

Ministry of Energy

Office of the Minister

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August 25, 2011

Mr. Colin Andersen
Chief Executive Officer
Ontario Power Authority
1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Mr. Andersen:

Re: Amending Previous September 24, 2009 Direction Regarding Aboriginal Energy Partnerships Program to Include Capacity Funding for Participation on Transmission Projects

I write pursuant to my authority as the Minister of Energy in order to exercise the statutory powers of ministerial direction which I have in respect of the Ontario Power Authority (the "OPA") under subsection 25.32 (4.5) of the *Electricity Act*, 1998 and to provide the OPA with further direction regarding the Aboriginal Energy Partnerships Program (the "AEPP") as first established by the minister's direction of September 24, 2009.

In its Long-Term Energy Plan ("LTEP"), Ontario recognized the importance of a modern and reliable transmission system in achieving the province's key electricity sector objectives. The LTEP identified five priority transmission projects to integrate renewables, meet provincial demand growth and ensure reliable service. The OPA has also been directed to prepare a plan for remote community connections and will plan and study additional transmission projects as demand and changes to supply require.

Accordingly, I hereby direct the OPA to adjust the AEPP to provide funding support to Aboriginal communities that are exploring equity positions in future, planned, major transmission lines in Ontario where OPA has identified a need for transmission capacity. Funding preference for this initiative should be given to Aboriginal communities where these lines cross a community's traditional territory.

The initiative shall be open to Aboriginal communities as defined by the Feed-in Tariff Program rules. Aboriginal communities applying to the program developed

by the OPA under this initiative must be: a) partnered with or exploring a partnership with a licensed transmitter in Ontario or b) a licensed transmitter in Ontario or seeking to become one. Further, the OPA shall establish a reasonable timeframe for reimbursement of eligible costs incurred between November 23, 2010 and the date the program developed by the OPA under this initiative is launched.

In carrying out this initiative the OPA will make available up to \$500,000 in total funding for each transmission line. Funding for this initiative shall come from within existing funding levels established to deliver the AEPP. In addition, the OPA shall develop appropriate program criteria to carry out this initiative.

This direction is effective and binding as of the date hereof.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Duguid', written in a cursive style.

Brad Duguid
Minister