

July 8, 2011

RESS & Courier

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli,

Re: Submissions of CanSIA re Application by Hydro One Networks Inc. for 6-Month Exemption from Timelines to Connect Micro-Embedded Generators (EB-2011-0118)

We are counsel to the Canadian Solar Industries Association (“**CanSIA**”) in respect of the application (the “**Application**”) by Hydro One Networks Inc. (the “**Applicant**”) for a 6-month exemption from the timelines for connecting micro-embedded generators (EB-2011-0118).

CanSIA is a national trade association that represents approximately 700 solar energy companies throughout Canada, the majority of which operate in Ontario. Since 1992, CanSIA has worked to develop a strong, efficient, ethical and professional Canadian solar energy industry with the capacity to provide innovative solar energy solutions and to play a major role in the global transition to a sustainable, clean-energy future. Among CanSIA’s members are companies that have established manufacturing and other facilities that serve the solar industry and the market for solar products and services in Ontario, including the needs of micro-embedded solar generators. Accordingly, the Application is of particular interest and concern to CanSIA and its members.

The revised *Notice of Application and Written Hearing* issued by the Board on June 22, 2011 provides an opportunity for parties to make submissions (a) if they object to the Board holding a written hearing in this matter, and (b) with respect to the Applicant’s request for an interim order relieving the Applicant of its obligations under Sections 6.2.6 and 6.2.7 of the Distribution System Code (the “DSC”) from the date of the Application until the date the Board renders a final decision (the “**Interim Order**”). As set out in the detailed submissions that follow, which are further to the intervenor request letter filed on CanSIA’s behalf on June 24, 2011, it is CanSIA’s view that (a) the matter should proceed by way of an oral hearing, and (2) that the requested Interim Order should be denied.

A. The Matter Should Proceed by Way of Oral Hearing

In CanSIA's view, this matter should proceed by way of an oral hearing primarily because the Application gives rise to complex and technical issues that could better and more efficiently be understood by the Board and by all parties through an oral hearing. With respect to the technical nature of the issues raised by the Application, it is CanSIA's expectation that the hearing will involve consideration of the Applicant's operating assumptions and screening criteria, as well as interconnection requirements, procedures and standards from the Applicant and in other jurisdictions. Through cross-examination, an oral hearing would provide a better opportunity than would a written hearing for understanding and thoroughly testing the Applicant's evidence concerning its business and technical processes that are relevant to the connection of micro-embedded renewable generation facilities, as well as the Applicant's approaches to planning and allocating resources for this purpose. An oral hearing would also offer a better opportunity for parties to consider various alternative means for addressing the underlying challenge to the Applicant of dealing with the significant backlog of micro-embedded generation connection applications.

Furthermore, an oral hearing would enable CanSIA, and any other intervenors that may so choose, to put forward their own evidence and/or to call expert witnesses to contradict the Applicant's evidence. The Application has the potential to significantly impact numerous stakeholders, including manufacturers of solar components, installers and service-providers who service the needs of micro-embedded generator applicants, as well as generator applicants themselves. A written hearing, in CanSIA's view, would not provide the Board with sufficient opportunity to understand the wide-ranging impacts on these stakeholders of the Applicant's delays in processing connection applications, or the potential impacts on these stakeholders if the Application were to be granted.

B. The Request for an Interim Order Should be Denied

The Interim Order would relieve the Applicant of its obligations under Sections 6.2.6 and 6.2.7 of the DSC from April 17, 2011, the date of the Application, until the date the Board renders a final decision. In CanSIA's view, this request should be denied because:

- the granting of the Interim Order would give rise to significant adverse impacts, particularly on the solar industry in Ontario;
- the impacts of the Interim Order would be irreparable and could not be adjusted in the event that the final decision either (a) denies the Applicant's request or (b) grants the request with conditions that cannot be applied retrospectively;
- the Applicant has not demonstrated that the Interim Order is needed to mitigate any effects that may be caused by the length of the proceeding;
- the Applicant has not established a *prima facie* need for the Interim Order;
- the Application, including the Interim Order request, was not filed until at least five months after the Applicant first became non-compliant and the Interim Order would cause this already lengthy period of non-compliance to be even longer;
- the Interim Order would serve as a disincentive to the Applicant in clearing the backlog of connection applications; and

- to issue the Interim Order would not be consistent with the Board's statutory objective of promoting the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of distribution systems to accommodate the connection of renewable energy generation facilities.

These considerations are discussed as follows.

1. *Significant Impacts on Solar Industry in Ontario*

The Interim Order, if granted, would have significant adverse impacts on the solar industry in Ontario. The key stakeholders within the solar industry that would be affected are (a) manufacturers of solar components such as panels, inverters and racking, (b) installers, (c) distributors of solar components, and (d) project developers/generators. The majority of these stakeholders that are active within the Ontario market are either start-ups that have emerged over the past few years in response to the Government of Ontario's green energy policies or are Ontario-based affiliates of companies that are active in this sector internationally and who have invested significantly in Ontario in response to the Government's green energy policies. Generally, investment decisions by these stakeholders have been made with significant consideration having been given to the regulatory regime existing in Ontario, including the regulatory requirements concerning timelines for obtaining connections of generation projects to local distribution systems or transmission systems, as applicable. The requirements with respect to the timing for connections is critical because it influences the entire supply chain. Due to the significant connection delays already experienced by would-be micro-embedded solar generators, including by those seeking to connect to the Applicant's distribution system, the solar industry in Ontario is facing very significant challenges. These challenges will be greatly exacerbated by the heightened uncertainty that would result from the granting of the Interim Order.

To better understand the concerns of its members and the potential impacts of the Application, and the Interim Order request in particular, CanSIA circulated a short questionnaire to those of its members that are in CanSIA's Ontario PV Caucus. The responses CanSIA received were compiled into a table that is set out in the letter provided in **Appendix 'A'**. These responses demonstrate the very significant repercussions of the delays by Hydro One to date, as well as the expected consequences of further delays in connecting microFIT projects. In particular, as the responses indicate, the greater uncertainty and further delays that would be brought about by the Interim Order would likely have a significant chilling effect on investment and employment within the solar industry in Ontario. In particular, demand for solar components and related services would be expected to drop due to uncertainty as to the timing for obtaining connections. Investments in manufacturing facilities would correspondingly be expected to drop due to anticipated lower demand for solar components. Manufacturers, installers and distributors would continue to accrue significant unanticipated costs for the storage of materials and components that have already been produced but that cannot yet be installed due to connection delays on the part of the Applicant. Financing costs at all levels within the industry would continue to accrue to manufacturers and developers but without any revenue coming in to help cover such costs. While some businesses will be forced to shut down or further scale back operations, the growing opportunity cost of continuing to operate in Ontario as compared to elsewhere would be expected to result in a number of manufacturers, installers and developers relocating to other jurisdictions. Moreover, staffing levels at companies in all areas of the sector would likely be impacted. It is important to also recognize that these effects would be magnified by the fact that the period that would be covered by the Interim Order coincides with the prime installation season for micro-embedded solar generation facilities.

The granting of the Interim Order would also be expected to give rise to a reasonable fear within the industry that the exemptions, if provided, are the beginning of a series of further setbacks that would include even longer exemptions, other types of exemptions, as well as exemptions from the timing requirements applicable to larger renewable generation projects.

2. *Effects Cannot be Retrospectively Adjusted*

It is not be appropriate for the Board to issue an interim order where the effects of an interim order cannot be retrospectively adjusted by the Board. In EB-2007-0905, the Board considered a payment amounts application from Ontario Power Generation. As part of this proceeding, Ontario Power Generation filed a motion for an interim order to make its then current payment amounts interim, pending the Board's final determination of the payment amounts application. In its oral decision on the motion, the Board describes the essential characteristics of an interim order, as follows:

First, an Interim Order does not require any decision on the merits of an issue. That will be settled in the final decision. The purpose of an Interim Order is to provide relief for any deleterious effects caused by the length of the proceedings. Secondly, an Interim Order is temporary. It can be changed retrospectively once the final determination is made. Thirdly, an Interim Order assumes and requires that a final order will be made.¹ (emphasis added)

In CanSIA's view, this should be a significant consideration for the Board in determining the Applicant's request for the Interim Order. By its very nature, an interim order is not based on the merits of the underlying application or on the merits of an issue raised in the underlying application. Rather, the applicant must establish a *prima facie* need for an interim order. Accordingly, when issuing an interim order, the Board must ensure that it preserves its ability to adjust or undo the implications of such interim order in the event that the final decision on the merits of the application so warrants. The need for such retrospective adjustment could arise where an application is ultimately not successful or where an application is successful but the Board imposes conditions on the applicant and determines that such conditions should apply from the effective date of the interim order. Therefore, when considering the Applicant's request for the Interim Order, the Board will need to consider whether the effects of the Interim Order are, in fact, reversible.

In the rate-setting context, where the use of interim rate orders is not uncommon, the effects of an interim order can be adjusted by deeming a rate or payment amount to have applied retrospectively to the date of the interim order. Any over-recovery or under-recovery that may have resulted from such interim order can effectively be undone through adjustments to the final approved rates or payment amounts or such other means as the Board may determine. However, the Applicant's request for the Interim Order is an unusual request because the effects of such order would not be reversible. The significant and wide ranging impacts of the requested Interim Order on the solar industry in Ontario, as described above and in Appendix 'A', would not be effects that the Board would be capable of retrospectively adjusting upon issuing a final decision on the merits of the Application.

¹ Transcript, Motion for Interim Order, EB-2007-0905, February 7, 2008 at p. 112.

3. *No Deleterious Effects on Applicant Due to Length of Proceeding*

As cited above from the Board's decision on OPG's motion for an interim payment amount order, in describing the essential characteristics of an interim order the Board stated that "the purpose of an Interim Order is to provide relief for any deleterious effects caused by the length of the proceedings." The Applicant raises no specific concerns in the Application about any potential deleterious effects that will be caused by or which may be caused by the length of the proceedings. Moreover, the Applicant does not raise any concerns in the Application about the timelines for the proceeding or the need for the Application to be considered, from the outset, on an expedited basis. In CanSIA's view, this indicates that the Applicant is not at risk of suffering any deleterious effects due to the length of the proceeding. The Application was not brought on an expeditious basis but, rather, was filed nearly five-months following the date that the Applicant first acknowledged its non-compliance to the Board. This raises serious questions as to the urgency and need for the relief being sought by the Interim Order. The delay in filing the Application, including in particular the Interim Order request, is especially troubling because of the importance for code commitments and service quality requirements to be taken seriously and addressed on a priority basis by regulated utilities.

4. *Unreasonably Long Period of Non-Compliance*

If the Interim Order were to be granted and the Application on its merits is ultimately successful, then the total period over which the Applicant will have been permitted by the Board to remain out of compliance will be unreasonably long. Although it is not clear from the Application as to when the Applicant actually became non-compliant, the Applicant acknowledges that it first notified the Board on November 25, 2010 that it was out of compliance with Sections 6.2.6 and 6.2.7 of the DSC. The Applicant has since remained non-compliant but did not file the Application until April 17, 2011, which was approximately five months after first notifying the Board. The Applicant should not be entitled to benefit from its own delay in filing the Application.

The Interim Order sought by the Applicant would exempt the Applicant from obligations under Sections 6.2.6 and 6.2.7 of the DSC effective as of April 17, 2011 and until such time as the Board renders a decision on the merits of the Application. Based on experience, it is our estimate that such a decision would not be rendered until approximately September 2011. If successful, an exemption would then apply for six months, until approximately March 2012. In these circumstances, and assuming that the Applicant can achieve full compliance following the six-month exemption, the Applicant will have effectively been permitted by the Board to have remained out of compliance for a period of at least 16 months without any regulatory consequences. In CanSIA's view, recognizing the significant and far-reaching impacts of the Applicant's non-compliance as described above, this would not be reasonable. Moreover, CanSIA is concerned about the signal that such a lengthy exemption would send, both to the Applicant with respect to any other compliance issues it may be facing or may face in the future, as well as to other licenced electricity market participants who encounter challenges in meeting regulatory requirements.

5. *Interim Order Would Serve No Purpose*

It is not clear what the Applicant's purpose is in requesting the Interim Order. As noted, the Applicant has been out of compliance with Sections 6.2.6 and 6.2.7 of the DSC on a continuous basis since at least late November 2010. The Applicant offers no reasons or explanation in the Application as to why it believes that the Interim Order is needed or what purpose it would serve if granted.

In CanSIA's view, the only potential impact on the Applicant of receiving the Interim Order appears to be that such order may forestall compliance or enforcement measures, such as administrative penalties or charges, from being imposed on the Applicant by the Board.² However, the Applicant has not suggested in its Application that it is facing any imminent risk of receiving an administrative penalty or of being charged or of being subject to any other compliance or enforcement measures by the Board. In any event, it is CanSIA's view that the Interim Order should not be a means to mitigate the risk to the Applicant of being subject to compliance or enforcement measures in these circumstances, where the Applicant is already out of compliance and such non-compliance has already continued over an extended period.

6. *Disincentive to Promptly Resolving Backlog*

The Interim Order would provide a disincentive to the Applicant in addressing the underlying problem of there being a backlog of connection applications from micro-embedded generators. In CanSIA's view, one of the most important compliance tools available to the Board is its ability to maintain a credible threat to regulated entities that such entities will be subjected to compliance or enforcement measures in circumstances of non-compliance with regulatory requirements. The risk of receiving an administrative penalty or being charged provides a strong incentive to a regulated entity for maintaining compliance or for promptly achieving compliance where circumstances have led it to fall out of compliance. By issuing the Interim Order, the Board would effectively be relieving the Applicant of this risk for the period covered by such Interim Order, thereby providing a disincentive to the Applicant with respect to addressing the backlog. In CanSIA's view, the Interim Order is counter-productive to the objective of eliminating the backlog of connection applications, particularly because the requested Interim Order would apply during the prime installation season for the majority of micro-embedded generation facilities.

Related to the objective of eliminating the backlog, we note from the Application that the Applicant intends to continue to screen and assess applications using "reasonable commercial efforts" during the requested exemption period. We assume that, should the Board grant the Interim Order, the Applicant would be required to similarly continue to screen and assess applications using reasonable commercial efforts during the period that would be covered by such Interim Order. We further assume that "reasonable commercial efforts" in this context would refer to the level of effort that a reasonable regulated utility of the size and sophistication of the Applicant would be expected to make in circumstances where it is attempting to achieve compliance with regulatory requirements that it has been in breach of for a protracted period and where the impacts of such non-compliance are significant and far-reaching. In CanSIA's view, this calls for an extraordinary level of effort rather than a 'business as usual' level of effort on the part of the Applicant.

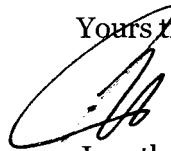
² For example, under Section 112.5 of the *Ontario Energy Board Act* (the "Act"), if the Board is satisfied that a person has contravened an enforceable provision, which would include a licence condition that requires a licensee to comply with the DSC, then the Board may make an order requiring a person to pay an administrative penalty of up to \$20,000 per day for each day or part of a day on which the contravention occurred or continues. The purpose of such an administrative penalty would be to promote compliance with the requirements established by the Act and the regulations thereunder. Moreover, Section 126(1) of the Act makes it an offence where a person fails to comply with a condition of a licence issued under the Act. A corporation convicted of such an offence could be liable to a fine of up to \$250,000 for a first offence or up to \$1,000,000 for a subsequent offence.

7. Not Consistent With Board Mandate

In CanSIA's view, to issue the requested Interim Order would not be consistent with the Board's statutory objective, set out in Section 1(1)5 of the *Ontario Energy Board Act*, of promoting "the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of distribution systems to accommodate the connection of renewable energy generation facilities". As described, the granting of the Interim Order would have a significant chilling effect on the solar industry in Ontario, which is already in a vulnerable position due primarily to connection delays experienced by solar generators to date. It is well known that it is a policy of the Government of Ontario to encourage electricity generation from renewable sources and that a key component of this effort is to encourage micro-embedded renewable generation through the microFIT program of the Ontario Power Authority. It is also well known that a significant aspect of the Government of Ontario's energy policy is the objective of fostering the development of the renewable energy industry in Ontario by attracting manufacturers of renewable energy components and providers of related services. For example, the *Green Energy and Green Economy Act* provides for the application of domestic content requirements under the FIT and microFIT programs to attract investment in and support Ontario-based renewable energy component manufacturers and service-providers. The Interim Order would bring greater uncertainty and result in further financial hardship for many companies and individuals that are active within this industry including, in particular, manufacturers of solar components and related service-providers who are disproportionately affected by the Applicant's backlog of micro-embedded generator connection applications. An interim exemption from the obligations under Sections 6.2.6 and 6.2.7 of the DSC would not encourage prompt resolution of the backlog problem but, rather, would serve only to further delay the Applicant in achieving compliance with the critically important timelines required by these provisions. To encourage such further delays by issuing the Interim Order would, in CanSIA's view, not be consistent with the Board's mandate.

CanSIA appreciates the opportunity to make these submissions and, for the foregoing reasons, submits that the Application should proceed by way of oral hearing and that the Interim Order request be denied.

Yours truly,

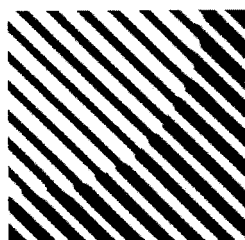


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cc: W. Johnston, CanSIA
P. Catalano, HONI
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APPENDIX 'A' - LETTER FROM CANSIA



CanSIA

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July 7, 2011

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

Re: CanSIA Submission re Interim Order Request by Hydro One in EB-2011-0118

In connection with our submissions on the request for an interim order by Hydro One Networks Inc. in EB-2011-0118, the Canadian Solar Industries Association ("CanSIA") issued a short questionnaire to its Ontario PV Caucus. The Ontario PV Caucus is comprised of those member companies that are most engaged in CanSIA's working group activities in Ontario. The purpose of the questionnaire was to gain a better understanding of the specific concerns of our members with respect to the potential impacts of Hydro One's request for the interim order and for the six-month exemption that it seeks by way of its application in EB-2011-0118.

The questions posed to our Ontario PV Caucus members are set out below. The responses we received are provided in a table in **Schedule 'A'** to this letter. In compiling the responses, the only changes we have made to the responses received have been (1) for purposes of not disclosing the identity of those companies that did not wish to be identified by name, (2) omitting the names and titles of the company representatives who provided the responses, and (3) minor changes, such as to correct typographical errors. We have not altered the substance of any responses that were provided and we have included all responses that were received within the timeframe we specified in the questionnaire.

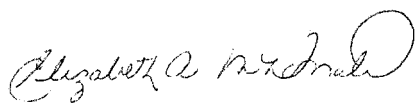
Questionnaire

The following are the exact questions posed and information requested from our Ontario PV Caucus on July 6, 2011:

1. Business Name:
2. Business Location:

3. Type of Business (i.e. solar panel manufacturer):
4. Approximate Number of Employees:
5. Name and Title of Individual:
6. Has your business been impacted by delays on the part of Hydro One in connecting microFIT generation projects? If so, please provide a short description of those impacts and be as specific as possible.
7. How will your business be impacted if such delays by Hydro One continue over the next 3-4 months?
8. How will your business be impacted if such delays by Hydro One continue over the next 5 months to 1 year?
9. May our counsel use this information in submissions to the Ontario Energy Board with (a) specific reference to your company, or (b) only generically (i.e. "a Toronto-based manufacturer of solar panels")?

Yours truly,

A handwritten signature in cursive script, reading "Elizabeth A. McDonald".

Elizabeth A. McDonald
President

Tel 613-736-9077 ext. 223
emcdonald@cansia.ca

SCHEDULE 'A' - QUESTIONNAIRE RESPONSES

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
1.	Schuco Canada	Mississauga, ON	Manufacturer of Solar PV and Racking, Sales and Engineering. World's largest reseller of SMA and KACO.	10	All aspects of our sales, operations and manufacturing has suffered huge impact due to delays and uncertainty driven from Hydro One.	Reduced staff, reduced manufacturing and less investment into the MicroFIT and FIT program.	Further delays will jeopardize our sustainability.
2.	Clearly Solar Inc.	Ottawa, ON	Installer/Integrator	15	The biggest impact on us has been client's grid connection rejections by Hydro One. We have lost 24 jobs to date by rejections by Hydro One, representing approximately \$2.1M in revenue.	We will have to lay off staff.	It will be impossible to stay in business.
3.	(Omitted)	(Southern Ontario)	Solar system design and installation	20	We have seen delays in both processing paperwork Form C's, Connection payments and connection scheduling. We have had specific situations where Form C processing has taken months to approve, had several cases where connection payments and paperwork processing has taken 3 months to cash the cheque and therefore prevented connection schedule with the local field office.	This will have a significant impact on the number of jobs that we can complete, our revenues and our ability to retain and hire new employees. It has already had significant impact in these above areas.	The above impacts will be amplified and we will certainly scale back our expansion plans and restrict hiring.

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
					Process bureaucracy has also been extensive and rigid. We have had completed jobs sit idle waiting for connections with paperwork that was submitted months before.		
4.	(Omitted)	(Greater Toronto Area)	Wholesale Distributor	2 full time sales positions in Ontario, a third vacant sales engineering position has been put on hold pending resolution of the Hydro One and other matters impacting the microFIT program.	Our business has been greatly, negatively impacted by the delays on the part of Hydro One. I would conservatively suggest that we have lost \$500- \$750K in monthly revenue directly as a result of the announced delays or holds placed on our Dealer's customer's connection agreements.	One of the current two sales engineering positions will be abolished if the program is not fully resurrected by September 30th, 2011. The current vacant sales engineering position will remain unfulfilled.	All Ontario staff will be laid off.
5.	Solar Power Solutions	Hearst, ON	Solar Dealer and Installer	5	It seems like in the Hearst region things are going pretty smoothly.	We will need to work during the winter months which is very unpleasant in Northern Ontario.	Men will be laid off.

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
6.	(Omitted)	Toronto, ON	Solar panel manufacturer	4	<p>The vast majority of our 2010/2011 “indicative orders” for panels were not converted into “purchase orders” in Q1/Q2 2011 as a result of customer deferrals of their construction plans. Seeing the writing on the wall for the developing “air pocket”, we deferred plans to lease a building in April 2011 to install panel production equipment (equipment still sitting in another country). We have since moved to a “contract manufacturing” model whereby we outsource the plant/employee function to an existing manufacturer beset with excess capacity. This strategy (small head office sales and QA staff, no production employees) will continue for ~12 months, after which we will re-assess the business case for our own factory with ~100 new employees.</p>	<p>We expect such further delays could force insolvency on certain panel suppliers, which in the near-term would cause inventory dumping which will hurt many remaining market participants including us (no business can operate for long at negative margins). The Ontario solar industry likes and needs stability and certainty, but is currently living through instability and uncertainty as a result of utility project connection delays.</p>	<p>If the 2011 construction season for solar is basically a bust as a result of long term connection delays, then by Spring 2012 our business focus may be directed elsewhere to places where sales can be more readily achieved.</p>
7.	KACO new energy	London, ON	Manufacturer of Solar Grid Tied Inverters. The only one with their own	10	<p>We have incurred an incredible “burn rate” and have excess inventory due to the mismanagement of connections by Hydro One.</p>	<p>Reduced staff and possible temporary shut downs. Cost of the equipment may have to also be raised to cover the substantial</p>	<p>We would have to consider pulling out of this market which would affect not only all</p>

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
			facility in Ontario.			carrying costs.	of our employees but also the many subcontractors that we are engaged with.
8.	Penguin Power Limited	Milverton, ON	Sales and installation of complete solar systems.	38	To date, Hydro One has met connection timelines on hundreds of installations. In future, all business and employees will be jeopardized if Hydro One is no longer able to meet reasonable connection timelines.	We will be forced to lay-off all employees and subcontractors, stop purchasing inverters, panels, racking and installation services.	Conditional Offers will expire and contract timelines will not be met. We will have stranded inventory, farmer/customers and system installations. We will not have a reliable investment climate and will cease all investments in solar in Ontario.
9.	Heliene Inc	Sault Ste. Marie, ON	Crystalline Photovoltaic Module Manufacturer	60	Yes. By delaying and denying connection. We have actually lost well over 3.0 MW (megawatts) of existing sales contracts. For example, (a customer) called for Force Majeure to cancel over 2.0 MW of modules due to the negative of Hydro One to connect their	Further delays and cancellations will cause our plant to stop, employees to be laid-off and with that a host of negative consequences.	More of the same.

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
10.	Evergreen Power Ltd	Lindsay, ON	EPC/turn-key microFIT and FIT system installer (900+ kW installed since Oct 2009)	23	<p>aggregated microFITs in North-Western Ontario (west of Thunder Bay) - to mention one client, several others have had the same issue, causing direct cancellation of sales for us.</p> <p>We do not typically experience long delays in having a connection completed, provided that our clients have already received and accepted a connection agreement. Typical time to connect is 14 – 28 days following receipt of “ESA Authorization to Connect”. However, we do often wait up to 4 months following submission of a “Form C” connection request; this negatively impacts our business because the wait time is unpredictable, and can result in temporary lay-offs while we wait for connection paperwork to be processed before constructing systems. The issues seem to be concentrated around the activities carried out at the “Hydro One Business Customer Care” center in Markham. Paperwork is often lost,</p>	<p>Extending processing time to 4 or 6 months while the OEB reviews their application will cause a significant reduction in work volume in about 3 months. This will cause layoffs of about 50% of our staff.</p>	<p>It is critical that connection application processing time become predictable and transparent, in order for us to carry on a sustainable business. If processing time is officially increased from 15 days to 60 days, but becomes more reliable and less paperwork gets “lost”, we can more confidently schedule workforce and materials. We can also speak more confidently with</p>

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
					<p>forgotten about, or processed incorrectly. After the correct paperwork is sent on time to the various Field Offices, the actual connection process continues very quickly.</p>		<p>customers about what to expect when applying for a connection agreement; this will increase our customers' confidence that Hydro One will handle their project appropriately.</p>
11.	(Omitted)	(Southern/Central Ontario)	Modular solar Racking manufacturer	20	<p>We manufacture 10kw ground mount systems that are used from Windsor to Ottawa. We are currently under contract to manufacture and install 300 systems. Hydro One delays have meant that we are often going back to an adjacent property at a later date, which has a significant cost implication. We have also had to such down our plant twice, while we waited for Hydro One approvals.</p>	<p>Although we have a contract for 300 systems, our client is waiting for release from Hydro One for excess of 800 additional systems.</p>	<p>Not sure.</p>
12.	Silfab Ontario Inc.	Mississauga, ON	solar panel manufacturer	57	<p>Customers unable to commit to contracts or unable to meet contracted delivery timelines, due to the inability to connect. Variability and unpredictability</p>	<p>We will have to slow down production ramp-up and we might be unable to maintain or reach the headcount numbers and or</p>	<p>We will not expand production capacity nor add additional shifts of operation,</p>

	Company	Location	Business	Employees	Impacts from Hydro One delays to date	Anticipated impact of continued delays over next 3-4 months	Anticipated impact of continued delays over next 5 months - 1 year
					of demand. Lower demand than originally expected by customers and ourselves.	revenues expected, with consequent loss of profitability and higher product costs due to lower absorption of fixed costs.	unless an increase in CAE or FIT programs compensates for the low MicroFIT volumes.
13.	Eco Alternative Energy GTA	Toronto, ON	Solar designer and installer	6	Hydro One took 58 days to install the meter at our customer's site in King Township. This delayed payment from customer.	I am already impacted with the Capacity Restraints, this may be the final nail.	See above
14.	Centrosolar Canada	Markham, ON	Solar PV products manufacturer and distributor	1200 global; 6 Canada	We are continuously facing delays from our customers (installers) who are being held up on the installations. These delays make planning and forecasting very difficult and the net effect is uncertainty which drives spending and hiring decisions.	Minimal growth = low sales = no further investment in Ontario	Looking for another location to do business, outside of Ontario.
15.	Sustainable Energy Technologies	Toronto, ON	Inverter Manufacturer	30	Yes, significantly. We have collected purchase orders and supply agreements from installers and distributors, worth >\$5M end of 2010. Around 80% of the contracts haven't gotten executed due to the delays introduced by Hydro One. We already had to lay off staff and our share price decreased by 50% since the company's focus	To meet domestic content rules enforced through the Green Energy Act we developed our supply chain within Ontario and negotiated in good faith with the understanding Hydro One would comply with the distribution code. However, in light of the significant reduction in	Shareholders already ask for a relocation of the business to the US or Europe, since they have lost trust in the business environment in Ontario. If we can't show

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					has shifted from Europe to Ontario due to the Green Energy Act.	volume our contracted partners have been forced to increase our pricing structures. This has also adversely affected our export plan and entry into other markets worldwide as we are less competitive on pricing to local and regional manufacturers. A further reduction in staffing throughout manufacturing, R&D and sales will be imminent.	demand in Ontario, we won't be able to keep up manufacturing in the province.
16.	(Omitted)	(Southern/Eastern Ontario)	Solar system integrator	2	Clients are losing patience waiting for their systems to be connected, after we stated months ago that they should anticipate a few weeks for HONI to come out to complete their connection. Now new clients are having second thoughts about even starting the process, figuring they could have tens of thousands of dollars invested and then go 6 months to a year without any income to make the loan payments. In short, we had anticipated a banner year in 2011, but so far it has been quite disappointing due	We had anticipated hiring some full time installers (rather than subcontracting) but such delays would thwart that plan.	We could very well be forced out of the business. (Note that the CFIT program being a non-starter has also had a significant impact as well).

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17.	(Omitted)	(Southwestern Ontario)	Solar installer/system designer	23	<p>to the bad publicity and lack of trust in the (government) program and HONI's ability to meet the demand.</p> <p>These delays have compromised the consumer confidence in Hydro One and some of our customers do not trust the LDC anymore and have cancelled work with our company.</p>	<p>More negative confidence with the LDC and a lot of distrust has led to customers cancelling jobs with us and we have to spend a lot more time and energy to assure customers that the MicroFIT program is worth the investment.</p> <p>As time goes on the public perception of Hydro One goes down and with that less customers want to enter into the microFIT program.</p>	
18.	Solar Team	Brantford, ON	Installer	3	<p>Not delays, but connection refusals. I have lost over 50 kW of customers due to refused connections. These notices came after significant time and energy were invested in customers over a period of months. This has had a significant negative effect on the business and employees, resulting in the loss of half of our potential work for this season.</p> <p>Moreover, the impact of Hydro One's behaviour in creating this uncertainty means that other customers do not place deposits</p>	<p>We will be unable to maintain any reliable level of employment for any staff at our company, including the principal. We will no longer be solar professionals, but rather we will effectively be relegated to the equivalent of solar hobbyists who make a little on the side.</p> <p>We will be out of business completely.</p>	

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					when making the initial decision. As a result, we have had five potential customers change their minds by the time that the connection offer was received four to five months later. This resulted in another 25% of our business lost.		
19.	(Omitted)	(Greater Toronto Area)	Solar Developer and Financier	8	Our business involves financing microFIT projects (among other things). Delays in these projects impacts us in the following ways: (i) increases financing costs, (ii) disrupts the supply chain and supply plans, (iii) changes economics of all the projects since many projects are scheduled to go live at the beginning of peak generation season (April/May) and will instead now go live at the beginning of the low generation season (November), which reduces the economic value of the project to investors.	Increased uncertainty raises risks and costs. Supply plans are difficult to make as these delays become unpredictable.	Same impact as prior question, except more severe. Our business may reduce priority for Ontario as a jurisdiction to do business in due to this type of uncertainty and the associated risks.
20.	(Omitted)	(Southwestern Ontario)	Solar Photovoltaic/Thermal Installer	10	Our business has been somewhat affected by the delays of Hydro One in connecting microFIT projects. It has affected us in the form of long waits, which frustrates clients and us as a company providing	If such delays continue we will continue to operate as is, with continued frustration.	If such delays continue we will continue to operate as is, with continued frustration.

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21.	Renewable Energy of Plum Hollow	Kingston, ON	Solar design, installation, and servicing.	20	<p>turnkey solutions.</p> <p>There are two issues: 1) the turnaround time for Hydro to respond to a connection request and 2) the use of "system constraints" as a means to deny an applications for connection to the grid.</p> <p>With the first issue, customers are left in-the-dark, with some of our customers being forced to wait 54 days to get a response from Hydro One. In this situation, the customers have secured financing and as the installers, we're asked to move ahead of approvals with ordering product or installation. This puts the customer in a situation where there is no transparency into the process and makes it almost impossible for our business to forecast with suppliers or maintain employment for our employees.</p> <p>In the second case, we believe the generic use of "system constraints" is a delay tactic utilized by Hydro One. We have had Hydro One rejections for projects ranging from 1.2 to 10</p>	<p>Our business is heavily focused on Hydro One's territory and as such, any further delays will effectively shut down the microFIT program for the Greater Kingston Area and our business specifically. We will be forced to evaluate our ability to keep our skilled technicians employed full-time and run the real risk of losing them to other opportunities. If the program then resumes, we may have lost the skilled workforce to proceed in a profitable manner and will be forced to retrain.</p>	<p>If the delays continue for more than 5 months, we will have no choice but to lay-off approximately half of our staff.</p>

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					<p>kW. When Hydro One started responding to connection applications in the first few months of this year, we had anticipated a full calendar year of work ahead of us. This was for real customers who had given us actual deposits. Now with the state of Hydro One approvals and connections, we have seen rejections as high as 70% for our customers and we are in serious jeopardy of having enough work to complete the summer construction season.</p> <p>With regards to connection issues from a distribution point of view (with the 7% rule), we strongly recommend CanSIA speaks directly with Kingston Hydro, which is putting forth an ideal response to the microFIT demand for connections and, to paraphrase, has determined that Hydro One's method for determining capacity is needlessly conservative. I believe the people at Kingston Hydro can greatly assist in this conversation on technical grounds.</p>		

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22.	Advanced Energy Industries	Mississauga, ON	Inverter Manufacturer	Direct: 5 with a plan to expand to 15 within 12 months. Indirect: 15 (Suppliers employees)	Yes. The delays in the FIT program have forced us to delay hiring of support personnel (Inside Sales, Service Technicians, Engineers).	Further delays in the FIT program will force us to re-evaluate the business plan. It is impossible to say exactly what impact this will have. More than likely we will delay hiring additional personnel	Delays of this magnitude will definitely have a long lasting impacts to our level of commitment to the Ontario market. We would defiantly curtail any expansion until Hydro-One proves that they are committed to the program
23.	Conergy Inc.	Toronto, ON	PV module manufacturer and EPC provider	30	We created a business plan and manufacturing schedule to meet our expectations of what our customers' products demands would be. The excessively slow turnaround of connection from Hydro has significantly reduced this demand which has created excess PV inventory and reduced sales from our business plan.	The issues we have experienced to date will be worsened with more inventory, fewer sales and reduced profitability.	If this continues we will not be able to operate profitably and will need to scale back our business by laying off employees and reducing our manufacturing commitments.
24.	(Omitted)	(Southwestern Ontario)	Developer , Integrator , Sales & service	12, plus 12 subcontract or persons	It has made this a business of survival, so far we have laid off only one person, our sales team which is spread across Ontario, is extremely frustrated, we have in the area of 60 + projects on	We will need to lay off most of the sales team and half of our install team and most of the subcontractors will not have work , so 6 of our own plus 8	We will most likely shut the microFIT side down which will mean 10 laid off + 12 subcontractors.

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					hold, many persons simply do not trust Hydro One and aren't interested in applications.	subcontractor persons.	
25.	(Omitted)	(Greater Toronto Area)	Solar Electronics Manufacturer, Welding Technology and Battery Charging Systems	22	<p>Yes, our business has been significantly impacted by delays on the part of Hydro One in connecting MicroFIT generation projects. As a major manufacturer of electronics that are a key component in MicroFIT photovoltaic systems, we work extensively with solar electric system installers, distributors and major integrators throughout Ontario and Canada. When our customers are faced with inconsistency and delay in providing interconnection for their newly installed systems this decreases their rate of investment return as well as creating market uncertainty with regards to the future pipeline of projects and their associated financing. In addition, delays in interconnection mean that customers must float the capital costs of investment longer. The longer the delay, the more insecurity is entering the solar electric market, which is causing some customers to postpone</p>	<p>The longer Hydro One delays, the fewer system installs will be completed and the fewer system components meeting the Ontario Domestic Content requirement, including inverters, will be sold. The extent of the impact of Hydro One's actions on our business over the next few months will be based on the speed at which Hydro One provides interconnections. We have made significant capital investment in building a state-of-the-art inverter assembly and testing facility and hiring and training core assembly line workers. The projected ramp up of our assembly line workers will not be realized until anticipated demand for our inverters resumes.</p>	<p>Should the delays continue for more than 6 months to a year, our business would continue to be significantly impacted. The extent of the impact will be tied to insecurity in the solar electric marketplace caused by the delay in generating income from projects waiting interconnection. In a delay scenario, our business would continue with little or none of the anticipated growth.</p>

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					installation of new systems. This, in turn, is affecting our bottom line.		
26.	Quantum Renewable Energy	Kingston, ON	PV and Solar thermal installer	6	Quite often, Hydro One has "misplaced" the ESA approval, even though we get our copy. It generally takes a week with a few calls to the BCC in order for them to get the local field office to find the paperwork.	We may lose customers (roughly 25% of business), since all are concerned about having projects connected before the October election.	Same as prior response.