

TO : FIT, RES III and HCI suppliers
FROM : JoAnne Butler, Vice President, Electricity Resources, Ontario Power Authority
DATE : December 9, 2010
RE : IESO's "Integrating Renewable Resources – Design Principles"

Building on the principles laid out in the Green Energy and Green Economy Act (GEA), the Long Term Energy Plan highlights Ontario's commitment to renewable generation being an important part of the province's supply mix. To facilitate this rapid expansion of renewable generation, the IESO is considering modification of the current Market Rules. These modifications will be guided by the "Integrating Renewable Resources - Design Principles" paper that was developed and which has recently been released for comment through the SE-91 initiative¹.

The OPA recognizes that some or all of the potential modifications to the IESO Market Rules may impact OPA contracted facilities and that the efficient integration of renewables into Ontario's electricity system may depend on how any revised Market Rules and OPA contracts interact. As a result the OPA is working alongside the IESO and all stakeholders to achieve such efficient integration.

To facilitate a productive stakeholder engagement process, the OPA is committed to working with Suppliers to accomplish the goals of efficiently and reliably integrating renewable generation into the system. The OPA recognizes its obligations under the FIT, RES III and HCI contracts and is committed to a process whereby such contracts are amended in accordance with their terms to mitigate the economic effects of any revised Market Rule that materially affects the supplier's economics.

A handwritten signature in blue ink, appearing to read "JoAnne C. Butler", is positioned above a horizontal line.

JoAnne C. Butler
Vice President, Electricity Resources
Ontario Power Authority

¹ For further details, please refer to the SE-91 page on the IESO website: http://www.ieso.ca/imoweb/consult/consult_se91.asp