



January 28, 2008

Independent Electricity System Operator
Attention: Stakeholder Engagement
Station A, Box 4474
Toronto ON M5W 4E5

Re: SE-57 Feedback Embedded Generation Discussion Paper

Thank you for the opportunity to provide feedback on the Embedded Generation discussion paper. Please take note that this feedback is provided by Bluewater Power Generation (BwPG) which is an affiliate to Bluewater Power Distribution (the LDC).

In regards to Recommendation #1, BwPG agrees that Real Time visibility of embedded generation would help facilitate the reliability of the electrical system in Ontario. BwPG would support and participate in an inexpensive method of providing this information to the IESO. BwPG feels this requirement should be limited to projects above 500 kW and/or with high speed internet connectivity. BwPG feels that the IESO should make this information available to the host LDC if requested.

In regards to Recommendation #2, BwPG is concerned that this decision may have already been decided upon given that System Impact Assessment Application Form-1536 has been revised and appears to be a requirement for all new generation. If this is not the case, BwPG is interested in seeking further input as to the trigger levels and participant obligations. BwPG feels trigger levels need to be triggered using dynamic modeling and location specific data. Furthermore, BwPG feels that the IESO needs to investigate using a "Direct Output Down" option in addition to possibly a "Constrained Off" option.

In regards to Recommendation #3, BwPG is in general agreement that performance standards should be reviewed in order to maintain reliability when there is a net injection of embedded generation into the transmission grid. However BwPG strongly feels that the resulting costs should be "socialized" Provincially and the overall value of the injection must undergo a cost-benefit analysis with "Constrained Off" as the alternative.

Sincerely,

Tim Vanderheide
Chief Operating Officer
Bluewater Power Generation