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FAX TRANSMISSION

FILE NUMBER:

42811-00004

DATE: Wednesday, May 29, 2013

то:	TEL NO.	FAX NO.
Board Secretary Ontario Energy Board		1-416-440-7656

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If you do not receive all pages, please telephone Sue Tomlinson at 519.672.4131 ext. 5357 immediately.

David M. Woodward / 519.640.6341 / Direct Fax: 519.932.3341 FROM:

RE: Board File No. EB-2013-0096

PAGES: 9 including this Cover Sheet

MESSAGE:



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May 29, 2013

FILE NUMBER 42811-00004

VIA FACSIMILE

Ontario Energy Board PO Box 2319 27th Floor 2300 Yonge Street Toronto ON M4P 1E4 Attention: Board Secretary

Dear Sir/Madam:

Re: Board File Number: EB-2013-0096

Application for Leave to Construct Transmission Facilities for Goshen Wind, Inc.

Applicant: Goshen Wind, Inc.

We are the solicitors for Earl Miller and Marilyn Miller. Earl Miller and Marilyn Miller are the owners of lands that are along the route where the transmission lines for this facility would be located. We are writing this letter to provide comment. Our client does not wish to incur the costs associated with obtaining intervenor status or any other attendance at the Hearing of this Application.

Our clients were approached and provided with a draft Transmission Easement Option Agreement. We provided the Applicant with comments on this Agreement and those comments are set out in the enclosed e-mail dated June 28, 2012.

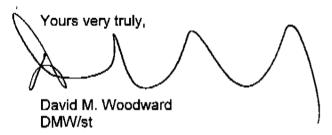
The Applicant did respond and provided the enclosed response. No revisions to the draft Transmission Easement Option Agreement have been made and the concerns raised by our client have not been addressed. The draft Transmission Easement Option Agreement that was originally presented to our client is in the same form as the Transmission Easement Option Agreement that is being presented for approval to the Ontario Energy Board.

Our client does not wish to deal with the applicant unless the concerns raised in our June 28, 2012 e-mail are addressed. In our view, any Transmission Easement Option Agreement that is approved by the Ontario Energy Board should address landowner concerns.

LERNERS

LAWYERS

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Sue Tomlinson

From: David M. Woodward

Sent: June 28, 2012 3:33 PM **To:** 'jgutierrez@canacre.com'

Cc: David M. Woodward; Sue Tomlinson

Subject: Easement Option Agreement of Goshen Wind Inc.

Mr. Gutierrez,

Further to our telephone conversation this morning, we have reviewed this Agreement. We have the following questions and/ or concerns:

- 1. While it does relate primarily to transmission infrastructure, the definition of "Transmission Facilities" includes lattice, Truss towers and structures (see page 1, fourth paragraph of the Option). I would like to know what precisely you intend to build on the Farm and have the agreement reflect that.
- 2. If our client sells before Goshen exercises its option, it is unclear to me what obligations our client has. This may complicate a sale of the Farm (Section 5.3 (c) and Section 1.1 of the Option).
- 3. Schedule B of the Option does not clearly identify what property is excluded. This is likely a point of clarification. From our conversation, I understand that Goshen wants the Easement over a 50 foot wide strip along the roadway. The width of the strip should be confirmed as the diagram is unclear.
- 4. If Goshen exercises the Option and establishes the Transmission Facilities, there is a Construction Easement over the whole of the Farm (Section 1 of the Easement). Is it not possible to limit the property subject to the Construction Easement.
- 5. If our client or a subsequent owner has a mortgage on the Farm, they are required to get the Lender to approve and be subject to the Option and the Easement. If they do not do so, Goshen can terminate the Agreements (Section 2.6).
- 6. There are termination rights in the Option in favour of Goshen but none for our client. This is not reciprocal treatment.
- 7. There are several clauses where our client agrees to do certain things (e.g., keep information confidential (Section 2.4), warrant title to the Farm (Section 2.7), appoint the Developer as our client's agent to rezone the Farm (Section 2.8),etc.) that concern me. There are few reciprocal covenants on the part of Goshen. Why is our client obliged to permit Goshen to, for example, rezone the Farm without even having an opportunity to review and approve the rezoning application?
- 8. If Goshen exercises the Option and obtains the Easement, Goshen has the right to grant its easement as security to its lender. This will complicate our client's ability to grant security to its lender and sell their Farm as they see fit (Section 10 of the Easement).
- 9. If Goshen exercises the Option, the Easement will be in place in perpetuity (permanent). There seems to be no time limit, no rights of termination. Meanwhile, the payments to our client are one-time payments. Also, how does Goshen intend to comply with the subdivision provisions of the Planning Act?
- 10. Once the Easement is in place, any buyer of the Farm must agree to comply with this agreement in writing. This will complicate a sale of our client's Farm (Section 9 of the Easement).

11. Goshen is not an Ontario company. Does your company have assets in Ontario?

We look forward to receiving your response.

Dave.

Sue Tomlinson

Subject:

FW: Canacre Responses

Attachments:

Miller attorney questions GSH3038.docx

From: Javier Gutierrez [mailto:jgutierrez@canacre.com]

Sent: July 23, 2012 8:10 AM To: David M. Woodward

Subject: Millers

Good morning Dave.

My apologies for taking this long to answer your questions. I've attached in a word document the answers to your

questions.

Please feel free to contact me via email if you have any more specific concerns.

Javier Gutierrez.

CanACRE

Goshen Transmission, Miller, GSH3038

- 1. While it does relate primarily to transmission infrastructure, the definition of "Transmission Facilities" includes lattice, Truss towers and structures (see page 1, fourth paragraph of the Option). I would like to know what precisely you intend to build on the Farm and have the agreement reflect that. I can offer to strike in both Option and Easement the bracket section as follows. (which may include lattice or truss towers or structures on the Property, but only with Owner's concent which shall not be unreasonably withheld, conditioned or delayed). Other than that, I don't know how else to address this comment. We cannot say precisely how many or what kind of poles, wire, number of guys, etc.
- 2. If our client sells before Goshen exercises its option, it is unclear to me what obligations our client has. This may complicate a sale of the Farm (Section 5.3 (c) and Section 1.1 of the Option). There should not be any reason why the Transmission Easement would complicate a sale of the farm. The owner has the right to sell or transfer their property at anytime. All we ask is that they (a) provide written notice to us of the sale (b) provide a warranty deed or other such proof of transfer [this may be provided by the buyer or transferee] and (c) work with us to have an Assumption Agreement executed. Asking the Grantor to help us to have an Assumption Agreement signed is our assurance that the buyer recognizes that an easement is on the property. However, should the buyer/transferee refuse to sign an Assumption Agreement, the Transmission Easement will remain in effect as it "runs with the land", see Section 13 Binding Effect; Governing Law.
- 3. Schedule B of the Option does not clearly identify what property is excluded. This is likely a point of clarification. From our conversation, I understand that Goshen wants the Easement over a 50 foot wide strip along the roadway. The width of the strip should be confirmed as the diagram is unclear. I will add other markers to she schedule B to better delineate the easement area.
- 4. If Goshen exercises the Option and establishes the Transmission Facilities, there is a Construction Easement over the whole of the Farm (Section 1 of the Easement). Is it not possible to limit the property subject to the Construction Easement. I can offer to define on Schedule B a minimum Construction easement width of 60 meters or 200' to start at the ROW.
- 5. If our client or a subsequent owner has a mortgage on the Farm, they are required to get the Lender to approve and be subject to the Option and the Easement. If they do not do so, Goshen can terminate the Agreements (Section 2.6). If the Goshen Wind Energy Centre exercises the easement, then our intent is to build the transmission line along the easement area defined in Schedule B. It is highly unlikely that after the easement is exercised, Goshen Wind Energy Centre will terminate the agreement as this would limit or prevent us from enjoying the rights associated with the transmission easement and essentially prevent a contiguous path of transmission line.
- 6. There are termination rights in the Option in favour of Goshen but none for our client. This is not reciprocal treatment. This is correct. If we cannot plan for the land, we cannot plan for transmission infrastructure and it would be self defeating if you could cancel the option with a

30 day notice. It is though, in your favour if we cancel the option because we would do this if we had changed our mind about building the transmission line. If we decided not to build a transmission line, then you would not want an uninterested company tying up your land with an option. It's the only way we know of to be responsible to you in this way.

- 7. There are several clauses where our client agrees to do certain things (e.g., keep information confidential (Section 2.4), warrant title to the Farm (Section 2.7), appoint the Developer as our client's agent to rezone the Farm (Section 2.8), etc.) that concern me. There are few reciprocal covenants on the part of Goshen. Why is our client obliged to permit Goshen to, for example, rezone the Farm without even having an opportunity to review and approve the rezoning application? It is highly unlikely that any rezoning is going to be required. Renewable energy generation facilities (which includes their associated tap lines) are exempt from bylaws and official plans under Ontario's Planning Act. This clause is included by Goshen in case the overall planning rules change (which is not likely to happen before this project is built). Any rezoning undertaken by Goshen (if necessary) would only be to add an allowable use for the property (for the transmission line).
- 8. If Goshen exercises the Option and obtains the Easement, Goshen has the right to grant its easement as security to its lender. This will complicate our client's ability to grant security to its lender and sell their Farm as they see fit (Section 10 of the Easement). Goshen Wind Energy Centre has the right to grant its easement and the physical infrastructure of the transmission line as security to a lender. We do not have the right to grant the underlying land as security to a lender. There should not be any reason why a grant of the easement or transmission infrastructure as security interest would complicate a sale of the farm. The underlying farm land is owned by the Grantor and they have the right to sell, transfer, or use as a security interest their property at anytime.
- 9. If Goshen exercises the Option, the Easement will be in place in perpetuity (permanent). There seems to be no time limit, no rights of termination. Meanwhile, the payments to our client are one-time payments. Also, how does Goshen intend to comply with the subdivision provisions of the Planning Act? Section 50(3)(g) of the Planning Act provides an exemption from the subdivision provisions of the Act, where the land is being acquired for the purposes of a transmission line.
- 10. Once the Easement is in place, any buyer of the Farm must agree to comply with this agreement in writing. This will complicate a sale of our client's Farm (Section 9 of the Easement). As was mentioned previously, there should not be any reason why the Transmission Easement would complicate a sale of the farm. Asking the Grantor to help us to have an agreement signed is our assurance that the buyer is aware of the easement. However, should the buyer/transferee refuse to sign an agreement, the Transmission Easement will remain in effect as it "runs with the land", see Section 13 Binding Effect; Governing Law.
- 11. Goshen is not an Ontario company. Does your company have assets in Ontario? Yes, NextEra Energy Canada, ULC, the parent company of Goshen Wind Energy Centre, is a leading renewable energy developer in Canada focused on developing electricity derived from clean, renewable sources. Our Canadian operations are headquartered in Burlington, Ontario. We are the owner

and operator of four wind energy projects and two solar energy projects in the following provinces:

- Solar Moore Solar, Lambton County, Ontario, ON, Canada, 20MW
- Solar Sombra Solar, Lambton County, Ontario, ON, Canada, 20MW
- Wind Ghost Pine Wind, Kneehill County, Alberta, AB, Canada, 81.6MW
- Wind Mount Copper, La Côte-de-Gaspé, Quebec, QC, Canada, 54MW
- Wind Mount Miller, La Côte-de-Gaspé, Quebec, QC, Canada, 54MW
- Wind Pubnico Point, Yarmouth County, Nova Scotia, NS, Canada, 30.6MW

In addition, NextEra Energy Canada had six projects that were awarded Feed-in-TariffH (FIT) contracts by the Ontario Power Authority on July 4, 2011 and we have two additional projects (Conestogo and Summerhaven Wind Energy Centres) which previously have been awarded a FIT contract by the Ontario Power Authority and have received the Renewable Energy Approval by Ontario's Ministry of the Environment.

FIT contracts awarded on July 4, 2011

- Adelaide Wind Energy Centre
- Bluewater Wind Energy Centre
- Bornish Wind Energy Centre
- East Durham Wind Energy Centre
- Goshen Wind Energy Centre
- Jericho Wind Energy Centre