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JUN 24 2011

ONTARIO ENERGY BD

Michael A Carten
Chief Executive Officer
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June 21, 2011

Ms Kirsten Walli, Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
PO Box 2319
Toronto, ON M4P 1E4

BY Courier

Re: Hydro One Network Inc. ("Hydro One") Request for Exemption from Section 6.2.6 and 6.2.7 of the of the Distribution System Code (the "Code")

Dear Ms. Walli:

Please accept this letter as the joint request by the undersigned companies to be added as intervenors to the referenced matter and the joint objection to the hearing of the matter proceeding by way of a written hearing. A supplementary submission objecting that any decision of the Board on Hydro One's application for a stay be taken without the benefit of the examination of witnesses from Hydro One and from parties affected by the stay has also been filed.

Our submissions in support of the application are the following:

1. Proceeding by way of a written hearing precludes the examination of witnesses to assess the alleged operating assumptions that Hydro One is presenting in its submissions to the Board and to determine whether there are more effective mechanisms for dealing with the alleged Hydro One workload. It is our submission that the written submissions by Hydro One are misleading and do not accurately reflect the conditions. Only by cross examination of Hydro One witnesses and other expert testimony will the board be in a position to make an effective decision.

For example, Hydro One states in its submissions that it has developed screening mechanisms to connect as much generation as possible while identifying projects that cannot connect. It says that in doing so it considered the Federal Energy Regulatory Commission "Standardization of Small Generation Interconnection Agreements and Procedures." It also states that it considered the Institute of Electrical and Electronics Engineers Application Guide 1547.2 related to Interconnecting Distributed Resources with Electrical Power Systems.

In its written submission, Hydro One has quoted a clause from the FERC SGIP procedure out of context, leading the reader to believe that its procedures are in line with the procedures followed by FERC and recommended by IEEE. This submission is misleading.

In fact, Hydro One does not follow the approach recommended by the FERC and IEEE guidelines. Both FERC and IEEE recommend that all distributed generation below 15% of peak load be connected. Where aggregate generation on the line exceeds the 15% level, FERC and IEEE recommend an engineering analysis to determine whether the additional generation creates a risk of an undetected island.

We believe that examination of officers of Hydro One will demonstrate that Hydro One is “creating” its own workload crisis by not following the approach followed by FERC and recommended by IEEE. We believe that an examination of the facts will demonstrate that Hydro One can meet most of the demand for connection by following with minimal additional effort by actually following the FERC approach.

It is our submission that the Board will benefit from a fulsome discussion of this issue which can only occur through an oral hearing. It is our submission that the discussion will allow the Board to either deny the request for exemption or attach conditions that will allow Hydro One to fulfill its mandate and the mandate of the Green Energy Act without undue disruption to the market, and without undue cost to Hydro One.

2. It is our submission that Hydro One is improperly using the regulatory process to affect potential tortious liabilities arising from the failure of Hydro One to comply with the law. It is our submission that this is an abuse of the regulatory process that can only be addressed in a full hearing.

Specifically, the FIT and microFIT programs are inextricably linked to provincial industrial strategy and the inducements by the Government of Ontario to create a solar products manufacturing capacity in the province. On the basis of the Green Energy Act and its attendant regulations, many companies invested in creating such capacity. The investments were made on the assumption that the regulations in place, as well as established industry practices, like those found in FERC and IEEE discussions would be followed by the local distribution companies including Hydro One.

The failure of Hydro One to do so on several counts has already resulted in financial loss to these companies and their shareholders which may give rise to a cause of action for damages from Hydro One. Allowing the requested exemption would exacerbate those losses.

It would be our submission before the Board that Hydro One should not be entitled use the Board to escape responsibility for its failure to comply with the Code by the indirect method of an exemption without a fulsome hearing of the issue by the Board.

It is our further submission that a written hearing does not provide the needed input to enable the Board to form a judgment on whether the specific remedy sought by Hydro One is

appropriate and whether other approaches can be followed which would not be as harmful to the parties which have invested in good faith.

3. The requested exemption has the potential to undermine public confidence in the integrity of the province.

Hydro One is a government agency and the exemption *ipso facto* changes and de-stabilizes the market place in a significant way. And it does so well after Hydro One's shareholder induced private sector companies to invest in the province on the basis of the Program of which the Code formed a part.

To change the rules in midstream because Hydro One did not allocate the needed resources to effectively implement the policy of its shareholder will adversely affect the credibility of the province in international markets. This will in turn impair the ability of future governments of Ontario to develop programs to attract investment capital to the province. It is our submission that this is not a matter that can be adequately dealt with in a written hearing.

This submission is made jointly by the companies listed below which are Canadian-based manufacturers of solar products. Each has invested in response to the articulated policy of the Government of the Province of Ontario to create new employment in an Ontario solar industry. Each has been adversely affected by the failures of Hydro One to comply with the Distribution System Code. Each will be further adversely affected by the exemption requested by Hydro One.

Sustainable Energy Technologies Ltd.
24 Duncan Street, Toronto
Per: Michael Carten, CEO and President

Heliene Inc.
520 Allen's Side Rd., Sault Ste Marie
Per: Martin Pochtaruk, President

Siliken
1 Yonge Street, Suite 1801, Toronto
Per: Paco Caudet, General Manager

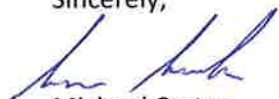
Eclipsall Energy Corp.
5900 Finch Avenue East, Toronto
Per: Les Lyster, President & CEO

OSM Solar Corp.
1110 Hansler Drive, Welland
Per: John Gamble, President

Unconquered Sun Solar Technologies Inc.
4564 Country Road 46, Tecumesh
Per: Sean Moore, CEO

Alternate Power International
3379 9th Line, Innisfil
Per: Stephen Culbert, President

Sincerely,



Michael Carten
Chief Executive Officer

cc: Hydro One Networks Inc
8th Floor South Tower
483 Bay Street
Toronto Ontario M5G 2P5
Attention Ms Susan Frank

Attachments:

- Objection to Interim Order & Stay
- Letter from Heliene Inc.
- Letter from Eclipsall Energy Corp.
- Letter from OSM Solar Corp.
- Letter from Alternate Power International Ltd.
- Letter from Siliken Canada
- Letter from Unconquered Sun

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

Re: Hydro One Network Inc ("Hydro One") Request for an Immediate Interim Stay of the Obligations Specified in Section 6.2.6 and 6.2.7 of the Distribution System Code (the "Code")

Dear Ms. Walli:

Please accept this letter as the joint objection of the undersigned companies to the request by Hydro One Networks Inc. ("Hydro One") for an immediate stay of its obligations from the date that Hydro One filed its application until the Board renders its decision on the exemption request. We are also objecting that any decision of the Board on Hydro One's application for a stay be taken without the benefit of the examination of witnesses from Hydro One and from parties affected by the stay.

Please also accept this letter as a request to be added as intervenors on the Application for any appearances before the Board in connection with the Interim Order staying the obligations of Hydro One under the Code.

This objection is supplemental to the objection and request to intervene file as of this date. To the extent applicable the submissions contained in that document are incorporated in this document.

The parties joining in this application are Ontario based manufacturers of solar products for the Ontario solar industry. Each invested in response to the domestic content components of the Green Energy Act and its Regulations which were premised on the prospect of demand for their products under the Green Energy Program from the microFIT and FIT programs. The investments were made on the assumption that the regulations in place, as well as established industry practices, like those found in FERC and IEEE discussions would be followed by the local distribution companies including Hydro One.

Our submissions in support of the application are the following:

1. The requested stay will cause significant and potentially irreparable financial harm to the parties.

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The failure of Hydro One to comply with the Code has already adversely impacted the businesses of these companies. The order sought by Hydro One for reasons of convenience will only exacerbate the problem.

One cannot overestimate the significance of the timing of the stay. What may seem a simple delay to Hydro One could be fatal to some. Many of the applicants are in currently in start-up mode and highly dependent on a continuous demand flow during this period from the Ontario market.

Ironically, the impact of the stay is mainly on Ontario-based companies since they typically do not have other markets into which to sell their products. The effect of the stay will negatively impact their competitive position relative to foreign companies which typically can easily turn to other markets. The result, therefore, is the frustration of Ontario government policy.

2. The approval by the OEB of Hydro One's request for an interim stay without an opportunity for the board to hear direct sworn testimony on the allegations made in the Hydro One submission will call into question the integrity of the Board and the Ontario Regulatory Process.

Hydro One is making an extraordinary request in the nature of injunctive relief and it is submitted this should be allowed only if it can be show that refusing the request would cause irreparable harm to Hydro One and that such harm is greater than the harm caused to others in the community affected by the decision.

Due process demands that this process take place in a judicial or quasi-judicial process so that the core allegations of Hydro One and other parties affected can be properly tests.

An examination of the Hydro One written submission reveals that the core reason for the request is the inconvenience to Hydro One of complying with the Code, brought on by the failure of management to allocate the appropriate resources to understand the demand potential and to comply with its obligations under the Code. Moreover, the external evidence measured by Hydro One's publications and statements at industry working group meetings is that there is or should be no shortage of resources to assess the microFIT applications.

It is our submission that approval of the requested stay on the basis of unsubstantiated allegations simply to accommodate the inconvenience caused to Hydro One would represent an extraordinary failure of due process and would lead to a lack of confidence in the Ontario Energy Board and the Ontario regulatory processes.

3. Approval of the requested stay and exemption undermines the rule of law in the province and the integrity of the regulatory process.

The requested stay has the effect of amending the Code and *ipso facto* changing and destabilizing the solar marketplace for an extended and potentially indefinite period of time until the hearing on the exemption is completed. The damage caused to many smaller solar products companies in the province by the interruption in demand will be irreparable.

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These manufacturers were induced to invest in manufacturing capacity by the promise of demand for their products generated by the FIT and microFIT programs and built their business models on demand forecasts readily available to them and to Hydro One from the OPA and other sources.

These manufacturers invested on the reasonable assumption that the electrical distribution companies would follow the law which includes Distribution System Code. After all Ontario is the heartland of G8 country and the notion that laws promulgated to attract investment would be changed mid-stream without the normal hearing process was inconceivable to them.

4. There is no pressing need for the interim stay.

Hydro One acknowledges that it has been in non-compliance with the Code for many months although it has attempted to meet the demand. There is nothing in the Hydro One submission and there is no evidence that continuing on the same path would cause the kind of harm to Hydro One that would justify an injunctive remedy. The essence of the Hydro One submission is that compliance with the sections of the Code is inconvenient to Hydro One.

There is therefore no pressing need for a stay. This is especially compelling when one considers the impact on manufacturers and project developers which have invested in the good faith in the belief that a distributor would follow the regulations implementing policy of its shareholder or would at least use its best efforts to do so. There is no obvious reason why the Board should grant a stay to cover up inadequacies of Hydro One management in understanding the market dynamics of the microFIT program.

5. Hydro One Has the Capacity to Immediately Clear the Backlog.

It is our submission that the evidence will demonstrate that Hydro One has the capacity to clear the backlog within several weeks if it follows the practices followed in the US by FERC and recommended by IEEE.

Hydro One purports to be following these procedures in its screening process when in fact it does not. It compounds this fault by attempting to mislead the Board on this point in quoting out of context words from the FERC fast track procedures which would clear the backlog.

It is our submission that the public good and the rule of law is better served by the Board Hydro One to actually follow the practices mandated by FERC and recommended by IEEE, unless Hydro One can provide compelling evidence of its inability to do so.

6. Hydro One Has Another Agenda.

It is transparent from working group meetings with Hydro One engineering personnel that Hydro One's main concern is with the cost to upgrade certain rural feeders in order to accommodate the addition of microFIT projects. The Hydro One screening processes based on relationships to peak load are in fact a ruse aimed at limiting access to the grid and are not

driven by concerns about the impact on safety or operational effectiveness of the grid caused by the potential for an undetected island which is the purpose of the rule.

Hydro One evidently does not have the resources to undertake the upgrades and evidently believes that these costs should not be borne by the ratepayers, notwithstanding the legislative requirement that the costs be borne by the rate base. This is not however clearly disclosed in the submissions.

It is our submission that mechanisms can be very quickly developed and implemented to transfer the cost of the upgrades to project owners/developers creating an insurance fund (akin to no fault insurance) which would insure the costs of upgrades within the Hydro One service area related to microFIT projects with costs being borne by the generators.

It is our belief that this kind of funding mechanism would receive broad support from the generators as well as the entire Canadian solar industry. More importantly it would be a boon to rural ratepayers which have thus far suffered from a lack of needed investment in feeder line capacity.

It is our submission that the public good would be better served by a direction from the Board that Hydro One exhaust these possibilities before proceeding with the application process.

These submissions are made jointly by the companies listed below which are Canadian-based manufacturers of solar products. Each has invested in response to the articulated policy of the Government of the Province of Ontario to create new employment in an Ontario solar industry. Each has been adversely affected by the failures of Hydro One to comply with the Distribution System Code. Each will be further adversely affected by the stay of obligations and the exemption requested by Hydro One.

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Per: Michael Carten, CEO and President

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Per Stephen Culbert, President

Sincerely,



Michael Carten
Chief Executive Officer

cc: Hydro One Networks Inc
8th Floor South Tower
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Attention Ms Susan Frank

Attachments:

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ONTARIO ENERGY BOARD

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

Ref.: EB-2011-0118 - Hydro One Networks' Request for Exemption from Section 6.2.6 & 6.2.7 of the Distribution System Code - Hydro One Networks' Application

Dear Ms. Walli:

Please accept this letter as our request that the referenced matter not be held by a written hearing, but that it proceed by way of an oral hearing.

Inability to Clarify and Understand Hydro One Operating Assumptions

Proceeding by way of a written hearing precludes the examination of witnesses to challenge the operating assumptions that Hydro One is presenting in its submissions to the Board and whether there are more effective mechanisms for dealing with the Hydro One workload.

For example, Hydro One states in its submissions that it has developed screening mechanisms to connect as much generation as possible while identifying projects that cannot connect. It says that it considered the Federal Energy Regulatory Commission "Standardization of Small Generation Interconnection Agreements and Procedures." It also states that it considered the Institute of Electrical and Electronics Engineers Application Guide 1547.2 related to Interconnecting Distributed Resources with Electrical Power Systems.

In fact, Hydro One does not follow the FERC and IEEE guidelines. Both FERC and IEEE recommend that all distributed generation below 15% of peak load be connected. Where aggregate generation on the line exceeds the 15% level, FERC and IEEE recommend an engineering analysis to determine whether the additional generation creates a risk of an undetected island. Nowhere do these guidelines prescribe a condition under which an

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arbitrary capacity limit for DG would apply. In their submission, Hydro One has quoted a clause from the FERC SGIP procedure out of context and used it to defend a barrier to interconnection when the entire purpose of that procedure is to streamline the interconnection process, in large part by identifying situations where no technical investigation is required.

It is our submission that the Board will benefit from a fulsome discussion of this issue which can only occur through an oral hearing. Issues that the Board will likely consider relevant include: FERC and IEEE are in discussions to raise the 15% level to 90%. FERC and IEEE are in discussions to exclude solar generators from the calculations because of internationally recognized anti-islanding protections of every solar inverter.

It would be our submission to the Board that Hydro One should be directed to follow the intent of the FERC and IEEE guidelines and approve all projects for connection where the total generation does not exceed 15% of peak load. It is our submission that the Board will reach a better decision if it has the benefit of expert testimony and the examination and cross examination of Hydro One officers on the impact of following FERC and IEEE guidelines.

Public Policy Considerations Transcend Hydro One Workload Concerns

We believe that there are serious issues associated with the exemption requested by Hydro One and that these issues transcend the stress faced by Hydro One in responding to demand in the microFIT market. It is our submission that it is impossible to effectively address the impact of these issues in a written hearing.

Specifically, the FIT and microFIT programs are inextricably linked to provincial industrial strategy and the inducements by the Government of Ontario to create a solar products manufacturing capacity in the province. Many companies like Siliken invested in such capacity on the assumption that the regulations in place, as well as established industry practices, like those found in FERC and IEEE discussions would be followed by the local distribution companies. The failures of Hydro One to do so on several counts have resulted in financial loss to these companies and their shareholders.

It would be our submission that Hydro One should not be entitled use the Board to escape responsibility for its failure to comply with the Code by the indirect method of an exemption without a fulsome hearing of the issue by the Board. For example, should Hydro One properly

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be allowed to plead "surprise" when OPA demand forecasts were in the public record from the summer of last year?

It would be our submission that the issuance of the requested exemption has the potential to undermine public confidence in the integrity of the province. Hydro One is a government agency and the exemption *ipso facto* changes and de-stabilizes the market place in a significant way. And it does so well after Hydro One's shareholder induced companies to invest in the province on the basis of the program of which the Code formed a part.

To change the rules in midstream because management of Hydro One did not allocate the needed resources to effectively implement the policy of its shareholder will adversely affect the credibility of future governments of Ontario seeking to attract investment to the province. It is our submission that this is not a matter that can be adequately dealt with in a written hearing.

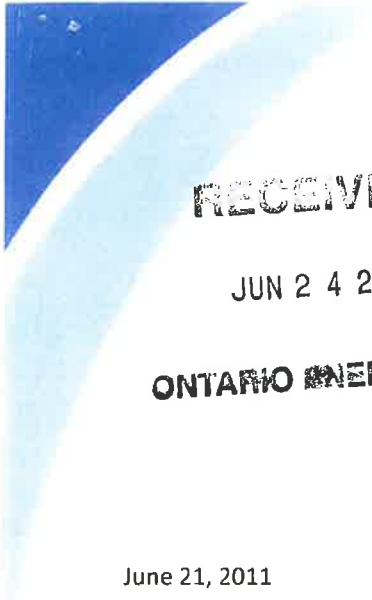
Yours sincerely,

A handwritten signature in blue ink, appearing to read "Paco Caudet".

Paco Caudet
General Manager

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ONTARIO ENERGY BD



John Gamble
President
1110 Hansler Drive
Welland, ON L3C 7M5
jgamble@osmsolar.com

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Dear Ms. Walli:

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Inability to Clarify and Understand Hydro One Operating Assumptions

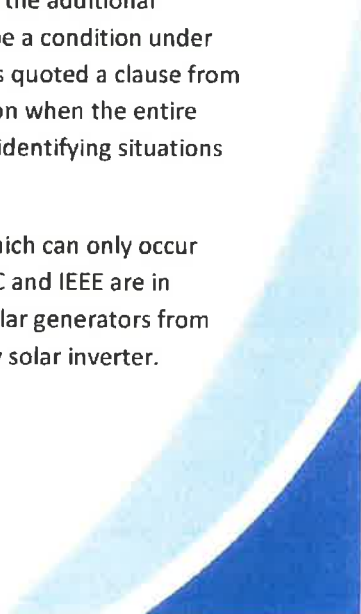
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It is our submission that the Board will benefit from a fulsome discussion of this issue which can only occur through an oral hearing. Issues that the Board will likely consider relevant include: FERC and IEEE are in discussions to raise the 15% level to 90%. FERC and IEEE are in discussions to exclude solar generators from the calculations because of internationally recognized anti-islanding protections of every solar inverter.

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It would be our submission to the Board that Hydro One should be directed to follow the intent of the FERC and IEEE guidelines and approve all projects for connection where the total generation does not exceed 15% of peak load. It is our submission that the Board will reach a better decision if it has the benefit of expert testimony and the examination and cross examination of Hydro One officers on the impact of following FERC and IEEE guidelines.

Public Policy Considerations Transcend Hydro One Workload Concerns

We believe that there are serious issues associated with the exemption requested by Hydro One and that these issues transcend the stress faced by Hydro One in responding to demand in the microFIT market. It is our submission that it is impossible to effectively address the impact of these issues in a written hearing.

Specifically, the FIT and microFIT programs are inextricably linked to provincial industrial strategy and the inducements by the Government of Ontario to create a solar products manufacturing capacity in the province. Many companies like OSM invested in such capacity on the assumption that the regulations in place, as well as established industry practices, like those found in FERC and IEEE discussions would be followed by the local distribution companies. The failures of Hydro One to do so on several counts have resulted in financial loss to these companies and their shareholders.

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Yours sincerely,

A handwritten signature in dark ink, appearing to read 'John Gamble', with a large, sweeping flourish extending to the left.

John Gamble
President



ALTERNATE POWER INTERNATIONAL LTD

ENVIRONMENTALLY RESPONSIBLE ENERGY

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Yours sincerely,

Stephen Culbert
President

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Martin Pochtaruk
President

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ONTARIO ENERGY BOARD



HELIENE

PHOTOVOLTAIC
MODULES

Sault Ste. Marie, June 23, 2011

Dear Ms. Walli,

Please accept this letter as our request that the referenced matter not be held by a written hearing, but that it proceed by way of an oral hearing.

Inability to Clarify and Understand Hydro One Operating Assumptions

Proceeding by way of a written hearing precludes the examination of witnesses to challenge the operating assumptions that Hydro One is presenting in its submissions to the Board and whether there are more effective mechanisms for dealing with the Hydro One workload.

For example, Hydro One states in its submissions that it has developed screening mechanisms to connect as much generation as possible while identifying projects that cannot connect. It says that it considered the Federal Energy Regulatory Commission "Standardization of Small Generation Interconnection Agreements and Procedures." It also states that it considered the Institute of Electrical and Electronics Engineers Application Guide 1547.2 related to Interconnecting Distributed Resources with Electrical Power Systems.

In fact, Hydro One does not follow the FERC and IEEE guidelines. Both FERC and IEEE recommend that all distributed generation below 15% of peak load be connected. Where aggregate generation on the line exceeds the 15% level, FERC and IEEE recommend an engineering analysis to determine whether the additional generation creates a risk of an undetected island. Nowhere do these guidelines prescribe a condition under which an arbitrary capacity limit for DG would apply. In their submission, Hydro One has quoted a clause from the FERC SGIP procedure out of context and used it to defend a barrier to interconnection when the entire purpose of that procedure is to streamline the interconnection process, in large part by identifying situations where no technical investigation is required.

It is our submission that the Board will benefit from a fulsome discussion of this issue which can only occur through an oral hearing. Issues that the Board will likely consider relevant include: FERC and IEEE are in discussions to raise the 15% level to 90%. FERC and IEEE are in discussions to exclude solar generators from the calculations because of internationally recognized anti-islanding protections of every solar inverter.

It would be our submission to the Board that Hydro One should be directed to follow the intent of the FERC and IEEE guidelines and approve all projects for connection where the total generation does not exceed 15% of peak load. It is our submission that the Board will reach a better decision if it has the benefit of expert testimony and the examination and cross examination of Hydro One officers on the impact of following FERC and IEEE guidelines.

Public Policy Considerations Transcend Hydro One Workload Concerns

We believe that there are serious issues associated with the exemption requested by Hydro One and that these issues transcend the stress faced by Hydro One in responding to demand in the microFIT market. It

is our submission that it is impossible to effectively address the impact of these issues in a written hearing.

Specifically, the FIT and microFIT programs are inextricably linked to provincial industrial strategy and the inducements by the Government of Ontario to create a solar products manufacturing capacity in the province. Many companies like Heliene invested in such capacity on the assumption that the regulations in place, as well as established industry practices, like those found in FERC and IEEE discussions would be followed by the local distribution companies. The failures of Hydro One to do so on several counts have resulted in financial loss to these companies and their shareholders.

It would be our submission that Hydro One should not be entitled use the Board to escape responsibility for its failure to comply with the Code by the indirect method of an exemption without a fulsome hearing of the issue by the Board. For example, should Hydro One properly be allowed to plead "surprise" when OPA demand forecasts were in the public record from the summer of last year?

It would be our submission that the issuance of the requested exemption has the potential to undermine public confidence in the integrity of the province. Hydro One is a government agency and the exemption *ipso facto* changes and de-stabilizes the market place in a significant way. And it does so well after Hydro One's shareholder induced companies to invest in the province on the basis of the program of which the Code formed a part.

To change the rules in midstream because management of Hydro One did not allocate the needed resources to effectively implement the policy of its shareholder will adversely affect the credibility of future governments of Ontario seeking to attract investment to the province. It is our submission that this is not a matter that can be adequately dealt with in a written hearing.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Pochtaruk', with a horizontal line underneath.

Martin Pochtaruk

JUN 24 2011

June 21, 2011

Dear Ms. Walli:

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Yours sincerely,

A handwritten signature in blue ink, appearing to read "Les Lyster".

Les Lyster
President & CEO
Eclipsall Energy Corp.

RECEIVED

JUN 24 2011

ONTARIO ENERGY BD

Sean Moore
CEO
11600 County Road 42
Tecumseh On, N8N 2M1
sean@unconqueredsun.org

June 21, 2011

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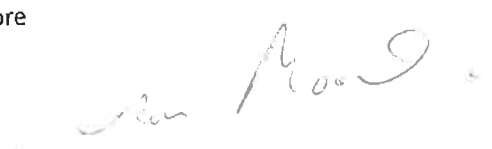
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Yours sincerely,

Sean Moore
CEO

A handwritten signature in dark ink, appearing to read "Sean Moore", is written over the typed name and title.