



association to protect AMHERST ISLAND

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WITHOUT PREJUDICE TO ALL OF OUR RIGHTS

January 12, 2015

Mr. Bruce Campbell
President and CEO
Independent Electricity System Operator
1600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Campbell

RE: Request to Terminate Windlectric Inc. FIT Contract – Amherst Island

As we approach the fourth anniversary of the Ontario Power Authority's FIT contract with Windlectric Inc. for a proposed turbine project on Amherst Island, the Association to Protect Amherst Island respectfully requests the IESO to exercise its right to terminate Windlectric's contract for the same reasons it ended a similar contract with Horizon Wind for its Big Thunder project.

As both the OPA and Premier Wynne have stated that no further extensions will be granted, the Association is confident that the new IESO entity will carefully consider our request and terminate Windlectric's FIT contract. We are providing documentation that clearly illustrates that Windlectric Inc. is simply unable to achieve the commercial operation date set out in the FIT contract.

Kindly consider the following:

1. A FIT contract was awarded to Windlectric on February 25, 2011. As of today almost 47 months later, Windlectric's Renewable Energy Approval application has not yet been approved by the Ministry of the Environment and Climate Change. According to documents submitted by Windlectric as part of its REA application, construction will take 18 to 24 months.
2. Should MOECC approve Windlectric's application, the Association to Protect Amherst Island intends to appeal to an Environmental Review Tribunal and to request a stay of construction. The typical window for a hearing and decision is six months.
3. The Association to Protect Amherst Island has appealed a decision by Justice Lederer with respect to a Judicial Review decision on the "completeness" of Windlectric's REA application. This matter will be heard by the Court on February 12, 2015.

4. In addition to a Renewable Energy Approval by MOECC, Windlectric requires permits and approvals as set out in Appendix 1 as submitted on December 14, 2014 by Mr. Jonathan Myers of Torys LLP on behalf of Windlectric to the Ontario Energy Board in support of an application for Permission to Construct approximately 5.9 km of 115 kV Transmission Line.
5. Assuming they are granted, at least three of the required approvals will limit or prohibit construction during certain periods:
 - ◆ MNR&F approval of an Overall Benefit Permit with respect to grassland birds which will prohibit construction from April to August annually due to the breeding season of grassland birds
 - ◆ MNR&F approval of a Public Lands Permit related to docks and submarine cable which will prohibit construction during fish spawning season
 - ◆ Loyalist Township Roads Use Agreement will specify half load restrictions for roads use during March and April
6. In addition to the approvals noted in Mr. Myers' submission, Windlectric Inc. is also required to submit an application for Environmental Compliance Approval for both a cement batching plant and permission to draw water from Lake Ontario for its operation as described in a letter dated January 5, 2015 to Brian and Eva Little from Ms. Agatha Garcia-Wright, Director of Environmental Approvals, MOECC. As you can see from Ms. Wright's letter, Windlectric Inc. has not submitted this application. Consequently, it will be impossible for Windlectric to achieve its commercial operation date.
7. Ontario has the third highest cost of electricity for a 1000 kWh/month electricity consumer in Canada. The FIT contract with Windlectric will pay \$135/MWh plus an inflationary add-on, a legacy from the 2009 Green Energy and Economy Act. The intermittency of wind power and the legislated "first to the grid" policy for wind power has more recently led to the payment to wind energy companies not to add supply to the grid when supply and demand are out of balance. Consequently, it is in the best interests of the Ontario consumer to terminate this contract as described in a recent report of the Fraser Institute "What Goes Up . . . Ontario's Soaring Electricity Prices and How to Get Them Down".
8. In accordance with the Environmental Screening Process (ESP), the Association has appealed to the Honourable Glen Murray, Minister of the Environment and Climate Change to rescind a decision of the Director of Environmental Approvals with respect to the proposed TransCanada Gas Plant and to consider the cumulative impact of noise from the proposed Windlectric Inc. turbine project, the proposed TransCanada Napanee Gas Plant, the proposed Lafarge 2020 Cement Project and the existing Lennox Generating Station. Please refer to the attached letters dated September 5 and 15, 2014 to the Minister.
9. The Association is aware that the Ontario Power Authority and the Ministry of Energy made determinations about the appropriateness and legality of wind turbines in Important Bird Areas including Amherst Island as set out in the attached Freedom of Information documentation dated April 26, 2013 to Mr. Tom Adams.
10. The Ontario Power Authority failed to undertake any due diligence prior to awarding a FIT contract to Windlectric Inc., a shell company with only two Directors, no employees, no financial assets, no construction record, no safety history, and no evidence of liability insurance. Please refer to the

attached letter May 28, 2013 from Ms. Susan Kennedy, Associate General Counsel and Director Commercial Law Group for OPA.

11. Named one of the Top Ten Endangered Places in Canada by Heritage Canada the National Trust due to the threat of wind turbines on its rich cultural and natural heritage, Amherst Island is as Margaret Atwood so eloquently stated "the wrong place, the very wrong place for wind turbines". More information is provided in the attached fact sheet. The Island location makes residents captive and vulnerable with a high risk to public and environmental safety.

For all of these reasons and in the best interests of the IESO, the Ontario Government, Ontario consumers, Loyalist Township, the residents of Amherst Island and the many people and organizations that care about Amherst Island, the IESO is requested to avail itself of its right to terminate and to cancel the FIT Contract with Windlectric Inc.

Thank you for your consideration. Please advise a time when we may meet to discuss this important matter.

Sincerely

Peter G. S. Large P. Eng.
President

cc:

Premier Kathleen Wynne
Honourable Glen R. Murray, Minister of the Environment and Climate Change
Honourable Bill Mauro, Minister of Natural Resources and Forestry
Honourable Bob Chiarelli, Minister of Energy
Mr. Randy Hillier, MPP
Mayor Bill Lowry and Members of Council, Loyalist Township
Ms. Agatha Garcia-Wright, Director of Environmental Approvals, MOECC
Ms. Sarah Paul, Director, MOECC
Mr. Paul Evans, Deputy Minister, MOECC
Mr. Serge Imbrogno, Deputy Minister, MOE
Ms. Tracey Mill, Deputy Minister, MNR&F
Mr. Jonathan Espie, Chief of Staff MOECC
Mr. Andrew Teliszewsky, Chief of Staff, MOE
Ms. Stevie O'Brien, Chief of Staff, MNRF
Mr. Vic Schroter, MOECC
Ms. Susanne Edwards, MOECC

APPENDIX 1

Extracted from a submission dated December 15, 2014 from Jonathan Myers of Torys LLP to the Ontario Energy Board in support of an application by Windelectric Inc. for Leave to Construct Application EB 2014-0300

Filed: December 15, 2014

EB-2014-0300

Exhibit B

Tab 1

Schedule 4 Responses to APAI Interrogatories

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1. The following is a list of the permits and approvals that are or which may be needed for purposes of constructing the proposed transmission facilities:

| Government | Authority | Potentially Required Permit or Approval | Estimated Timing |
|------------|--|---|--|
| Federal | Fisheries and Oceans Canada | Completion of self-assessment process for potential fisheries impacts in connection with crossing of one water body | Request for review submitted October 8, 2014. Response expected by January 2015. |
| Federal | Transport Canada | Navigational Clearances under the <i>Navigable Waters Protection Act</i> in connection with the submarine segment of the transmission line. | Notice of Works submitted in early September, 2014. |
| Provincial | Ministry of the Environment | Renewable Energy Approval | Expected in Q 1 2015. |
| Provincial | Ministry of Natural Resources and Forestry | Water Crossings Work Permit under O. Reg. 453/96 of the <i>Lakes and Rivers Improvement Act</i> | Application for Work Permit in respect of submarine segment of transmission line expected to be submitted in Q1 2015 for approval in Q2 2015. |
| Provincial | Ministry of Natural Resources and Forestry | Disposition of Crown Land Authorization | To be sought upon receipt of Work Permit from MNRF, with some overlap between the two review processes. As such, it is estimated that the tenure process |

| Government | Authority | Potentially Required Permit or Approval | Estimated Timing |
|------------|--|---|--|
| | | | would commence in mid-2015 and be concluded within approximately 6 months. |
| Provincial | Ministry of Natural Resources and Forestry | Species at Risk Permit under the <i>Endangered Species Act</i> (if designated species habitat is impacted) | Expected in Q1 2015. |
| Provincial | Cataraqui Region Conservation Authority | Permit for water crossings and works within floodplain under <i>Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation</i> | Application expected to be submitted in Q1 2015, with approval expected within approximately 30 days. |
| Provincial | Ministry of Tourism, Culture and Sport | Archeological and Cultural Heritage Clearances under the <i>Heritage Act</i> | Confirmation letter received in April 2014. |
| Provincial | Ministry of Transportation | Compliance with the <i>Highway Traffic Act</i> and <i>Road Safety Regulations</i> - Highway Entrance Permit, Transportation Permits (e.g. Oversize, Overweight Permit or Special Vehicle Configuration Permit), Crossing Permits, Encroachment Permit | Applications to be submitted so as to receive permits in approximately mid-2015. |
| Provincial | Ontario Energy Board | Notice of Proposal under Section 81 of the <i>Ontario Energy Board Act</i> | To be provided concurrently with generation licence application, upon receiving notice to proceed from the OPA. Maximum 2 months to receive letter of no review. |
| Provincial | Ministry of Labour | Notice of Project prior to commencing construction (to be | Will be obtained prior to start of construction |

| Government | Authority | Potentially Required Permit or Approval | Estimated Timing |
|-------------------|---|--|---|
| | | obtained by contractor) | and is expected in mid-2015 |
| Provincial | Hydro One Networks Inc. | Transmission Connection Agreement | Expected in Q1/Q2 2015 |
| Provincial | Independent Electricity System Operator | Connection Approval | Expected prior to commissioning, following completion of IESO participant authorization, facility and meter registration processes. |
| Provincial | Electrical Safety Authority | Certificate of Inspection | To be obtained upon completion of construction, prior to energization of the transmission facilities. See response to APAI Interrogatory #5.7. |
| Municipal | Loyalist Township | Building Permits, Entrance Permits, Road Use Agreement | See response to Board Staff #3. It is expected that the RUA will be finalized following issuance of the REA. Applications for building permits and entrance permits, as may be needed for the transmission project, will be applied for so as to receive the necessary permits by mid-2015. |