scheduled a pre-retrofit evaluation after March 31, 2010 remain eligible to apply to the HESP program only.

4. How much of a retrofit grant am I eligible for?

Homeowners who scheduled pre-retrofit evaluations by March 31, 2010 remain eligible to apply to both HESP and ecoENERGY for a maximum of up to \$10,000. Homeowners who scheduled a pre-retrofit evaluation after March 31, 2010 remain eligible to apply to the HESP program only, with rebates to a maximum of \$5,000.

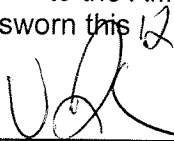
5. I have already had a pre-retrofit energy evaluation. What is the deadline for applying for a grant?

The deadline for applying for a grant is 18 months from the time of the pre-retrofit evaluation or March 31, 2011, whichever comes first. Homeowners who have completed the eligible work under the ecoENERGY Retrofit – Homes program within their 18-month period or before March 31, 2011, (whichever comes first) are eligible for a grant. However, it is suggested that you complete your energy upgrades well in advance of the deadline in order to allow enough time for your post-retrofit evaluation.

6. I have more questions about the recent changes to the federal ecoENERGY Retrofit – Homes program. Who should I contact?

Please call Natural Resources Canada at 1-800-O-CANADA (1-800-622-6232). The call agents from the federal program will be able to provide you with more information.

This is **Exhibit "V"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

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A Commissioner, etc.

Ontario Solar Thermal Heating Incentive Program (OSTHI), FAQs

Frequently Asked Questions

What is the Ontario Solar Thermal Heating Incentive (OSTHI)?

- OSTHI is an Ontario Government program that provides an incentive by way of a rebate to Ontario organizations in the commercial, industrial or institutional (ICI) sectors which install a qualifying solar water or solar air heating system.

Who funds the OSTHI?


- OSTHI is funded by the Government of Ontario, Ministry of Energy, and is delivered in cooperation with Natural Resources Canada's (NRCan) federal *ecoENERGY for Renewable Heat* program. This collaboration provides a one-stop service to Ontario applicants who plan to install a qualifying solar water or solar air heating system at an eligible property.

When did the OSTHI start and when does it end?

- OSTHI is planned to operate from June 20, 2007 to March 31, 2011.

How much is the OSTHI incentive?

- The Ontario Solar Thermal Heating Incentive provides a maximum incentive of \$80,000 per solar air installation and \$400,000 per solar water installation.
- The incentive payment is based on a rate per square meter of collector area multiplied by a collector-specific performance factor. Incentive rate table and




collector-specific performance factors can be found on the federal government's *ecoENERGY for Renewable Heat program website*. 

- The corporate maximum incentive for multiple installations is \$2 million.

Who qualifies for the OSTHI incentive?

- Businesses, industries and institutions located in Ontario, which qualify for a financial incentive for the installation of a solar water or solar air heating system under the federal *ecoENERGY for Renewable Heat* program are eligible for the OSTHI program.
- To qualify for the OSTHI program, an applicant must first be approved for a Contribution Agreement under the *ecoENERGY for Renewable Heat* program. When approved by Ontario, the applicant would then enter into a Contribution Agreement with Ontario.
- OSTHI funding is conditional upon the applicant's project being approved by *ecoENERGY for Renewable Heat* to receive an incentive under the federal program, and the applicant being in compliance with the Contribution Agreement.

How do I apply to the OSTHI program?

- An applicant must submit to NRCan:
 - A signed *ecoENERGY for Renewable Heat* Application Form.
 - For solar water heating 
 - For solar air heating 
 - A signed OSTHI Consent and Release Form 

- Both federal and provincial forms must be submitted together to *ecoENERGY for Renewable Heat*.

What is the acceptance process?

- During its application review process, NRCan will inform OSTHI program administrators of the applicant's project details. In determining whether or not to fund the project, NRCan may accept or reject applicant information, or seek additional details from the applicant (see *ecoENERGY for Renewable Heat's Terms and Conditions* [↗](#)).
- When a project has been approved for funding, NRCan will inform OSTHI program administrators of its funding decision, and Ontario will issue its own Contribution Agreement for the OSTHI incentive. NRCan will also issue a Contribution Agreement to the applicant.

When do I know to proceed with project installation?

- Both NRCan and Ontario will forward an unsigned Contribution Agreement to the applicant. The applicant must sign each Contribution Agreement and return them, respectively, to NRCan and the Ministry for signature.
- The Ontario Contribution Agreement is conditional upon the execution of the NRCan Contribution Agreement, and proof of insurance for the project as required by the Ontario Contribution Agreement.
- An applicant has nine months from the date of the signed NRCan Contribution Agreement to complete installation of the project.

Are there limitations on where the equipment is installed?

- Yes, equipment acquired through the OSTHI program must be installed in the Ontario premises of the qualifying Ontario entity.

When do I receive my OSTHI incentive?

- Once the project is commissioned and the amount payable under the *ecoENERGY for Renewable Heat* is approved by NRCan, NRCan will inform OSTHI program administrators that it is initiating payment of the rebate to the applicant under the terms of the NRCan Contribution Agreement. The OSTHI program administrators will initiate a matching rebate payment under the terms of the Ontario Contribution Agreement.

Will information from my application be kept private?

- The applicant's signed OSTHI Consent and Release Form authorizes NRCan and Ontario to share information with each other. Information will be managed in accordance with the Freedom of Information and Protection of Privacy Act in Ontario and the federal Access to Information Act and Privacy Act.
- As public funds are used to support the *ecoENERGY for Renewable Heat* and OSTHI programs, projects that have Contribution Agreements signed by all parties may be posted on NRCan's and/or Ontario Ministry web sites. Published information may include the name of the recipient, type of system installed, location of installation, projected system output, government contribution amounts and expected or actual date of commissioning of the system.

Whom can I contact with my questions?

For OSTHI:

Ministry of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, Ontario, M7A 2E1

Toll-Free 1-888-668-4636

write2us@energy.gov.on.ca

For Program Eligibility and Qualifying Products:

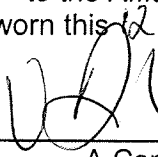
ecoENERGY for Renewable Heat
Renewable and Electrical Energy Division
Natural Resources Canada
615 Booth Street , Room 150
Ottawa , Ontario, K1A 0E9

Fax: 1-613-943-6517

ecoenergyrhp@nrcan.gc.ca

ecoaction.gc.ca/ecoenergy-ecoenergie/heat-chauffage/index-eng.cfm

This is **Exhibit "W"**
to the Affidavit of Jack Hughes
sworn this ¹² day of November, 2010

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A Commissioner, etc.



Governance and Public Institutions

Ontario's Green Energy "Fee": The Trouble with Taxation through Regulation

By

Benjamin Alarie and Finn Poschmann

- Canadian provincial governments have broad authority to impose direct taxes by passing enabling legislation in their respective legislatures.
- Governments may also use regulation to set fees, for example, to recover the cost of services they provide, but cannot use regulation to impose taxes that raise general revenue. Doing so would be unconstitutional.
- Governments nonetheless sometimes attempt to raise revenue by imposing levies that are deliberately mislabelled as "fees" – past efforts to do so have exposed provincial governments to successful constitutional challenges.
- This *e-brief* examines problematic example: the Ontario government recently ordered the Ontario Energy Board to impose a "fee" to be used to fund activities of the Ministry of Energy and Infrastructure; this fee is quite likely an unconstitutional tax.

Background

Canada's constitution and the case law that surrounds it define the relative jurisdiction and powers of the federal government and the provinces. In matters of taxation, government authority is extensive, and legislatures may enact laws imposing a wide range of taxes. However, governments are more limited in what they may do without gaining legislative approval. They may use regulation, which is not approved by a legislature, to set fees to recover the costs of goods or services they provide to the people being charged the fee. They may not, however, use regulation to impose taxes that fund the general activities of government. Taxes require legislative approval.

Provincial governments have often sought to raise revenue quietly through regulation. The reasons vary, but include a desire to avoid political embarrassment in the legislature or to steer around, for example, prior legislation requiring a referendum before any new tax might be imposed. There are two examples of regulatory fees being imposed quietly, and for the purpose of raising general tax revenue: for many years New Brunswick imposed liquor sales charges on bars and nightclubs through regulation; and Ontario long collected a fee equal to a fraction of the value of testamentary estates through "probate fees" through regulation; these practices exposed those governments to successful constitutional challenges.

The attraction for governments of quiet regulation as opposed to newly legislated tax measures is understandable. In Ontario, legislation is in place that seeks to make new taxes embarrassing to the government. *Ontario's Taxpayer Protection Act 1999*,¹ section 2, requires a referendum approving a tax

The authors wish to thank, while absolving of responsibility for remaining errors, readers of prior drafts of this document, including Don Dewees, Peter Hogg, Michael Osborne, Michael Trebilcock, and staff at the C.D. Howe Institute.

1 *Taxpayer Protection Act 1999*, S.O. 1999 c. 7.

increase or a new tax before any bill proposing a tax increase or new tax is introduced. While this kind of legislation can be overridden by subsequent enactments of the legislature (and Ontario has done this by amending section 2 of the *Taxpayer Protection Act* 1999 in 2002 and 2004), the process increases the political costs to governments that raise taxes.²

Governments' temptation to quietly impose taxes is clear enough – so too is the need to resist such attempts as they arise. If provincial residents acquiesce to taxation by regulation, Canadians will ultimately have less protection from arbitrary government action.

The Case of the Green Energy Levy

By a recent Order-in-Council, the Ontario government passed Regulation 66/10 to the *Ontario Energy Board Act*, 1998.³ This new regulation directs the Ontario Energy Board to assess a special levy on the Independent Electricity System Operator (“IESO”) and distributors, assessed in proportion to the amount of electricity they distribute.⁴ The levy is designed to deliver to the province \$53.7 million in additional revenue, to fund activities of the Ministry of Energy and Infrastructure. In what follows, we ask whether it is more appropriate to characterize this levy as a tax, or as a regulatory fee, and explain why the characterization matters.

What is the Proper Characterization of the Levy?

From the perspective of the *Constitution Act, 1867*, taxes are either direct or indirect; in Canadian law, a direct tax is paid by the person on whom a charge is levied, and an indirect tax is passed on to others, as with most sales taxes.⁵ Under subsection 92(2) of the Act, provinces have the jurisdiction to impose direct taxes but not indirect taxes.⁶ Provinces have other “heads” of constitutional power that permit the imposition of fees, as discussed below, even if the fees look like they otherwise might be constitutionally invalid indirect taxes. In no case, however, does a province have a constitutional ability to impose a tax – direct or indirect – through regulation alone. Constitutionally valid taxation requires legislation.

A tax is distinguishable from a fee, according to the Supreme Court of Canada, on the basis that taxes are: “(1) enforceable by law; (2) imposed under the authority of the legislature; (3) levied by a public body; and (4) intended for a public purpose.”⁷ The most problematic of these criteria in this case is the second, since the levy is not clearly “imposed under the authority of the legislature.” Before taking on the issue of whether the OEB special levy was validly introduced, we consider whether the other criteria are met. With respect to the first criterion, the new levy imposed by Ontario regulation 66/10 is legally compulsory. The distributors licensed under Part V of the *Ontario Energy Board Act*, 1998 are mandated to pay the amount determined by the OEB, as is the IESO. The third criterion states that to be a tax, the levy must be assessed by a public body. This is satisfied here as the levies are collected by the OEB for the Ministry of Energy and Infrastructure. The fourth criterion is more difficult to judge. Is the levy intended for a public purpose? On the one hand, the fee could be justified as a means of cost recovery with respect to delivering electricity from renewable sources. On the other hand, as there is nothing about the fee that closely connects it to the costs of the electricity that ratepayers consume, there is little to distinguish it from any other provincial taxing and spending program.

2 On the permissibility of this, see *Canadian Taxpayers Federation v Ontario (Minister of Finance)*, (2004) 73 O.R. (3d) 621; [2004] O.T.C. 1115; 135 A.C.W.S. (3d) 1041 (Ont. Sup. Ct. J.).

3 “ONTARIO REGULATION 66/10, Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs,” available at http://www.e-laws.gov.on.ca/html/regs/english/claws_regs_100066_c.htm. A provincial Order-in-Council (a regulation) is a formal recommendation of Cabinet that is signed into force by the Lieutenant-Governor.

4 The Ontario Energy Board (OEB) is responsible for regulating electricity and natural gas transmission, distribution and sale within the province. The IESO is responsible for operating the wholesale electricity market and managing financial settlements within it.

5 This is a legal distinction; the economic distinction between a direct tax on persons and an indirect one collected by intermediaries is irrelevant to the matters raised here.

6 Provinces are able to levy sales taxes by, for example, designating retailers as tax collectors on behalf of the province.

7 *Lawson v Interior Tree Fruit and Vegetable Committee of Direction*, [1931] S.C.R. 357, at pp. 362-63, cited with approval in *Re Eurig Estate*, [1998] 2 S.C.R. 565, and *Westbank First Nation v British Columbia Hydro and Power Authority*, [1999] 3 S.C.R. 134.

The Supreme Court of Canada has endorsed the view that “a nexus must exist between the quantum charged and the cost of the service provided in order for a levy to be considered constitutionally valid. [...] In determining whether that nexus exists, courts will not insist that fees correspond precisely to the cost of the relevant service. As long as a reasonable connection is shown between the cost of the service provided and the amount charged, that will suffice.”⁸

The Ontario Government is clearly of the view that the levy is a fee and therefore legal. The strongest argument in support of the view that the levy is a valid regulatory fee, not a tax, is that it is limited to a set amount (\$53.7 million), which was presumably selected to allow for cost recovery but not more than that. Moreover, the fee is allocated proportionally to the end-use of electricity. This leaves slightly unsettled the question of whether the levy is truly a fee for the use of electricity, or whether it is a mandatory tax supporting more or less unrelated program spending.

To reiterate, the relevant legal principles in assessing this question further are as follows:

- Subsection 92(2) of the *Constitution Act, 1867* explicitly allocates to provinces the power to impose direct taxes within the province.
- However, the Supreme Court of Canada has held that this power of direct taxation must be exercised through legislation on the authority of section 53 of the same Act. According to the Supreme Court of Canada, “The basic purpose of s. 53 is to constitutionalize the principle that taxation powers cannot arise incidentally in delegated legislation. In so doing, it ensures parliamentary control over, and accountability for, taxation.”⁹

According to the Ontario regulation, the levy is in respect of “the expenses incurred and expenditures made by the Ministry in respect of its energy conservation programs or renewable energy programs.”¹⁰ As such, the proceeds are to be used to fund Ontario Ministry of Energy and Infrastructure energy conservation programs and renewable energy programs.

The Ontario Energy Board’s Mandate

The OEB is a provincial agency, whose mandate focuses on regulating and setting rates for electricity and gas distribution. Rate setting responsibilities do not generally include raising money for other government programs. With respect to electricity, the *Ontario Energy Board Act, 1998* describes the mandate and objectives of the board in subsection 1(1) (see Box 1).

Box 1: The Ontario Energy Board’s Objectives With Respect to Electricity Regulation

The Board, in carrying out its responsibilities under this or any other Act in relation to electricity, shall be guided by the following objectives:

1. to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;
2. to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;
3. to promote electricity conservation and demand management in a manner consistent with the policies of the Government of Ontario, including having regard to the consumer’s economic circumstances;
4. to facilitate the implementation of a smart grid in Ontario;
5. to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

⁸ *Re Eurig Estate, ibid.*

⁹ *Ibid.*

¹⁰ Ontario Regulation 66/10, “Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs,” section 3.

It is relevant that subsection 26(8) of the *Ontario Energy Board Act* grants the power to the Lieutenant Governor in Council to make regulations, “governing assessments” under section 26.1. Specifically, subsection 26.1(1) states that, “the Board shall assess [...] as prescribed by regulation, with respect to the expenses incurred and expenditures made by the Ministry of Energy and Infrastructure in respect of its energy conservation programs or renewable energy programs provided under this Act, the *Green Energy Act*, 2009, the *Ministry of Energy and Infrastructure Act* or any other Act.” Subsection 26.2(1) builds on the delegation of authority by deeming all amounts collected under section 26.1 to be collected for certain special purposes set out in subsection 26.2(2).

Whether this delegation of taxing authority is legally permissible is unclear for two reasons. The first is that it is likely that a court could perceive the levy to be an indirect tax. It is collected from distributors in proportion to their electricity sales in support of other government spending, quite independently of the cost of goods or services sold or the costs of running the regulatory agency. As an indirect tax, it would not be within the province’s legal authority to enact, even if it were legislated. The second reason is that, assuming for the sake of argument that it is not an indirect tax, it is doubtful that this sort of delegation of taxing authority through regulation would be constitutionally permissible. Could the federal government, for example, delegate the ability to adjust the rate of the Goods and Services Tax (GST) by regulation? The answer is almost certainly not, and for good reason.

Why these Questions Matter

On its face, the levy is a tax. Certainly most economists would deem it an indirect tax, and the case law suggests that this is also true in the legal sense. Given that the OEB levy is at the very least flirting with unconstitutionality, consider the incentives facing governments deciding whether to collect this \$53.7 million through regulation versus legislation. On the one hand, raising revenues through regulation is relatively easy to achieve quietly and quickly. If a levy is indeed valid as a regulatory fee or user fee, then imposing it through regulation would be acceptable. In the event of a successful constitutional challenge that showed the levy to be a tax, however, the province would be under a legal obligation to return the revenues.¹¹

The obligation to return the revenues is not unconditional, however. The law is also clear that retroactive taxes can be used to save the province from having to disgorge the revenues.¹² In the wake of the Supreme Court of Canada’s judgment in 2007 that New Brunswick would have to return unconstitutionally collected indirect taxes on liquor sales, the province passed a retroactive direct tax equal to the unconstitutional indirect tax. In that case, the province performed legal manipulations that designated intermediate payers as agents of the government for the purpose of collecting a curative and retroactive direct tax.

Concluding Comments

Provided the political will is available, the government has the constitutional capacity to get its revenue one way or the other. The practical issue is the reaction of the electorate to a tax hike. Under its current plan, the Ontario government will get its revenue efficiently with a minimum of debate. On the other hand, if the regulation is subject to a successful constitutional challenge, the province will need to either return the funding, or carry on with the tax collection by way of retroactive legislation. That, however, may prove awkward, because the government would then have to explicitly override *Ontario’s Taxpayer Protection Act, 1999*, which would require a referendum before any new taxes were imposed or increased.¹³ In practice, the government would likely need to pass an amendment to the 1999 Act exempting the tax from the referendum requirement.

11 *Kingstreet Investments Ltd. v New Brunswick (Finance)*, [2007] 1 S.C.R. 3.

12 See Benjamin Alarie, “Kingstreet Investments: Taking a Pass on the Defence of Passing On.” 2008. 46(1) *Canadian Business Law Journal* 36.

13 The *Taxpayer Protection Act 1999* also includes language that seems to prohibit the delegation discussed here: “3. (1) A member of the Executive Council shall not include in a bill a provision that gives a person or body (other than the Crown) the authority to change a tax rate in a designated tax statute or to levy a new tax unless; (a) a referendum concerning the authority that is to be given to the person or body is held under this Act before the bill is introduced in the Assembly; and (b) the referendum authorizes the authority to be given to the person or body.”

If this does not happen, and a successful challenge is mounted at a time when considerable revenues have been collected, the provincial legislature will then be faced with the choice of making large payments to electricity distributors by way of restitution, with prejudgment interest, or attempting to pass a bill that legitimizes the status quo. The responses subsequent to the decision in *Re Eurig Estate*, where Ontario retroactively saved its unconstitutional probate tax, and *Kingstreet Investments*, where New Brunswick retroactively saved its unconstitutional liquor licensee tax, imply the possibility of a no-win outcome for taxpayers.

Yet it is against the public interest for the government to impose taxation through regulation. Public disdain for taxes that present themselves as regulatory fees may persuade the Ontario government to change course in this instance. Political pressure can shape government action and, in some circumstances, restrain governments from taking arbitrary actions. Taxation through regulation is taxation without representation. Should the Ontario government wish to avoid the possibility of a constitutional challenge, it should endorse Regulation 66/10 through explicit tax legislation.

This *e-brief* is a publication of the C.D. Howe Institute.

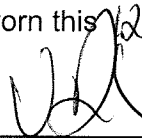
Benjamin Alarie is Associate Professor, Faculty of Law, University of Toronto, Finn Poschmann is Vice President, Research at the C.D. Howe Institute.

For more information call 416-865-1904.

This *e-brief* is available at www.cdhowe.org.

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This is **Exhibit "X"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, appearing to be 'JH' or similar, written over a horizontal line.

A Commissioner, etc.

No. 63



N° 63

ISSN 1180-2987

**Legislative Assembly
of Ontario**

Second Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 39^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Monday 1 November 2010

Lundi 1^{er} novembre 2010

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

Clerk
Deborah Deller

Greffière
Deborah Deller

LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 1 November 2010

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Lundi 1^{er} novembre 2010

The House met at 1030.

The Speaker (Hon. Steve Peters): Good morning. Please remain standing for the Lord's Prayer, followed by a moment of silence for inner thought and personal reflection.

Prayers.

INTRODUCTION OF VISITORS

Hon. John Milloy: I know members in this House are probably very familiar with Skills Canada, an organization that promotes trades among young people. One of the ways they do that is through a competition. Skills Canada Ontario is represented here today at Queen's Park, as well as the winners of the national Skills Canada competition that was held in Waterloo. These young individuals will be going on to represent Canada at the international skills competition in London, England.

I'd like to recognize them here today. They're over in the gallery. We have, first of all, Ian Cunningham, a director with Skills Canada Ontario, and Gail Smyth, executive director of Skills Canada. Then we have the student competitors: Tyler Hackney, Jonathan Sinke, Ryan Gomes, Benjamin Church, Adrian Schut and Tom Midlebro. We welcome them to Queen's Park today.

There's a reception tonight for Skills Canada-Ontario at Stop 33 at the Sutton Place. All members are welcome to celebrate Ontario's champions.

Mr. Ernie Hardeman: It gives me great pleasure to rise today to welcome the family of today's page captain, Eric O'Brien, from the great riding of Oxford. Here with us today at Queen's Park in the members' gallery are his mother, Kristine Hamilton, his father, Steve O'Brien, his brother Liam and his cousin Evan Samson. I want to welcome them to Queen's Park today.

Hon. Carol Mitchell: I'm very pleased to introduce Elle Doherty's father and sister, Lonny and Maya. Elle is our page from the beautiful riding of Huron-Bruce.

I also have in attendance my nephew Justin Jain and my daughter Jasmine Mitchell.

Welcome, all. It's a great day for Huron-Bruce.

Mr. Steve Clark: I'd like to introduce Lucas DaSilva, who is here to watch question period on his day off from school today. Welcome, Lucas.

Mr. Charles Sousa: I'd like to take an opportunity to introduce His Worship Fernando Campos, mayor of Boticas in Tras Montes, in the northern region of Portugal. He's joined by his wife, Dona Graca, as well as Mr. Abel Barroso and Aldina Barroso. They're joined by Mr.

John Goncalves and Mrs. Idila Goncalves, who are the organizers of their visit, together with Mr. Raimundo Favas and Lucia Santos, long-time volunteers in our community. They were here this weekend to support Santa Casa da Misericordia de Boticas, and they were joined by Minister Peter Fonseca as well.

Remarks in Portuguese.

ORAL QUESTIONS

TAXATION

Mr. Tim Hudak: My question is to the Minister of Energy. Minister, families in Ontario woke up this morning to find out that you've turned time-of-use smart meters on their heads; now they're being charged the highest use for energy between 7 a.m. to 11 a.m. and 5 p.m. to 9 p.m. Obviously, it will hit families quite hard.

The additional surprise, we understand, that you have in store for Ontario families is an expansion of your already hidden and greedy hydro tax, which cost consumers some \$53 million last year.

Is it true, Minister, that you plan on expanding this greedy hydro tax to natural gas, just as we're heading into the winter heating season?

Hon. Brad Duguid: As usual, the Leader of the Opposition is misinformed. The Ontario Energy Board came out with the regulated price plan for consumers. It was very clear, and it was just a number of weeks ago.

Time-of-use pricing for consumers on smart meters was adjusted as follows, and I suggest the Leader of the Opposition take note: Off-peak price decreases went from 5.3 cents to 5.1 cents per kilowatt hour; mid-peak did go up from 8 cents to 8.1 cents per kilowatt hour; on-peak prices remain unchanged. The estimated price impact for residential consumers on time of use will be a reduction of \$1.21 per month. I recognize that's not a lot, but nonetheless it is a reduction.

One would think that the Leader of the Opposition would recognize the importance of encouraging people to shift off of peak usage; how that saves the—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Tim Hudak: Yet again, another promise by a McGuinty cabinet minister that hydro prices are going down. Quite frankly, families won't believe this promise, because every promise you've made on hydro prices has been broken. They're going through the roof.

Let me put this into perspective, Minister. Now, as we're heading toward the cooler winter season, you're increasing the cost of using energy in the mornings, as families are getting ready to go to school, and in the evenings as the kids come home for dinner and to do their homework. On top of that, in addition to the \$53-million tax grab you had on hydro bills, you're planning on putting this on natural gas. Millions and millions of Ontario families depend on natural gas to heat their homes. Minister, please tell us it's not true that you're going to slap down a brand new tax on natural gas just when the winter season is hitting.

1040

Hon. Brad Duguid: Once again, the Leader of the Opposition is speculating, as he likes to do, trying to use fearmongering to consumers at a time when consumers need transparency. I'm looking forward to bringing forward the long-term energy plan for this province, which will provide that transparency, that certainty, and maybe take away some of the opportunities in which the Leader of the Opposition likes to engage in fearmongering and trying to ensure that consumers in fact don't know what actually is going on around the province.

What I can say is this: The Leader of the Opposition came forward with his own idea not long ago, an idea that he indicated would bring prices down. We've looked into it. His idea of providing options would do nothing but put prices up for consumers right across this province. They would increase administration costs; they would—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary.

Mr. Tim Hudak: I appreciate that the minister says that he's looking forward to bringing forward his long-term energy plan. We're also looking forward to the Leafs finally winning the Stanley Cup. The problem is, we don't know just which one is going to come sooner.

I say to the minister, you are now, with your new smart meter time-of-use rates, these tax machines, actually telling families that they have to have the kids showered and ready for school before 7 a.m. When they get home, I guess they can hang out in the dark until they can do their homework after 9 p.m., with your new rates. And now, Minister, you are planning on bringing in an increase on taxes on natural gas, just as we're hitting the cold winter season.

You're saying that we're speculating; Minister, you gave yourself authority to do so in the legislation. We think you're going to use it. Yes or no: Are you planning another sneaky tax grab on natural gas bills just when we're hitting the winter season?

Hon. Brad Duguid: I'm not going to speculate, as the Leader of the Opposition would want me to do on that, in any way. What I will say is this, and this is the fact: The Leader of the Opposition would try to claim that he's proposing something that would save everybody money. Clearly, we've looked into it. It will not. What he's proposing would create confusion and uncertainty among consumers. What he's proposing would kill the benefits of time-of-use pricing while increasing its costs through

billing system changes and more administration, sinking the investments that we've made in smart meters. What he's proposing would increase the administrative burden on local distribution companies, driving up their costs and forcing them to recover that from consumers.

He says one thing in this Legislature, but when he finally comes out with something, it's very clear that he didn't think it through. The Leader of the Opposition, if we were to listen him today, would be putting up the rates of consumers right across this—

Interjection.

The Speaker (Hon. Steve Peters): Thank you.

The member from Nepean will withdraw the comment she just made, please.

Ms. Lisa MacLeod: Withdrawn.

The Speaker (Hon. Steve Peters): New question.

TAXATION

Mr. Tim Hudak: Back to the Minister of Energy: If your smart meter tax machines were such a good thing, then consumers would choose them. The Ontario PCs believe in giving Ontario families a choice. Whether they want to participate in the program or not, you want to force it down their throats.

But Minister, with all due respect, you seem to be trying to get around my question a bit here. It's a very simple, straightforward question. You have given yourself the authority to impose a new tax on natural gas just as we hit the winter season. Despite your advice to consumers to turn off the air conditioners in November to save on their time-of-use pricing, surely you understand that natural gas usage goes up in the winter time, when it tends to snow and get colder. Let me ask you, Minister, very directly: Will you, yes or no, bring in a new tax on natural gas in the province? Yes or no? Please say no.

Hon. Brad Duguid: I said earlier that all of our initiatives will be made very, very clear in the long-term energy plan. I'm not going to speculate on that idle speculation taking place over there. I can tell you that we have no plans to move forward in that direction, but I'm not going to speculate on that in any way.

What I will say is this: The Leader of the Opposition gets up in his place day in and day out and talks about his concern about rising energy rates, yet when he does come forward with some initiatives, they have the effect of increasing costs to consumers. In the same speech that he moved forward with his so-called option to consumers—and the only option it's going to involve is increasing rates to consumers—he also speculated on nuclear. He said that we should be purchasing nuclear units today. It would have cost us billions more dollars if we had taken his advice to buy nuclear—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Tim Hudak: Perhaps I could, with respect to the minister, ask him to temporarily leave the fantasyland of his last number of questions and deal with the hard realities that Ontario families are facing today.

Under the McGuinty government, hydro bills are going through the roof. They're impacting quite hard on senior citizens and Ontario families. You've added an 8% increase with the HST now on hydro bills in the province. You brought forward a sneaky hydro tax that you have buried in the regulatory charges so it doesn't even appear directly on the bills. You've claimed these things are conservation initiatives, but it goes into the general revenue fund.

All of that is bad enough. All of that is hitting hard on Ontario families today. All I'm asking you is to just say no to another greedy tax grab on natural gas, particularly as we're heading into the winter season. Just say no.

Hon. Brad Duguid: We've been very clear. In a time when we do have to increase investments to ensure that we deliver a strong, reliable and clean energy system, we're doing everything we can to bring those prices down. So let's be very clear about that. We're doing everything we can. We're making sure that our energy partners do everything they can to ensure that whatever increases they need to come forward with, it's only increases that are providing value for money.

We've had to come a long way and we've had to build up this energy system that was left in distress seven years ago when the previous government was not making the important investments in the system, when the previous government was not ensuring, in fact, that we had enough supply to meet the demand of Ontario families. We've had to make important investments to ensure that we provide the strong, reliable and clean energy system that—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary?

Mr. Tim Hudak: Every time that the Premier wants to install another greedy tax grab, he tends to dress it up as an environmental initiative. We saw that with your eco tax grab that would slap a new tax on 9,000 items that families use each and every day, and I'm proud that the Ontario PCs stood on the side of Ontario families and fought that tax and caused you to back down.

Now we're taking up the fight again. We know that you have a plan to bring in an additional tax, not only on hydro bills, which you hide under the regulatory charges, but on natural gas as well. Minister, this is simply unaffordable to Ontario families. They cannot take any more of these hits on their pocketbooks by Premier McGuinty. Please tell us right here, right now, that you are cancelling your plans to slap a new tax on natural gas in the province of Ontario.

Hon. Brad Duguid: Once again, the Leader of the Opposition has no idea what he's talking about. There's no such plan. He's speculating. It's idle speculation. It's the typical fearmongering on hydro rates that's been going on far too long, and that's why I'm looking very much forward to moving forward with our long-term energy plan. Our long-term energy plan—

Interjections.

The Speaker (Hon. Steve Peters): Order. Minister?

Hon. Brad Duguid: They had their chance when they were in power, and what did they leave us? They did not

invest in a strong and modern energy system. They did not invest in a cleaner energy system. They did not invest in reliability. They were preoccupied with selling off hydro assets. Their experimentation with deregulation cost our consumers a billion dollars. Every time I look at my bill and see that debt retirement fund, I see that Leader of the Opposition's face—

The Speaker (Hon. Steve Peters): Thank you. New question.

HYDRO RATES

Ms. Andrea Horwath: My question is for the Minister of Energy. The McGuinty government's new time-of-use hydro rates are kicking in today and families are getting ready to be whacked with another round of hydro bill hikes. Can the minister assure households that every single penny of their sky-high hydro bills is going to be put to good use?

Hon. Brad Duguid: I thank the leader of the opposition for the question. Obviously, when the Ontario Energy Board came out just a few weeks ago and indicated that indeed the regulated price plan would be small and modest decreases for consumers, this is what they said: Off-peak prices will be decreased from 5.3 cents to 5.1 cents. That's a decrease, not an increase, as the Leader of the Opposition, I think, would have people believe. Mid-peak price increases would go up from eight cents to 8.1 cents—a little bit; not very much—and on-peak prices would remain the same. The estimated bill impact for residential consumers of time-of-use would be a reduction of \$1.21 per consumer.

1050

We recognize that that's a modest reduction, but it's a far cry from the fearmongering of the leader of the third party.

We're doing everything we can to ensure that our consumers are getting value for money. We're working very hard with our—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Ms. Andrea Horwath: What I specifically asked the minister was: Is every single penny going to be put to good use? That was my question.

Elections Ontario records show that the Ontario Liberal Party accepted thousands of dollars in donations from municipally owned utilities. Essex Power put nearly \$3,000 into Liberal Party coffers, while Thunder Bay Hydro made a donation to the Thunder Bay-Superior North Liberal riding association.

Why are families who are already feeling the squeeze funding the Ontario Liberal Party when they're paying their hydro bills?

Hon. Brad Duguid: The leader of the opposition gets up day after day and criticizes the important investments that we're making to build a strong, reliable and cleaner system of energy. Just a few weeks ago, we took four coal units off of power, something we couldn't have



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of Ontario**

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**Assemblée législative
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**Official Report
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(Hansard)**

**Journal
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(Hansard)**

Tuesday 2 November 2010

Mardi 2 novembre 2010

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

Clerk
Deborah Deller

Greffière
Deborah Deller

ORAL QUESTIONS

TAXATION

Mrs. Christine Elliott: My question is for the Minister of Energy. Yesterday, the Minister of Energy denied that he's planning to expand the \$53-million hidden tax the McGuinty Liberals currently make Ontario families pay for hydro. He said, "We will not be applying those fees to the gas industry nor will we be applying those fees to the electricity industry." But the minister has a track record of backtracking on what he has said about the long-term energy plan and forecast analyses, having them ready for hydro bills for Ontario families by mid-October.

So I have to ask the minister: Are the McGuinty Liberals planning a fee, tax, premium, levy, toll, bill, duty, compulsory contribution or, specifically—and I quote—a "special purpose charge" to hydro or natural gas?

Hon. Brad Duguid: No—

Interjections.

Hon. Brad Duguid: I'm trying to respond, Mr. Speaker, over the hubbub over there. I haven't even started yet, and they're already heckling.

As I said yesterday, no, we're not planning on doing that. And I'll tell you what else we're not planning to do: We're not planning to take us back to where you want to take us when it comes to energy. We're not planning to put the use of coal up 127% like they did when they were in power. Indeed, instead, we're going to be out of coal by 2014, making sure that we have cleaner air and healthier outcomes for our kids and grandkids.

I'll tell you what else we're not going to do. We're not going to kill those 50,000 jobs we're creating in clean energy, jobs that their leader wants to kill. The people of this province need those jobs. That party should come clean—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mrs. Christine Elliott: That's an interesting response and certainly contrary to past actions. In March, the Ontario PC caucus exposed the regulation to create a special purpose charge, also known as a hidden hydro tax. A month later, the C.D. Howe Institute published a report on the hidden tax on hydro and natural gas, which said, "On its face, the levy is a tax." This summer, the Ontario Energy Board released a decision that showed the McGuinty Liberals plan to expand the hidden tax to natural gas next year and were ready to fight for the taxation power.

All these documents call it a tax and say it is coming next year. Suddenly, the minister says that it isn't. What's changed?

Hon. Brad Duguid: What probably should have changed is her supplementary, because she obviously didn't hear my first answer. The answer is no. The answer was no yesterday, it was no last week and it's no

today. You can ask me another supplementary, and the answer is still going to be no.

But I can tell you what we're not going to do. We're not going to kill the 600 jobs that we're creating in Windsor that your leader wants to kill. We're not going to kill the 800 jobs we're creating in Guelph through our Clean Energy Act that your leader wants to kill. We're not going to kill the 1,200 jobs we're creating in Kingston that their party wants to kill, through their lack of support for clean energy in this province. We're not going to kill the 200 jobs in Oakville that we're creating through our clean energy initiatives but that they want to kill. We're not going to kill the 1,000 jobs in Welland.

We're creating jobs in this province. We're building a clean energy economy. It's over their opposition that we're doing it, but we're—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary.

Mrs. Christine Elliott: I certainly heard the minister's response, and I'd like to know why the sudden change of heart, because in its April 22 report, the C.D. Howe Institute points out that the McGuinty Liberals ordered the Ontario Energy Board to collect this tax. It not only said that the OEB levy is likely unconstitutional, but said, "In the event of a successful constitutional challenge ... the province would be under a legal obligation to return the revenues."

Ontario families have already paid the \$53-million hidden hydro tax this year, before the minister suddenly let on that he has had a major change of heart here. When were the minister and the Premier planning to tell Ontario families that they're refunding what they've already paid for this illegal tax?

Hon. Brad Duguid: Once again, the answer is no, and it will continue to be no. But I think maybe what the party opposite needs to start talking to Ontarians about is what their leader is suggesting they want to do. They're talking about this optional time-of-use scheme, which they've been talking about now for a few weeks. We've looked into that, and I tell you what that scheme is going to do: It's going to drive up consumer energy rates. They're trying to put in place a duplicate system of billing that's going to do nothing but increase administration for local distribution companies.

1040

Guess where those administration costs come from. They come from the very ratepayers. They get up day in and day out and talk about the fact that they don't support increases when it comes to energy rates, yet their policies would do just that.

You can't have it both ways. You're either going to support our efforts to build a strong, clean, reliable and affordable system of energy or you're not—

The Speaker (Hon. Steve Peters): Thank you. New question.

TAXATION

Mrs. Christine Elliott: Again to the Minister of Energy and his sudden change of heart: The minister's revelation yesterday that the hidden taxes won't apply to hydro and natural gas is news to energy companies and consumers who are fighting against the taxes at the Ontario Energy Board.

How and when did the Minister of Energy notify them that the McGuinty Liberals are now scrapping the special purpose charges?

Hon. Brad Duguid: Once again, the answer stays no. It was no three questions ago, it's no now, it will be no after her next supplementary, and it will be no after her following question.

We're working very, very hard to ensure that we improve the system of energy that we inherited from them. That system of energy did not have enough supply to meet demand, so we've had to create 8,000 new megawatts of power to ensure that Ontario families would have an energy system they can count on. We've had to improve our transmission and distribution system. We've built over 3,000 kilometres of transmission and distribution. We've upgraded that to ensure our system is more reliable.

We're working very, very hard to clean up our energy production and to get out of coal by 2014.

It would be nice to have the support of the members opposite, but they want to go back to where we were seven years ago. They want to go back—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mrs. Christine Elliott: The minister shifted gears again. He's saying that the charges won't apply to gas and hydro, but the Ontario Energy Board says they will. So does the Consumers Council of Canada, which led a constitutional challenge of this \$53-million charge that's being placed on Ontario consumers. They argue that the hidden hydro tax "meets the classic definition of an indirect tax.... This is general revenue for general use."

The board agreed with them and said, "There is a serious question to be tried" of whether the hidden taxes are constitutional.

As late as August, the energy minister was still fighting tooth and nail for Premier McGuinty's hidden tax. Please tell us, Minister: What changed?

Hon. Brad Duguid: A lot has changed in the last seven years; I can tell you that.

That party, when they were in office, was steadfastly against any initiative that involved conservation. Since the McGuinty government came to office, we, with the people of Ontario, have saved 1,700 megawatts of power over the last seven years. That's a phenomenal increase in terms of conservation initiatives.

We look forward to bringing forward our long-term energy plan, which is going to provide greater stability and certainty when it comes to energy in this province. Unlike those guys, we're no longer planning hour to hour to keep the lights on. What we're doing is we're planning

20 years in advance. We're planning well into the next generation to ensure that we pass on an energy system that's strong, reliable and clean to that next generation—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary?

Mrs. Christine Elliott: The case heard by the Ontario Energy Board just weeks ago wasn't just about hydro receiving the \$53-million tax. Consumers Council of Canada warned again that "Ontario will likely impose similar levies on customers of the province's two biggest gas utilities, raising an additional \$100 million or more in total."

Natural gas companies and consumers are worried enough about the new hidden taxes that they took part in the OEB hearings, where the Attorney General fought for the power to keep collecting the taxes.

Now the McGuinty Liberals are backtracking once again. Is it because of the efforts of the PC caucus or because Premier McGuinty broke the law to collect these hidden taxes?

Hon. Brad Duguid: As I predicted, I guess for the sixth time, the answer is no, we're not doing that.

But what I will say is this: We will not do what they did. We will not disinvest from the energy system. We will continue to invest in our energy infrastructure. We're not going to leave the next generation in the lurch like you left our generation.

After their years in office, they had the use of coal going up 27%, polluting our air, impacting the health of ourselves and our kids. By 2014, we'll be one of the first jurisdictions in the world—indeed, something that all Ontarians will take some pride in—to be completely out of coal.

We will continue to invest in building a strong system of energy. We'll continue to ensure that Ontario families have a power system that they can count on. That stands in stark contrast to what they did seven years ago, and it still stands in stark contrast to where they want to go in the years ahead.

We're going to stand by Ontario families to ensure they have—

The Speaker (Hon. Steve Peters): Thank you. New question.

HYDRO RATES

Ms. Andrea Horwath: My question is to the Acting Premier. Yesterday, in response to questions about donations to the Ontario Liberal Party, CEOs of public utilities said that they gave because that is how they got access to this government. Does the minister think that families paying sky-high electricity rates want to see their money spent on political fundraisers?

Hon. Dwight Duncan: The leader of the third party failed to disclose yesterday in her questioning in this House that she in fact had accepted contributions from fully regulated energy companies. The leader of the third party accepted a \$1,000 contribution to her leadership campaign.

Matheson to help her arrange meetings and make phone calls. The member for Toronto–Danforth failed to inform Ontarians that he was a registered lobbyist with Greenpeace and the Ontario Nurses' Association. In fact, federal filings show that the member for Toronto–Danforth continued to be a lobbyist for nearly two months after he was elected an MPP.

There are always challenges in providing openness and accountability. No government has done more for openness and accountability than the McGuinty government. No government has done more to ensure taxpayers that they get good value for their money in all of the decisions we—

Interjections.

The Speaker (Hon. Steve Peters): Stop the clock.

Final supplementary.

Ms. Andrea Horwath: No government has done more to ensure that public money goes into the pockets of their friends. That's what's happening in Ontario these days. Public money that's meant for hospitals, that's meant for universities, that's meant for colleges, that's meant for public utilities is being diverted to consultants, to lobbyists and to Liberal Party coffers, all with the McGuinty government's approval. This is what's happening in this province, and it's simply wrong.

Why should Ontario families believe that this government will make life more affordable, will make hydro rates more affordable, when it only seems to be concerned with rewarding their friends, insiders and their own Liberal, partisan war chest?

Hon. Dwight Duncan: The leader of the third party lost all of her credibility after a line of questions yesterday and when we revealed the fact that what she was accusing this party of they've been doing for many years, in fact.

We have moved on a number of fronts—

Interjection.

The Speaker (Hon. Steve Peters): Member from Hamilton East, please come to order.

Interjection.

The Speaker (Hon. Steve Peters): And Trinity–Spadina.

Please continue.

Hon. Dwight Duncan: We have taken a number of steps to improve accountability, most recently the legislation that my colleague the Minister of Health introduced. Our hope is that the third party will support that legislation.

I would just remind you and the House that according to Charles Caleb Colton, "No sinners are so intolerant as those that have just turned saints." They've got a track record, and we'll continue to expose it for what it is: fallacy and phoniness all around.

TAXATION

Mr. John Yakabuski: My question is for the Minister of Energy. Yesterday, following question period, the Minister of Energy was asked by media about the special

purposes charge, also known as your hidden tax on hydro and natural gas. He told the media, "We will not be applying those fees to the gas industry," and no longer applying those to the electricity industry.

Are the hidden taxes on hydro and natural gas gone for good, or only for this, the election year?

Hon. Brad Duguid: For the seventh time, no, we're not raising any fees when it comes to our efforts to continue to invest in conservation. But that doesn't mean that we're going to take their advice and not continue to work hard on conservation with Ontarians. We have a lot of work to do with Ontarians when it comes to working very hard to ensure that we're conserving as much as we possibly can in this province. We're going to continue with that work and we're going to continue to ensure that Ontario is a global example when it comes to conservation.

We've saved over 1,700 megawatts of power. That's billions of dollars when it comes to what we would have had to build in terms of plants. It's very significant, and that saves, ultimately, ratepayers' dollars in the long run.

We're doing energy and we're doing it smart. We're going to continue to invest in conservation, unlike that party, who totally opposes conservation—

The Speaker (Hon. Steve Peters): Thank you. Supplementary.

Mr. John Yakabuski: If the Minister of Energy wants Ontario families to take what he said about these hidden taxes seriously, he would scrap schedule D of the Green Energy Act, the part of the act that gives you this special secret taxing authority. You have yet to introduce legislation that would accomplish that, and you've backtracked so often you can't even keep your own current policy straight.

When can Ontario families and industry expect legislation that will repeal this section of the Green Energy Act that gives you those secret taxing powers?

Hon. Brad Duguid: We know that the party opposite opposes the Green Energy Act and the 50,000 jobs that come with it. We know that because they stand in this place and oppose those investments day in and day out, while their members join us in cutting the ribbons when those jobs across this province are being announced.

Will the member opposite join me in Sarnia–Lambton, where 800 jobs have been created? Will he go eyeball to eyeball with me and those 800 families that are getting work out of this Green Energy Act, and tell them that he and his—

Interjection.

The Speaker (Hon. Steve Peters): To the member from Renfrew, you just asked—

Mr. John Yakabuski: But he challenged the member.

The Speaker (Hon. Steve Peters): You're challenging the Speaker. The member knows the rules. If he's not satisfied with an answer that he receives from a minister, he can call for a late show.

Minister?

1100

Hon. Brad Duguid: That's okay, Mr. Speaker. I'm taller on skates, I say to the member opposite.

Will the member go to Kingsville with me and meet those families in Kingsville, where they're getting 300 jobs, and tell those families that he and his leader oppose their jobs? Will the member go up to Timmins-James Bay, where 800 jobs are being created in the north? Will he join me in the north and tell those northerners that their—

The Speaker (Hon. Steve Peters): Thank you. New question?

INSURANCE RATES

Mr. Peter Kormos: To the Deputy Premier: Every time Ontarians open another bill they get the shock of their lives. On Monday it's the hydro bill, and then on Tuesday it's the insurance bill. At a time when hard-pressed Ontarians can barely keep their heads above water, why won't this government listen to the insurance brokers, to the consumers' groups and to anti-poverty groups and ban the use of credit scores in the home insurance industry?

Hon. Dwight Duncan: We have in fact banned the use of it in those areas over which we have complete jurisdiction, most recently in auto insurance. We recognize the challenges associated with tied selling and have taken steps to correct that.

We will continue to work with the industry and stakeholders, as we did in the most recent process, to bring forward a balanced set of reforms that will ensure Ontarians have good protection; that we don't protect those who abuse the system; and finally, ensure that rates grow at a very modest rate over time.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Peter Kormos: Ontarians are hurting, and the last thing they need is to open their bills and find insurance premiums that jumped 50% or even 100% just because they were a little late on a credit card payment. The province has banned the use of credit scores on auto insurance and I just can't understand, if it isn't valid for auto insurance, why the government insists that it's valid when it comes to home insurance.

Other provinces have already moved on this. There's a solid front of brokers and consumers' groups demanding the end to this profoundly unfair practice. Will this government ban the use of credit scores in determining home insurance premiums or, once again, is it going to cave in to powerful insurance lobbies and abandon Ontario homeowners?

Hon. Dwight Duncan: Again, the member's question draws into consideration the integrity of the NDP position on this. He suggested that insurance rates have gone up 50%; nothing could be further from the truth. Since 2003, they've gone up 5%. That's not according to me, that's according to the regulator, and that's over seven years.

It's passing fancy to see the member opposite, who wants to put insurance brokers out of business because he supports public auto insurance—it is passing fancy to see him doing that.

I say to the brokers from across Ontario, we'll work with you and with your industry to ensure that our insurance products are comprehensive, they're good products, the price increases are modest and they serve all Ontarians well, including the industry itself.

PATIENT SAFETY

Ms. Helena Jaczek: My question is for the Minister of Health and Long-Term Care. The first week of November is marked by the Canadian Patient Safety Institute as Canadian Patient Safety Week. Since 2005, this has become a national annual campaign as part of the institute's mandate to build and advance a safer health system for Canadians. I have heard that implementing electronic medical records is one of the ways that we can make our health care system safer for patients, so I would ask the Minister of Health: Are we making progress on this front, and how will electronic medical records help patient safety?

Hon. Deborah Matthews: Thank you to the remarkable member from Oak Ridges-Markham for this question. The member opposite is absolutely right: Implementing electronic medical records helps us make Ontario's health system safer.

Earlier this morning I stopped by Taddle Creek Family Health Team, just down the street, to announce that we have achieved a significant milestone when it comes to electronic medical records. More than five million Ontarians now have their care managed electronically. That's an increase of more than 80% in just one year.

There is no doubt that building an electronic health system does improve patient safety. One way patient safety is enhanced is that e-records can help doctors prevent medication errors when writing and renewing prescriptions. Another way is that doctors have access to the entire patient history and can prompt tests when—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Ms. Helena Jaczek: I'm pleased to hear of the progress we're making on e-records, and I understand that these records will help make the patient experience safer.

Minister, there are many aspects to patient safety. It is my understanding that your ministry is compiling information on outbreaks in hospitals that also put too many people at risk. Just a few years ago, there were outbreaks of *Clostridium difficile*, or *C. difficile*, in hospitals across Ontario. In fact, my father was made very ill with this infection. There were even tragic deaths as a result of this outbreak.

I know that *C. diff* rates are one of the areas that we now report on. Can the minister please tell this House what is being done to promote patient safety in our hospitals, especially related to issues like *C. diff* rates?

This is **Exhibit "Y"**
to the Affidavit of Jack Hughes
sworn this 12 day of November, 2010

A handwritten signature in black ink, appearing to be "JH" or similar, written over a horizontal line.

A Commissioner, etc.



- Delicious
- Digg
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A Plan For Ontario: 1 In 20 By 2020

July 15, 2009 10:00 AM

The next steps towards greener vehicles in Ontario

The McGuinty government is calling on all Ontarians to support an ambitious electric vehicle challenge that will result in one in 20 passenger vehicles on the province's roads being electric by the year 2020: "1 in 20 by 2020."

Transportation is the largest and fastest-growing sector for producing greenhouse gas emissions in Ontario and passenger vehicles are a major part of that. Having one in 20 passenger vehicles be electric by 2020 will not only help the environment, but it will strengthen our economy by driving innovation, revitalizing the global auto sector and creating jobs. And the Ontario government will provide world-leading incentives to help families make the smart environmental choice to drive electric vehicles.

Purchase rebates to encourage sales - The McGuinty government will offer consumers a rebate to help reduce the higher cost of purchasing electric vehicles. The rebate will be available for plug-in hybrid and battery electric vehicles purchased after July 1, 2010 and will provide between \$4,000 and \$10,000 towards the purchase of an electric vehicle depending on the vehicle's battery capacity. The high-end of the rebate would be the highest in Canada and amongst the highest in the world.

Rewarding plug-in hybrid and battery electric vehicle purchasers with Green Vehicle Licence Plates - To reward early adopters, the Ontario government will introduce a unique green vehicle licence plate for plug-in hybrid and battery electric vehicles. It will provide recognition to electric vehicle

purchasers, allowing them to use Ontario's High-Occupancy Vehicle (HOV) lanes for a limited time (5 years starting 2010), even if there is just one person in the vehicle. They will also be allowed access to public recharging facilities at select Ontario government and GO Transit parking lots. The University of Toronto and private companies such as Walmart Canada will designate priority parking spots for vehicles with green plates.

Electric Vehicles integrated into the Ontario Public Service (OPS) vehicle

fleet - The McGuinty government will lead the way in building consumer demand by purchasing electric vehicles for the OPS fleet. Twenty per cent of eligible new Ontario Public Sector passenger vehicle purchases will be electric by 2020.

Support for public charging infrastructure - Ontario will build infrastructure for charging electric vehicles through a combination of private sector companies and Ontario's existing electricity utilities. The McGuinty government will take the lead in supplying this infrastructure by ensuring recharging capacity is integrated in parking facilities owned by the Ontario government and GO Transit parking facilities for public to use. Ontario is working with the private sector and electricity organizations to develop business models for recharging facilities that will work within Ontario's regulated electricity market.

CONTACTS

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ontario.ca/transportation

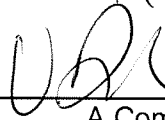
Site Help

Notices

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 - IMPORTANT NOTICES

LAST MODIFIED: MAY 03, 2010

This is **Exhibit "Z"**
to the Affidavit of Jack Hughes
sworn this 1st day of November, 2010



A Commissioner, etc.

July 2010

Ontario's Electric Vehicle Program

Ontario has developed an Electric Vehicle (EV) Program that includes; an incentive for the purchase or lease of new electric vehicles, the provision of electric vehicle re-charging facilities in parking spaces at GO Transit parking lots and at OPS owned facilities, the purchase of electric vehicles for the Ontario government fleet, and a green vehicle license plate, providing access to provincial high occupancy vehicle (HOV) lanes with only one driver.

This ambitious program supports the adoption of plug-in electric vehicles and rewards early adopters and creates a market demand for new technology.

The program provides a financial incentive to support the purchase or lease of eligible new plug-in electric vehicles on or after July 1, 2010. The value of the incentive is based on the battery capacity of the vehicle and, if applicable, the lease term. The incentives range from \$5,000 for a 4kWh battery to \$8,500 for a battery of 17kWh or more.

For additional information on Ontario's Electric Vehicle Program please read this guide and/or refer to <http://www.mto.gov.on.ca/english/dandv/vehicle/electric/index.shtml>.

Which Vehicles are Eligible for Incentives under the EV Program?

Two types of vehicles are eligible for an incentive under this program: battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs):

- A PHEV runs on a battery and electric drive train but also has the support of an internal combustion engine that may be used to recharge the vehicle's battery and/or to replace the electric drive train when the battery is low and more power is required.
- A BEV runs entirely on a battery and electric drive train, without the support of a traditional internal combustion engine. A BEV must be plugged into an external source of electricity to recharge its battery.

Applicants can apply for an incentive for the purchase or lease of new BEVs and PHEVs that:

- meet all Canada Motor Vehicle Safety Standards;
- are registered in Ontario, where the registration in Ontario represents the first time the vehicle has been registered in any jurisdiction;
- are plated in Ontario;
- have a Gross Vehicle Weight Rating of less than 10,000 lbs (4,536 kg);
- are propelled by an electric motor which draws electricity from a battery of not less than 4 kWh in capacity;
- are capable of being recharged from an external source of electricity;
- are manufactured primarily for use on public streets, roads, and highways;
- have at least four functioning wheels; and
- are not low speed vehicles

To encourage a broad uptake of this program, applicants are limited to five incentives per calendar year.

As the vehicles are not to be acquired for immediate resale, a vehicle acquired for personal use must remain registered and plated in Ontario for a minimum of 12 months. If the vehicle is acquired for fleet use, the vehicle must remain registered and plated in Ontario for a minimum of 36 months.

Grants are not available for the following types of vehicles:

- vehicles that are converted to plug-in electric capability; or
- conventional hybrid vehicles that run on a combination of a standard internal combustion engine and battery electric technology, but do not plug into an external source of electricity

Application Guide – How to Apply

- Applications must be received within six months of the date the vehicle was purchased/leased.
- Applicants are limited to five incentive payments per calendar year. Do not complete an application if you have previously applied for five incentives.
- Applicants must complete a separate application form for each new eligible vehicle.
- Only one incentive is available for each new eligible vehicle.
- Eligible vehicles can be purchased or leased. To receive the full incentive value, the term of the lease must be a minimum 36 months. Refer to Section E for additional information about incentives for leased electric vehicles.
- Where an Applicant has purchased or leased a vehicle, an application form can be completed and submitted to the Ministry of Revenue.
- An Applicant can apply directly to the Ministry of Revenue for the incentive or the Applicant can assign the incentive entitlement to the dealership or leasing agent (lessor) who will in turn apply to the Ministry for the incentive.
- The application form must be completed in order to be considered for an incentive.
- As the vehicles in this program are not to be acquired for immediate resale, vehicles purchased or leased for personal use must be registered and plated in Ontario for 12 months. Vehicles acquired for fleet use must be registered and plated in Ontario for a minimum of 36 months.

Section A – Applicant Information

- The party who will directly own or, in the case of leased vehicles, lease the vehicle, is considered to be the Applicant.
- Incentives are available to individuals, businesses, non-profit organizations, municipalities and other non-government organizations that purchase or lease a new eligible electric vehicle and register the vehicle in Ontario.
- Purchases by provincial or federal governments do not qualify for an incentive under the EV Program.
- If an applicant is applying for three or more vehicle incentives per calendar year, they are considered a fleet under this program.
- As the vehicles are not to be acquired for immediate resale, a vehicle acquired for personal use must remain registered and plated in Ontario for a minimum of one year. If the vehicle is acquired for fleet use, the vehicle must remain registered and plated in Ontario for a minimum of 36 months.
- If the vehicle has dual registrants, please identify both registered owners.
- Businesses, non-profit organizations, municipalities, etc. must include a contact name, title and phone number in part A6 of Section A.
- If the vehicle is leased, complete Section B of the application form, otherwise go to Section C.

Section B – Leased Vehicle Information

- Lessors must complete Section B with the lessor's information.
- The lessor's representative must sign this section to acknowledge that his/her company acknowledges and approves of the incentive application and that it cannot apply for the incentive in addition to the Applicant.
- To be eligible for a full incentive, the lease term must be at least 36 months. Incentives for leased eligible electric vehicles for personal use with lease terms between 12 and 36 months will be scaled. Incentives are not available for fleet vehicles leased for periods less than 36 months.

| Term of Lease (months) | Applicable Incentives for Personal Vehicles (% of full grant) | Applicable Incentive for Fleet Vehicles (% of full grant) |
|------------------------|---|---|
| 12 | 33.3% | 0% |
| 24 | 66.7% | 0% |
| 36 | 100% | 100% |

- If an Applicant purchases two vehicles as personal use vehicles and subsequently acquires additional vehicles in the same calendar year, all vehicles will be considered fleet vehicles and the following applies:
 - The first two vehicles must be plated and registered for 36 months in Ontario; and
 - If leased, the third, fourth and fifth vehicles must be leased for a minimum of 36 months; both purchased and leased fleet vehicles must remain registered and plated in Ontario for a minimum of 36 months

Section C – Agency Authorization

- An Applicant can apply directly to the Ministry of Revenue for the incentive or the applicant can assign the incentive entitlement to the dealership or leasing agent (lessor) who will in turn apply to the Ministry for the incentive.
- The dealership or lessor is considered the agent for this section.
- The grant is applied to the pre-incentive value of the vehicle.
- It is anticipated that:
 - where the Applicant assigns the incentive, that the dealership or leasing agent reduces the price of the vehicle by the amount of the incentive after all applicable fees and taxes are applied.
 - where the vehicle is leased, it is anticipated that the monthly principle amount will reflect the reduced cost of the vehicle; all applicable taxes are calculated on the pre-incentive value of the vehicle.
 - if the Applicant applies directly, that the dealership or the leasing agent will not reduce the price of the vehicle by the amount of the incentive.
- The Applicant signs to acknowledge that the incentive will be provided directly to the agent.

Section D – Vehicle Information

- Demonstrator vehicles are eligible for an incentive provided they meet all program criteria (noted above) and have less than 500 km on the odometer at the time of purchase or lease.
- New BEVs and PHEVs that are purchased or leased outside Ontario and imported into the province by the original owner/lessee are eligible for an incentive provided they meet all program criteria and were not plated in any other jurisdiction prior to being plated in Ontario.
- Applicants are required to complete parts D1 to D13 in full as the information is required to determine the incentive claim amount.

Section E – Incentive Claim Amount

- The incentive value corresponding to eligible vehicles can be determined by referring to the EV Program Eligible Vehicle Listing available at (<http://www.mto.gov.on.ca/english/dandv/vehicle/electric/ev-vehicle-list.shtml>).
- To be eligible for a full incentive for a leased vehicle, the lease term must be at least 36 months. Incentives for leased eligible electric vehicles for personal use with lease terms between 12 and 36 months will be scaled. Incentives are not available for fleet vehicles leased for periods less than 36 months.

| Term of Lease (months) | Applicable Incentives for Personal Vehicles (% of full grant) | Applicable Incentive for Fleet Vehicles (% of full grant) |
|---------------------------|--|--|
| 12 | 33.3% | 0% |
| 24 | 66.7% | 0% |
| 36 | 100% | 100% |

- If incentive program conditions on lease and registration periods are not met, the province has the right to rescind the incentive in full.

Section F – Declaration/Consent/Signature

- For the incentive application to be considered, the application must include:
 1. A completed and signed EV Incentive Program application form;
 2. The sales or lease agreement for the vehicle that indicates the vehicle has been paid for and received by the applicant; and,
 3. Proof of registration and plating in Ontario.
- An Applicant or agent can choose to receive the incentive amount by cheque or electronic funds transfer (EFT). If the EFT option is chosen, a void cheque must be included with the application.
- If the vehicle has dual registrants, the Applicant must ensure that both registered owners sign the application.

Completed Application

Completed applications and supporting documents should be sent by mail, fax, or email to:

Ministry of Revenue
PO Box 646
Oshawa ON L1H 8X2
Fax: 905 435-3543
Email: electric.vehicle@ontario.ca

Personal Information:

Personal information is being collected for the Electric Vehicle Incentive Program established under subsection 118(2) of the *Public Transportation and Highway Improvement Act* and will be used solely for the purpose of administering the Program.

Enquiries regarding the collection of personal information should be directed:

By Telephone to:

Team Manager
ServiceOntario Contact Centre
Tel: (416) 235-2999 or 1-800-387-3445

In Writing To:

Supervisor Special Enquiry Unit, Licensing Administration and Support Office
Ministry of Transportation
Main Floor, Room 178, Building A
2680 Keele Street
Downsview ON M3M 3E6
Fax: 416 235-4414

For More Information

Enquiries about the EV Incentive Program application process, should be directed to 1-866 668-8297.

For questions regarding the registration of your electric vehicle, including green vehicle licence plates, or questions on the overall EV Program, please contact ServiceOntario at 416-235-2999 or toll-free 1-800-387-3445.

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

AND IN THE MATTER OF a motion by the Consumers Council of
Canada in relation to section 26.1 of the *Ontario Energy Board Act*,
1998 and Ontario Regulation 66/10.

ONTARIO ENERGY BOARD

A F F I D A V I T
OF JACK HUGHES
[Sworn: November 12, 2010]

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