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Land's End Corporation

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October 10, 2006

VIA Mail & Email: nataha.sookmangal@oeb.gov.on.ca

Board Secretary's Office
Ontario Energy Board
2300 Yonge Street, Suite 2700
P.O.Box 2319
Toronto, Ontario
M4P 1E4

Attention: Natasha Sookmangal,

RE: Comment Letter to Ontario Energy Board (the "OEB") from Windrush Energy division of Land's End Corporation (the "Corporation") in respect of Queuing Process Section 6.2.4.1 (d) (the "Queuing Process").

The Corporation would like to take this opportunity to respond to the OEB **in respect of the Queuing Process** and thanks the OEB for continuing to provide an open, transparent and effective consultation process with the energy sector.

The Queuing Process, in draft form, currently provides that a **ten per cent (10%) change in the capacity of a given project would be considered a "material change"** and would result in the developer in question having to re-apply for a position in the queue for connection to the grid.

The threshold of materiality of 10% of too low and, specifically when referring to renewable sources of energy such as wind, may have the unfortunate result of delay or terminating altogether certain projects which have been in the planning stage for several years.

As the OEB is no doubt aware, **the market for wind turbines is global in scale and has seen a dramatic worldwide increase – not only in demand but also in price.** As various countries have moved to decrease harmful emissions and their reliance on carbon and other fuel sources, power from wind and other renewable sources of energy has been seen to be increasingly attractive. However, **the net result of this attractiveness has been often an extended delay in delivery of specific turbines and price increases of up to 40% with the past 24 months. When considering acquiring wind turbines, time is most certainly of the essence and any delay,** such as the one that would be caused by a potential 10% variance in a project, could prove fatal for the project.

The 10% threshold fails to acknowledge **the reality of the wind industry that there are a number of configurations and turbine manufacturers which, in turn, can result in changes due to the extended time frames that have been ongoing for developing wind power in Ontario.**

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Under this world-wide environment the **key determination for developing a wind project is not only output and efficiency, but also reliability, price and availability of delivery.** For instance a wind developer may be considering installing six (6) General Electric GE1.5 turbines with a face-plate capacity of 9.0 MW.

The developer may, for a variety of reasons including immediate availability, or unexpected price increases, need to change to five (5) Enercon or Vestas 2.0MW turbines; or, four (4) Clipper or GE 2.5MW turbines all with a face-plate capacity of 10.0 MW. Under this scenario, the draft rules would result in the developer in question triggering the materiality provision and requiring a new application for a spot in the queue. **The Queuing Process, in this scenario, would cause further undue delay and would impose an unnecessary hardship on the developer by way of even more cost increases while awaiting a new approval.**

Naturally the Corporation recognizes the OEB's requirement to have predictable and dependable sources of energy. The practical reality, insofar as it applies to the Standard Offer Program (the "SOP") is that a cap of 10.0 MW has been imposed. **Under the SOP cap all developers would naturally seek to maximize the economic productivity of their projects,** in particular when connection distances also elevate costs for a 10MW cap.

As the OEB must regulate this market, **we respectfully submit that the OEB consider increasing the threshold of materiality to a more reasonable level of 25%.** A materiality threshold of 10% is simply too low and is likely to cause uncertainty in the Ontario energy market.

The Corporation would welcome the opportunity to speak further with the OEB on this matter of significant importance.

With best regards,
Windrush Energy division
Land's End Corporation

A handwritten signature in blue ink, appearing to read "J.C. Pennie", is written over the text of the letter.

J.C. Pennie
President

cc: Erich Ossowski, Vice-President, Creststreet Capital
Peter Carayiannis, General Counsel
Jill Medley, Ontario Power Authority