



October 18, 2006

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

**Attention:** Kirsten Walli,, Board Secretary

Dear Ms. Walli;                    **re: Board File No. EB-2006-0226**

This letter is in response to the Ontario Energy Board correspondence of October 11, 2006 inviting comments regarding a proposed amendment, and subsequent clarification of that proposed amendment, to Section 3.2 of the Retail Settlement Code (“RSC”).

I am a principal of Energy Box (2002) Inc., a company formed to own and operate small onsite generation facilities. I speak on behalf of Energy Box (2002) Inc. and its shareholders. Energy Box plans to apply for contracts to supply the Ontario Power Authority with electricity under the terms of the upcoming Standard Offer Program.

Energy Box proposes to install and operate generators that make use of a Bio-fuel feedstock. The components of Bio-fuel are commodities that trade on a world wide basis. This dictates that for long term business health the Bio-fuel be used in the most efficient manner. Accordingly, Energy Box is seeking sites for its generators adjacent to facilities that can make use of the thermal energy that it produces as part of the generation process. This is the familiar co-generation model.

Energy Box is in discussion with a number of possible sites. In all cases Energy Box and its potential thermal energy customers are at arms length, within the meaning of the law. In some cases the most electrically efficient and cost effective way of connecting to the electricity grid is to make that connection on the load customer side of a primary meter. The concern is that the “Clarification Regarding Section 3.2 of the RSC” makes this impossible to do since it potentially imposes a financial hardship on the distribution company involved.

The output from the generator is metered in any case. I understand that the metering protocols exist to separate the generated output and the load customer usage on an accurate and timely basis. I respectfully suggest that the language of the “Clarification Regarding Section 3.2 of the RSC” be modified to allow the local distribution company to separate, for billing and settlement purposes, the electricity flows of a load customer and an imbedded generator that are operating at arms length but who are connected on the load customer side

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of the load customer's meter.

It is a condition precedent of the Standard Offer Program that the prospective generator obtain the approval of the local distribution company for its proposed connection point. Accordingly the local distribution company has to be satisfied with the viability of any metering solution proposed. The local distribution company will only approve those connections that allow it to make an equitable and timely settlement.

Crafting the proposed amendment to Section 3.2 of the Retail Settlement Code in such a way that a load customer and an imbedded generator operating at arms length can share a connection point inside of the load customer's meter will greatly increase the opportunity, in the Province of Ontario, for small generators to participate in the supply of electricity produced from renewable fuel feedstocks.

Respectfully submitted,

***Peter R. Bell***

Peter R Bell  
for  
Energy Box (2002) Inc.