

June 26, 2008

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

Subject: Comments on IESO Recommendations Document Entitled "Stakeholder Engagement SE-57 Embedded Generation Status Update"

To Whom It May Concern:

SunEdison Canada appreciates the opportunity to provide comments on the IESO's recommendations and next steps contained in the subject document.

SunEdison Canada is a wholly owned subsidiary of Sun Edison LLC, North America's largest solar energy services provider operating across a global marketplace. SunEdison provides solar-generated energy at or below current retail rates to its client base of commercial, government and utility customers.

We own and operate more solar power plants and deliver more megawatt hours than any other solar energy services provider in North America. And more recently, we have begun to expand across a global marketplace.

Currently SunEdison is committed to develop at least 50 MW of solar projects under the Renewable Energy Standard Offer Program in Ontario. As a result, we have a particular interest in the IESO's recommendations and the resulting implementation details.

Provided below are SunEdison's comments to each of the recommendations and next steps outlined in the subject paper:

Connection Assessment and Approvals Process (CAA):

SunEdison agrees with the IESO recommendations and further recommends that the IESO mandate cycle-time targets for SIA, CIA and Connection Approval by distribution utilities and transmission utilities. Such time-based targets would reduce the cycle time for project development and would require utility initiatives such as:

- Training
- Business Process Improvement
- Staffing Upgrades/Expansions
- Performance Metrics

The economics of renewable energy projects can change quickly over time, as can community support, the availability of equipment and financing, and the designation of transmission zones as green, yellow or orange by the OPA. The risk that unreasonably lengthy delays in the connection assessment process by LDCs, transmitters or the IESO

could delay the development of a project indefinitely, or delay it long enough to make the above-noted changes likely, is a material disincentive to investing in early-stage projects in Ontario. Guaranteed cycle-times would relieve this disincentive.

We look forward to reviewing and commenting on the proposed amendments to market rules and processes required to “facilitate connections to the distribution system while ensuring reliability will be maintained”.

As well, SunEdison would welcome the opportunity to help inform distributors on the characteristics of solar resources that would be required for distributors to calculate reverse power flows.

Performance Standards:

Overall we agree with these recommendations but do have a couple of questions for the IESO’s consideration:

1. Will the anticipated changes to the performance standards and rules be consistent with the IEEE 1547 standards typically at the core of any expedited interconnection rules? These IEEE standards are already adhered to by many renewable technologies, and would likely address the concerns identified by the IESO as adequately as the proposed blanket prohibition on automatic reconnection.

The recommendation refers to changes assisting proponents to “*utilize emerging technologies in an economically responsible manner*”. For example, a performance standard could be economically responsible from a consumer perspective, but may not be economically responsible for the project investors (which could include community groups). As well, it is unclear how such an assessment would be done and what factors would be considered (i.e. impacts on the environment and human health). SunEdison believes more clarity in terms of intent and criteria for analysis is required to make sure all proponents and the IESO are working to the same goal during consultations.

SunEdison looks forward to reviewing and commenting on the proposed amendments to market rules and processes required to implement these changes.

Visibility (Telemetry):

SunEdison agrees with these recommendations subject to the following concerns:

1. The recommendation directs the various agencies to develop “*an effective and inexpensive means of providing real-time visibility*”. Many renewable generation proponents already have these types of systems in place, so we suggest that the IESO consider including proponent input as well to ensure that the agencies consider the costs and data available from those systems already in operation.
2. If the IESO is planning to use this information to curtail embedded generation under certain conditions, proponents will need to have a very clear understanding of the criteria to be used to decide who is curtailed. This information will be critical to project economics.

Again, SunEdison looks forward to reviewing and commenting on the proposed amendments to market rules and processes required to implement these changes.

Next Steps:

Connection Assessment and Approvals Process – SunEdison agrees with moving forward on the details as soon as possible to help expedite the significant contribution that solar projects can make to the security of supply for Ontario consumers. We look forward to contributing to these discussions.

Performance Standards – SunEdison agrees with these next steps and would like to participate in the technical conference. We hope that once the technical conference is over, proponents will still be engaged on providing comments to proposed recommendations before they are final.

SunEdison welcomes any changes to the connection process and rules that would help remove the roadblocks currently impairing Ontario's ability to meet its renewable energy objectives. As well, the cost to proponents of the current lack of clarity and overall confusion in the connection process makes it more challenging for proponents to improve their value proposition for Ontario consumers.

We thank you for considering our comments and look forward to working together.

Best regards,

Jill Medley
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Director of Regulatory Affairs - Canada