

Minister of Energy

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February 10, 2005

Jan Carr
Chief Executive Officer
Ontario Power Authority
Suite 1600
120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Toronto

Dear Dr. Carr:

Re: Toronto Reliability Supply and Conservation Initiative

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction that I have in respect of the Ontario Power Authority (the "OPA") under section 25.32 of the *Electricity Act, 1998* (the "Act").

On January 20, 2004, the former Minister of Energy, the Honourable Dwight Duncan, announced that the Ministry of Energy would be instituting a procurement process to secure approximately 2,500 MW of electricity capacity from Clean Energy Sources, Demand Management and Demand Response. On June 25, 2004, the Ministry of Energy released the 2,500 MW Request for Proposals document. The Request for Proposals document specifically referenced two priority zones in the province which were identified by the Independent Electricity Market Operator (now the Independent Electricity System Operator (the "IESO")) as having critical local and regional supply, reliability and voltage support needs. One of these identified priority zones was, downtown Toronto. – Leaside Sector. The results of the Request for Proposals process did not, however, meet the need for new supply or demand response and conservation in this sector.

New Supply

In its 18-month Outlook report of December 22, 2005 and in its Electricity Reliability Report of February 2, 2006, the IESO emphasized the necessity for a decision to be made early in 2006 to address the need for new supply for downtown Toronto. More specifically, the IESO has informed the Ministry that, despite increased demand

February 10, 2006

Re: Reliability Supply and Conservation in Toronto

response and conservation efforts in the Toronto area, at least 250 MW of new supply is required in the downtown Toronto sector by the Summer of 2008, and at least a further 250 MW by 2010. In a joint letter to the Minister of Energy, dated January 11, 2006, Hydro One, Toronto Hydro Corporation and the OPA, joined with the IESO to re-iterate the need for this new supply with the connection point to be at the Hearn Switching Station.

Members of Ministry of Energy staff have reviewed the results of the Request for Proposals process and identified proponents with projects for supply in the downtown Toronto – Leaside Sector. Since late 2005, Ministry of Energy staff members have had discussions and solicited information from proponents regarding available options for new supply in the downtown Toronto – Leaside Sector. One of those proponents, the Portlands Energy Centre ("PEC") project, located adjacent to the retired Hearn plant, has submitted a proposal on January 27, 2006, and engaged in detailed discussions with Ministry staff for the purpose of determining mutually satisfactory terms and conditions under which the proposal could be accepted. It is the opinion of the Ministry that this proposal is the most advanced option, and the one most likely to meet the 2008 supply requirement.

Specifically, the PEC project is a proposed combined cycle natural gas-fired, co-generation-capable power plant that has a nameplate capacity of approximately 550 MW. PEC has developed a plan to achieve completion of the proposed facility in two stages: the delivery of a simple cycle operation with a capacity of 330 MW in June 2008, followed by the delivery of the combined cycle operation in early 2009. The Environmental Assessment for the combined cycle operation has been completed. None of the other potential options has started the environmental approvals process for its respective proposed project. Unlike other potential projects, the proposed PEC project was developed in accordance with the requirements of Request for Proposals and is advanced with respect to project design and costing.

Therefore, in light of the reliability requirement for new supply for the downtown Toronto – Leaside Sector by the summer of 2008, under subsection 25.32(4) of the Act, I hereby direct the OPA to proceed with the next stages of negotiations with PEC, based on the process proposed by PEC and the OPA on February 9, 2006, for the purpose of executing and delivering a definitive contract with PEC by May 2006. As part of these negotiations, it is expected that the OPA may need to provide PEC with certain interim financial guarantees or recoverable assistance to allow PEC to proceed with preparatory work on the project during the course of the negotiations, but before the contract is executed, with the purpose of expediting the project so that PEC will be able to generate electricity supply in time to meet the above critical timetable identified by the IESO. It is understood that, in the event that PEC and the OPA are unable to execute and deliver a definitive contract, the OPA may seek to recover its costs, if any, relating to the interim financial guarantees or assistance by using its statutory authority for cost recovery.

Conservation

In addition to the above supply initiative, the Ministry has, for the past two years, been engaged in various conservation outreach and education initiatives through its Conservation Partnerships program. Through this program, the Ministry has funded a number of initiatives specifically focused on the Toronto area with the intent of reducing electricity demand. These initiatives included:


- 20/20 – The Way to Clean Air, a program to provide residents with tools to build an energy conservation program at home.
- Diversity Outreach Initiative, a conservation outreach program targeting non-English speaking communities in the GTA.
- TRCA Greening Health Care – Development of energy performance benchmarks for the Greening Health Care program of the Toronto and Region Conservation Authority. ✓
- EcoSchools – An innovative conservation outreach initiative targeted at Toronto area schools with a focus on operational improvements and teaching materials.

The IESO, in its February 2, 2006 Electricity Reliability Report and in the January 11, 2006 joint letter with Hydro One, Toronto Hydro Corporation and the OPA, to the Ministry of Energy, indicated that, in addition to generation, alternative and supplemental activities, including conservation and demand management initiatives, should be part of the solution to address Toronto's needs. In response, the Ministry began the process of expanding its Toronto-focused conservation initiatives begun under the Conservation Partnerships program. The expansion seeks up to 300 MW of demand side management and/or demand response initiatives in the Toronto area by 2010. The subject matter of this expansion is the basis for this direction to the OPA.

Therefore, pursuant to the authority granted me under subsection 25.32(4) of the Act, I hereby direct the OPA to assume, effective as of the date of this letter of direction, responsibility for seeking up to 300 MW of demand side management and/or demand response initiatives in the Toronto area by 2010. In recognition of Toronto Hydro's existing and planned conservation initiatives funded through to September 2007, it is expected that the OPA will work co-operatively with Toronto Hydro and the community in the Toronto area in order to avoid duplication of initiatives prior to that date.

This Directive shall be effective and binding as of the date hereof.

Dated: February 10, 2006


Donna Cansfield,
Minister of Energy

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Minister of Energy

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March 10, 2006

Mr. Jan Carr
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Mr. Carr:

Re: Conservation and Demand-Side Management Initiatives (Residential Sector)

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under subsection 25.32 (4) of the *Electricity Act, 1998* (the "Act"), in order to direct the OPA to assume responsibility for the Government's initiatives relating to energy conservation and demand-side-management ("CDM") in regards to the residential sector.

The Ministry of Energy has, for the past two years, been pursuing a set of conservation initiatives that specifically focus on the residential sector. These initiatives have included the funding, through the Ministry's Conservation Partnerships Program, of three conservation initiatives targeted for the residential sector, as set out below:

- "*Energy Star for New Homes*", the development of a labelling program for new homes which would identify and help market new homes that are energy efficient;
- "*Training Seminars for Energy Star for New Homes*", a seminar for builders to become knowledgeable and aware of the Energy Star for New Homes label;
- The "*Net Zero Energy Forum*", a forum to bring together major stakeholders to discuss and chart next steps in the development of advanced home design concepts. ✓

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Recently, the Ministry began the process of expanding its residential-focused conservation initiatives under the Conservation Partnerships program. The expansion ("Conservation Partnerships – Residential") seeks up to 150 MW of demand side management and/or demand response initiatives and would be based on two key initiatives:

- (i) a program to achieve energy efficiency improvements on existing electrically heated houses;
- (ii) a program to carry out energy efficiency improvements to residential properties and the equipment or appliances in such properties, including but not limited to energy audits, air conditioning tune-ups, and the provision and installation of programmable thermostats and low-flow showerheads, with one element of this program being an education and incentive program.

Therefore, pursuant to the authority granted me under subsection 25.32(4) of the Act, I hereby direct the OPA to assume, effective as of the date of this letter of direction, responsibility for these two initiatives. More particularly, it is expected that the OPA would commence implementation by no later than the fall of 2007, through such procurement contracts and activities as the OPA determines to be advisable, a program based on the Government's CDM initiatives, that would reduce overall electrical energy consumption and demand in the residential sector by up to 150 Megawatts ("MW").

This Direction shall be effective and binding as of the date hereof.

Sincerely,



Donna Cansfield
Minister

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March 10, 2006

Mr. Jan Carr
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Mr. Carr:

Re: Conservation and Demand-Side Management Initiatives Commercial Buildings and MUSH Sector)

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under subsection 25.32 (4) of the *Electricity Act, 1998* (the "Act"), in order to direct the OPA to assume responsibility for the Government's initiatives relating to energy conservation and demand-side-management ("CDM") in regards to the MUSH sector - comprising municipalities, universities, schools, and hospitals.

The Ministry of Energy has, for the past two years, been pursuing a set of conservation initiatives that specifically focus on commercial buildings and the MUSH sector. These initiatives have included the funding, through the Ministry's Conservation Partnerships Program, of various conservation initiatives targeted for commercial buildings and the MUSH sector, as set out below:

- "Turning Contractors into Energy Efficiency Promoters", an outreach program developed to train commercial building contractors so that they may help inform their clients on energy efficient solutions;
- "Cool Shops", a small to medium commercial business outreach program designed to increase energy efficiency and awareness on conservation issues;
- "Green Health Care", a program which encourages and promotes energy efficiency and environmental responsibility in the health care field;

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- "*Schools for the Future*", a two day conference with school board decision makers from across Ontario to discuss conservation programming in schools and innovative capital financing for energy efficiency retrofit projects;
- "*Ontario Colleges Efficiency Project*", the development of an energy audit, retrofit and financing strategy for Ontario colleges;
- "*Energy Efficient Schools*", the development of energy performance baselines for 20 York Region schools for the purpose of demonstrating energy performance and savings through better school design.

Recently, the Ministry began the process of expanding its commercial buildings and MUSH conservation initiatives under the Conservation Partnerships program. The expansion ("Conservation Partnerships – CB/MUSH") seeks up to 150 MW through a variety of demand side management and/or demand response initiatives.

Therefore, pursuant to the authority granted me under subsection 25.32(4) of the Act, I hereby direct the OPA to assume, effective as of the date of this letter of direction, responsibility for this expanded initiative. More particularly, it is expected that the OPA would commence implementation by no later than the fall of 2007, through such procurement contracts and activities as the OPA determines to be advisable, a program based on the Government's CDM initiatives, that would reduce overall electrical energy consumption and demand in commercial buildings and the MUSH sector by up to 150 Megawatts ("MW"). In addition, it is expected that this expanded initiative would build upon any CDM initiatives being undertaken through the Toronto Reliability Supply and Conservation Directive, issued February 10, 2006.

This Direction shall be effective and binding as of the date hereof.

Sincerely,



Donna Cansfield
Minister

Oct 6 / 2005

Minister of Energy

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**DIRECTION**

To: Ontario Power Authority

Attention: Mr. Jan Carr, Chief Executive Officer

Re: Conservation and Demand-Side Management Initiatives (Residents of Low-Income and Social Housing)

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under subsection 25.32 (4) of the *Electricity Act, 1998* (the "Act"), in order to direct the OPA to assume responsibility for the Ministry of Energy's (the "Ministry") Initiatives relating to energy conservation and demand-side-management ("CDM") in regards to residents of low-income and social housing.

The Ministry has, for the past two years, been pursuing a set of conservation initiatives that specifically address the needs of residents of low-income and social housing. These initiatives have included the funding, through the Ministry's Conservation Partnerships Program, of four conservation programs targeted for residents of low-income and social housing, as set out below: ✓

- The "*Social Housing Energy Management Pilot Program*" ("SHEMPP"), a pilot program currently operating to provide a comprehensive energy management strategy designed for social housing service providers; ✓
- The "*Low Income Conservation Education Program*", a tenant-to-tenant education and outreach program being piloted in certain social housing residential complexes across Ontario;
- The "*Conserving Homes*" Program, which was initially designed to be an energy conservation program for low-income households and which is currently being piloted by a local distribution company (or "LDC"); and, ✓
- "*Low-Income Demand-Side Management ("DSM") Strategies for LDCs*", a set of studies prepared for LDCs which are intended to assist them in formulating strategies to address the conservation needs of low-income customers.

Recently, the Ministry has created its own new low-income CDM initiative, by approving an expansion of the Ministry's role in SHEMA to include conservation and DSM strategies for residents of low-income households, adding this facet to SHEMA's existing mandate of addressing the consumption of residents of social housing. This new initiative (the "Ministry's Low-Income CDM Initiative") is the basis for this direction to the OPA.

Therefore, pursuant to the authority granted to me under subsection 25.32(4) of the Act, I hereby direct the OPA to assume, effective as of the date of this letter of direction, responsibility for the Ministry's Low-Income CDM Initiative, and to further pursue this initiative which is designed to address the consumption of residents in low-income and social housing, such CDM initiative having been previously pursued by the Crown.

More particularly, it is expected that the OPA will commence implementation by no later than the summer of 2006, through such procurement contracts and activities as the OPA determines to be advisable, a program based on the Ministry's Low-Income CDM initiative, that will reduce overall electrical energy consumption and demand by residents of low-income and social housing by up to 100 Megawatts ("MW"). It is also expected that the Program will result in longer-term reductions in electricity peak demand, particularly by reducing the use of inefficient appliances by such residents. It is further expected that the Program will include a comprehensive package of energy efficiency measures that are designed to address these goals.

This Direction shall be effective and binding as of the date hereof.

Dated: October 6, 2005



Dwight Duncan
Minister of Energy

JUL 13 2006

Minister of Energy

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July 13, 2006

Dr. Jan Carr
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Dr. Carr:

Subject: Coordination and Funding of LDC activities to deliver Conservation and Demand-Side Management Programs

I write pursuant to the statutory power of Ministerial direction which I have in respect of the Ontario Power Authority (the OPA), under subsection 25.32 (4) of the *Electricity Act, 1998* (the Act), in order to direct the OPA to assume responsibility to coordinate and fund the delivery of electricity conservation and demand-side management (CDM) programs by local distribution companies (LDCs) in Ontario.

As Minister of Energy, I wrote to all LDCs on May 31, 2004 to encourage them to initiate CDM activity in their service territories. I also asked the Ontario Energy Board (OEB) to establish a process to fund those activities. LDCs submitted plans for about \$163M worth of CDM projects to be initiated in a three year period, not to exceed September 30, 2007 (Third Tranche funding).

Over the past six months, this ministry convened the Electricity Conservation Working Group to discuss issues regarding CDM delivery by LDCs once the Third Tranche funding has been exhausted or expired.

The Ministry of Energy subsequently undertook an initiative to establish a program from which LDCs could secure funds to continue delivering conservation and demand management programs after the expiry of the \$163 million pool of funds. Such a fund would have as its aims to:

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- Provide stable and secure funding to LDCs over a three year period; and,
- Improve coordination and accountability for LDC CDM programs by establishing clear funding guidelines and reporting requirements.

Therefore, pursuant to the authority granted to me under subsection 25.32(4) of the Act, I hereby direct the OPA to assume, as of the date of this letter, responsibility for organizing the delivery and funding of CDM programs through LDCs in Ontario in accordance with the following guidelines. I expect the OPA to carry out any necessary processes to acquire the increased resources required to meet this objective.

Principles

1. The objective of funding CDM programs is to assist the Government of Ontario in achieving its goals in electricity conservation and demand management.
2. LDCs have a legitimate and unique role in CDM delivery. They should be key conservation delivery agents, helping to grow the culture of conservation.
3. Funding to LDCs should be secure, stable and multi-year.
4. The Conservation Bureau will manage the overall CDM program design and the measurement and verification of results.
5. The relationship between the OPA and LDCs will be managed contractually.

Funding

1. The OPA will begin organizing the delivery and funding of CDM programs through LDCs immediately, with implementation of funding to occur in the earliest practical timeframe.
2. The funding will be limited to a total of \$400 million over three consecutive years.
3. Funds will be collected under the "Global Adjustment Mechanism" to the approved level. LDCs would contract to deliver programs funded by an OPA-administered LDC fund on a non-competitive basis in their territory.
4. These funds will not include provisions for smart meters.
5. The OPA should support the Ontario Energy Board in its continuing efforts to reduce barriers to CDM including decreases in revenues due to LDC's conservation programs.

Delivery and Oversight

It is expected that:

1. The OPA will, in consultation with LDCs and the Ministry, develop prudent guidelines to follow when contracting for CDM programs with LDCs.

When does this come out?

.../cont'd

2. The OPA will design a standard set of programs that LDCs can contract to deliver in their service territories, which may include consumer awareness and education programs, market capacity building, and market transformation programs. ✓
3. LDCs may submit CDM proposals to the OPA and the OPA will accept, reject or modify those proposals.
4. OPA will ensure that all areas of the province have access to an appropriate set of CDM programs. To achieve this purpose, the OPA may directly or through a third party deliver CDM programs in those areas where LDCs do not enter into contracts with the OPA or where LDCs do not deliver all necessary CDM programs.]
5. The OPA will ensure that an accountability framework is in place and review the activity and results against such framework. The OPA will report annually to the Minister with respect to this fund.

The above-described LDC fund does not preclude additional OPA activities with or without LDC participation. LDCs may participate in other OPA CDM programs.]

This Direction shall be effective and binding as of the date of this letter.

Sincerely,



Dwight Duncan
Minister

c: Howard Wetston, Chair, Ontario Energy Board

CDM Direction

JUN 23 2005

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June 15, 2005

Mr. Jan Carr
Chief Executive Officer
Ontario Power Authority
606-175 Bloor Street East
North Tower
Toronto, Ontario
M4W 3R8

Re: Immediate Launch of Procurement Processes to address needs in Downtown Toronto, Western Greater Toronto Area, and to develop additional Demand Management, Demand Response and High Efficiency Combined Heat and Power Supply

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under section 25.32 of the *Electricity Act, 1998* (the "Act").

On January 20, 2004, I announced that the Ministry of Energy would be instituting a procurement process to secure approximately 2500 MW of electricity capacity from Clean Energy Sources, Demand Management and Demand Response. The process was designed to deliver significant amounts of clean generation, highly efficient combined heat and power projects including industrial cogeneration and district energy, demand management and demand response initiatives as well as meeting critical local and regional reliability challenges.

The Request for Proposals document that was released by the Ministry of Energy on June 25, 2004 specifically referenced two priority zones in the Province which were identified by the Independent Market Operator (now Independent Electricity System Operator (IESO)) as requiring significant generation, demand management and demand response initiatives in order to address critical local and regional supply, reliability and voltage support needs. These priority zones were downtown Toronto and the West Greater Toronto Area. The IESO has reconfirmed that local and regional supply issues in these areas are critical.

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The Interim Request for Proposals for Clean Energy Sources process has been completed. Six contracts for 2235 MW, including 10 MW of demand response have been signed. The Interim Request for Proposals has met some of the goals of the procurement process launched in January 2004. However, some critical requirements remain to be met. These are for additional generation, demand management and demand response initiatives in the identified priority zones and the need to develop more high efficiency combined heat and power projects.

Pursuant to section 25.32 of the Act, and with the objective of ensuring adequacy of electricity supply through the completion of the procurement process launched by the Ministry of Energy in January 2004, I hereby authorize and direct the OPA to commence several procurement processes, execute and deliver definitive contracts for the selected projects to address the following:

- Up to 1000 MW of generation in the Greater Toronto Area West of Toronto – comprised of the Hydro One 115kV and 230kV network and connected distribution systems of Toronto Hydro, Oakville Hydro, Enersource Hydro Mississauga Inc, PowerStream and Hydro One Brampton.
- 250 MW or more of demand side management and/or demand response initiatives across the province with particular focus in the Cities of Toronto, Mississauga, Brampton, and Oakville. *did just demand response*
- Up to 1000 MW of high efficiency combined heat and power projects across Ontario including industrial co-generation projects and district energy projects. Preference should be given, through a separate procurement process, for projects fueled by renewable energy sources.

A separate Directive to the Ontario Power Authority will be issued to address the requirements for up to 600 MW of generation in Downtown Toronto. The procurement timelines will be the same for both Directives.

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It is expected that these procurement processes should be launched as soon as possible and in no case later than the fall of 2005 with subsequent contracting for some of the projects to be concluded by early 2006.

Sincerely,



Dwight Duncan
Minister

provided
250 MWS of demand side
management and
demand response (up to 500 MW)
"Contracted for in 2005 and 2006"
Did it get done,
see document

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FEB - 9 2006

Mr. Jan Carr
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Dear Mr. Carr:

Re: Addendum #1 to Procurement Processes Directive of June 15, 2005

I write in connection with my authority as the Minister of Energy in order to exercise the statutory power of ministerial direction that I have in respect of the Ontario Power Authority (the "OPA") under section 25.32 of the *Electricity Act, 1998* (the "Act").

On June 15, 2005, the Minister of Energy, my predecessor, the Honourable Dwight Duncan, issued a directive to the OPA entitled "Re: Immediate Launch of Procurement Processes to address needs in Downtown Toronto, Western Greater Toronto Area, and to develop additional Demand Management, Demand Response and High Efficiency Combined Heat and Power Supply" (the "original June 15th directive").

This is an addendum to the original June 15th directive. This addendum is to be read with and considered part of the original June 15th directive and collectively they are henceforth to be considered to be a single directive (the "consolidated June 15th directive").

The purpose of this addendum is to clarify the intent of certain words used in giving direction, as follows:

- 1) On page 2 of the original June 15th directive, in the second bullet point, the words "or more" in the clause "250 MW or more" are to be interpreted as "up to 500 MW."
- 2) In the consolidated June 15th directive, the words "up to," when used in each category for procurement, are to be interpreted so as not to exclude a project being considered for selection (the "subject project") merely because the number of megawatts to be achieved by the subject project would exceed the difference

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of megawatts to be achieved by the subject project would exceed the difference between the total, cumulative number of megawatts of the other, selected projects and the stated limit for the procurement (the "margin"), provided that the following conditions are met:

- a) The total number of megawatts of the selected projects of higher ranking in the evaluation in that category is cumulatively less than the limit;
 - b) The subject project is ranked immediately following the last selected project in that category; and
 - c) The total number of megawatts for all selected projects, including the subject project, do not exceed the limit by more than 25%.
- 3) In the consolidated June 15th directive, the words "subject project" are be interpreted to include each project where two or more projects are tied in ranking.

Sincerely,



Donna Cansfield
Minister

List of Minister's Directives to OPA**February 3, 2011**

Environmental Attributes – Pilot Program - The OPA has been directed to proceed with a time limited (no more than eighteen months) pilot program to sell, track and audit a limited number of environmental attributes ("EAs"). The OPA owns, by virtue of its contracts, the rights to certain EAs related to renewable energy generation. The purpose of the pilot program is to help develop expertise in the capturing of the economic value associated with the EAs for the benefit of Ontario ratepayers. The OPA is directed to select a program manager to sell some of the EAs and foster the voluntary market for EAs.

December 6, 2010

Broadcasting Initiative Amendment – Procurement of Renewable Energy Advertisements - Amends the March 18, 2010 Directive. The OPA was directed to develop advertising campaigns to run through the end of 2010 and into 2011 to raise consumer awareness of clean energy opportunities enabled by the Long Term Energy Plan and through the OPA's development of an Integrated Power System Plan. The budget is to remain within the \$8 million budget set by the March 2010 direction.

November 26, 2010

Amendment to the Community Energy Partnerships Program ("CEPP") portion of the September 24, 2009 directive - The OPA was directed, using a third party, to develop and deliver a CEPP that would provide grants to community groups interested in developing renewable energy generation projects in Ontario that are 10MW or less. To enhance the development of community projects in respect of co-operatives only, the OPA is further directed to provide funding of up to \$500,000 for Ontario resident owned co-operatives, for projects over 10MW, but to maintain the minimum project size requirement at 10kW. The OPA is also directed to allocate no more than \$500,000 annually for funding or grants to third parties, for educational outreach programs, to engage local communities and co-operatives, to develop renewable energy projects. The overall CEPP budget is not to exceed \$10 million annually.

November 23, 2010

Combined Heat and Power ("CHP") – The Minister has directed the OPA to work to procure up to a total of 1000 MW of CHP projects consisting of: a) CHP projects procured to date including those procured under the CHP I, CHP II and CHP III RFP processes; b) individually negotiated CHP contracts with projects over 20 MW; c) CHP projects, 20 MW or under, procured through a standard offer program, with procurement limited to cost effective projects located in areas of the Province where local distribution can be accommodated and there are local benefits. This direction replaces and revokes the CHP component of the Minister's direction of June 15, 2005, the Clean Energy Supply Standard Offer Program component of the June 14, 2007 direction, and the direction dated April 10, 2008.

November 23, 2010

Negotiating New Contracts with Non-Utility Generators ("NUG Facilities") (listed in Appendix A of the directive) – The OPA received direction from the Minister to negotiate for new contracts with the owners or operators of the non-utility generators ("NUG Parties") where these would have cost and reliability benefits to Ontario electricity customers. The New Contracts should be structured to provide clear signals to NUG Facilities to operate in a manner that optimizes operation when power is valued highly and does not provide an incentive to operate when the output is not required, or the value of the power is low. The OPA may seek to negotiate other matters with the NUG Parties that would provide benefits to Ontario electricity customers or the Ontario electricity system.

September 17, 2010

Green Energy Investment Agreement (the "Agreement") with the Government of Ontario and the Korean Consortium dated January 2010 – The OPA has been directed, in carrying out the Transmission Availability Tests and Economic Connection Tests under the FIT Program Rules, to hold 500 MW of transmission capacity to be made available in the Bruce area in reserve for Phase 2 projects of the Korean Consortium or its Project Companies. The transmission capacity to be made available in the Bruce area is in anticipation of the completion of the Bruce-Milton line.

August 26, 2010

Atikokan Biomass Energy Supply Agreement ("ABESA") with Ontario Power Generation - After considering the feasibility of converting the Atikokan Generating Station from coal to biomass, OPG is now positioned to commence redevelopment work. The Minister has therefore directed the OPA to make reasonable efforts to complete the negotiation of a long-term energy supply contract and execute the ABESA with OPG by December 1, 2010. It is expected that the ABESA will provide OPG with an incentive to optimize the operation of the facility to reflect the hourly value of power to the Ontario electricity system. The terms of the ABESA should include that OPG source its long-term biomass fuel requirements from Ontario sources, and that OPG seek options to include Aboriginal communities or businesses among its suppliers. In addition, the ABESA should require OPG to undertake any Aboriginal consultation activities required by law.

July 5, 2010

CDM Program Under the GEA Conservation Framework: Low-Income Conservation Initiative - The OPA received direction from the Minister to commence the design, implementation and funding of an electricity CDM program for low-income residential consumers as part of its suite of OPA-Contracted Province-Wide CDM Programs for the 2011-2014 period. The OPA is to ensure that a component of its program targeting commercial and institutional consumers, targets multi-family buildings, including assisted and social housing. To ensure consumers benefit from a coordinated approach, the OPA is to consider the low-income energy program being developed by the OEB, which is comprised of gas conservation; customer service standards; and emergency financial assistance. In the Fall of 2010, the OPA is to report to the Minister on its recommendations and proposed implementation plan.

April 23, 2010

Conservation and Demand Management Initiatives under the GEA Conservation Framework - The OPA has received this direction to advance conservation, being one of the most cost effective means of dealing with electricity supply issues. The direction is categorized into three areas: (i) strategic co-ordination of OPA contracted province wide programs; (ii) energy efficiency and demand response programs for First Nation and Métis communities; and (iii) support and funding of CDM research and innovation.

The Board is currently working with the Ministry and the OPA to develop conservation targets and a reporting process for LDCs.

April 1, 2010

With respect to the Government's Green Energy Investment Agreement ("GEIA") with Samsung C&T Corporation and Korea Electric Power Corporation (collectively, the "Korean Consortium") to develop 2500 MW of renewable energy projects in Ontario, the OPA is directed to negotiate one or more Power Purchase Agreement(s) ("PPA") with respect to the Korean Consortium projects. The OPA is to commence negotiations on a PPA when the necessary access rights for a project have been demonstrated and upon the recommendation of the joint MEI / OPA Implementation Task Force. Each PPA shall be substantially similar to the FIT contract and rules, with necessary modifications to reflect the terms of the GEIA. The OPA is further directed to give priority to GEIA projects when assessing transmission availability.

March 18, 2010

Broadcasting Initiative – Procurement of Renewable Energy Advertisements – The OPA received a directive from the Minister to develop a TV advertising campaign to run in May 2010 and September 2010. The TV ads are to raise consumer awareness of how participating in the microFIT program provides the opportunity for greening of the electricity sector.

March 4, 2010

Industrial Transmission Connected Electricity Efficiency Program – The Minister issued a directive to the OPA to create and deliver an industrial energy efficiency program. The program's objective is to achieve cost-effective conservation through industrial process improvements that bring energy efficiency gains. The program will be part of the OPA's efforts towards assisting the Province with achieving its aggressive conservation targets, by providing incentives to industrial consumers directly connected to the IESO-

controlled grid, to invest in energy efficiency and conservation, as well as by increasing industrial facilities' own investments. Industrial consumers will have a five year period within which to elect to participate in the program.

January 6, 2010

To help support the general adequacy of Ontario's electricity system, the Minister has directed the OPA to move expeditiously to negotiate and execute a New Contract with Ontario Power Generation (OPG) with respect to OPG's Lennox Generating Station (Lennox GS). This contract is necessary in light of the expiry on September 30, 2009 of the most recent Reliability Must Run (RMR) contract between OPG and the IESO with respect to Lennox. Lennox GS is a 2140 MW dual-fuelled generating station owned and operated by OPG near Kingston, Ontario.

December 8, 2009

Supplementary Initiative to July 13, 2006 Direction re Coordination and Funding of LDC activities to deliver Conservation and Demand-Side Management Programs – the OPA is directed to increase funding for LDC CDM activities by \$50 million and extend the timeframe for available funding under the existing CDM Direction to December 31, 2010.

September 30, 2009

Transmission Availability Test Under FIT Program Rules - The government is exploring opportunities to further enable new green industries through new investment and job creation. The OPA is directed to hold in reserve 240 MW of transmission capacity in Haldimand County and a total of 260 MW of transmission capacity in Essex County and the Municipality of Chatham-Kent jointly for renewable energy generating facilities whose proponents have signed a province-wide framework agreement with the Province.

September 24, 2009

The OPA is directed to develop a feed-in tariff ("FIT") program that is designed to procure energy from a wide range of renewable energy sources. The development of this program is a key element of meeting the objectives of the Green Energy and Green Economy Act, 2009 (the "Green Energy Act") and is critical to Ontario's success in becoming a leading renewable energy jurisdiction.

May 7, 2009

Negotiating New Contracts with Hydro-Electric Generation Facilities - The OPA is directed to enter into new contracts for hydroelectric facilities which are connected to the IESO-controlled grid but not currently owned by OPG. The hydroelectric facilities must not have been previously considered under any renewables RFP, and may have either no contract, or a current contract with a Provincial government body or agency, for any part of the generation output. New contracts for generation facilities without a current contract are to be concluded by August 15, 2009. A new contract for a facility with a current contract will commence after the current contract expires.

January 23, 2009

Biogas Projects and Renewable Energy Standard Offer (RESOP) - The OPA is directed to contract with new biogas electricity generation projects that meet conditions under the current RESOP except that the facilities need not be restricted to farm-based projects, and that their capacity may be above 250kW but no greater than 5MW.

December 24, 2008

Negotiating New Contracts with Early Movers Generation Facilities – The OPA is directed to negotiate new contracts with the owners or operators of the facilities that were listed in the direction on early movers dated December 14, 2005. The new contracts are to expire no later than December 31, 2026 and are to reflect a reasonable cost to Ontario electricity customers and a reasonable balancing of risk and reward.

December 22, 2008

Broadcasting Initiative – Procurement for Energy Conservation Advertisements – As part of the Ministry's education campaign aimed at advancing public awareness of energy conservation, the OPA is directed to procure advertising space for the broadcasting/publishing of Winter Ads in Ontario. The Ads are to be completed by the last week of March, 2009.

December 19, 2008

Procuring Electricity from a Commercial Durham and York Region Energy from Waste ("EFW") Facility – The Minister has directed the OPA to contract at a price of 8 cents per kilowatt-hour to procure electricity from the proposed commercial EFW facility being developed by the Regional Municipalities of Durham and York. The production of electricity from this facility will be ancillary to the primary purpose of the facility which is to reduce the need for land filling by the thermal treatment of residual wastes.

September 17, 2008

This Directive amends the Supply Mix Directive dated June 13, 2006. It requires the OPA to revisit the IPSP with a view to establishing new targets in a number of areas including with respect to renewable energy sources and conservation. The Directive also asks the OPA to undertake an enhanced process of consultation with First Nations and Métis communities in light of potential duty to consult obligations. The OPA is to provide the revised IPSP to the OEB within six months.

August 18, 2008

Southwest Greater Toronto Area (GTA) Supply – The Minister has directed the OPA to complete a procurement process by the end of June 2009 for a combined-cycle natural gas-fired electricity generation facility for generating up to approximately 850 MW. The new generation facility will address local area supply inadequacy issues in the Southwest GTA and is to be in-service by no later than December 31, 2013 to support the province's goal to replace coal-fired generation by 2014.

May 1, 2008

Broadcasting Initiative – Procurement for Energy Conservation Advertisements – As part of the Ministry's education campaign aimed at advancing public awareness on energy conservation, the OPA is directed to procure advertising space for the broadcasting/publishing of Summers Ads in Ontario. The goal is to have the Ads timed to run so that they are completed by the second week of August, 2008.

April 10, 2008

Procurement for Electricity From Combined Heat and Power (CHP) Renewable Co-generation Projects – The OPA is directed to develop and launch a procurement process by no later than June 30, 2008 to result in contracts for about 100 MW with proponents of renewable energy projects deriving their energy source from CHP. Such contracts are to be entered into no later than December 31, 2008.

March 12, 2008

Broadcasting Initiative - Procurement for Energy Conservation Advertisements - The Ministry has launched a major consumer education campaign on CDM particularly targeting the residential sector. The OPA is directed to assume responsibility for the initiative with respect to the procurement of advertising space for the broadcasting and publishing of certain advertisements. This activity is expected to cost approximately \$4 million.

February 25, 2008

Procuring Electricity From Energy From Waste ("EFW") Pilot or Demonstration Projects ("PDPs") - The Ministry of the Environment has developed an initiative to test and evaluate EFW technologies. The goal of this initiative is to encourage the development of new or improved EFW technologies with improved environmental performance. The Minister of Energy has directed the OPA to negotiate with the proponents of any pilot or demonstration EFW project participating in the initiative to procure any net electricity produced and offered from such project during the time that it is participating in the initiative.

January 31, 2008

Procuring Approximately 350 MW of New Gas-Fired Electricity Generation for Northern York Region - The letter from the Minister directs the OPA to develop local area generation to address supply inadequacy issues in the Northern York Region. The OPA is therefore directed to competitively procure a simple (single)-cycle gas-fired electricity generation facility with a rated generation capacity of approximately 350 MW and not more than 400 MW. The facility is expected to be in-service by no later than December 31, 2011 and should be in the vicinity of the 230 kV transmission lines supplying the Armitage and Holland transformer stations.

December 20, 2007

Hydroelectric Energy Supply Agreements with Ontario Power Generation Inc. - Letter from the Ministry to further the renewable energy capacity in Ontario by 2025 by directing the OPA to assume the responsibility of negotiating with OPG a number of contracts respecting hydroelectric projects located at the following OPG hydroelectric station sites: 1. LAC Seul; 2. Upper Mattagami; 3. Healey Falls; 4. Lower Mattagami; and 5. Hound Chute.

August 27, 2007

Procurement of up to 2,000 MW of Renewable Energy Supply - Directive based on potential identified by OPA for up to 2,000 MW of new renewable generation projects that are greater than 10 MW in size to come into service by 2015. The OPA is further directed to ensure that appropriate consultation with First Nations and Métis peoples takes place with respect to projects procured by the OPA under this directive.

June 14, 2007

Clean Energy and Waterpower in Northern Ontario Standard Offer - to expand the SOP initiative in the areas of clean energy supply and small, transmission-connected waterpower projects in northern Ontario; and to have these parts of the SOP in place by the fall of 2007. It is expected that the OPA will enter into contracts with small generators to implement these parts of the SOP.

July 13, 2006

Coordination and Funding of LDC activities to deliver CDM Programs - Immediately organizing the delivery and funding of CDM programs through LDCs in Ontario. Funding limited to \$400 million over three consecutive years.

June 13, 2006

Integrated Power System Plan - OPA to create IPSP to meet DR from conservation by 6,300 MW by 2025. Plan should reduce projected peak demand by 1,350 MW by 2010, and by another 3,600 MW by 2025. The reductions of 1,350 MW and 3,600 MW are to be in addition to the 1,350 MW reduction set by the government as a target for 2007.

March 21, 2006

Standard Offer Program - directing OPA to have the Program in place by the fall of 2006, and as a consequence enter into contracts with small renewable generators to implement the Program.

March 10, 2006

Conservation and DSM Initiatives (Residential Sector) - Directing OPA to assume responsibility for this initiative and implement by fall of 2007 reducing demand in residential sector by 150 MW.

March 10, 2006

Conservation and DSM Initiatives Commercial Buildings and MUSH Sector - Directing OPA to assume responsibility for this expanded initiative and implement by fall of 2007 reducing demand in commercial buildings and MUSH sector by 150 MW.

February 10, 2006

Toronto Reliability Supply and Conservation Initiative - with respect to 2,500 MW RFP and priority zones 1) Leaside Sector by summer 2008; PEC contract by May 2006; OPA to seek 300 MW of DSM or DR in Toronto by 2010.

February 9, 2006

Procurement Processes - Addendum #1 to Procurement Processes Directive of June 15, 2005 (to be consolidated as part of the original directive).

December 14, 2005

Early Movers - Negotiate and Conclude Contracts with Certain Generation Facilities - replaces June 15, 2005 directive - "Early Movers".

November 16, 2005

RES II RFP - Contracts relating to the RFP for 1,000 MW of Renewable Energy Supply Projects with a Contract Capacity of between 20 MW and 200 MW, inclusive, issued by the MOE on June 17, 2005, as amended (the "RES II" RFP). The OPA is directed to enter into contracts with the nine suppliers who were selected pursuant to the RES II RFP and listed in the directive.

November 7, 2005

RES I RFP - MOE directing the OPA to assume, by November 10, 2005 responsibility for all contracts previously the responsibility of the OEFC (Buyer) as agent of the Crown, that were from its June 24, 2004 RFP to procure 300 MW of new electricity supply.

October 20, 2005

GTA West Supply Initiative - Goreway Station Project - immediately execute an Implementation Agreement with project proponent re costs that must be incurred if in service is summer of 2007; negotiate contract by December 31, 2005.

October 20, 2005

CDM Initiatives (Appliance Change-Out and Efficient Lighting Initiatives) - to reduce overall electricity consumption and demand by residential, commercial, and industrial customers.

October 14, 2005

Contracts for the Refurbishment of Bruce A at the Bruce Nuclear Facility Generating Station - Deliver to counterparties on October 17, 2005, the Bruce Power Refurbishment Agreement and the Refinancing Agreement.

October 6, 2005

CDM Initiatives (Residents of Low-Income and Social Housing) - to reduce overall electricity energy consumption and demand for low-income and social housing.

June 15, 2005

Procurement Processes - Immediate Launch of Procurement Processes to address needs in Downtown Toronto and Western Greater Toronto Area, and to develop additional Demand Management, Demand Response, and High Efficiency Combined Heat and Power Supply.

June 15, 2005

"Early Movers" - Negotiate and Conclude Contracts with Certain Generation Facilities.

March 24, 2005

2,500 MW RFP - Execution and delivery of CES contracts and a DR contract in accordance with the terms of the 2 500 MW RFP.

Other Letters to OPA from Minister - Not Considered Directives**May 7, 2010**

Since the September 2009 ministerial instruction to Hydro One to plan, develop and implement 20 major transmission projects in Ontario, there have been a number of developments, such as the favorable interest in the OPA's Feed-in-Tariff program, and the Korean Consortium agreement to develop 2500 MW of renewable energy projects in Ontario. The Minister writes to emphasize the need for continued co-ordination between the OPA and Hydro One and requires the OPA to submit an updated transmission expansion plan by June 11, 2010. This plan is to provide recommendations for development sequencing of priority transmission projects, taking into account the needs of FIT and the Korean Consortium, and lay out an implementation approach that will ensure that key government commitments are met.

February 2, 2010

Ontario Power Generation's (OPG) Proposed Hydroelectric Development on the Lower Mattagami River in Northeast Ontario - The Minister has reaffirmed the instructions outlined in the December 20, 2007 directive stating that with respect to the Lower Mattagami River project, the government continues to support the project and encourages the OPA to proceed to executing a financial supply agreement with OPG.

August 28, 2007

Contracts for the Refurbishment of Bruce A at the Bruce Nuclear Generating Station - Letter from the Ministry consenting to the OPA entering into the First Amending Agreement and to materially amend the Refurbishment Implementation Agreement, and to amend the STAR Agreement. The letter indicated that the OPA provided a Fairness Opinion from CIBC World Markets regarding the First Amending Agreement and that the OPA briefed MOE staff and OFA staff on the details of the proposed amendments; and also that significant legal, financial and technical due diligence was taken with the proposed amendments to both the Refurbishment Implementation Agreement and STAR Agreement.

March 27, 2006

Standard Offer Program - OPA to investigate economic and technical issues with connecting small waterpower projects to transmission systems in northern Ontario and provide recommendations to Minister.

August 18, 2005

Standard Offer Program - Develop in co-operation with the OEB the terms and conditions for a standard offer program for small generators embedded in the distribution system that use clean or renewable resources.

May 2, 2005

Supply Mix - commencement of long-term planning exercise and request for recommendation on supply mix. Minister requesting a report by December 1, 2005 to include amongst other things, conservation targets for 2015, 2020 and 2025; recommendations re adds of new renewable energy capacity by 2015, 2020 and 2025.

March 1, 2005

York Region - request to help identify and assess possible solutions to address local reliability issues.

Details of the Initiative

The details of the Initiative are as follows:

1. Subject to paragraphs 2, 3 and 4 below, the New Contract will be on terms and conditions generally consistent with or similar to the previous RMR contracts between OPG and the IESO, having regard to the Contract Purpose.
2. The New Contract will be on terms that reflect:
 - (a) a reasonable cost to Ontario electricity customers (given the Contract Purpose and the cost of pursuing alternative means of fulfilling the Contract Purpose), and
 - (b) a reasonable balancing of risk and reward for OPG in respect of Lennox GS, taking into account the specific operating characteristics of Lennox GS (including operating costs) and the value of the capacity, ancillary services such as operating reserve, and energy output from the facility.
3. The New Contract will provide strong incentives for optimizing the operation of Lennox GS to reflect its hour by hour value to the Ontario electricity system.
4. The New Contract will commence on the expiry of the most recent RMR contract for Lennox GS, and have a duration of one year. The New Contract may be renewed for a further term or further terms by agreement between OPG and the OPA.

Direction

Therefore, pursuant to my statutory authority under subsection 25.32(4) of the Act, I hereby direct the OPA to assume responsibility for the Crown's Initiative as described above.

In pursuing the Initiative, the OPA may seek to negotiate other matters with OPG in respect of Lennox GS that would provide benefits to Ontario electricity customers or the Ontario electricity system.

For greater clarity, the OPA is not required by this direction to enter into a New Contract with OPG in respect of Lennox GS where the OPA is unable to reach agreement with OPG on terms that satisfy the requirements outlined in this direction, including the requirements relating to reasonable cost and a reasonable balancing of risk and reward.

It is expected that the OPA will move expeditiously to negotiate and execute the New Contract in light of the September 30, 2009 termination date of the most recent RMR contract, the negative impact of any uncertainty about the continued operation of Lennox GS on OPG staff, and the need for OPG to make decisions about fuel supply for Lennox GS.

This direction shall be effective and binding as of the date hereof.

Sincerely,



Gerry Phillips
Minister

Ministry of Energy
and Infrastructure

Office of the Minister

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MAR 10 2010



March 4, 2010

Mr. Colin Andersen
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto ON M5H 1T1

Dear Mr. Andersen:

RE: Industrial Transmission Connected Electricity Efficiency Program

I write pursuant to my authority as the Minister of Energy and Infrastructure, in order to exercise the statutory powers of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under subsection 25.32(4.1) of the *Electricity Act*, 1998, as amended.

Pursuant to my authority as Minister of Energy and Infrastructure, I direct the OPA to undertake the responsibility for creating and delivering an industrial energy efficiency program (the "Program") with the objective of achieving cost-effective conservation through industrial process improvements that bring energy efficiency gains. This objective may be achieved by encouraging industrial consumers to make capital expenditures in relation to energy efficient measures. Incentives to participants may be determined on the basis of considerations that may include, but are not limited to, the costs of project design or the selection, purchase and installation of energy efficient measures.

The Program will be an integral part of the OPA's effort to help the Province reach its aggressive conservation targets by providing incentives to industrial consumers to invest in energy efficiency and conservation, including by increasing industrial facilities' own investments. The objective of these investments will be to create jobs, contribute to gross domestic product growth and will help Ontario industries to remain competitive in future years. They are also intended to assist in meeting the Province's greenhouse gas reduction goals.

Now therefore, pursuant to my statutory authority under subsection 25.32(4.1) of the *Electricity Act*, 1998, I hereby direct the OPA to undertake the design and implementation of the Program according to the following guidelines:

Guidelines:

1. The OPA shall deliver the Program to industrial consumers directly connected to the IESO controlled grid.
2. The Program shall provide a five-year period within which industrial consumers may agree to participate in the Program (Participating Consumers). Funding for the Program shall be available to provide Participating Consumers two years to complete implementation of projects.

.../cont'd

3. The OPA shall provide incentive funding to Participating Consumers. Incentives shall be sufficient to generate attractive rates of investment return for Participating Consumers in ~~projects that meet the objective of achieving cost effective conservation through industrial process improvements that bring energy efficiency gains.~~ Any contract entered into by the OPA with Participating Consumers as part of the Program shall have a term necessary to ensure persisting energy efficiency gains that result from projects implemented in the two-year period.
4. ~~The Program shall be managed to deliver a target of 300 MW of demand savings.~~ *from project*
5. The OPA, in implementing the Program, shall include appropriate safeguards to ensure the protection of ratepayers' funding ~~against non-performance by Participating Consumers.~~ Where appropriate, financial risk management measures shall be included, such as letters of credit. The OPA shall implement the Program so as to provide rigorous project measurement and verification to ensure energy efficiency results meet expectations.
6. The total amount of funding, contingency and expenses provided by the OPA shall not exceed \$660 million.
7. Due to the high value of the Program, the OPA shall strive to minimize administrative costs by taking responsibility for: (i) key account management; (ii) contract administration; and (iii) coordinating technical reviews with contracted support as required.
8. Further to paragraph 5, the OPA shall perform ongoing evaluation of the Program in accordance with its standard practices to ensure it is achieving the objectives of the Program.

This direction shall be effective and binding as of the date hereof.

Sincerely,



Brad Duguid
Minister

that are completed

**Ministry of Energy
and Infrastructure**

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March 18, 2010

Mr. Colin Andersen
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto ON M5H 1T1

Dear Mr. Andersen:

Re: Broadcasting Initiative – Procurement of Renewable Energy Advertisements

I write in connection with my authority as the Minister of Energy and Infrastructure in order to exercise ministerial direction that I have in respect of the Ontario Power Authority under Sections 25.32 and 25.35 of the *Electricity Act, 1998* (the "Act").

Background

Through the passing of the *Green Energy and Green Economy Act*, the Ontario government has placed a high priority on renewable energy. The Feed-in Tariff (FIT) Program, a key element of the Act, is the primary vehicle to increase the amount of and participation in renewable energy in Ontario. The development of renewable energy in Ontario will enable the province to eliminate coal from its supply mix representing Canada's single largest climate change initiative, and the only jurisdiction in the world to be getting out of coal entirely. Ontario will reap economic benefits and enable Ontarians to get directly involved.

As part of the government's commitment to make Ontario the North American leader in renewable energy by phasing out coal fired plants and expediting the growth of clean, renewable sources of energy, we have developed a number of initiatives aimed at encouraging Ontarians to conserve energy and participate in the province's FIT program. We believe that there continue to be gains to be made, particularly by targeting the residential and small business sector with the microFIT program.

Direction

Therefore, pursuant to subsection 25.32(4.1) and subsection 25.35(1) of the *Electricity Act, 1998*, I hereby direct the OPA to develop a TV advertising campaign (the Initiative) to run during the months of May 2010 and September 2010. For clarity, the TV ad campaign is to be designed to raise consumer awareness of the opportunities for greening of the electricity sector through participation in the microFIT program.

.../cont'd

Hydro One Networks Inc.

483 Bay Street, North Tower, 15th Floor
Toronto, Ontario, Canada
M5G 2P5



LAW

Michael Engelberg, Assistant General Counsel
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Fax: (416) 345-6972
E-mail: mengelberg@HydroOne.com

March 10, 2011

Ms Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**EB-2010-0332/EB-2010-0331 – Hydro One Networks and Hydro One Brampton Networks’
Board-Approved CDM Programs Application – Withdrawal of Application**

I am writing to you as counsel for Hydro One Brampton Networks Inc. and Hydro One Networks Inc. (collectively, “the Applicants”) in the two above-noted proceedings, which were adjourned by the Ontario Energy Board (“the Board”) in an oral Decision dated March 7, 2010. The Board also issued P.O. #4 on March 8, 2011, in these two Applications.

This letter is being sent to inform the Board that each of the Applicants hereby withdraws its Application for Board-approved programs.

In the above-noted March 7th Decision, the Board determined that:

- (a) neither Applicant has developed a complete EM&V plan, and that neither Application can proceed until each of the Applicants develops a complete EM&V plan for each of its six proposed CDM programs;
- (b) as of the November 1, 2011, filing date of the Applications, the CDM programs of the Ontario Power Authority (“OPA”) had not been established and that the Applicants must show not only that the OPA programs have been established but also that the OPA programs have been “described and taken up” in such a way that the Board can determine that the Applicants’ programs are not duplicative; and
- (c) as of March 7, 2011, it is still an open question whether the CDM programs of the Ontario Power Authority have been established.

The Applicants are concerned that it may now be some considerable time before they are able to file the EM&V plans. It appears that additional work is required to advance the development of the programs, in addition to the EM&V aspects. Additionally, as a result of the Decision, the Applicants are also concerned that the OPA programs may not yet be at the stage being required

- 2 -

by the Board, namely, “established, described and taken up” in such a way that the Board can determine that the Applicants’ programs are not duplicative.

The Applicants therefore intend to reassess their CDM plans and will evaluate as to when they may be able to reapply. Given the potential for change, the Applicants will also not be filing any additional information at this time with respect to the Applications that were filed on November 1, 2010.

For all of the above-noted reasons, the Applicants have determined that it would not be prudent to proceed with their respective Applications, and each Application is therefore withdrawn.

Yours very truly,

ORIGINAL SIGNED BY SUSAN FRANK FOR MICHAEL ENGELBERG

Michael Engelberg

cc: Intervenor
Board Staff