



Chippewas of Georgina Island

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October 21, 2008

Dillon Consulting
c/o Pristine Power Inc.
235 Yorkland Blvd.
Suite 800
Toronto, ON
M2J 4Y8
Attention: Mr. Mario E. Buszynski

Dear Sirs

Re: Proposed Procurement of 350 MW of new gas-fired electricity generation for Northern York Region by the Ontario Power Authority (OPA)

We are in receipt of your letter dated August 25, 2008, a copy of which is attached. The Chippewas of Georgina Island take particular interest in the 350 MW gas-fired peaker plant that is proposed for northern York Region.

This proposed procurement comes as a surprise to us. Recently, we received your letter along with several others from developers interested in building a peaker plant in northern York Region. To date, no one from the OPA nor the Minister of Energy and Infrastructure (MOE) has contacted us directly in connection with this project which is planned within our traditional territory. Accordingly, we have initiated our own review of this procurement and wish to take this time to share our views with you.

We will be requesting that the MOE re-evaluate the forecast assumptions for this peaker plant before proceeding any further with this procurement. The OPA overestimated load growth in its evidence and did not adequately acknowledge the impact conservation measures have on peak demand. Moreover, the assumptions in the OPA's evidence are directly connected to conservation forecasts which Minister Smitherman has asked the OPA to re-evaluate in the IPSP. Accordingly, it would not be prudent to continue with this procurement project. Furthermore, in light of the Crown's duty to consult obligations with First Nations, we also suggest that it would be prudent to re-evaluate the consultation that has taken place thus far.

We note that on July 27, 2005, the Ontario Energy Board (OEB) issued a letter of direction to the OPA asking for evidence to address the growing demand for electricity in York Region. Evidence was submitted by the OPA on September 30, 2005, (the "NYR Study") which was based on projections in 2005 for a load growth increase of 3.5% per year for the next 10 years. Clearly, this evidence is no longer representative. In fact, the IESO's 18 month outlook report that was issued September, 2008 states that, "demand for the first 8 months of 2008 is tracking lower than in 2007. Weather corrected energy demand is down 1.4% and demand from directly connected industry dropped by 1.9% compared to the same period for 2007."

Ontario is currently undergoing a profound change in economic growth and, as stated, there is a need to re-evaluate the forecasts which support the OPA evidence from the NYR Study. From our reading of the NYR Study at s.2.1.2, the report submits that urgency for this project is off-set by demand and that the forecasts do not hold true if circumstances in the future result in profound changes in economic or population growth. Furthermore, the OPA Evidence points to uncertainties with respect to CDM programs and future CDM funding uncertainties as support for procuring a peaking plant in the near term. Again, we do not see how these assumptions are still relevant especially when the Minister Smitherman is aggressively pushing conservation and implementation of Smart-metering programs, which specifically address peak period usage.

As you may be aware, the Supplementary Directive calls for new targets in the amount and diversity of renewable energy sources in the supply mix and, among other things, asks the OPA to review its conservation targets. The Chippewas of Georgina Island support the addition of renewable energy resources into our traditional lands provided local communities receive priority access to the transmission system which they have helped pay for and that benefits accrue to local communities. We also support the MOE's push for increased conservation measures. We do not support gas-fired or nuclear facilities and we strongly believe that there are other environmental options which are cost effective and reliable for consumers.

Regarding consultation, the NYR Study makes reference to a broad stakeholder process, yet consultation with First Nations was not mentioned in the September 30, 2005 report nor is there any direct reference to consultation with First Nations in the NYR RFP. Since 2005, the MOE has sent clear messages to the OPA on numerous occasions requesting that the OPA engage First Nations due to potential duty to consult obligations. The stakeholder process that took place back in 2005, is clearly lacking and does not meet current standards set by the MOE in its other directives, namely, the IPSP Directive, the 2000 MW Renewable Energy Sources Directive and most recently, the IPSP Supplementary Directive.

As a First Nation, we are not a part of Ontario's municipal approvals processes, which are regulatory screening mechanisms to gauge community support and approval. Our interests as First Nations do not typically factor into the municipal decision making process and so the only regulatory screening processes, which we can meaningfully participate in, are consultation processes mandated by the Crown and carried out by the OPA. For this reason, among others, we will be strongly pushing the MOE and the OPA to hold off on this procurement while forecasts can be re-evaluated and we are given a chance to be involved in this process.

As a First Nation, we are also actively pursuing economic development options within our communities to support and sustain us for the long term. Those economic development opportunities can also have the effect of creating competing interests with other proponents in the course of consultation proceedings. In the situation at hand, as a matter of principle, we do not support large scale inefficient fossil-fired facilities in our traditional territories and as a matter of competing interests, we also do not support the location of a 350 MW fossil-fired powerplant within our traditional territory. Currently, we have a 20 MW planned renewable energy project and we have also completed studies for locating up to an

additional 100 MW of future renewable energy supply which would contribute to the local generation over the near term. We feel, and our supporters agree, that our proposed generation plans in the York Region are consistent with the need to provide local area generation in York Region. We also feel that it would be imprudent for the MOE to continue with procurement in view of the fact that that MOE is awaiting the receipt of new evidence pursuant to the Supplementary IPSP Directive.

Yours truly,

A handwritten signature in black ink, appearing to read 'Donna Big Canoe', written in a cursive style.

Chief Donna Big Canoe,
Chippewas of Georgina Island