

October 11, 2006

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

Re: EB-2006-0226
By e-mail: boardsec@oeb.gov.on.ca

Dear Ms. Walli,

My name is Paul Merkur, I am the President of Gengrowth Renewables Inc. (Gengrowth). Gengrowth is an energy company made up of a team of professionals together possessing significant cross-functional experience in the global wind energy industry, who have been directly responsible for developing many of Canada's wind energy projects. Gengrowth is currently developing ten – 10 MW wind energy projects in Ontario for the Standard Offer Program (SOP). So far, each project has received very supportive comments from the host communities, secured approximately 500 acres of land, has completed a Connection Impact Assessment (CIA) with Hydro One, has been grandfathered under the Hydro One queue, has collected wind resource information from a number of different sources and has conducted field work required for the environmental permits.

In our case, Hydro One completed our CIAs over the summer of 2006 and has provided us with notice that we must complete the Cost Estimate Agreements by November of this year, in order for Gengrowth to maintain its grandfathered positions in the generation connection queue and maintain the relevance of its CIAs. Once the Cost Estimates are completed, we further understand that Gengrowth will be expected to sign the Connection Cost Recovery Agreements (CCRA) shortly thereafter to continue to maintain its grandfathered generation connection queue positions. While this timeline is very tight, we recognize that the changes Hydro One has made are the result of a connection application process that allowed completed CIAs to informally hold generation connection queue positions for an unlimited amount of time and block other generation projects from moving forward.

The purpose of this letter is to express our feedback on the recently proposed amendments to the Distribution System Code (DSC) and the Retail Settlement Code (EB-2006-0226). Specifically, I want to comment on proposed amendment 13, sections 6.4.9.1 and 6.4.9.2; which deal with the queuing mechanism to be established for the processing of generation connection applications. Our opinion is as follows:

- (1) ***We feel that the new process put in place by Hydro One, effective March 2006, is fair for all projects that have grandfathered positions in the generation connection queue; and***
- (2) ***To compliment this new Hydro One process, we feel it is fair to change the DSC so that the relevance of a CIA is limited to thirty (30) months after it has been completed by the local distribution company (LDC), not including any delays that the LDC may have imposed. In other words, an initial application to connect a generation project to the distribution system made prior to March 2006 should be removed from the generation connection queue if a CCRA is not signed within 30 months of the date of the connection impact assessment was completed.***

As an aside, I would also like to note that Gengrowth is a member of Canwea; however, unfortunately, we do not agree with their suggestions addressing the same proposed amendment 13. Gengrowth appreciates the opportunity to comment on EB-2006-0226. Thank you for your consideration. Please feel free to contact me at any time with any questions.

Yours sincerely,

A handwritten signature in cursive script that reads "P. Merkur".

Paul Merkur LL.B. MBA
President