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TORYS
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ONTARIO ENERGY BOARD

Suite 3000
79 Wellington St. W.
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada
Tel 416.865.0040
Fax 416.865.7380

www.torys.com

September 20, 2011

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

Dear Ms. Walli:

Re: Section 80 Notice re Brookfield Transfer of Generation Assets

We are counsel to Brookfield BRP Holdings (Canada) Inc. ("CanHoldCo") and Brookfield BRP Canada Corp. ("BRP Canada"), both subsidiaries of Brookfield Renewable Power Inc. ("BRPI"), as well as related entities. This letter, together with the attached documentation, constitutes a notice of proposed transaction under Section 80 of the *Ontario Energy Board Act, 1998* (the "Act").

We are writing in connection with the proposed transfer, through transactions that form part of a larger corporate reorganization, of certain Ontario-based generation assets. While these transactions are effectively an internal reorganization within the Brookfield group, notice of the proposed transactions is required under Section 80 of the Act because certain aspects of the reorganization involve the acquisition of interests in generation facilities in Ontario, or the acquisition of shares of corporations that own such facilities, by affiliates of an electricity transmitter in Ontario. It is currently intended that these transactions will take place in late 2011.

The proposed transactions and their regulatory implications are discussed below. In addition, we have enclosed a completed "Preliminary Filing Requirements for a Notice of Proposal under Sections 80 and 81 of the *Ontario Energy Board Act, 1998*" form for the proposed transactions at **Attachment 'A'**.

It is our submission that Board review under Section 82 of the Act will not be necessary because the proposed transactions will have no adverse impact on the development or maintenance of a competitive market and will not affect access to transmission or distribution facilities in Ontario. The generation facilities will continue to be owned and operated by indirectly held subsidiaries of BRPI. Moreover, the generation facilities will continue to be operated independently from the transmission assets that are controlled by the affiliated transmitter. As such, the proposed transactions do not substantively change the status quo.

1. Proposed Reorganization

The proposed reorganization involves the combination of Brookfield Renewable Power Fund (“BRPF”), which indirectly controls various power generating assets, and the power generating assets owned by BRPI, a wholly owned subsidiary of Brookfield Asset Management Inc. (“Brookfield”), to create Brookfield Renewable Energy Partners L.P. (“BREP”). BREP will be a publicly-traded partnership focused on renewable power generation. Upon completion of the proposed reorganization, BREP will be owned approximately 73% by BRPI on a fully exchanged basis and will be Brookfield’s primary vehicle for investing in renewable power on a global basis.

There are multiple steps associated with the proposed reorganization. Two particular steps in the proposed reorganization trigger the requirements for notice under Section 80 of the Act. After describing the current structure, these steps are described below.

2. Current Structures

The following provides a description of the regulated transmitter whose relationship to the Brookfield group of companies triggers the need for this notice. This is followed by descriptions of the entities that are being combined through the proposed reorganization, BRPF and BRPI, as well as the Ontario-based generating assets that are currently held, directly or indirectly, by each of these entities.

(a) Regulated Transmitter

Brookfield indirectly controls Great Lakes Power Transmission LP (“GLPT”). GLPT is a licensed electricity transmitter in Ontario under ET-2007-0649. The organizational structure associated with GLPT is shown in **Attachment ‘B’**.

(b) BRPI

BRPI is a wholly owned subsidiary of Brookfield. Through its subsidiaries (but excluding BRPF and its subsidiaries), BRPI owns, operates and controls various electricity generation facilities. These include the following Ontario-based assets (hereinafter the “BRPI Generation Assets”):

- 100% of the shares of Beaver Power Corporation, which directly and indirectly owns and operates three run-of-river hydroelectric generating facilities in northern Ontario;
- 100% of the shares of Lake Superior Power Inc., which holds a 1% GP interest in Lake Superior Power L.P., a 110 MW natural gas-fired cogeneration facility in Sault Ste. Marie, Ontario; and
- 50.01% of the shares of Great Lakes Power Holding Corporation (“GLPHC”) (the remainder of which are indirectly owned by BRPF), which indirectly owns Brookfield Power Wind Prince LP, which owns and operates a 189 MW wind farm near Sault Ste. Marie, Ontario. The exchangeable shares of GLPHC owned by BRPI are exchangeable for BRPF units, at which point BRPF will own 99% of GLPHC.
- one redeemable voting share in Valerie Falls General Partner Limited, which is redeemable at any time at the sole option of that company and which entitles

BRPI to 75% of the voting interest of Valerie Falls General Partner Limited (BRPF holds 100% of the economic interest of Valerie Falls Limited Partnership).

The current organizational structures associated with the BRPI Generation Assets are shown in **Attachment 'C'**.

(c) BRPF

BRPF is a trust established under the laws of the Province of Québec pursuant to a trust agreement. BRPF's trust units are listed on the Toronto Stock Exchange. BRPF is managed and approximately 34% owned, on a fully-exchanged basis, by BRPI. Through its subsidiaries, BRPF owns, operates and controls various electricity generation facilities in three Canadian provinces and in two U.S. states. BRPF's Ontario-based generation assets are comprised of the following (hereinafter the "BRPF Generation Assets"):

- 100% of the voting securities of Great Lakes Power Limited, which owns and operates twelve hydroelectric generating stations located on the Magpie, Michipicoten, Montreal and St. Mary's Rivers in the Algoma region of Northern Ontario, having a total installed capacity of approximately 349 MW;
- 100% of the voting securities of Mississagi Power Trust, which owns and operates four hydroelectric generating stations on the Mississagi River (Aubrey Falls, Wells, Rayner and Red Rock Falls) having a total installed capacity of approximately 488 MW;
- 100% of the voting securities of Carmichael Limited Partnership, which owns and operates a 20 MW hydroelectric generating station on the Groundhog River in Northern Ontario;
- 25% of the voting securities of Valerie Falls Limited Partnership (but 100% of the economic interest and the remaining 75% voting interest is owned by BRPI), which owns and operates the 10 MW Valerie Falls Generating Station on the Seine River near Atikokan, Ontario;
- 99% of the voting securities (on a fully exchanged basis) of Brookfield Power Wind Prince Limited Partnership, which owns and operates a 189 MW wind farm near Sault Ste. Marie, Ontario;
- 100% of the voting securities of Gosfield Wind Limited Partnership, which owns and operates a 51 MW wind farm near Kingsville, Ontario; and
- 100% of the voting securities of Comber Wind Limited Partnership, which owns and will operate a 166 MW wind farm near Lakeshore, Ontario. While the Board has issued electricity generation licence EG-2010-0297 in respect of this facility, it is not scheduled to begin commercial operation until late 2011.

The current organizational structures associated with the BRPF Generation Assets are shown in **Attachment 'D'**.

3. Proposed Transactions

The proposed internal reorganization will not affect the ownership structure associated with the regulated electricity transmitter, GLPT. However, as noted, the proposed reorganization will involve the combination of BRPF and the power generating assets owned by BRPI to create BREP. Two particular steps or transactions forming part of this overall reorganization will trigger the requirements of Section 80.

The first transaction that triggers Section 80 of the Act under the proposed reorganization is the acquisition by CanHoldCo of the BRPI Generation Assets from BRPI (the “First Transaction”). CanHoldCo is a wholly owned subsidiary of BRPI but upon completion of the reorganization will be a wholly-owned subsidiary of BREP.

The second transaction that triggers Section 80 of the Act under the proposed reorganization is the winding up of BRPF into BRP Canada, which will result in BRPF distributing all of its property to BRP Canada and BRP Canada assuming all liabilities and obligations of BRPF. Immediately following such distribution, the existence of BRPF will be terminated and the BRPF Generation Assets that are currently held by BRPF will be held by BRP Canada (the “Second Transaction”). BRP Canada will be a wholly-owned subsidiary of CanHoldCo which, as noted, will be a wholly-owned subsidiary of BREP.

Following the proposed reorganization, it is expected that BRPI will own approximately 73% of BREP on a fully exchanged basis and that the existing public unitholders of BRPF will own the remaining 27% of BREP. BRPI will also own the general partners of each of BREP its subsidiary, Brookfield Renewable Energy L.P., through which it will hold its assets. BRPI will continue to be a wholly-owned subsidiary of Brookfield. The BRPI Generation Assets will be indirectly held by BREP through BREP’s interest in CanHoldCo. The BRPF Generation Assets will be indirectly held by BREP through BREP’s interests in CanHoldCo and BRP Canada. A simplified final organizational structure, following completion of the reorganization, is shown in **Attachment ‘E’**.

Section 80 of the Act provides that no affiliate of a transmitter shall:

- (a) acquire an interest in a generation facility in Ontario,
- (b) construct a generation facility in Ontario, or
- (c) purchase shares of a corporation that owns a generation facility in Ontario,

unless it has first given notice of its proposal to do so to the Board and the Board does not issue a notice of review of the proposal within the specified period or the Board approves the proposal under section 82 of the Act.

As explained, Brookfield indirectly controls GLPT, which is a licenced electricity transmitter. BRPI is a wholly-owned subsidiary of Brookfield and is therefore an affiliate of GLPT. In respect of the First Transaction, notice under Section 80 of the Act is triggered because CanHoldCo is an affiliate of GLPT through Brookfield’s indirect control of both CanHoldCo (through BRPI and BREP) and GLPT. The acquisition by CanHoldCo of BRPI’s interests in corporations that own generation facilities in Ontario therefore triggers the notice requirements under Section 80. In respect of the Second Transaction, notice under Section 80 of the Act is triggered because BRP Canada is an affiliate of GLPT through Brookfield’s indirect control of both BRP Canada (through BRPI, BREP and CanHoldCo) and GLPT. As a result of the winding up of BRPF into

BRP Canada and the distribution of its property to BRP Canada, BRP Canada will be acquiring the shares of corporations that own generation facilities in Ontario and will therefore trigger the notice requirements under Section 80.

The proposed reorganization will involve numerous steps, including the First Transaction and the Second Transaction, all of which will be carried out pursuant to a statutory plan of arrangement. A plan of arrangement is a statutory procedure available under the *Business Corporations Act* (Ontario) and other similar legislation, which requires the approval of a court.

4. The Applicants

The applicants in this Notice of Proposal under section 80 of the Act consist of those particular entities that are affiliates of GLPT and that are acquiring interests in generation facilities in Ontario or shares of corporations that own generation facilities in Ontario. The applicants are therefore CanHoldCo and BRP Canada (together, the “Applicants”). Each of the Applicants is an affiliate of GLPT because they are indirectly controlled by Brookfield, which also indirectly controls GLPT.

5. No Adverse Impact on Competition or Access

In the ordinary course, proposed changes in the ownership of generation facilities do not require that notice be given to the Board. It is only because Brookfield has indirect control of GLPT through the ownership of the general partner of Brookfield Infrastructure Partners L.P. (“BIP”), which indirectly owns GLPT, and because GLPT is a licenced transmitter under the Act, that any potential regulatory issues arise from the proposed transactions. However, despite the technical applicability of Section 80 to certain elements of the proposed internal reorganization, namely the First Transaction and the Second Transaction, there is no policy rationale or objective underlying the Act that would require the proposed transactions to be reviewed by the Board. From an energy regulation perspective, there are no adverse impacts and no material changes resulting from the proposed transactions.

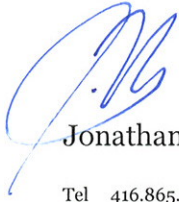
The proposed transactions are part of an internal reorganization within the Brookfield group and do not change the status quo because all of the generation facilities that are being acquired by affiliates of GLPT at the various stages of the reorganization are already owned and operated by affiliates of GLPT and their related entities.

Furthermore, because the generation facilities that are the subject of the proposed transactions will continue to be managed and operated independently of any transmission assets that are owned and operated within the Brookfield group of companies, the transactions will not give rise to adverse impacts on the development or maintenance of a competitive market in Ontario and there will be no impact on open access to the transmission systems owned and operated by GLPT.

For these reasons, the Applicants submit that no Board review will be necessary under Section 82 of the Act.

If you require any further explanation concerning the proposed transactions or the completed application form, please do not hesitate to contact us.

Yours truly,



Jonathan Myers

Tel 416.865.7532
Fax 416.865.7380
jmyers@torys.com

cc: Patricia Bood, Brookfield
Walter Di Cesare, Brookfield
Charles Keizer, Torys LLP