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August 5, 2011

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

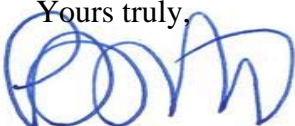
Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Intervenor Evidence on Behalf of the Ontario Sustainable Energy
Association (OSEA)
Board File No. EB-2011-0118 Hydro One Networks Inc. Application for
Exemption from Section 6.2.6 & 6.2.7 of Distribution System Code**

In accordance with Procedural Order No. 1, please find enclosed our Intervenor Evidence submitted by way of affidavit on behalf of OSEA regarding Hydro One Networks Inc. application for exemption from section 6.2.6 & 6.2.7 of the Distribution System Code.

Yours truly,



Cherie L. Brant

Encls.

cc: Applicant: Hydro One Networks Inc.
All Intervenors for EB-2011-0118

Document #: 453471

ONTARIO ENERGY BOARD

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

IN THE MATTER OF an Application by Hydro One
Networks Inc. for an Order or Orders Including an
exemption from sections 6.2.6 & 6.2.7 of the Distribution
System Code

AFFIDAVIT OF KRISTOPHER STEVENS

(SWORN ON August 5, 2011)

I, KRISTOPHER STEVENS, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1 I am the Executive Director of the Ontario Sustainable Energy Association
("OSEA"), an intervenor in this Application and promoter of small renewable
energy generation, and, as such, have knowledge of the matters contained in this
affidavit.

2 I am an expert in the area of sustainable energy, including the application
and installation of small renewable energy projects under the microFIT program.
I have 6 years experience in the sustainable energy sector. Attached is my CV.

3 OSEA represents a range of businesses, individuals, cooperatives and Aboriginal communities interested in community power projects and renewable energy. OSEA's vision statement is that every citizen is a conserver and generator of sustainable energy. We work with our members to promote and develop renewable energy generation projects and conservation.

4 I notified OSEA members regarding Hydro One Network Inc.'s ("Hydro One") application for a six month exemption from section 6.2.6 and section 6.2.7 of the Distributor System Code ("DSC"). In response, OSEA members contacted me to discuss their concerns and the implications that granting a six month exemption from section 6.2.6 and section 6.2.7 of the DSC would have on their projects and the industry.

5 Most expressed that the microFIT program is already suffering from uncertainty, where customers, suppliers and the industry are deeply concerned with the continuation of the program.

6 Granting Hydro One an exemption from section 6.2.6 and section 6.2.7 will only erode confidence and create more uncertainty for microFIT applicants. This will result in microFIT applicants delaying their orders for equipment and installation. This will have a significant impact on suppliers and installers, who do

not receive any profit until after the project has been installed. The production and installation of renewable energy generation are relatively new industries in Ontario and are therefore still developing their businesses. Working capital is not available, but rather is tied up in inventory and installations in-progress. If Hydro One obtains the requested exemptions, the resulting delays will likely result in business failures for manufacturers, suppliers and installers. This will result in a loss of jobs and general investment in Ontario's green economy.

7 Manufacturers and installers are already suffering from the delays caused by Hydro One, with sales and installation teams idle while waiting for Hydro One to provide offers to connect and connections. If Hydro One is allowed to impose further delays on projects, I have been told that manufacturers and installers will be required to terminate staff.

8 Those businesses that do continue to operate in Ontario are likely to eliminate any plans for growth. These installation and manufacturing companies will only accept a limited number of projects that can be completed with existing resources. Key components for renewable energy generation projects, such as solar panels and inverters will only be manufactured to order.

9 Consultants have expressed concern that it will become difficult to advise clients to pursue a renewable energy project knowing there will be delays and uncertainty in timelines. The purpose of the microFIT program was to provide a relatively easy program for home and business owners and community groups to engage in with little uncertainty or risk. The majority of those seeking help from consultants are average Ontarians interested in contributing to a greener Ontario and using their properties, homes, or businesses to make some money. Granting Hydro One exemptions from section 6.2.6 and section 6.2.7 of the DSC will create uncertainty for these home and business owners and put any investment at risk.

10 The Conditional Offer of a microFIT Contract (“Conditional Offer”) from the OPA issued prior to December 2010 includes a provision requiring the project to be deployed within 12 months of the date of the Conditional Offer or the Conditional Offer will expire (the “Expiry Deadline”). Amendments in December 2010 reduced this expiration date to within 6 months of the Conditional Offer.

11 Existing delays by Hydro One have already created difficulty in meeting the Expiry Deadline and have placed some projects in peril. As of April 11, 2011, Hydro One was out of compliance for 442 applications.

12 There is already considerable uncertainty surrounding the future of the microFIT program following the provincial election to be held in Fall 2011. This has left our members questioning the merits of Hydro One's request for these exemptions.

13 If the exemption from section 6.2.6 and 6.2.7 is granted, some projects may be left waiting lengthy periods of time to receive an offer to connect and a connection from Hydro One. This could place these projects in a position where the Conditional Offer from the OPA will expire. The microFIT contract does not contain any force majeure or other provisions to allow the expiry deadline to be extended where the delay is caused by Hydro One.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario
this 5th day of August, 2011.

[Original Signed]

Commissioner for Taking Affidavits
(or as may be)

Kristopher Stevens

KRISTOPHER S. STEVENS, M.E.S.

A **Community Power leader** with more than 10 years experience on three continents in renewable energy policy, stakeholder engagement, communications, training and strategic planning focused on the sensitive topic of social friction, local ownership of renewable energy, energy sector facilitation and grassroots capacity building.

PROFESSIONAL EXPERIENCE

Ontario Sustainable Energy Association (Toronto, Canada)

April 2008 – Present

Executive Director

- Plan and implement strategies to secure a policy environment and technical, training and financial resources that support and enable community-based renewable energy and conservation in Ontario.
- Lead and manage a team of 14 renewable energy specialists undertaking public outreach and capacity building.
- Represent and promote the interests of the OSEA membership and the Community Power sector at all key media, regulatory, sector and government events.

Ontario Sustainable Energy Association (Toronto, Canada)

May 2007 – April 2008

Policy and Communications Director

- Created, planned and implemented communications strategy to support policy objectives around feed-in-tariffs and local ownership of renewable energy projects.
- Co-operatively worked with a 7 member team to train, enable and coordinate stakeholders around policy objectives.

Ontario Power Authority (Toronto, Canada)

June 2006 – July 2007

Communications and Stakeholder Engagement Team Member

- Planned, supported and managed communications and marketing strategy as part of a twelve member team.
- Researched, analyzed, developed, wrote and communicated reports, articles and presentations on First Nations, social friction, conservation, demand management, stakeholder engagement and sustainability.

EDUCATION

- **Masters in Environmental Studies, Sustainable Energy Planning**, York University, 2008.
- **B.A. with Honors in Geography of International Development**, Nipissing University, 2000.
- **Post Graduate Diploma in Alternative Dispute Resolution**, Canadore College, 2000.

PROFESSIONAL ACTIVITIES

- Ontario Energy Board Intervener, 2007 – present.
- Ryerson University Guest Lecture on energy conservation and sustainability, June & August 2011
- Host of monthly OSEA/CANSIA Solar Drinks, 2011
- WattsNEXT? Public education campaign and competition on renewable energy, 2011
- OSEA political outlook on conservation and renewable energy webinar series, August 2011
- OSEA monthly Future of the FIT webinar series, 2011
- York University Guest Lecture on social friction, community power and the Green Energy Act, 2009, 2010
- Humber College Guest Lecture on the Green Energy Act, 2008

COMMITTEES AND ORGANIZATIONS

- Conservation Council of Ontario, Director, 2011
- OSEA Leadership group on Storage policy for Ontario, 2011
- OSEA Leadership group on Community Engagement and Partnership Best Practices, 2011
- OSEA Leadership group on Financing for renewable energy in Ontario, 2011
- OSEA Leadership group on Multi-skilling trades in Ontario's Energy Sector, 2010
- Feed-in tariff and Micro-FIT advisory committee, April 2009 – present

- Canadian Wind Energy Association Ontario caucus member 2008 – present
- Green Energy Act Alliance Campaign Team Member, 2008 – present
- Founding chair of the Green Energy Act Alliance, 2008 – 2009
- Chair of York Sustainable Enterprise Consultants, 2008 – present
- Canadian Renewable Energy Alliance, Director, 2008 – present
- Brewers Plate, organizing committee, 2010 – present
- World Wind Energy Association, Community Power Working Group Chair, 2009 – present

PRESENTATIONS AT PROVINCIAL, NATIONAL AND INTERNATIONAL ENERGY CONFERENCES

- OSEA's Community Power Conference, Host and Organizer, 2009, 2010, 2011
- Agri Energy Producers Association of Ontario, 2011
- FIT Supply Chain Forum, April 2011
- Economic Development Council of Ontario sustainable energy panel, 2010, 2011
- M'Chigeeng First Nation MEER wind project community engagement and Band Council, 2007, 2009, 2010, 2011
- Wikwemikong First Nation community engagement, 2007, 2009, 2010
- Growing the Margins, 2007, 2009, 2010
- Infobatt Energy Storage Symposium, April 2010
- Aboriginal Energy Forum, 2009, 2010
- Canadian Solar Industry Association conference 2009, 2010
- World Wind Energy Conference 2008, 2009, 2010
- Ontario Solar Network, 2010
- Metis Nation of Ontario 2009
- Living Building Conference 2009
- American Solar Energy Society May 2009 "Incentive Policies for Distributed Small Wind Forum"
- Green Energy ACTION province wide roadshow
- Canadian Wind Energy Association 2008
- Association of Municipalities of Ontario 2008
- Rural Ontario Municipal Association, 2008
- Federation of Ontario Cottagers' Association 2008
- The Ontario Rural Council 2007
- Electric Utility Consultants Inc. Conference, April 2011, FIT Supply Chain Forum on "The Public, the Media and FIT", June 2011 FIT Forum "Permits and Approvals for FIT Generators"
- Province Wide Green Energy Act Road show speaking series, Key Note Speaker, 2009.
- World Wind Energy Conference, Co-Host and Organizer, 2008.
- Board of York Sustainable Enterprise Consultants, President, 2007 – present.
- Community Power Workshops, Trainer, 2007 – present.
- Massive Energy Workshop, Hosted Hardy Stevenson and Associates and Enbridge, Organizer, 2006.
- Meeting Ontario's Energy Supply and Conservation Challenge, Canadian Urban Institute, Participant, 2006.

REGULATORY EXPERIENCE

Submitted to the Ontario Energy Board

- OSEA comments on Demand Side Management guidelines for natural gas utilities, March 29, 2011
- OSEA Interrogatories related to compliance with CDM code, March 17, 2011
- OSEA Interrogatories related to GEC Evidence, March 17, 2011
- OSEA Interrogatories related to Proposed expenditure and revenue requirements, January 25, 2011
- OSEA Appeal of cost eligibility decision, July 22, 2010

Submitted to the Ontario Power Authority

- Recommendations regarding the draft rules and contract for commercial feed-in tariffs, February 18, 2011

Submitted to the Ontario Power Generation

- Advising on the rejection of the proposal to build additional nuclear reactors at the Darlington Nuclear Power Station, May 13, 2011

Submitted to the Ministry of Finance

- Property tax treatment of renewable energy, February 15, 2011

Submitted to the Ministry of Energy

- Feedback on proposed regulation regarding energy conservation plans, June 30, 2011
- Recommendations regarding the Draft Supply Mix Directive, January 7, 2011
- Recommendations regarding community ownership, property taxes and connection issues, 2010
- FIT recommendations regarding setbacks, domestic content, community ownership, 2009
- Green Energy Act Visioning document, 2008
- Renewables Without Limits addendum, 2008
- Renewables Without Limits recommendations on the evolution of the RESOP, 2007

A SAMPLE OF MEDIA COVERAGE

Television

- Goldhawk Live, Rogers TV, “How green is the Long Term Energy Plan”, February 2011
- Goldhawk Live, Rogers TV, “Wind energy and the Green Energy Act”, January 2010
- The Agenda with Steve Paiken, TVO, “Sustainable Energy, Community Power and the Samsung Deal”, February 2011

Radio

- March 7, 2011 – Interview on Goldhawk Live AM 740 Radio in response to John Laforets comments regarding the Green Energy Act and wind power.
- March 4, 2011 – Interview on Talk Radio with George Smitherman about the Green Energy Act and how OSEA is advancing renewable energy in Ontario.
- March 2, 2011 – Interview on Goldhawk Zoomer Radio AM 740 regarding the Come Clean campaign initiative by a coalition of environmental groups including OSEA, and clean energy in general.
- November 12, 2010 – Interview on University of Toronto Radio Show, *Green Majority* on who OSEA is and what we do.

Newspapers, Magazines, Websites

- March 21, 2011 – Interview with CBC journalist about the offshore wind moratorium and the long term impacts of this on the industry.
- March 4, 2011 – Interview with Platts Electric Power Daily about the Moratorium on offshore wind, and OSEA’s response to the strong NIMBY sentiment.
- March 4, 2011 – Interview with Simcoe Reporter about farmers who own solar panels and why more farmers should get involved in renewable energy.
- February 24, 2011 - Interview with Matt Powell, online news reporter with Canadian Manufacturers Online at Rogers Publishing about the Samsung deal and its role in re-industrializing the North American economy, as well as job creation and subsidies created by wind and solar.
- February 14, 2011 - Interview with David Wagman from Renewable Energy World North America Magazine to discuss policy initiatives, finance and renewable energy projects in Ontario.
- November 25, 2010 – Interview with Canadian Social Economy Hub, on OSEA initiatives and how to achieve environmental sustainability.
- November 24, 2010 – Interview with Direct Energy, Centrica in the UK on sustainability issues.
- November 23, 2010 – Interview with Reuters on OSEA’s reaction to Ontario’s Long Term Energy Plan
- November 5, 2010 – Interview with Globe and Mail on OSEA’s opinion on the solar industry being being community based or more capital based in the social sector.

- September 29, 2010 – Interview with Toronto Star on the impact of regulation in Ontario to the development of Renewable Energy.

PUBLICATIONS

- Community Engagement and Partnership Search Fx Report, 2011
- Financing for the Community Power sector report, 2011
- Multiskilling Search Fx report, 2010
- Green Energy Outlook: Generating Opportunities for Aboriginal Communities, 2010
- Social Friction in Ontario's Electricity Sector, Masters Thesis, 2008
- Renewables Without Limits Addendum. 2008
- Green Energy ACTION Toolkit, 2008
- Struggling toward sustainability: considering grassroots development, Wiley and Sons, 2001

AWARDS

- Tides Foundation Top 10 Canadian Non-profits award recipient 2010
- Special Tribute from the State of Michigan for work advancing renewable energy policy in North America, 2008

PROFESSIONAL CONSIDERATIONS

- **Registered lobbyist**
- **Ontario Professional Planners Institute (OPPI) and the Canadian Institute of Planners (CIP)**, 2005 – 2008.
- **Korean Chief Marketing Officer's Forum**, Founding Member, 2004 – 2005.
- **Canadian Chamber of Commerce Korea (CCCK)**, Executive, 2003 – 2005.
- **European Chamber of Commerce Korea (EUCCK)**, 2003 – 2005.

Document #: 453488

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act
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IN THE MATTER OF an Application by Hydro One
Networks Inc. for an Order or Orders Including an
exemption from sections 6.2.6 & 6.2.7 of the
Distribution System Code

AFFIDAVIT OF KRISTOPHER STEVENS

WILLMS & SHIER
ENVIRONMENTAL LAWYERS LLP
4 King Street West, Suite 900
Toronto, Ontario M5H 1B6

Cherie L. Brant
LSUC # 48242s

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Counsel for the Ontario Sustainable Energy Association

ONTARIO ENERGY BOARD

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

IN THE MATTER OF an Application by Hydro One
Networks Inc. for an Order or Orders Including an
exemption from sections 6.2.6 & 6.2.7 of the Distribution
System Code

AFFIDAVIT OF MARION FRASER

(Sworn of August 5, 2011)

I, Marion Fraser, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1 I am the President of Fraser & Co., the consultant for the Ontario
Sustainable Energy Association ("OSEA"), an intervenor in this Application, and
as such, have knowledge of the matters contained herein.

2 I am an expert in the area of electricity regulation and have 30 years of
experience in the energy sector. Attached is my CV.

3 In response to Hydro One Networks Inc.'s ("Hydro One") Application for
Exemption from Section 6.2.6 and 6.2.7 of Distribution System Code (the "DSC"),
Board File Number EB-2011-0118, OSEA submitted a letter dated June 27,
2011, to the Ontario Energy Board (the "Board"). In the letter, OSEA opposes
Hydro One's request for a six month exemption from 6.2.6 and 6.2.7 of the DSC
(the "Exemption") and its request for an immediate interim stay of obligations

from the timelines to connect micro-embedded generation facilities while the Application is being heard by the Board.

4 The challenges expressed by Hydro One in its Application come as no surprise to it. Hydro One was well aware of the systems planning it would need to develop and implement in order to ensure timely connections in accordance with sections 6.2.6 and 6.2.7 of the DSC.

5 The Board's decision on the DSC amendments to facilitate connection of small generation facilities, Board File No.: EB-2008-0102 ("EB-2008-0102"), went against Hydro One's request to not include a timeline for such connections. This decision was an early warning to Hydro One that it would not have the ability to complete connections when reasonably feasible with existing resources.

6 Hydro One's Application does not address why it has chosen to request the Exemption pursuant to section 74 of the *Ontario Energy Board Act* (the "Act"). It appears that a process was clearly laid out by the Board in Hydro One's 2010/2011 Distribution Rate Application (EB-2009-0096) to support Hydro One for cost recovery when non-compliance with 6.2.6 and 6.2.7 of the DSC was at risk. The Board invited Hydro One to file an updated plan under section 70(2.1)(2) of the Act to receive approval for certain costs to accommodate connection of renewable generation facilities. It is therefore not appropriate for Hydro One to now request an amendment to its licence which is tantamount to requesting the Board to reverse its decision in the DSC provisions for micro-

embedded facilities, without having filed a plan in accordance with section 70(2.1) of the Act.

7 Hydro One has failed to meet the required timelines for processing applications and connecting projects. Its request for the Exemption should be refused on three grounds: (1) the Exemption is inconsistent with the public interest and policy decisions that supported EB-2008-0102; (2) the Exemption will not address the root cause for non-compliance with 6.2.6 and 6.2.7 of the DSC, specifically funding and staffing issues; and (3) the Exemption does not demonstrate how Hydro One will meet the timelines in section 6.2.6 and 6.2.7 of the DSC once the Exemption is terminated.

The Exemption is inconsistent with the Public Interest and policy decisions that Supported EB-2008-0102

8 On May 16, 2008, the Board submitted a “Notice of Proposal to Amend A Code” (“May Notice”) Board File No.: EB-2008-0102. The May Notice proposed to expand the definition of “micro-embedded generation facility” and to add a definition for “non-intermittent generation technology” in section 1.2 of the DSC. The Board, in the May Notice, indicated that the Board’s proposed amendments would require distributors to process applications to connect a new class of micro-embedded generation facilities (non-intermittent, 250kW or less) in an expedited manner. The Board indicated that based on the information available, there are no technical or other barriers to implementing an expedited process.

The Board stated the purpose of the amendments is to create a “faster, more efficient generation connection process... consistent with the overall timelines required to develop such projects.” (May Notice, at pg. 4)

9 Hydro One responded to the May Notice on June 16, 2008. Hydro One expressed some concern about the potential increased volume of applications it may receive for the new class of micro generators being proposed. Hydro One recommended that the Board “give careful consideration to what timeline expectations should be made on distributors for any proposed amendments to the Code” (May Notice, at pg. 6). Adding further that, if the Board “feels timelines are required, the timelines should focus on the communication steps between the distributor and generators to manage expectations and to outline project and cost responsibilities” (May Notice, at pg.6). Specifically Hydro One raised concerns that, “[i]f the volume of applications is very high, Hydro One is concerned with hard timelines (such as 15 days) to make or refuse an offer to connect, and 5 days to make the connection” (May Notice, at pg.4).

10 On December 9, 2008, the Board released a “Notice of Revised Proposal to Amend A Code” (“December Notice”). The December Notice was in response to concerns raised by Hydro One and other distributors. The Board decided to retain the existing definition of “micro-embedded generation facility” as a facility with a name-plate rated capacity of 10 kW or less (December Notice, at pg. 4). The Board then proposed adding a definition for “exempt small embedded generation facility” to cover those facilities with “a name-plate rated capacity of 250 kW or less for a facility connected to a less than 15 kV line and 500 kW or

less for a facility connected to a 15 kV or greater line” (December Notice, at pg. 10). The Board proposed the addition of a 60 day timeline for connecting a micro-embedded generation facility that is not intended to be located at an existing customer connection. The Board stated that “connection of these generation facilities can be effected within shorter timelines while retaining the ability to address any reliability and customer impact issues.” (December Notice, at pg. 7, emphasis added).

11 On February 12, 2009, the Board released the final Notice to Amend a Code (“Final Notice”). In the Final Notice, the Board stated that the amendments were to “expedite the connection of smaller generation facilities while taking into account concerns voiced by distributors regarding the implications of the May Proposed Amendments for system reliability and power quality.” (Final Notice, at pg. 2).

12 In initiating the EB-2008-0102 proceeding, the Board was seeking an expedited process for connections and was guided by the “tremendous interest [of ratepayers] in the connection of renewable generation to distribution systems” in so doing (May Notice, at pg 2.). To allow Hydro One’s request for the Exemption would have two effects: 1) to undo the public interest that created the need to amend the DSC in the first place; and 2) would appear to strike an imbalance in favour of Hydro One’s over the Board’s objective to protect microFIT applicants as consumers in terms of adequacy, reliability and quality of service.

13 It would also appear that the Board already had the opportunity to consider Hydro One's desire to not meet timeline requirements for these types of connections and decided that it was not in the public interest to allow Hydro One request. Further, if Hydro One had wanted to impose a similar condition for connections as already existing for load customers in section 7.2.1 and 7.2.3 of the DSC, it should have made that request when it became clear that a timeline would be required by the Board.

14 Hydro One's Application states that, "the requirements [set out in the DSC] were developed with urgency" (Application, at pg 2.). This is an inappropriate characterization and suggests that decisions were made hastily. In fact connection of renewable energy generation projects to distribution systems has been in development by the Board since about 2003, following on the receipt of the Minister's directive to the Board on June 18, 2003 to increase private sector investment in distributed renewable energy generation.

15 To suggest that Hydro One was not able to anticipate certain technical aspects associated with the connection of micro-embedded projects further suggests that Hydro One has ignored the continued public interest in generating renewable energy by ratepayers that has steadily increased since 2003.

16 To allow an amendment to Hydro One's licence, the public interest that has been demonstrated since 2003 needs to be taken into consideration – not just the current microFIT applicants, but also the applicants that were previously

affected by the bottleneck of applications that previously existed at the connection stage, pre-microFIT.

The Exemption will not address the root cause for non-compliance with 6.2.6 and 6.2.7 of the DSC

17 Granting a six month exemption will not address the underlying problems that result in Hydro One's inability to meet the timelines set out in the DSC.

18 Hydro One requires increased funding to ensure that there is sufficient resources, including staff to review applications, perform reviews of the impact on the system and connect projects.

19 In the Matter of An Application by Hydro One Networks Inc.: 2010 and 2011 Distribution Rates, Board File Number EB-2009-0096, Hydro One sought approval for increased funding to cover the costs that would be associated with the implementation of the *Green Energy Act* and the FIT program. The Board, in its Decision with Reasons ("Decision") stated that "the Board will not approve as prudent the expenditures for renewable generation at this time. In the Board's view, the proposal is deficient due to the unsubstantiated magnitude of the forecast connections, and therefore total expenditures, and the lack of specificity as to projects to be undertaken." (Decision, at pg. 36-37).

20 The Board goes on to state that "The Board notes that considerable uncertainty remains regarding all the proposed green energy projects, despite

Hydro One's efforts to work with all available information. The Board concludes that it is necessary to have greater detail and specificity regarding the projects to be undertaken before a finding of prudence and approval of the remaining expenditures can be made (Decision, at pg. 37).

21 Finally, the Board states that, "when sufficient detail becomes available to allow Hydro One to demonstrate the prudence of the remaining renewable connection expenditures for the test period, Hydro One may apply for a determination of prudence and collection of those expenditures through a rate rider." (Decision, at pg. 40).

22 It is no longer uncertain what the take-up and location of microFIT projects will be. There is now sufficient detail to allow Hydro One to demonstrate the need for expenditures and to comply with 6.2.6 and 6.2.7 of the DSC.

23 Hydro One should make an application to have the Distribution Rates reviewed in light of the information now available for the microFIT program. The Exemption will not alleviate this underlying funding issue.

Exemption will not result in compliance with the DSC Once the Exemption is Terminated.

24 Hydro One has been struggling to meet the timelines established in section 6.2.6 and section 6.2.7 of the DSC since the introduction of RESOP in 2005. Hydro One is seeking in its Application for approval to comply with section 7.2.1 and 7.2.3 of the DSC during the six month exemption period, yet it is not clear how it intends to alleviate the backlog it will have caused once the exemption period is over. In this regard the Application appears incomplete.

Concluding Remarks

25 The Green Energy Plan filed by Hydro One in September of 2009 was initially premature for two reasons. Firstly, it was done without the request by the Board as contemplated in section 70(2.1) of the Act. Secondly, without sufficient information the Board could not determine whether program expenditure requirements were prudent or not.

26 There is no indication that Hydro One will seek to follow the Board's recommendation in EB-2009-0096 that they file an updated request for a rate rider to address costs for connections for renewable generation facilities. Filing such a request would demonstrate that Hydro One has a comprehensive plan in place to facilitate connections.

27 Hydro One's request for a six month exemption from section 6.2.6 and section 6.2.7 of the DSC will only further delay the processing of applications and

such a request is not in the public interest. Hydro One's timing issue has more to do with Hydro One's poor planning. This poor planning should not be permitted to outweigh the commitment that has been made to consumers, ratepayers and industry parties who have been in support of renewable energy since 2003. This support has only increased since the launch of the RESOP program in 2005 and more recently with the launch of the microFIT program in 2009.

28 Hydro One's Application does not demonstrate that it has used its best efforts to take the steps necessary to comply with 6.2.6 and 6.2.7 of the DSC. Hydro One should be required to adhere to the Board's decision in EB-2008-0102 and should be required to file a request for a rate rider to secure the resources necessary to meet the timeline requirements set out in section 6.2.6 and 6.2.7 as suggested in the Board's decision in EB-2009-0096.

29 A pattern is emerging with respect to Hydro One's inability to meet the expectations of renewable energy generators, who for the most part are also ratepayers of Ontario. Greater transparency is needed to understand how Hydro One plans to not only meet the connection timelines and requirements to facilitate the microFIT program but also the to address the connection requirements to meet the demands of the FIT program.

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30 Finally, should the Board decide to grant the Exemption from the distributor's responsibilities in the DSC, the Board should require to Hydro One to file its updated Green Energy Plan from September 2009 before the end of 2011 as was contemplated in the Board's decision in EB-2009-0096.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario
this ____ day of _____, 2011.

(Original Signed)

Commissioner for Taking Affidavits
(or as may be)

Marion Fraser

Marion Elizabeth Fraser

OVERVIEW

With 30 years of experience in the Ontario energy sector, Marion has worked for and consulted with a wide range of energy companies, associations and energy consumers. She understands the Ontario energy sector, its recent evolution and future challenges. She has earned a reputation as a leader in the sector with a strong record of participation on boards and committees at the national, provincial and municipal level.

Marion is considered one of the foremost practitioners of sustainable energy policy and programs in Ontario. With 30 years of experience in the energy sector, she pioneered conservation programs at Ontario Hydro contributing to saving over 1200 MW of electricity from 1989 to 1993. She applied this experience to an active consulting practice until she was recruited to head Enbridge Gas Distribution's conservation efforts where she spearheaded programs saving customers \$700 million over three years and delivering a shareholder incentive of \$13 million under an innovative regulatory framework which she helped establish. When the McGuinty government was elected in 2003, although she had not been active politically, it hired Marion to ensure that sustainability was a key element in energy policy.

Marion is a visionary leader who has had great success in building results oriented teams as well as innovative partnerships across multiple organizations engaging people in private and public sector organizations as well as non governmental agencies.

EDUCATION

1975 Master of Public Administration, Queen's University at Kingston
1974 Bachelor of Arts (Hon), Canadian Studies, Glendon College, York University

PROFESSIONAL EXPERIENCE

From 2008	Fraser & Company	President
2003 – 2008	Office Of The Minister Of Energy	Senior Policy Advisor
2002 – 2003	Fraser & Company	President
1998 – 2002	Enbridge Gas Distribution	Marketing Director
1993 – 1998	Fraser & Company (SRC Canada)	President
1993 – 1993	Ontario Hydro International	Marketing Associate
1992 – 1993	Ontario Hydro	Manager, Energy Management
1987 – 1992	Ontario Hydro	Manager, Commercial Sector
1984 – 1987	Ontario Hydro	Manager, Marketing Services
1981 – 1983	Ontario Hydro	Senior Analyst
1979 – 1981	Generation & Transmission	Business Analyst
1975 – 1979	Ministry Of Treasury And Economics	Economist

MEMBERSHIPS¹

From 2008	Member Ontario Environmental Industry Association
From 2008	Advisory Board to publication Energy Procurement and Conservation
From 2008	Board of Directors, GTA Chapter, Green Building Council
From 2008	Member, Grants Committee, Toronto Atmospheric Fund
2007 – 2008	Chair, Steering Committee for Canada Green Building Council's Summit
2003–2004	Founding Chair, Sustainable Buildings Canada
2001–2004	Board of Directors, York Condominium Corporation #288
1999–2004	Board of Directors, Toronto Atmospheric Fund; Treasurer
2002–2004	Past Chair, Canadian Energy Efficiency Alliance
1999–2002	Chair, Canadian Energy Efficiency Alliance
1998–2001	Board of Directors, Association of Energy Services Professionals (USA)
1998–2000	Vice-Chair, Association of Energy Engineers, Southern Ontario,
1994–1998	Board of Directors, Independent Power Producers Society of Ontario
1988–1994	Board of Directors, Canadian Association of Energy Service Companies
1993–1995	Board of Directors, ENCON Inc., Hopkinton, MA, USA
1990–1992	Board of Directors, Demand Side Management Training Institute (USA)
1990–1991	Royal Society of Canada, Committee on Greenhouse Gas Emission Reductions
1988–1990	Special Advisory Committee on the Environment, City of Toronto

PROFESSIONAL EXPERIENCE

FROM 2008 FRASER & COMPANY

PRESIDENT

Re-established private consulting practice in January 2008:

- Content consultant to the Green Energy Act Alliance
- Assisted newly created Board of Directors to develop its vision for an energy management business.
- Provided Market Development Services to the Canada Green Building Council to recruit participants in its pilot programs in three major building sectors.
- Provided assistance to Green Energy Coalition during its development of evidence in for the Ontario Energy Board's review of the Ontario Power Authority's Integrated Power System Plan.
- Provided assistance to the First Nations Energy Alliance with respect to various Ontario Energy Board review processes.
- Developed and delivered marketing and promotional plans and programs for a local electric distribution utility.

2003 - 2008 OFFICE OF THE MINISTER OF ENERGY

SENIOR POLICY ADVISOR

Invited by the then newly elected provincial government to advise the Minister of Energy on how to rebuild Ontario's energy sector using principles of sustainability.

¹ Upon accepting the Senior Policy Advisor position in the Office of the Minister of Energy, it was necessary to resign from energy related volunteer positions.

Championed the development of a standard offer for renewable energy which was lauded by Dr. David Suzuki as a program that will “revolutionize the market for clean renewable energy in North America and lay the groundwork for a healthier and brighter future”.

- Established the Conservation Action Team, a committee of twelve parliamentary assistants to raise the profile of conservation within the government and plan the conservation framework for Ontario.
- Drove the creation of Ontario’s Conservation Bureau and the establishment of the Office of the Chief Energy Conservation Officer.
- Assisted in helping Toronto become the location for the World Green Building Council Secretariat.
- Crafted the overall plan for smart metering in Ontario’s energy sector.

2002 – 2003 FRASER & COMPANY

PRESIDENT

Re-established private consulting practice in September 2002:

- Conducted a scan of the potential for demand response and demand management among the City of Toronto’s major commercial properties.
- Developed policy papers for the Canadian Energy Efficiency Alliance to support submissions to the Ministry of Energy on the review of the Ontario Energy Board.
- Reported on best practices in DSM for a major gas utility.
- Developed an integrated energy efficiency strategy for the Ontario government.
- Organized and facilitated two summits on DSM in Ontario.
- Completed a benchmarking study on DSM for Hydro Quebec.

1998 – 2002 ENBRIDGE GAS DISTRIBUTION

MARKETING DIRECTOR

Responsible for energy efficiency programs, which contributed to the company winning the *Financial Times Global Energy Award* in 2001 and resulted in shareholder incentives of over \$13 million for three years.

Redeveloped the utility’s web site, led the Customer Relationship Management System project, and a customer data warehouse project. Managed market research and customer satisfaction research functions.

1993 – 1998 FRASER & COMPANY (SRC CANADA)

PRESIDENT

Responsible for setting up the Canadian subsidiary of a U.S. consulting firm, purchased the subsidiary in 1996, and changed its operating name to Fraser & Company. Projects completed:

- **Ontario Ministry of Energy:** international electricity restructuring processes
- **Metropolitan Toronto Housing Authority:** Optimum utility management plan including pre-qualifying energy management firms for projects
- **Natural Resources Canada:** Requirements for new construction efficiency program

- **Japan Research Institute:** Overview of North American performance contracting industry and a detailed project case study
- **Nova Scotia Power Inc.:** First post privatization marketing plan and competitor analysis for energy services business plan
- **CIPEC:** Track record of energy performance contracting in the industrial market in North America
- **Technical University of Nova Scotia:** Training program on energy performance contracting
- **Canadian Industrial Innovation Centre:** Market assessment of energy services
- **Public Works/Government Services Canada:** Service delivery effectiveness study
- **Union/Centra Gas:** 1997 DSM Plan, new construction program, ESCO brokering
- **Consumers Gas:** ESCO brokering process for large industrial customers
- **Ontario Hydro:** Environmental mechanisms in restructured electricity markets
- **Ontario Hydro Technologies:** Market research to identify current issues and future trends; executive round table on new technologies; new product/service initiatives
- **Provident Energy Management:** Model energy performance contracts
- **CAESCO:** Executive Director, Canadian Association of Energy Service Companies
- **BC Hydro:** Alternatives for Power Smart, with special attention to ESCOs
- **BOMA Toronto:** Managing the Downtown Energy Forum without government financing
- **Ontario Energy Corporation:** Profitability study of the ESCO industry
- **Toronto Hydro:** Commercial cooling opportunities
- **Confidential Client:** Research on market potential for fuel cells

1993 – 1993 ONTARIO HYDRO INTERNATIONAL

MARKETING ASSOCIATE

Developed an international marketing plan for Ontario Hydro's energy management expertise, and coordinated overall marketing plan for OHI's other lines of business.

At the invitation of the US Department of Energy, delivered a workshop on the *Successful Marketing of DSM Programs* sponsored by Asian Pacific Economic Co-operative (APEC) in Seoul, Korea, and attended by utility executives from Pacific Rim countries.

1992 – 1993 ONTARIO HYDRO

MANAGER, ENERGY MANAGEMENT

Increased understanding of Ontario Hydro's energy management plans and programs among four critical audiences: senior business community, environmental groups, the international utility community, and Ontario Hydro's own management and staff. Led senior management workshops. Held senior executive meetings with associations and executives representing Ontario Hydro's 20 largest customers.

Managed the *First Annual International Conference on Energy Efficiency and DSM*.
Delivered over 50 speeches and presentations to diverse audiences including the World Bank.

Initiated internal symposium, "Sharing Experiences" and series of staff workshops, "Food for Thought" to encourage cross-fertilization of ideas and approaches within Ontario Hydro, and to expose staff to alternative approaches on related topics.

Participated with a team of managers who developed Ontario Hydro's strategy - *Energy Management for the 1990's*

1987 – 1992 ONTARIO HYDRO

MANAGER, COMMERCIAL SECTOR

Managed the growth of a department from 15 to 75 with budgetary responsibility for \$6 million in operations and \$20 million in capital. Achieved high ratings in staff review of managerial capabilities. Exceeded targets for energy conservation.

Broke corporate ground developing Ontario Hydro's first demand side management programs: *Energy Efficient Lighting, Savings by Design, Thermal Cool Storage and the Street Smart Lighting*.

Achieved high penetration rates, and in the words of a leading engineering design specialist, "transformed" the market in Ontario including helping the government introduce energy efficiency in the commercial building code.

Created the *Guaranteed Energy Performance Program*, which targeted energy service companies resulting in increased penetration of energy performance contracting in Ontario.

1984 – 1987 ONTARIO HYDRO

MANAGER, MARKETING SERVICES

Established corporate process for the design and delivery of marketing programs. Managed market research function and established marketing library to assist in the transformation of technical specialists to marketing generalists.

Developed marketing oriented planning and budgeting for Marketing Operations Division. Completed commercial, residential, and industrial marketing plans. Managed trade show support unit including distribution of customer information, brochures, point of sale materials, and trade show equipment.

1981 – 1983 ONTARIO HYDRO

SENIOR ANALYST

Reporting to Executive Vice-President, Planning and Administration, part of a small team of professionals who developed and implemented the corporate management system, "*The Organization and Operation of Ontario Hydro*".

1979 – 1981 GENERATION & TRANSMISSION

BUSINESS ANALYST

Introduced staff planning for Hydraulic Generation and Transmission Division.

Served as Secretary to the Regional Operations Managers Committee, and provided assistance in development of management strategies for electrical product quality, corporate citizenship, product cost, staffing, and safety.

1975 – 1979 MINISTRY OF TREASURY AND ECONOMICS

ECONOMIST

Responsible for policy analysis in areas such as labour force growth, industrial development, the automotive sector, and inter-provincial trade barriers.

Authored ministerial correspondence, policy papers, and briefing notes for Treasurer of Ontario; assisted in organizing Premier's forum, "*Partnership for Prosperity*".

REGULATORY EXPERIENCE

- Testified for 20 days over six week period at Environmental Assessment Board Hearings on *Hydro's Demand and Supply Plan*; Integrated Ontario Hydro's responses to over 2,000 interrogatories for EAB Hearing.
- Expert Witness for Union/Centra Gas on DSM (EBRO 493/494): Participated in Alternative Dispute Resolution Process, 1996.
- Expert witness on behalf of the Canadian Association of Energy Services Companies at Ontario Hydro Rate Hearing (HR 22), 1994.
- Case Manager for Canadian Association of Energy Services Companies for Ontario Energy Board review of Ontario Hydro, 1994.
- Witness for Ontario Hydro - Demand Side Management Panel, Environmental Assessment Board Hearings on Ontario Hydro's Demand/Supply Plan.
- Witness for Ontario Hydro, Ontario Energy Board (HR 20, HR 19, HR18).
- Witness for Enbridge Consumers Gas EBRO 497, EBO 179-14, EBO 179-15.

Document #: 453487

ONTARIO ENERGY BOARD

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

IN THE MATTER OF an Application by Hydro One
Networks Inc. for an Order or Orders Including an
exemption from sections 6.2.6 & 6.2.7 of the
Distribution System Code

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