

List of Minister's Directives to OPA

December 6, 2010

Broadcasting Initiative Amendment – Procurement of Renewable Energy Advertisements - Amends the March 18, 2010 Directive. The OPA was directed to develop advertising campaigns to run through the end of 2010 and into 2011 to raise consumer awareness of clean energy opportunities enabled by the Long Term Energy Plan and through the OPA's development of an Integrated Power System Plan. The budget is to remain within the \$8 million budget set by the March 2010 direction.

November 26, 2010

Amendment to the Community Energy Partnerships Program ("CEPP") portion of the September 24, 2009 directive - The OPA was directed, using a third party, to develop and deliver a CEPP that would provide grants to community groups interested in developing renewable energy generation projects in Ontario that are 10MW or less. To enhance the development of community projects in respect of co-operatives only, the OPA is further directed to provide funding of up to \$500,000 for Ontario resident owned co-operatives, for projects over 10MW, but to maintain the minimum project size requirement at 10kW. The OPA is also directed to allocate no more than \$500,000 annually for funding or grants to third parties, for educational outreach programs, to engage local communities and co-operatives, to develop renewable energy projects. The overall CEPP budget is not to exceed \$10 million annually.

November 23, 2010

Combined Heat and Power ("CHP") – The Minister has directed the OPA to work to procure up to a total of 1000 MW of CHP projects consisting of: a) CHP projects procured to date including those procured under the CHP I, CHP II and CHP III RFP processes; b) individually negotiated CHP contracts with projects over 20 MW; c) CHP projects, 20 MW or under, procured through a standard offer program, with procurement limited to cost effective projects located in areas of the Province where local distribution can be accommodated and there are local benefits. This direction replaces and revokes the CHP component of the Minister's direction of June 15, 2005, the Clean Energy Supply Standard Offer Program component of the June 14, 2007 direction, and the direction dated April 10, 2008.

November 23, 2010

Negotiating New Contracts with Non-Utility Generators ("NUG Facilities") (listed in Appendix A of the directive) – The OPA received direction from the Minister to negotiate for new contracts with the owners or operators of the non-utility generators ("NUG Parties") where these would have cost and reliability benefits to Ontario electricity customers. The New Contracts should be structured to provide clear signals to NUG Facilities to operate in a manner that optimizes operation when power is valued highly and does not provide an incentive to operate when the output is not required, or the value of the power is low. The OPA may seek to negotiate other matters with the NUG Parties that would provide benefits to Ontario electricity customers or the Ontario electricity system.

September 17, 2010

Green Energy Investment Agreement (the "Agreement") with the Government of Ontario and the Korean Consortium dated January 2010 – The OPA has been directed, in carrying out the Transmission Availability Tests and Economic Connection Tests under the FIT Program Rules, to hold 500 MW of transmission capacity to be made available in the Bruce area in reserve for Phase 2 projects of the Korean Consortium or its Project Companies. The transmission capacity to be made available in the Bruce area is in anticipation of the completion of the Bruce-Milton line.

August 26, 2010

Atikokan Biomass Energy Supply Agreement ("ABESA") with Ontario Power Generation - After considering the feasibility of converting the Atikokan Generating Station from coal to biomass, OPG is now positioned to commence redevelopment work. The Minister has therefore directed the OPA to make reasonable efforts to complete the negotiation of a long-term energy supply contract and execute the ABESA with OPG by December 1, 2010. It is expected that the ABESA will provide OPG with an incentive to optimize the operation of the facility to reflect the hourly value of power to the Ontario electricity system. The terms of the ABESA should include that OPG source its long-term biomass fuel requirements from Ontario sources, and that OPG seek options to include Aboriginal communities or

businesses among its suppliers. In addition, the ABESA should require OPG to undertake any Aboriginal consultation activities required by law.

July 5, 2010

CDM Program Under the GEA Conservation Framework: Low-Income Conservation Initiative - The OPA received direction from the Minister to commence the design, implementation and funding of an electricity CDM program for low-income residential consumers as part of its suite of OPA-Contracted Province-Wide CDM Programs for the 2011-2014 period. The OPA is to ensure that a component of its program targeting commercial and institutional consumers, targets multi-family buildings, including assisted and social housing. To ensure consumers benefit from a coordinated approach, the OPA is to consider the low-income energy program being developed by the OEB, which is comprised of gas conservation; customer service standards; and emergency financial assistance. In the Fall of 2010, the OPA is to report to the Minister on its recommendations and proposed implementation plan.

April 23, 2010

Conservation and Demand Management Initiatives under the GEA Conservation Framework - The OPA has received this direction to advance conservation, being one of the most cost effective means of dealing with electricity supply issues. The direction is categorized into three areas: (i) strategic co-ordination of OPA contracted province wide programs; (ii) energy efficiency and demand response programs for First Nation and Métis communities; and (iii) support and funding of CDM research and innovation.

The Board is currently working with the Ministry and the OPA to develop conservation targets and a reporting process for LDCs.

April 1, 2010

With respect to the Government's Green Energy Investment Agreement ("GEIA") with Samsung C&T Corporation and Korea Electric Power Corporation (collectively, the "Korean Consortium") to develop 2500 MW of renewable energy projects in Ontario, the OPA is directed to negotiate one or more Power Purchase Agreement(s) ("PPA") with respect to the Korean Consortium projects. The OPA is to commence negotiations on a PPA when the necessary access rights for a project have been demonstrated and upon the recommendation of the joint MEI / OPA Implementation Task Force. Each PPA shall be substantially similar to the FIT contract and rules, with necessary modifications to reflect the terms of the GEIA. The OPA is further directed to give priority to GEIA projects when assessing transmission availability.

March 18, 2010

Broadcasting Initiative – Procurement of Renewable Energy Advertisements – The OPA received a directive from the Minister to develop a TV advertising campaign to run in May 2010 and September 2010. The TV ads are to raise consumer awareness of how participating in the microFIT program provides the opportunity for greening of the electricity sector.

March 4, 2010

Industrial Transmission Connected Electricity Efficiency Program – The Minister issued a directive to the OPA to create and deliver an industrial energy efficiency program. The program's objective is to achieve cost-effective conservation through industrial process improvements that bring energy efficiency gains. The program will be part of the OPA's efforts towards assisting the Province with achieving its aggressive conservation targets, by providing incentives to industrial consumers directly connected to the IESO-controlled grid, to invest in energy efficiency and conservation, as well as by increasing industrial facilities' own investments. Industrial consumers will have a five year period within which to elect to participate in the program.

January 6, 2010

To help support the general adequacy of Ontario's electricity system, the Minister has directed the OPA to move expeditiously to negotiate and execute a New Contract with Ontario Power Generation (OPG) with respect to OPG's Lennox Generating Station (Lennox GS). This contract is necessary in light of the expiry on September 30, 2009 of the most recent Reliability Must Run (RMR) contract between OPG and

the IESO with respect to Lennox. Lennox GS is a 2140 MW dual-fuelled generating station owned and operated by OPG near Kingston, Ontario.

December 8, 2009

Supplementary Initiative to July 13, 2006 Direction re Coordination and Funding of LDC activities to deliver Conservation and Demand-Side Management Programs – the OPA is directed to increase funding for LDC CDM activities by \$50 million and extend the timeframe for available funding under the existing CDM Direction to December 31, 2010.

September 30, 2009

Transmission Availability Test Under FIT Program Rules - The government is exploring opportunities to further enable new green industries through new investment and job creation. The OPA is directed to hold in reserve 240 MW of transmission capacity in Haldimand County and a total of 260 MW of transmission capacity in Essex County and the Municipality of Chatham-Kent jointly for renewable energy generating facilities whose proponents have signed a province-wide framework agreement with the Province.

September 24, 2009

The OPA is directed to develop a feed-in tariff (“FIT”) program that is designed to procure energy from a wide range of renewable energy sources. The development of this program is a key element of meeting the objectives of the Green Energy and Green Economy Act, 2009 (the “Green Energy Act”) and is critical to Ontario’s success in becoming a leading renewable energy jurisdiction.

May 7, 2009

Negotiating New Contracts with Hydro-Electric Generation Facilities - The OPA is directed to enter into new contracts for hydroelectric facilities which are connected to the IESO-controlled grid but not currently owned by OPG. The hydroelectric facilities must not have been previously considered under any renewables RFP, and may have either no contract, or a current contract with a Provincial government body or agency, for any part of the generation output. New contracts for generation facilities without a current contract are to be concluded by August 15, 2009. A new contract for a facility with a current contract will commence after the current contract expires.

January 23, 2009

Biogas Projects and Renewable Energy Standard Offer (RESOP) - The OPA is directed to contract with new biogas electricity generation projects that meet conditions under the current RESOP except that the facilities need not be restricted to farm-based projects, and that their capacity may be above 250kW but no greater than 5MW.

December 24, 2008

Negotiating New Contracts with Early Movers Generation Facilities – The OPA is directed to negotiate new contracts with the owners or operators of the facilities that were listed in the direction on early movers dated December 14, 2005. The new contracts are to expire no later than December 31, 2026 and are to reflect a reasonable cost to Ontario electricity customers and a reasonable balancing of risk and reward.

December 22, 2008

Broadcasting Initiative – Procurement for Energy Conservation Advertisements – As part of the Ministry’s education campaign aimed at advancing public awareness of energy conservation, the OPA is directed to procure advertising space for the broadcasting/publishing of Winter Ads in Ontario. The Ads are to be completed by the last week of March, 2009.

December 19, 2008

Procuring Electricity from a Commercial Durham and York Region Energy from Waste (“EFW”) Facility – The Minister has directed the OPA to contract at a price of 8 cents per kilowatt-hour to procure electricity from the proposed commercial EFW facility being developed by the Regional Municipalities of Durham and York. The production of electricity from this facility will be ancillary to the primary purpose of the facility which is to reduce the need for land filling by the thermal treatment of residual wastes.

September 17, 2008

This Directive amends the Supply Mix Directive dated June 13, 2006. It requires the OPA to revisit the IPSP with a view to establishing new targets in a number of areas including with respect to renewable energy sources and conservation. The Directive also asks the OPA to undertake an enhanced process of consultation with First Nations and Métis communities in light of potential duty to consult obligations. The OPA is to provide the revised IPSP to the OEB within six months.

August 18, 2008

Southwest Greater Toronto Area (GTA) Supply – The Minister has directed the OPA to complete a procurement process by the end of June 2009 for a combined-cycle natural gas-fired electricity generation facility for generating up to approximately 850 MW. The new generation facility will address local area supply inadequacy issues in the Southwest GTA and is to be in-service by no later than December 31, 2013 to support the province's goal to replace coal-fired generation by 2014.

May 1, 2008

Broadcasting Initiative – Procurement for Energy Conservation Advertisements – As part of the Ministry's education campaign aimed at advancing public awareness on energy conservation, the OPA is directed to procure advertising space for the broadcasting/publishing of Summers Ads in Ontario. The goal is to have the Ads timed to run so that they are completed by the second week of August, 2008.

April 10, 2008

Procurement for Electricity From Combined Heat and Power (CHP) Renewable Co-generation Projects – The OPA is directed to develop and launch a procurement process by no later than June 30, 2008 to result in contracts for about 100 MW with proponents of renewable energy projects deriving their energy source from CHP. Such contracts are to be entered into no later than December 31, 2008.

March 12, 2008

Broadcasting Initiative - Procurement for Energy Conservation Advertisements - The Ministry has launched a major consumer education campaign on CDM particularly targeting the residential sector. The OPA is directed to assume responsibility for the initiative with respect to the procurement of advertising space for the broadcasting and publishing of certain advertisements. This activity is expected to cost approximately \$4 million.

February 25, 2008

Procuring Electricity From Energy From Waste ("EFW") Pilot or Demonstration Projects ("PDPs") - The Ministry of the Environment has developed an initiative to test and evaluate EFW technologies. The goal of this initiative is to encourage the development of new or improved EFW technologies with improved environmental performance. The Minister of Energy has directed the OPA to negotiate with the proponents of any pilot or demonstration EFW project participating in the initiative to procure any net electricity produced and offered from such project during the time that it is participating in the initiative.

January 31, 2008

Procuring Approximately 350 MW of New Gas-Fired Electricity Generation for Northern York Region - The letter from the Minister directs the OPA to develop local area generation to address supply inadequacy issues in the Northern York Region. The OPA is therefore directed to competitively procure a simple (single)-cycle gas-fired electricity generation facility with a rated generation capacity of approximately 350 MW and not more than 400 MW. The facility is expected to be in-service by no later than December 31, 2011 and should be in the vicinity of the 230 kV transmission lines supplying the Armitage and Holland transformer stations.

December 20, 2007

Hydroelectric Energy Supply Agreements with Ontario Power Generation Inc. - Letter from the Ministry to further the renewable energy capacity in Ontario by 2025 by directing the OPA to assume the responsibility of negotiating with OPG a number of contracts respecting hydroelectric projects located at the following OPG hydroelectric station sites: 1. LAC Seul; 2. Upper Mattagami; 3. Healey Falls; 4. Lower Mattagami; and 5. Hound Chute.

August 27, 2007

Procurement of up to 2,000 MW of Renewable Energy Supply - Directive based on potential identified by OPA for up to 2,000 MW of new renewable generation projects that are greater than 10 MW in size to come into service by 2015. The OPA is further directed to ensure that appropriate consultation with First Nations and Métis peoples takes place with respect to projects procured by the OPA under this directive.

June 14, 2007

Clean Energy and Waterpower in Northern Ontario Standard Offer - to expand the SOP initiative in the areas of clean energy supply and small, transmission-connected waterpower projects in northern Ontario; and to have these parts of the SOP in place by the fall of 2007. It is expected that the OPA will enter into contracts with small generators to implement these parts of the SOP.

July 13, 2006

Coordination and Funding of LDC activities to deliver CDM Programs - Immediately organizing the delivery and funding of CDM programs through LDCs in Ontario. Funding limited to \$400 million over three consecutive years.

June 13, 2006

Integrated Power System Plan - OPA to create IPSP to meet DR from conservation by 6,300 MW by 2025. Plan should reduce projected peak demand by 1,350 MW by 2010, and by another 3,600 MW by 2025. The reductions of 1,350 MW and 3,600 MW are to be in addition to the 1,350 MW reduction set by the government as a target for 2007.

March 21, 2006

Standard Offer Program - directing OPA to have the Program in place by the fall of 2006, and as a consequence enter into contracts with small renewable generators to implement the Program.

March 10, 2006

Conservation and DSM Initiatives (Residential Sector) - Directing OPA to assume responsibility for this initiative and implement by fall of 2007 reducing demand in residential sector by 150 MW.

March 10, 2006

Conservation and DSM Initiatives Commercial Buildings and MUSH Sector - Directing OPA to assume responsibility for this expanded initiative and implement by fall of 2007 reducing demand in commercial buildings and MUSH sector by 150 MW.

February 10, 2006

Toronto Reliability Supply and Conservation Initiative - with respect to 2,500 MW RFP and priority zones 1) Leaside Sector by summer 2008; PEC contract by May 2006; OPA to seek 300 MW of DSM or DR in Toronto by 2010.

February 9, 2006

Procurement Processes - Addendum #1 to Procurement Processes Directive of June 15, 2005 (to be consolidated as part of the original directive).

December 14, 2005

Early Movers - Negotiate and Conclude Contracts with Certain Generation Facilities - replaces June 15, 2005 directive - "Early Movers".

November 16, 2005

RES II RFP - Contracts relating to the RFP for 1,000 MW of Renewable Energy Supply Projects with a Contract Capacity of between 20 MW and 200 MW, inclusive, issued by the MOE on June 17, 2005, as amended (the "RES II" RFP). The OPA is directed to enter into contracts with the nine suppliers who were selected pursuant to the RES II RFP and listed in the directive.

November 7, 2005

RES I RFP - MOE directing the OPA to assume, by November 10, 2005 responsibility for all contracts previously the responsibility of the OEFC (Buyer) as agent of the Crown, that were from its June 24, 2004 RFP to procure 300 MW of new electricity supply.

October 20, 2005

GTA West Supply Initiative - Goreway Station Project - immediately execute an Implementation Agreement with project proponent re costs that must be incurred if in service is summer of 2007; negotiate contract by December 31, 2005.

October 20, 2005

CDM Initiatives (Appliance Change-Out and Efficient Lighting Initiatives) - to reduce overall electricity consumption and demand by residential, commercial, and industrial customers.

October 14, 2005

Contracts for the Refurbishment of Bruce A at the Bruce Nuclear Facility Generating Station - Deliver to counterparties on October 17, 2005, the Bruce Power Refurbishment Agreement and the Refinancing Agreement.

October 6, 2005

CDM Initiatives (Residents of Low-Income and Social Housing) - to reduce overall electricity energy consumption and demand for low-income and social housing.

June 15, 2005

Procurement Processes - Immediate Launch of Procurement Processes to address needs in Downtown Toronto and Western Greater Toronto Area, and to develop additional Demand Management, Demand Response, and High Efficiency Combined Heat and Power Supply.

June 15, 2005

"Early Movers" - Negotiate and Conclude Contracts with Certain Generation Facilities.

March 24, 2005

2,500 MW RFP - Execution and delivery of CES contracts and a DR contract in accordance with the terms of the 2 500 MW RFP.

Other Letters to OPA from Minister - Not Considered Directives

May 7, 2010

Since the September 2009 ministerial instruction to Hydro One to plan, develop and implement 20 major transmission projects in Ontario, there have been a number of developments, such as the favorable interest in the OPA's Feed-in-Tariff program, and the Korean Consortium agreement to develop 2500 MW of renewable energy projects in Ontario. The Minister writes to emphasize the need for continued co-ordination between the OPA and Hydro One and requires the OPA to submit an updated transmission expansion plan by June 11, 2010. This plan is to provide recommendations for development sequencing of priority transmission projects, taking into account the needs of FIT and the Korean Consortium, and lay out an implementation approach that will ensure that key government commitments are met.

February 2, 2010

Ontario Power Generation's (OPG) Proposed Hydroelectric Development on the Lower Mattagami River in Northeast Ontario - The Minister has reaffirmed the instructions outlined in the December 20, 2007 directive stating that with respect to the Lower Mattagami River project, the government continues to support the project and encourages the OPA to proceed to executing a financial supply agreement with OPG.

August 28, 2007

Contracts for the Refurbishment of Bruce A at the Bruce Nuclear Generating Station - Letter from the Ministry consenting to the OPA entering into the First Amending Agreement and to materially amend the Refurbishment Implementation Agreement, and to amend the STAR Agreement. The letter indicated that the OPA provided a Fairness Opinion from CIBC World Markets regarding the First Amending Agreement and that the OPA briefed MOE staff and OFA staff on the details of the proposed amendments; and also that significant legal, financial and technical due diligence was taken with the proposed amendments to both the Refurbishment Implementation Agreement and STAR Agreement.

March 27, 2006

Standard Offer Program - OPA to investigate economic and technical issues with connecting small waterpower projects to transmission systems in northern Ontario and provide recommendations to Minister.

August 18, 2005

Standard Offer Program - Develop in co-operation with the OEB the terms and conditions for a standard offer program for small generators embedded in the distribution system that use clean or renewable resources.

May 2, 2005

Supply Mix - commencement of long-term planning exercise and request for recommendation on supply mix. Minister requesting a report by December 1, 2005 to include amongst other things, conservation targets for 2015, 2020 and 2025; recommendations re adds of new renewable energy capacity by 2015, 2020 and 2025.

March 1, 2005

York Region - request to help identify and assess possible solutions to address local reliability issues.

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