

- Would require compliance with Expropriations Act including the establishment of the value to be paid for the land.
- Exercise of expropriation authority could be challenged by current owner as not being necessary for purposes of government or necessary for the benefit of the public.

Brenda Linington, Senior Counsel, Ministries of Energy and Infrastructure 416 325 1785, fax 416 325 1781, brenda.linington@ontario.ca

THIS COMMUNICATION MAY BE SOLICITOR/CLIENT PRIVILEGED AND CONTAIN CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE PERSON(S) TO WHOM IT IS ADDRESSED. ANY DISSEMINATION OR USE OF THIS INFORMATION BY ANYONE OTHER THAN THE INTENDED RECIPIENT(S) IS PROHIBITED. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR PLEASE NOTIFY brenda.linington@ontario.ca AND DELETE THE MESSAGE. THANK YOU

Privileged and Confidential

Ministerial Zoning Order

Brief Description

- Ministerial Zoning Orders (MZO's) are issued by the Minister of Municipal Affairs and Housing under the Planning Act.
- An MZO would impose Minister's zoning on the land and change the permitted uses of the land (e.g an MZO could say that there could never be generation on this site moving forward)

Pro's of MZO

- Sends a message to the community to wipe off use of site. In this way an MZO could be used as a political message.
- Doesn't freeze the land for other uses (ie. Owner could still use land in other ways that are compliant with MZO)
- Any future building permits would have to comply with the MZO
- Financers may react negatively to the removal of the generation use

Con's of MZO's

- operates on a prospective basis;
- would not affect rights under existing building permits and construction under these permits can continue

Fisher, Petra (ENERGY)

From: Linington, Brenda (ENERGY)
Sent: November-15-11 4:01 PM
To: Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY)
Subject: FW: bullets for DM - Mississauga plant

Hi – would just delete less flexibility as implies a comparison when there is no other available process other than willing seller which we don't have – have added some other pros and cons

Expropriation

- Government has 2 separate expropriating powers:
 - The Minister of Infrastructure has authority to expropriate land necessary for the use or purposes of the government.
 - The LGIC may direct the Minister of Infrastructure to expropriate land that the LGIC considers necessary for the benefit of the public.
- Pros
 - Would trigger a known process under the Expropriations Act, including the establishment of value to be paid for land
 - Could be used in combination with other options to secure control of land.
 - Triggering of expropriation process should result in termination of construction as funding may be impacted and current owner may not want to invest further if ownership not secure
- Cons
 - May take some time to complete process under Expropriations Act.
 - Exercise of expropriation authority could be challenged by current owner or possibly others with interests as not being necessary for purposes of government or necessary for the benefit of the public.

Brenda Linington, Senior Counsel, Ministries of Energy and Infrastructure 416 325 1785, fax 416 325 1781, brenda.linington@ontario.ca

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From: Calwell, Carolyn (ENERGY)
Sent: November 15, 2011 3:46 PM
To: Linington, Brenda (ENERGY); Kacaba, Jennifer (ENERGY)
Cc: Perun, Halyna N. (ENERGY)
Subject: RE: bullets for DM - Mississauga plant

Thanks for doing this so quickly, Brenda. I understand that the DM wants pros and cons. I tried to re-work what you sent to frame it in that way. Please revise as necessary:

Expropriation

- Government has 2 separate expropriating powers:
 - The Minister of Infrastructure has authority to expropriate land necessary for the use or purposes of the government.
 - The LGIC may direct the Minister of Infrastructure to expropriate land that the LGIC considers necessary for the benefit of the public.

- Pros
 - Would trigger a known process under the Expropriations Act, including the establishment of value to be paid for land
- Cons
 - Requires compliance with the Expropriations Act (less flexibility).
 - Exercise of expropriation authority could be challenged by current owner as not being necessary for purposes of government or necessary for the benefit of the public.

From: Linington, Brenda (ENERGY)

Sent: November 15, 2011 3:35 PM

To: Kacaba, Jennifer (ENERGY); Calwell, Carolyn (ENERGY)

Cc: Perun, Halyna N. (ENERGY)

Subject: bullets for DM - Mississauga plant

- The Minister of Infrastructure has authority to expropriate land necessary for the use or purposes of the government. The LGIC may direct the Minister of Infrastructure to expropriate land that the LGIC considers necessary for the benefit of the public.
- Would require compliance with Expropriations Act including the establishment of the value to be paid for the land.
- Exercise of expropriation authority could be challenged by current owner as not being necessary for purposes of government or necessary for the benefit of the public.

Brenda Linington, Senior Counsel, Ministries of Energy and Infrastructure 416 325 1785, fax 416 325 1781, brenda.linington@ontario.ca

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Fisher, Petra (ENERGY)

From: Duguid_Brad-MPP <bduguid.mpp@liberal.ola.org>
Sent: November-15-11 5:12 PM
To: Write2us (ENERGY)
Subject: FW: Power Plant Lies

From: Leon Budahazy [mailto:leon.budahazy@rogers.com]
Sent: Monday, November 14, 2011 8:05 PM
To: Sousa_Charles-MPP-CO; Mangat_Amrit-MPP-CO; mississauga.east.cooksville@liberal.ola.org; Jacek_Helena-MPP; Duguid_Brad-MPP; Cansfield_Donna-MPP-CO; chris.fonseca@mississauga.ca; Broten_Laurel-MPP-CO; jim.tovey@mississauga.ca; mayor@mississauga.ca; councillor_grimes@toronto.ca; councillor_milczyn@toronto.ca; councillor_lindsay_luby@toronto.ca; councillor_doucette@toronto.ca; councillor_holyday@toronto.ca; councillor_nunziata@toronto.ca; mayor_ford@toronto.ca; Best_Margarett-MPP
Subject: Power Plant Lies

I am writing to all of you to ask for honesty, truth, dignity and integrity with regard to the construction of the power plant in East Mississauga.

I am sure that everyone addressed in my email is well aware of the issue surrounding the construction of this power plant. Suffice it to say that this plant is unnecessary, and owners of at least 14,000 homes in the surrounding area have been opposed to the plant for years - does it not matter that this plant is bordering homes, a hospital and the Etobicoke Creek? Yet every day, I drive by and the construction continues - at an alarming rate!

There have been clear studies done that prove the air quality will suffer greatly in an area already compromised for air quality - so what is the thinking behind this, 'The air is already bad, so let's pump it full of more pollution? Let's see how many children get asthma and how much more smog we can cause?' Really??

There are laws in place to stop harmful development and it's impossible for me to believe that the power of the people, supported by our chosen representatives cannot stop the development of this power plant.

This plant is being built 3 kilometres from my family home. Should this plant be built and put into operation, not only will it effect our property value, if we remain in this home, it will also damage our health. I have 2 young children who feel a sense of community and belonging here. They love our home and their school, they enjoy running outside and swimming in the community pool. They look forward to the day they will be old enough to go biking on their own. We have worked all our lives to buy a home to raise our family in, and now, due to greed, dishonesty and cowardice, we may need to move from our beloved home.

How is it possible that in the greatest city of one of the most beautiful countries in the world we are bound to be refugees? How is that possible?

I maintain my hope that Mr. McGuinty will honour his word and stop the power plant from moving forward as he promised during his election campaign. I also maintain my disappointment that Mayor

McCallion opened the possibility to this happening by allowing the Greenfield South Power Corporation to purchase land in the heart of her city. As for Mr. Sousa, I have heard that you are opposed to the plant and that you are trying to halt the construction, however I wonder if you could do a

Thank you for your time. I leave you with the hopes that you will use the power bestowed onto you to do the right thing.

Sincerely,

Julia Budahazy

Cayley, Daniel (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-15-11 5:25 PM
To: Jennings, Rick (ENERGY); King, Ryan (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Updated QA
Attachments: QA-repudiationNov15(gas-plant siting).5pm.doc

Hi –

Attached are updated QA/messaging based on incorporating a gas-plant siting review in Minister's statement.

Once I've incorporated your comments, will share with MO and then OPA.

Thank you.

Sylvia
7-4334

Greenfield Contract Termination (Repudiation)

November 15, 2011 (4:17 pm)

MEDIA PROTOCOL

Generally the Minister's Office responds to strategic questions and OPA responds to operational questions.

Strategic - Minister's Office (Minister or Erika Botond)

- Government's decision to relocate the plant
- Government's commitment to relocate the plant.

Operational - OPA (Colin Andersen or Kristen Jenkins)

- Status of contract negotiations, and process for finding another site
- History of Greenfield site selection (required approvals, public consultation, etc).

Process

- The OPA immediately notifies the Ministry of Energy of any Greenfield-related media call (Communications Director, Media Manager and Spokesperson).
- The Ministry immediately notifies Minister's Office, Deputy Minister's Office, Legal and Cabinet Office.
- The OPA submits proposed responses; the ministry secures approvals (Cabinet Office, DMO, Legal, Policy).
- The Minister's Office confirms who responds and how (phone/email).

WHO SAYS WHAT – General Guidelines

	MINISTER	OPA
Key Messages	<p>SCENARIO A - If OPA sends letter to Greenfield South advising unsuccessful <u>negotiations lead to termination (2-step approach)</u></p> <p>The OPA is in negotiations with Greenfield South.</p> <p>I understand the OPA has notified Greenfield South that it will not be proceeding with the contract.</p> <p>It is our expectation that Greenfield South will stop construction at the site.</p> <p><u>SCENARIO B - If Contract is Terminated</u></p> <p>I understand the OPA has had discussions with the developer – Greenfield South. The OPA has notified Greenfield that the OPA is not proceeding with the contract.</p> <p>The OPA will look for another site for the gas plant.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>We are in discussions with Greenfield South.</i></p> <p><i>We have notified them that we will not be proceeding with the contract.</i></p> <p><i>It is our expectation that Greenfield South will stop construction at the site.</i></p> <p><i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i></p> <p><i>We are seeking to continue discussions with Greenfield South on next steps. We cannot provide any additional information on these discussions at this time.</i></p> <p><i>We will look for another site for the gas plant.</i></p> <p><i>Once potential sites have been identified, the public will be consulted before a final decision is made.</i></p>

	<p><u>SCENARIO C – If letter/letters become public</u></p> <p>Despite OPA's best efforts, a successful negotiation could not be reached.</p> <p>OPA has decided that the contract come to an end and we support their decision.</p> <p>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</p> <p>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</p> <p>Gas-fired generation has^{is} an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</p> <p><u>To ensure Ontario is following best practices, the government will review the gas-plant siting process. It has already started to investigate how siting is dealt with in other jurisdictions and this investigation will continue.</u></p> <p>The government remains committed to providing a strong, stable supply of electricity for Ontario. We also remain committed to providing support to those making investments in Ontario's electricity system.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>Despite our best efforts, a successful negotiation could not be reached.</i></p> <p><i>We have decided that the contract come to an end and appreciate the government's support.</i></p> <p><i>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</i></p> <p><i>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</i></p> <p><i>Gas-fired generation has^{is} an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</i></p> <p><i>We share the government's commitment to ratepayer value.</i></p> <p><i>We hope to continue discussions with the developer to arrive at a resolution fair to all parties.</i></p>
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<p>There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?</p>	<p>This is a unique case and these circumstances do not apply to other contracts or issues.</p>	<p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p>
<p>What does “most appropriate way to allocate compensation between the OPA and Crown” mean?</p>	<p>It means that we will sit down together to determine how to share the cost of cancelling<u>not proceeding with</u> the contract, giving full recognition to ratepayer value and contractual obligations.</p>	<p><i>It means that we will sit down together to determine how to share the cost of cancelling<u>not proceeding with</u> the contract, giving full recognition to ratepayer value and contractual obligations.</i></p>
<p>Exactly how much is it going to cost to cancel this contract?</p>	<p>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</p>	<p><i>We hope to start negotiations soon. We are committed to finding a fair resolution that upholds ratepayer value.</i></p>
<p>How long will settlement negotiations take? Is there a drop-dead date?</p>	<p>The OPA will take the time necessary to come to a fair resolution.</p>	<p><i>We will take the time needed to find a fair solution.</i></p>
<p>Are these letters precedent-setting? Has the Ministry or OPA sent similar</p>	<p>No. Such letters are not precedent-setting. Our government conducts business on behalf of the people of Ontario in an open and transparent manner.</p>	<p><i>No. Such letters are not precedent-setting. Our agency conducts business on behalf of the people of Ontario. We do so in an open and transparent manner.</i></p>

letters before?		
<u>Contract Termination</u>	<u>SCENARIO A</u>	
Has the contract been terminated?	<i>No, however if negotiations are not successful, the OPA has notified Greenfield South that it will not be proceeding with the contract. In the meantime, the OPA has asked Greenfield South to stop construction at the site.</i>	<i>No. We are in discussions with Greenfield South. We have notified them however that if our negotiations are not successful, we will not be proceeding with the contract. In the meantime, we have asked Greenfield South to stop construction at the site.</i>
Who terminated the contract?	<u>SCENARIO B AND C</u>	<i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i>
Why was the contract terminated? Were other solutions not viable?	<p>Following discussions with Greenfield South, OPA decided that not proceeding with the contract would best serve the public's interest.</p> <p>Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.</p>	<p><i>Contract negotiations are commercially sensitive. These discussions are confidential. We will continue to negotiate in the best interests of Ontarians.</i></p>
Did the OPA terminate the contract at the government's request?	The OPA, as the contract holder, has been in discussions with Greenfield South to resolve this matter in the best interests of Ontarians. Following discussions with Greenfield South, OPA decided that not proceeding with the contract best serves the	<p><i>The government has been clear that it is committed relocating the plant. Given the government's commitment, and following discussions with Greenfield South, we decided not proceeding with the contract was the appropriate next step.</i></p> <p><i>Our goal has been to resolve this matter in the best interests of Ontarians. We believe this decision</i></p>

<p>Why wasn't the contract terminated sooner?</p> <p>If the OPA is terminating the contract, how can you get the company to work with the OPA to relocate the site?</p> <p>Will Greenfield South be the company to build the relocated plant? Do you have assurances from them on that?</p> <p>Will you put this back out to tender?</p> <p>What is the process for finding another site?</p>	<p>public's interest. We support the OPA's decision.</p> <p>Discussions began as soon as they could between OPA and Greenfield South. This decision is the result of those discussions.</p> <p>The OPA will pursue further discussions with Greenfield South and we expect them to find a satisfactory resolution.</p> <p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p> <p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p> <p>The OPA is best able to answer this. We can confirm that the site selection will include public consultation.</p>	<p><i>best serves the public interest. Contract negotiations are commercial sensitive and we cannot say more than that.</i></p> <p><i>We initiated discussions with Greenfield South as soon as we received the Minister's letter asking us to begin discussions. Not proceeding with the contract is the result of these discussions.</i></p> <p><i>We will pursue further discussions with Greenfield South.</i></p> <p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p> <p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p> <p><i>This will require further consideration, but we will consider local generation needs and transmission and distribution support. Once options are identified, the public will be consulted.</i></p>
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<p>How come you've cancelled the plants in Mississauga and Oakville but not in Northern York Region?</p>	<p>These are two very different situations. The OPA has advised that Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</p>	<p><i>These are two very different situations. Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</i></p>
<p>Unrelated content removed</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

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Construction

Now that the OPA has terminated the contract, will work stop at the site?

Will legislation be required to stop construction?

SCENARIO A

My understanding is that the OPA has notified the developer that it will not be proceeding with the contract. The OPA has asked the developer to stop work at the site.

SCENARIO B & C

My understanding is that the OPA has notified the developer that it is not proceeding with the contract. The OPA requires the developer to stop work at the site.

Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution.

It is our expectation the OPA and Greenfield South will work

SCENARIO A

We have notified Greenfield South that we will not be proceeding with the contract and asked Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site.

SCENARIO B & C

The government is best able to answer this question.

We have notified Greenfield South- that we are not proceeding with the contract. We have stated that we require Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site, and

<p>Minister, your spokesperson said that legislation was not needed, is this true?</p>	<p>together to find a satisfactory resolution.</p> <p>The best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution to the site.</p>	<p><i>hope to reach a satisfactory resolution.</i></p> <p><i>The government is best able to answer this question.</i></p>
<p><u>Contract Value</u></p> <p>Why should anyone want to contract with OPA or government after this?</p> <p>What's the status of negotiations with TransCanada?</p> <p>Will the cost of these contract cancellations be made public knowledge at some time?</p>	<p>The government and our agencies have successful track records for negotiating and fulfilling contracts in the best interest of Ontario taxpayers. This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>Like any other business, energy partners work together to respond to changing conditions. Contracts are renegotiated or terminated on a small and large scale across businesses of all types.</p> <p>Discussions with TransCanada continue. We do not have an update at this time.</p> <p>Our government is committed to conducting business in an open and transparent manner. We will provide what we can when we can.</p>	<p><i>Our agency has a successful track record for negotiating and fulfilling contracts in the best interest of Ontario ratepayers.</i></p> <p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>Discussions with TransCanada continue. We do not have an update at this time.</i></p> <p><i>Contracts are commercially sensitive. It is up to the developer to determine what they are willing to make public and when.</i></p>

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-15-11 5:31 PM
To: 'McMichael, Rhonda (CAB)'
Cc: 'Sharkawi, Rula (ENERGY)'; Gemmiti, Paola (ENERGY)
Subject: Update
Attachments: QA-repudiationNov15(gas-plant siting).5pm.doc

Duplicate attachment removed

Hi Rhonda –

- OPA met with Greenfield at 3pm today
- DMs will meet after to review meeting/direction
- As of this afternoon (before 3pm meeting), plan is to release OPA and Minister statements on Friday (letter at 9, OPA statement at 10 and Minister statement at 11). Minister's statement will commit to a gas-plant siting review by government. I've revised the QA to incorporate this review (currently with Legal and Policy for their input).
- Our MO is revising the Minister's statement and will be sending out next version (haven't received yet)

Let me know if you have any questions.

Sylvia
7-4334

Fisher, Petra (ENERGY)

From: Letourneau, Amanda (ENERGY)
Sent: November-15-11 5:41 PM
To: Rehob, James (ENERGY)
Subject: Zoning of Greenfield Site
Attachments: Part 8 - E1 to E3.pdf

Duplicate
attachment
removed

Hi James,

Here is the applicable zoning designation for the plant location. Sorry I couldn't copy and paste it into a smaller document but the PDF wouldn't let me do that. The applicable exception is on page 8.2.3 – 9, there is a comment under the exception that applies (E2-20). The land is zoned for employment uses along with the exceptions listed in E2-20 which allows for a power generating facility (among other additional permitted uses).

Let me know if you have any questions!

Amanda

Amanda Letourneau
Articling Student
Legal Services Branch
Ministries of Energy and Infrastructure
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5
P: 416-325-7304
F: 416-325-1781

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Fisher, Petra (ENERGY)

From: Kulendran, Jesse (ENERGY)
Sent: November-15-11 5:55 PM
To: Lindsay, David (ENERGY)
Cc: Silva, Joseph (ENERGY)
Subject: Revised Minister's Statement

Deputy,

Below is the latest version of the M's statement. It is with Rick/Carolyn for review.

There is no reference to the review as the Minister currently wants to use it in the scrum – but that could change.

Thanks, Jesse

ENERGY'S STATEMENT – 15 NOV 2011 – 6pm

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including new residential development.

After several weeks of discussions between the Ontario Power Authority and the owners of the plant, no agreement has been reached to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant as quickly as possible. The best interests of Ontarians and their communities are our number one priority.

- 30 -

Jesse Kulendran · Senior Coordinator, Policy & Special Projects
Office of the Deputy Minister · Ministry of Energy
Tel.: 416-327-7025 · Blackberry: 416-206-1394

Cayley, Daniel (ENERGY)

From: Calwell, Carolyn (ENERGY)
Sent: November-15-11 6:00 PM
To: Kulendran, Jesse (ENERGY); Jennings, Rick (ENERGY)
Cc: Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Kovesfalvi, Sylvia (ENERGY); Silva, Joseph (ENERGY)
Subject: RE: Revised Minister's Statement

Instead of "new residential development", it may be more accurate to refer to say, "including residential development since the plant was proposed", or something along those lines. I don't know how long the "new" condo towers have been in place.

Otherwise, no concerns.

Carolyn

From: Kulendran, Jesse (ENERGY)
Sent: Tue 15/11/2011 5:55 PM
To: Jennings, Rick (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Kovesfalvi, Sylvia (ENERGY); Silva, Joseph (ENERGY)
Subject: Revised Minister's Statement

Rick/Carolyn,

Below is the revised Minister's statement – could you please review? I will wait for your comments before sharing with OPA.

There is no reference to the review as the Minister currently wants to use it in the scrum – but that could change.

Thanks, Jesse

ENERGY'S STATEMENT – 15 NOV 2011 – 6pm

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

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The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant as quickly as possible. The best interests of Ontarians and their communities are our number one priority.

Jesse Kulendran · Senior Coordinator, Policy & Special Projects
Office of the Deputy Minister · Ministry of Energy
Tel.: 416-327-7025 · Blackberry: 416-206-1394

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 8:28 AM
To: Silva, Joseph (ENERGY); King, Ryan (ENERGY); Calwell, Carolyn (ENERGY); Kulendran, Jesse (ENERGY); Botond, Erika (ENERGY); Dunn, Ryan (ENERGY); Kett, Jennifer (OPO)
Cc: Gemmiti, Paola (ENERGY); Gemmiti, Paola (MAA); Nutter, George (ENERGY); Sharkawi, Rula (ENERGY)
Subject: Greenfield

Hi –

CO has asked us to develop messaging/strategy and q/a around how comms would work if we reach an agreement to stop construction (vs cancelling contract).

Am working on that now and will be forwarding mats in the next hour or so.

Cayley, Daniel (ENERGY)

From: King, Ryan (ENERGY)
Sent: November-16-11 8:53 AM
To: Calwell, Carolyn (ENERGY); Kovesfalvi, Sylvia (ENERGY); Jennings, Rick (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Updated QA
Attachments: QA-repudiationNov15(gas-plant%20siting) 620pmLSB(rk).doc

[Edits to Carolyn's version of QA attached](#)

From: Calwell, Carolyn (ENERGY)
Sent: November 15, 2011 6:24 PM
To: Kovesfalvi, Sylvia (ENERGY); Jennings, Rick (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Updated QA

Please see proposed changes in the attached.

We should probably also revisit the Scenario A and B distinction. We now know that the OPA will only advise Greenfield that it is not proceeding with the contract. As such, I'm not sure that I see any ongoing distinction between the 2 scenarios as we had previously distinguished them, except possibly to the extent that some discussions continue to occur between the OPA and Greenfield or don't - it seems like these are the more realistic scenarios at this point.

Carolyn

From: Kovesfalvi, Sylvia (ENERGY)
Sent: Tue 15/11/2011 5:24 PM
To: Jennings, Rick (ENERGY); King, Ryan (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Updated QA

Hi –

Attached are updated QA/messaging based on incorporating a gas-plant siting review in Minister's statement.

Once I've incorporated your comments, will share with MO and then OPA.

Thank you.

Sylvia
7-4334

MEDIA PROTOCOL

Generally the Minister's Office responds to strategic questions and OPA responds to operational questions.

Strategic - Minister's Office (Minister or Erika Botond)

- Government's decision to relocate the plant
- Government's commitment to relocate the plant.

Operational - OPA (Colin Andersen or Kristen Jenkins)

- Status of contract negotiations, and process for finding another site
- History of Greenfield site selection (required approvals, public consultation, etc).

Process

- The OPA immediately notifies the Ministry of Energy of any Greenfield-related media call (Communications Director, Media Manager and Spokesperson).
- The Ministry immediately notifies Minister's Office, Deputy Minister's Office, Legal and Cabinet Office.
- The OPA submits proposed responses; the ministry secures approvals (Cabinet Office, DMO, Legal, Policy).
- The Minister's Office confirms who responds and how (phone/email).

WHO SAYS WHAT – General Guidelines

	MINISTER	OPA
Key Messages	<p>SCENARIO A - If OPA sends letter to Greenfield South advising unsuccessful <u>negotiations lead to termination (2-step approach)</u></p> <p>The OPA is in negotiations with Greenfield South.</p> <p>I understand the OPA has notified Greenfield South that it will not be proceeding with the contract.</p> <p>It is our expectation that Greenfield South will stop construction at the site.</p> <p><u>SCENARIO B - If Contract is Terminated</u></p> <p>I understand the OPA has had discussions with the developer – Greenfield South. The OPA has notified Greenfield that the OPA is not proceeding with the contract.</p> <p>The OPA will look for another site for the gas plant.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>We are in discussions with Greenfield South.</i></p> <p><i>We have notified them that we will not be proceeding with the contract.</i></p> <p><i>It is our expectation that Greenfield South will stop construction at the site.</i></p> <p><i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i></p> <p><i>We are seeking to continue discussions with Greenfield South on next steps. We cannot provide any additional information on these discussions at this time.</i></p> <p><i>We will look for another site for the gas plant.</i></p> <p><i>Once potential sites have been identified, the public will be consulted before a final decision is made.</i></p>

	<p>SCENARIO C – If letter/letters become public</p> <p>Despite OPA's best efforts, a successful-negotiations were not successful-could not be reached.</p> <p>OPA has decided that the contract <u>will</u> come to an end and we support their decision.</p> <p>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</p> <p>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</p> <p>Gas-fired generation has an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</p> <p>To ensure Ontario is following best practices, the government will review the look at the gas-plant siting process. It has already started to investigate how siting is dealt with in other jurisdictions and this investigation will continue.</p> <p>The government remains committed to providing a strong, stable supply of electricity for Ontario. We also remain committed to providing support to those making investments in Ontario's electricity system.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>Despite our best efforts, a successful negotiation could not be reached.</i></p> <p><i>We have decided that the contract <u>will</u> come to an end and appreciate the government's support.</i></p> <p><i>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</i></p> <p><i>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</i></p> <p><i>Gas-fired generation <u>has</u> an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</i></p> <p><i>We share the government's commitment to ratepayer value.</i></p> <p><i>We hope to continue discussions with the developer to arrive at a resolution fair to all parties.</i></p>
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<p>There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?</p>	<p>This is a unique case and these circumstances do not apply to other contracts or issues.</p>	<p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p>
<p>What does “most appropriate way to allocate compensation between the OPA and Crown” mean?</p>	<p>It means that we will sit down together to determine how to share the cost of cancellingnot proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</p>	<p><i>It means that we will sit down together to determine how to share the cost of cancellingnot proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</i></p>
<p>Exactly how much is it going to cost to cancel this contract?</p>	<p>That has yet to be determined. The- OPA is committed to resolving this matter with ratepayer value top of mind.</p>	<p>We hope to start negotiations soon. We are committed to finding a fair resolution that upholds ratepayer value.</p>
<p>How long will settlement negotiations take? Is there a drop-dead date?</p>	<p>The OPA will take the time necessary to come to a fair resolution.</p>	<p><i>We will take the time needed to find a fair solution.</i></p>
<p>Are these letters precedent-setting? Has the Ministry or OPA sent similar</p>	<p>No. Such letters are not precedent-setting. Our government conducts business on behalf of the people of Ontario in an open and transparent manner.</p>	<p><i>No. Such letters are not precedent-setting. Our agency conducts business on behalf of the people of Ontario. We do so in an open and transparent manner.</i></p>

letters before?		
<u>Contract Termination</u>	<u>SCENARIO A</u>	
Has the contract been terminated?	<i>No, however if negotiations are not successful, the OPA has notified Greenfield South that it will not be proceeding with the contract. In the meantime, the OPA has asked Greenfield South to stop construction at the site.</i>	<i>No. We are in discussions with Greenfield South. We have notified them however that if our negotiations are not successful, we will not be proceeding with the contract. In the meantime, we have asked Greenfield South to stop construction at the site.</i>
Who terminated the contract?	<u>SCENARIO B AND C</u>	<i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i>
Why was the contract terminated? Were other solutions not viable?	<p>Following discussions with Greenfield South, OPA decided that not proceeding with the contract would best serve the public's interest.</p> <p>Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.</p>	<p><i>Contract negotiations are commercially sensitive. These discussions are confidential. We will continue to negotiate in the best interests of Ontarians.</i></p>
Did the OPA terminate the contract at the government's request?	<i>The OPA, as the contract holder, has been in discussions with Greenfield South to resolve this matter in the best interests of Ontarians. Following discussions with Greenfield South, OPA decided that not proceeding with the contract best serves the</i>	<p><i>The government has been clear that it is committed relocating the plant. Given the government's commitment, and following discussions with Greenfield South, we decided not proceeding with the contract was the appropriate next step.</i></p> <p><i>Our goal has been to resolve this matter in the best interests of Ontarians. We believe this decision</i></p>

<p>Why wasn't the contract terminated sooner?</p> <p>If the OPA is terminating the contract, how can you get the company to work with the OPA to relocate the site?</p> <p>Will Greenfield South be the company to build the relocated plant? Do you have assurances from them on that?</p> <p>Will you put this back out to tender?</p> <p>What is the process for finding another site?</p>	<p>public's interest. We support the OPA's decision.</p> <p>Discussions began as soon as they could between OPA and Greenfield South. This decision is the result of those discussions.</p> <p>The OPA will pursue further discussions with Greenfield South and we expect them to find a satisfactory resolution.</p> <p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p> <p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p> <p>The OPA is best able to answer this. We can confirm that the site selection will include public consultation.</p>	<p><i>best serves the public interest. Contract negotiations are commercial sensitive and we cannot say more than that.</i></p> <p><i>We initiated discussions with Greenfield South as soon as they could we received the Minister's letter asking us to begin discussions. Not proceeding with the contract is the result of these discussions.</i></p> <p><i>We will pursue further discussions with Greenfield South.</i></p> <p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p> <p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p> <p><i>This will require further consideration, but we will consider local generation needs and transmission and distribution support. Once options are identified, the public will be consulted.</i></p>
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Comment [U1]: Note that the originally proposed response will generate a request for a copy of the Minister's first letter.

<p>How come you've cancelled the plants in Mississauga and Oakville but not in Northern York Region?</p>	<p>These are two very different situations. The OPA has advised that Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</p>	<p><i>These are two very different situations. Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</i></p>
<p>Unrelated content removed</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

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Unrelated content removed			Formatted: Font: Bold
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			Comment [U2]: Approvals were not in place for Oakville, so this isn't accurate.
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			Formatted: Highlight
			Formatted: Font: Bold
			Formatted: Font: Bold
			Comment [k3]: Is this true?
			Formatted: Font: Bold
			Comment [k4]: This contradicts what was just said above.
			Formatted: Font: Bold
			Formatted: Font: Bold
			Formatted: Highlight

<p>Unrelated content removed</p>	<p>Unrelated content removed</p>	
<p>Construction</p> <p>Now that the OPA has terminated the contract, will work stop at the site?</p> <p>Will legislation be required to stop construction?</p>	<p>SCENARIO A</p> <p>My understanding is that the OPA has notified the developer that it will not be proceeding with the contract. The OPA has asked the developer to stop work at the site.</p> <p>SCENARIO B & C</p> <p>My understanding is that the OPA has notified the developer that it is not proceeding with the contract. The OPA requires the developer to stop work at the site.</p> <p>Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution.</p>	<p>SCENARIO A</p> <p><i>We have notified Greenfield South that we will not be proceeding with the contract and asked Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site.</i></p> <p>SCENARIO B & C</p> <p><i>The government is best able to answer this question.</i></p> <p><i>We have notified Greenfield South- that we are not proceeding with the contract. We have stated that we require Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further</i></p>

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<p>Minister, your spokesperson said that legislation was not needed, is this true?</p>	<p>It is our expectation the OPA and Greenfield South will work together to find a satisfactory resolution.</p> <p>The best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution to the site.</p>	<p><i>discussions about stopping work at the site, and hope to reach a satisfactory resolution.</i></p> <p><i>The government is best able to answer this question.</i></p>
<p><u>Contract Value</u></p> <p>Why should anyone want to contract with OPA or government after this?</p> <p>What's the status of negotiations with TransCanada?</p> <p>Will the cost of these contract cancellations be made public knowledge at some time?</p>	<p>The government and our agencies have successful track records for negotiating and fulfilling contracts in the best interest of Ontario taxpayers. This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>Like any other business, energy partners work together to respond to changing conditions. Contracts are renegotiated or terminated on a small and large scale across businesses of all types.</p> <p>Discussions with TransCanada continue. We do not have an update at this time.</p> <p>Our government is committed to conducting business in an open and transparent manner. We will provide what we can when we can.</p>	<p><i>Our agency has a successful track record for negotiating and fulfilling contracts in the best interest of Ontario ratepayers.</i></p> <p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>Discussions with TransCanada continue. We do not have an update at this time.</i></p> <p><i>Contracts are commercially sensitive. It is up to the developer to determine what they are willing to make public and when.</i></p>

Cayley, Daniel (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 9:01 AM
To: 'McMichael, Rhonda (CAB)'; 'Sharkawi, Rula (ENERGY)'; Gemmiti, Paola (MAA); 'Gemmiti, Paola (ENERGY)'; 'Kulendran, Jesse (ENERGY)'; Silva, Joseph (ENERGY); King, Ryan (ENERGY); 'Calwell, Carolyn (ENERGY)'; @CAB-Issues
Cc: Morton, Robert (ENERGY); Gerard, Paul (ENERGY); Kourakos, Georgina (ENERGY)
Subject: PC press conference at Mississauga power plant
Attachments: image001.gif; image002.jpg; image003.jpg; image004.gif
Importance: High

FYI – Opposition critic Vic Fedeli holding a press conference on site at 11am today.

From: Kourakos, Georgina (ENERGY)
Sent: November 16, 2011 8:59 AM
To: Kovesfalvi, Sylvia (ENERGY); Morton, Robert (ENERGY); Gerard, Paul (ENERGY)
Subject: FYI: PC press conference at Mississauga power plant
Importance: High



mississauga.com

Critic takes on power plant



Power Plant The controversial gas fired power plant is getting ever closer to completion despite the objections of citizens in surrounding neighbourhood. *Staff photo by Fred Loek John Stewart*

November 16, 2011

As construction continues apace on the Eastern power plant that the Ontario Liberal government has promised to move out of Mississauga, the Conservative Opposition energy critic will hold a press conference on the site this morning.

Vic Fedeli, MPP for Nipissing and energy critic for the Progressive Conservatives, will use the power plant – which gets larger and larger with each growing day of construction — as a backdrop for cameras when he speaks to the media at 11 a.m. at the site on Loreland Ave.

As of last week, Liberal government officials and local MPPs remained at a loss to explain why work on the plant on Loreland, south of Dundas St. E. near the city's eastern boundary, continues more than six weeks after they announced on the campaign trail that they would cancel.

"I have no further progress to report," Energy Minister Chris Bentley said Nov. 9.

"We've committed to ... relocate the plant. I know the OPA (Ontario Power Authority) is working hard on

this," said Bentley, who declined to answer specific questions about the project. Premier Dalton McGuinty also struggled to account for the government's failure to act. "Discussions are still underway," McGuinty said.

Eastern Power has refused to publicly comment on the issue for some time.

Citizenship and Immigration Minister Charles Sousa, whose Mississauga South riding borders the power plant, emphasized it would close.

Sousa made the surprise announcement on Sept. 24 — less than two weeks before the Oct. 6 provincial election — in a politically-successful bid to save Liberal seats in Mississauga and Etobicoke.

He said he could appreciate the concerns that residents have when trucks continue to rumble toward the bustling work site.

"We are going to have the plant relocated and we are in the process of doing that," said Sousa. "I don't want to divulge things that will compromise the situation."

Jim Wilson, the Progressive Conservative MPP for Simcoe-Grey, said McGuinty "misled the people of Mississauga and the people of Ontario."

jstewart@mississauga.net

-30-

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Cayley, Daniel (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 9:14 AM
To: King, Ryan (ENERGY)
Cc: Calwell, Carolyn (ENERGY)
Subject: RE: Updated QA

That works too ... I will make it so.

From: King, Ryan (ENERGY)
Sent: November 16, 2011 9:14 AM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: Calwell, Carolyn (ENERGY)
Subject: RE: Updated QA

Could we just say for now 'we are still determining the timelines'? something preliminary like that?

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 9:08 AM
To: King, Ryan (ENERGY)
Cc: Calwell, Carolyn (ENERGY)
Subject: RE: Updated QA

Thanks Ryan –

The answer to the question “will the site be named before or after the review” is up to Ministry to decide.

I've drafted “we will complete the review before naming the site” as an approach that buys time.

Another suggestion would be:

“There remains a local need for additional generation in SW GTA to meet growing energy demand. The OPA will be looking for a new site or solution in parallel with the government's review. Our learnings will inform the OPA's site selection process.”

From: King, Ryan (ENERGY)
Sent: November 16, 2011 8:53 AM
To: Calwell, Carolyn (ENERGY); Kovesfalvi, Sylvia (ENERGY); Jennings, Rick (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Updated QA

Edits to Carolyn's version of QA attached

From: Calwell, Carolyn (ENERGY)
Sent: November 15, 2011 6:24 PM
To: Kovesfalvi, Sylvia (ENERGY); Jennings, Rick (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Updated QA

Please see proposed changes in the attached.

We should probably also revisit the Scenario A and B distinction. We now know that the OPA will only advise Greenfield that it is not proceeding with the contract. As such, I'm not sure that I see any ongoing distinction between the 2 scenarios as we had previously distinguished them, except possibly to the extent that some discussions continue to occur between the OPA and Greenfield or don't - it seems like these are the more realistic scenarios at this point.

Carolyn

From: Kovesfalvi, Sylvia (ENERGY)

Sent: Tue 15/11/2011 5:24 PM

To: Jennings, Rick (ENERGY); King, Ryan (ENERGY); Calwell, Carolyn (ENERGY)

Cc: Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY); Gemmiti, Paola (ENERGY); Silva, Joseph (ENERGY);

Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)

Subject: Updated QA

Hi –

Attached are updated QA/messaging based on incorporating a gas-plant siting review in Minister's statement.

Once I've incorporated your comments, will share with MO and then OPA.

Thank you.

Sylvia
7-4334

Fisher, Petra (ENERGY)

From: Kristin Jenkins <Kristin.Jenkins@powerauthority.on.ca>
Sent: November-16-11 9:53 AM
To: Kovesfalvi, Sylvia (ENERGY); Botond, Erika (ENERGY); Kulendran, Jesse (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Kett, Jennifer (OPO); Dunn, Ryan (ENERGY)
Subject: RE: Update

We are still in discussions with Eastern.

From: Kovesfalvi, Sylvia (ENERGY) [mailto:Sylvia.Kovesfalvi@ontario.ca]
Sent: November 16, 2011 9:29 AM
To: Botond, Erika (ENERGY); Kulendran, Jesse (ENERGY); Kristin Jenkins; Calwell, Carolyn (ENERGY)
Cc: Kett, Jennifer (OPO); Dunn, Ryan (ENERGY)
Subject: RE: Update

Last I heard is they were still negotiating at 6:45pm yesterday.

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 9:23 AM
To: Kulendran, Jesse (ENERGY); 'Kristin Jenkins'; Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Kett, Jennifer (OPO); Dunn, Ryan (ENERGY)
Subject: Update

Hi folks - how did the meeting go yesterday? Any update?

Thx!
Erika

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Cayley, Daniel (ENERGY)

From: Rehob, James (ENERGY)
Sent: November-16-11 10:33 AM
To: Calwell, Carolyn (ENERGY); Perun, Halyna N. (ENERGY)
Subject: Bill: Timing Re: Introduction, Process, Translation etc.

Privileged & Confidential Legal Advice / Solicitor & Client Privileged

November 16, 2011

Good morning, Carolyn and Halyna. While I am still awaiting a second draft of the Greenfield South Bill back from OLC, there are a number of important and time-sensitive matters related to the bill which I would really appreciate discussing with you at your early convenience. These are all elements drawn from my understanding of the process and I'm sure you are well acquainted with them, but I thought it would be useful for us to have a discussion about the process and timing:

- **General timing:** As I understand there is no actual timing yet established for the introduction of the Bill, although I have heard mention that it may be desired that we introduce next week (as soon as the House rises). I'm actually quite unclear whether the drafting will be in any way ready, but you can certainly know that I will do everything I can to meet the timing as established by the decision-makers.
- **General Process elements:** The Bill will need to receive policy approval, either by a committee of Cabinet, such as EERP, LRC or Cabinet sitting as both LRC and itself.
 - To date, formal Cabinet committees have not yet been struck;
 - Our own Cabinet Office Liaison (Hanna Smith) would normally schedule this item or arrange for a special meeting of Cabinet with ECO and CO.
 - Earliest Cabinet dates are in January (this is just my current understanding and needs to be confirmed with Hanna Smith our ECO/CO) therefore **a special Cabinet or LRC/Cabinet, etc. meeting may well be required** if introduction is to occur in this session of the House;
 - Policy and related briefing documents do need to be developed with the client and sent through (along with the MAG BN on its own track).
- **Bill-related elements:** Normally, the introduction version of the Bill including the (usually 50) requisite number of required copies have to be delivered to the office of the House Leader on the day of introduction, if not the day before:
 - MO or DMO should liaise with the **Office of the House Leader** as early as possible after the Bill is fully drafted and ready to ensure we have lined up introduction dates/timing;
 - Prior to this, we must prepare both English and French Compendium and Plain Language (simplified version) of compendium;
 - Ministry (usually LSB-me) would arrange for translation services through George Nutter of Communications, who (as was the case in the most recent Bills we've done) arranges for French translation services. Translation of the Bill itself and its Explanatory Note are prepared for us by OLC's own French translation unit.
 - Timing for Second Reading and Committee would have to be identified as soon as possible so that we can prepare any required amendments to the Bill, assuming the Bill goes to the Committee after First versus Second reading. The main difference for the policy-makers and the drafters is that the scope of the amendments that one can make at the Second Reading stage is smaller (the scope of the Bill is fixed) and only the more technical versus wide-open fundamental policy changes can be made at Committee after Second Reading.
 - LSB may want to touch base with the Clerk of the House in order to ensure we provide him or her with the Bill and related documents in the time required, once the committee stage elements are settled.

The best course of action I would posit at this point given the information I have on hand is that we should, as soon as possible (when appropriate, of course) discuss the development of a policy and process plan for this initiative with Hanna Smith and Rick Jennings, once MO and DMO allow us or direct us to do so.

Thank you!

Kindly,

James

James P. H. Rehob

Senior Counsel
Ministry of Energy and
Ministry of Infrastructure
Legal Services Branch
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5
Tel: 416-325-6676
Fax: 416-325-1781
james.rehob@ontario.ca

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Fisher, Petra (ENERGY)

From: Morton, Robert (ENERGY)
Sent: November-16-11 10:59 AM
To: Smith, Mark (ENERGY)
Cc: Kovesfalvi, Sylvia (ENERGY)
Subject: FW: Greenfield Fact Sheet

Hi Mark,

Ryan has requested some basic facts on the Greenfield facility. I quickly pulled together some info below using old Q&A. Can you please add anything further that you feel is appropriate, run it by policy, and forward it to Ryan. Thank you.

Greenfield South – Basic Facts

The Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue.

The station would have provided power to (insert #) homes.

The plant was designed to complement our baseload supply and would have only operated when electricity supply was needed, during periods of higher demand and to improve the reliability of supply to the local community.

Actual operation would depend on several factors including weather, demands on the electricity system, and availability of other sources of power.

It was expected to operate 10% to 45% of the time.

From: Dunn, Ryan (ENERGY)
Sent: November 16, 2011 10:28 AM
To: Morton, Robert (ENERGY)
Subject: Greenfield Fact Sheet

Can I get some basic facts re: the Greenfield facility?

How many MW?

How many homes would it power?

What's its purpose? Etc.....

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 11:02 AM
To: 'Morton, Robert (ENERGY)'; Smith, Mark (ENERGY)
Subject: RE: Greenfield Fact Sheet
Attachments: Greenfield - Messages and Qs and As.Oct27.doc

I believe Ryan already has these QA – but the last two pages provides some background.

From: Morton, Robert (ENERGY)
Sent: November 16, 2011 10:59 AM
To: Smith, Mark (ENERGY)
Cc: Kovesfalvi, Sylvia (ENERGY)
Subject: FW: Greenfield Fact Sheet

Hi Mark,

Ryan has requested some basic facts on the Greenfield facility. I quickly pulled together some info below using old Q&A. Can you please add anything further that you feel is appropriate, run it by policy, and forward it to Ryan. Thank you.

Greenfield South – Basic Facts

The Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue.

The station would have provided power to (insert #) homes.

The plant was designed to complement our baseload supply and would have only operated when electricity supply was needed, during periods of higher demand and to improve the reliability of supply to the local community.

Actual operation would depend on several factors including weather, demands on the electricity system, and availability of other sources of power.

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**Greenfield South Power Plant
KM/QA
Draft Two – October 27, 2011**

KEY MESSAGES

- Our government is committed to relocating the natural gas plant originally planned for Mississauga.
- That's why I sent a letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a new location for the site.
- It's our expectation the OPA and Eastern Power will work together to find a **satisfactory resolution to the Mississauga site.**
- As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority

QUESTIONS AND ANSWERS

STATUS

Why is work proceeding if the plant is being moved?

Our government is committed to finding a satisfactory resolution to the natural gas plant originally planned for Mississauga.

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Why don't you stop construction while discussions are ongoing?

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

When did construction start?

Construction started in May 2011.

Why hasn't construction stopped?

Again, the first step is holding discussions with Eastern Power. I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site

What if Eastern Power does not agree to discussions and continues construction?

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Will you issue a stop-order?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.

Will it require legislation to cancel it?

At this time, the OPA, as the contract holder, will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

But if talks break down, is legislation an option?

The first step is holding discussions with Eastern Power.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site

Minister, your spokesperson said that legislation was not needed, is this true?

The best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site.

That's why I sent a letter to letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a satisfactory resolution to the site.

NEGOTIATIONS

What stage are discussions at with the company? Have you personally spoken to them?

I have asked the OPA, as the contract holder, to begin discussions.

Who is negotiating with the company on behalf of the province? Is it the OPA?

I have asked OPA, as the contract holder, to begin discussions.

Will Eastern Power be the company to build the relocated plant? Do you have assurances from them on that?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will you put this back out to tender?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

What is the process for cancelling the project?

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COST

Isn't the price going up as long as construction continues?

Many issues will be considered in the discussions.

How much is it going to cost to relocate this plant?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site. I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

How much would it have cost to move the plant when the intent to relocate was first announced in late September, 2011?

Many issues will be considered in the discussions.

Is the company just trying to get as much as they can from a settlement?

I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

Will the cost be made public knowledge at some time?

Our government is committed to conducting business in an open and transparent manner.

How long do you expect negotiations to take and how much will this cost taxpayers?

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It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

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Will it be in Mississauga?

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Why not build the natural gas plant in Nanticoke instead? They've indicated they're a willing host community.

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will the public be consulted?

Yes.

LOCAL SUPPLY AND RELIABILITY

Will this jeopardize power supply in the area?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available including transmission options to ensure reliability.

How delayed will this plant be now and do we have enough power in the interim to meet demand?

As I have said, the first step is holding discussions with Eastern Power.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

How often will the new plant operate?

Actual operation of an alternate plant will depend on several factors including weather, local system conditions, demands on the electricity system and the availability of other sources of power.

So we know for sure it will be a gas plant – and not additional transmission or other resources, such as renewable energy and conservation – that will replace this plant?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

What about the transmission solution? When the Oakville plant was cancelled you said a transmission solution can ensure the area will have enough electricity.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

Will a natural gas plant be built in the Kitchener-Waterloo-Cambridge-Guelph area?

As indicated in the Long-Term Energy Plan the procurement of a natural gas plant in the Kitchener-Waterloo-Cambridge area is necessary.

The Kitchener-Waterloo-Cambridge area is a major automotive and high-tech centre and is experiencing rapid population and economic growth. Peak demand has been increasing at a rate double the provincial average. The region is host to several data centres that require a reliable power supply.

How many natural gas plants are there already operating in the GTA?

There are four major plants:

- The 550-megawatt Portlands Energy Centre near downtown Toronto
- The 874-megawatt Goreway Station in Brampton
- The 683-megawatt Halton Hills Generating Station
- A 117-megawatt cogeneration plant at the Toronto International Airport in Mississauga

In addition there are a number of smaller natural gas generating plants operating in industry, and in commercial and institutional complexes, including universities and hospitals, including:

- A 68-megawatt facility at the Ottawa Health Sciences Centre
- A 6.6-megawatt facility at Brock University in St. Catharines
- A 2.3-megawatt district energy facility at [Durham College in Oshawa](#)
- A 12-megawatt [cogeneration facility in London](#)
- A 5-megawatt cogeneration facility in [Sudbury](#)
- A 6.7-megawatt cogeneration facility at Sudbury hospital

WHAT RELOCATING GREENFIELD MEANS FOR OTHER PROJECTS

Are there other power projects set to break ground that you may reconsider?

This is a case and location-specific issue and is not applicable to any other issue.

You said that about Mississauga, after you cancelled Oakville. How can we trust that you won't cave to pressure the next time?

Like any other business, energy partners work together to respond to changing conditions.

This is a case and location-specific issue and is not applicable to any other issue.

Communities object to wind power yet you won't budge. This is two gas plants you have cancelled. Why the double-standard?

The government has heard the community's concerns about this plant proceeding as originally planned prompting our intention to relocate the plant. There is no reason to try and juxtapose this case with other generation projects.

Does this speak to a need to have a more independent, arms-length process?

This is a case and location-specific issue and is not applicable to any other issue. We will continue to work collaboratively with all parties involved.

Will you reconsider new gas set-backs or a new siting process for plants of any kind?

We are investigating how siting is dealt with in other jurisdictions but are still in the preliminary research stage.

What is the status of negotiations with TransCanada over the cancellation of the Oakville plant?

We are in discussions with TransCanada, and do not have an update at this time.

GENERAL BACKGROUND

- Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. The plant will occupy roughly 2 hectares of the property.
- The plant is 700 metres from the Trillium Health Centre and 1.1 km from the nearest school (Isna Elementary School). The nearest block of homes is about 250 metres south of the site.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition in 2005 and holds a contract with the Ontario Power Authority (OPA).
- The plant's original planned commercial operation date was 2009.
- Approval delays resulting from City of Mississauga opposition to the project at the environmental approval and building permitting stages harmed the economic viability

of the project. The contract between Greenfield South Power Corporation and the OPA was renegotiated, and the commercial operation date has been extended to September 1, 2014.

- The project obtained zoning approval in 2007 and environmental approval in 2008.
- The OPA was advised on May 31, 2011, that the company has received its building permit for the plant. The company is moving equipment to the site, and excavation and foundation work is expected to start in early July.
- The site is located in a predominantly industrial area. It is bounded by a railway line, a transmission corridor and the Queen Elizabeth Way.
- The Ontario Municipal Board reviewed municipal planning and zoning and determined that the site was properly zoned and suitable for this type of electricity generation facility.
- In October 2011, the Minister of Energy wrote to the OPA asking them to begin discussions with Eastern Power to find an alternate location for the Greenfield South Plant.

Note:

In April 2005, Eastern Power was awarded contracts for two 280 MW natural gas plants – one for Greenfield South and one for Greenfield North (Huronario St. north of Derry Rd.). In August 2005, Greenfield North contract terminated under a mutual agreement between the OPA and Eastern Power because Eastern Power was not able to obtain financing. The Greenfield South contract remained in place. At the time, Eastern Power said it preferred the Greenfield South site because it was better for natural gas supply and electrical connection and the area was zoned for industrial activity, including power generation.

Fisher, Petra (ENERGY)

From: Kulendran, Jesse (ENERGY)
Sent: November-16-11 11:13 AM
To: Lindsay, David (ENERGY)
Cc: Silva, Joseph (ENERGY)
Subject: Statements

Hi Deputy,

Here are the latest latest version of the Minister's & OPA's Statements for your reference and review:

ENERGY DRAFT – 16 NOV 2011 – 11am

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

After several weeks of discussions between the Ontario Power Authority and the owners of the plant, no agreement has been reached to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

-30-

OPA DRAFT- 15 NOV 2011 – 2pm

OPA NOT PROCEEDING WITH CONTRACT FOR MISSISSAUGA POWER PLANT

TORONTO, November 16, 2011- The Ontario Power Authority announced today, that despite best efforts to work with Greenfield South Power Corporation, is not proceeding with the contract for Greenfield's Mississauga power plant..

After several weeks of discussions it has become clear that Greenfield South has no intent to consider relocation and continues construction. In light of this, the company has been notified that OPA is not proceeding with the contract. Greenfield is financially liable for any further investments in the project.

The OPA will continue to work with the government to identify another site for the gas plant based on local generation needs and transmission and distribution support to ensure a long-term reliable supply of electricity.

-30-

Thanks, Jesse

Jesse Kulendran · Senior Coordinator, Policy & Special Projects
Office of the Deputy Minister · Ministry of Energy
Tel.: 416-327-7025 · Blackberry: 416-206-1394

Cayley, Daniel (ENERGY)

From: Smith, Mark (ENERGY)
Sent: November-16-11 11:16 AM
To: King, Ryan (ENERGY)
Subject: ACTION REQUIRED: Greenfield South Background
Attachments: B15 - New Gas-Fired Electricity Generation - Oct 31 2011.doc; Greenfield - Messages and Qs and As.Oct27.doc

Importance: High

Hi Ryan,
Ryan Dunn is looking for as much background info on Greenfield as he can find. The House Book Note and attached QAs/KM seem to be pretty comprehensive to me. Can you confirm that the information is current? Also, he specifically asked about why it was needed (pulled from early HBN and attached below), and how many homes it would power, can you provide that?

Proposed System Need – as of September 1 2011

- **The Greenfield South plant is required to be able to meet needs for local and regional reliability for the Southwest and Western GTA.**

Mark Smith
Media and Issues Officer
Ministry of Energy and Ministry of Infrastructure
416-326-5001

NEW GAS-FIRED ELECTRICITY GENERATION

ISSUE:

Construction is continuing at the Greenfield South Generating Station despite a government announcement that the plant would not be completed.

Unrelated content removed

| [REDACTED]

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| [REDACTED]

Greenfield South

If asked about ongoing construction at the plant:

- The Ontario government is committed to relocating the natural gas plant originally planned for Mississauga.
- We will be working with the company to find a suitable location for this plant.
- We will be providing more information as discussions progress.

Oakville Generating Station

If asked about cancellation of proposed Oakville gas-fired plant and potential contract implications with TransCanada:

- Discussions with TransCanada are ongoing.

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[REDACTED]

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Status of New Gas-Fired Facilities:

Future In-Service Dates are CONFIDENTIAL

Project	Procurement Type	Size (MW)	Status	In-Service Date
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Greenfield South	CE	280.0	Government has announced termination of plant at this site.	Q3 2014
TransCanada Oakville Generating Station	GTA	900.0	Cancelled	NA
Kitchener-Waterloo-Cambridge-Guelph		450.0	Procurement direction not yet issued	TBD
TOTAL ONLINE		3702.61		
TOTAL		4825.66		

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Contracted Projects Not Yet On-line

Greenfield South

- Greenfield South Generating Station is a 280 MW combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. Part of the

project's property will be dedicated to the City as greenbelt, and the plant will occupy roughly 2 hectares of the property.

- Eastern Power Ltd. is an equity contributor to Greenfield South Power Corporation, and is responsible for the project's design, engineering, and management, and provides operations and maintenance support. No information is available on any other partners.
- The plant is 200 metres from the nearest residence, 700 metres from the nearest hospital and 1.1 km from the nearest school.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition and holds a contract with the OPA.
- Approvals delays resulting from City of Mississauga opposition to the project at the EA and building permitting stages harmed the economic viability of the project.
- The Ontario Municipal Board reviewed municipal planning and zoning in 2007 and determined that the site was properly zoned and suitable for this type of electricity generation facility.
- The project obtained environmental approval in 2008 from the Ministry of the Environment.
- The City of Mississauga issued a building permit on May 31, 2011 for the building that will house the generation equipment.
- The contract between Greenfield South and the Ontario Power Authority was renegotiated as a result of approvals delays, to extend the operational date.
- As of March 18, 2011, the OPA and Greenfield South have agreed to a new COD: Q3 2014.
- Greenfield intends to proceed with the project and has previously indicated that they would pursue litigation if the City or the province moved to prevent the plant from being built.
- Delays in the COD will exacerbate supply problems in the southwest GTA.
- The proponent has stated that all financing needed for construction of the project was finalized in May 2011. Public reports indicate that \$250 million in financing was provided by Morgan Stanley and EIG Global Energy Partners.
- As of July 20th, the proponent reports that it has begun to lay the foundations for the gas and steam turbine halls.
- Purchase orders for all of the plant's major equipment including the turbines and generators have been placed.
- Residents in the surrounding community have reacted negatively because they assumed the project was not proceeding.
- The proponents will be holding monthly local liaison meetings to help foster communication with local residents.
- On June 16, the Minister of the Environment John Wilkinson announced that the Ministry of the Environment will conduct an updated review of the approval for the Greenfield South facility to assess recent developments. The review will take as long as the ministry needs to confirm that the project can proceed in a manner that is fully protective of public health and the environment.
- The Environmental Approval for the generating plant is specific to the site, and is not transferable.
- On September 24th, several media outlets reported on the Liberal party's campaign commitment to relocate the proposed Greenfield South generating station to a location outside Mississauga and Oakville.
- In a news release, Ontario Liberal candidates Charles Sousa, Donna Cansfield, Laurel Broten and Dipika Damerla said the party would work with the developer to find a new location for the plant.
- On October 24, 2011, as the result of a release from the leader of the Opposition, several media reported on the continuing construction at the site, including delivery of a generator.

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Procurements

Clean Energy Supply RFP – 2,500 MW

- In 2004 and 2005 the Ministry developed and administered a Request for Proposals that ultimately resulted in 5 successful projects totaling 1,955 MW of gas-fired generating capacity
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- Unrelated content removed
- These contracts were transferred to the OPA for management.

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Southwest GTA Procurement

- On July 16, 2008, the Minister of Energy and Infrastructure announced that he would direct the OPA to launch a competitive bidding process for a combined-cycle natural gas plant of about 850 MW in the southwest GTA.
- On September 30, 2009, the Ontario Power Authority announced that it would sign a contract with TransCanada Corporation to design, build and operate a 900 MW electricity generating station in Oakville. TransCanada estimated the cost of the plant at \$1.2 billion.
- On October 7, 2010, the Minister of Energy announced that the plant had been cancelled. The OPA is negotiating termination of the contract with TransCanada (**CONFIDENTIAL**).

Potential non-GTA procurement (Kitchener-Waterloo-Cambridge):

- The Kitchener-Waterloo-Cambridge area is a major automotive and “high tech” centre and is experiencing rapid population and economic growth. Peak demand is 1,400 MW and has

been increasing at a rate double the provincial average. The region is host to several data centres that require a reliable power supply

- During the development of the IPSP, the OPA determined that for reliability and security reasons, and to contribute to coal replacement, additional simple cycle gas-fired electricity supply of 450 MW would be required.
- The preferred location for the facility is near the Preston Transformer Station in Cambridge, which would negate the need for a major transmission re-enforcement in the Cambridge area.
- The site search area lies within the Haldimand Tract. Ministry legal counsel has advised that notice be provided to Six Nations of the Grand River prior to issuance of a direction. The current plan is to arrange a Ministry/OPA briefing of Six Nations before a procurement is announced.

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Prepared by: Allan Jenkins, Senior Policy Specialist
Energy Supply and Competition
(416) 325-6926

Approved by: Doug MacCallum, Manager
Energy Markets
(416)325-6546

Garry McKeever, Director
Energy Supply and Competition
(416) 325-8627

Rick Jennings, ADM
Office of Energy Supply, Transmission and Distribution
(416) 314-6190

**Greenfield South Power Plant
KM/QA
Draft Two – October 27, 2011**

KEY MESSAGES

- Our government is committed to relocating the natural gas plant originally planned for Mississauga.
- That's why I sent a letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a new location for the site.
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In addition there are a number of smaller natural gas generating plants operating in industry, and in commercial and institutional complexes, including universities and hospitals, including:

- A 68-megawatt facility at the Ottawa Health Sciences Centre
- A 6.6-megawatt facility at Brock University in St. Catharines
- A 2.3-megawatt district energy facility at [Durham College in Oshawa](#)
- A 12-megawatt [cogeneration facility in London](#)
- A 5-megawatt cogeneration facility in [Sudbury](#)
- A 6.7-megawatt cogeneration facility at Sudbury hospital

WHAT RELOCATING GREENFIELD MEANS FOR OTHER PROJECTS

Are there other power projects set to break ground that you may reconsider?

This is a case and location-specific issue and is not applicable to any other issue.

You said that about Mississauga, after you cancelled Oakville. How can we trust that you won't cave to pressure the next time?

Like any other business, energy partners work together to respond to changing conditions.

This is a case and location-specific issue and is not applicable to any other issue.

Communities object to wind power yet you won't budge. This is two gas plants you have cancelled. Why the double-standard?

The government has heard the community's concerns about this plant proceeding as originally planned prompting our intention to relocate the plant. There is no reason to try and juxtapose this case with other generation projects.

Does this speak to a need to have a more independent, arms-length process?

This is a case and location-specific issue and is not applicable to any other issue. We will continue to work collaboratively with all parties involved.

Will you reconsider new gas set-backs or a new siting process for plants of any kind?

We are investigating how siting is dealt with in other jurisdictions but are still in the preliminary research stage.

What is the status of negotiations with TransCanada over the cancellation of the Oakville plant?

We are in discussions with TransCanada, and do not have an update at this time.

GENERAL BACKGROUND

- Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. The plant will occupy roughly 2 hectares of the property.
- The plant is 700 metres from the Trillium Health Centre and 1.1 km from the nearest school (Isna Elementary School). The nearest block of homes is about 250 metres south of the site.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition in 2005 and holds a contract with the Ontario Power Authority (OPA).
- The plant's original planned commercial operation date was 2009.
- Approval delays resulting from City of Mississauga opposition to the project at the environmental approval and building permitting stages harmed the economic viability

of the project. The contract between Greenfield South Power Corporation and the OPA was renegotiated, and the commercial operation date has been extended to September 1, 2014.

- The project obtained zoning approval in 2007 and environmental approval in 2008.
- The OPA was advised on May 31, 2011, that the company has received its building permit for the plant. The company is moving equipment to the site, and excavation and foundation work is expected to start in early July.
- The site is located in a predominantly industrial area. It is bounded by a railway line, a transmission corridor and the Queen Elizabeth Way.
- The Ontario Municipal Board reviewed municipal planning and zoning and determined that the site was properly zoned and suitable for this type of electricity generation facility.
- In October 2011, the Minister of Energy wrote to the OPA asking them to begin discussions with Eastern Power to find an alternate location for the Greenfield South Plant.

Note:

In April 2005, Eastern Power was awarded contracts for two 280 MW natural gas plants – one for Greenfield South and one for Greenfield North (Huronario St. north of Derry Rd.). In August 2005, Greenfield North contract terminated under a mutual agreement between the OPA and Eastern Power because Eastern Power was not able to obtain financing. The Greenfield South contract remained in place. At the time, Eastern Power said it preferred the Greenfield South site because it was better for natural gas supply and electrical connection and the area was zoned for industrial activity, including power generation.

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 11:20 AM
To: Kulendran, Jesse (ENERGY)
Cc: Nutter, George (ENERGY); Gemmiti, Paola (ENERGY); Calwell, Carolyn (ENERGY)
Subject: RE: Privileged and Confidential - Revised News Release

Thanks Jesse – CO has asked to prepare messaging/coms strategy in case Greenfield agrees to stop work while negotiations continue. Working on that now.

From: Kulendran, Jesse (ENERGY)
Sent: November 16, 2011 11:09 AM
To: 'Kristin Jenkins'
Cc: Michael Lyle; Colin Andersen; Michael Killeavy; Sharkawi, Rula (ENERGY); Calwell, Carolyn (ENERGY); Gemmiti, Paola (ENERGY); Jennings, Rick (ENERGY); Kovesfalvi, Sylvia (ENERGY); Silva, Joseph (ENERGY)
Subject: RE: Privileged and Confidential - Revised News Release

Hi Kristin,

Here's the latest version of the Minister's Statement for your review:

ENERGY DRAFT – 16 NOV 2011 – 11am

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

After several weeks of discussions between the Ontario Power Authority and the owners of the plant, no agreement has been reached to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

-30-

Thanks, Jesse

From: Kristin Jenkins [mailto:Kristin.Jenkins@powerauthority.on.ca]
Sent: November 15, 2011 2:09 PM
To: Kulendran, Jesse (ENERGY)
Cc: Michael Lyle; Colin Andersen; Michael Killeavy
Subject: Privileged and Confidential - Revised News Release

Jesse – based on legal advice, “terminated” has been changed to “is not proceeding.” We can discuss in more detail on our call at 2:30 pm. Mike Lyle is also following up with Energy legal. Thanks.

OPA DRAFT- 15 NOV 2011 -2:00 pm

OPA NOT PROCEEDING WITH CONTRACT FOR MISSISSAUGA POWER PLANT

TORONTO, November 16, 2011- The Ontario Power Authority announced today, that despite best efforts to work with Greenfield South Power Corporation, is not proceeding with the contract for Greenfield’s Mississauga power plant..

After several weeks of discussions it has become clear that Greenfield South has no intent to consider relocation and continues construction. In light of this, the company has been notified that OPA is not proceeding with the contract. Greenfield is financially liable for any further investments in the project.

The OPA will continue to work with the government to identify another site for the gas plant based on local generation needs and transmission and distribution support to ensure a long-term reliable supply of electricity.

-30-

Kristin Jenkins | Vice President, Corporate Communications | **Ontario Power Authority** | 120 Adelaide Street West, Suite 1600 | Toronto, ON M5H 1T1 | tel. 416.969.6007 | fax. 416.967.1947 | www.powerauthority.on.ca

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Fisher, Petra (ENERGY)

From: King, Ryan (ENERGY)
Sent: November-16-11 11:27 AM
To: Smith, Mark (ENERGY); Chapman, Tom (ENERGY)
Subject: RE: ACTION REQUIRED: Greenfield South Background
Attachments: Greenfield South Chronology - 06-07-11.docx; Eastern Power BN (v6).doc

The plant was needed as part of the commitment to close all coal fired generation facilities (originally for 2007) as were the other facilities that were part of the RFP. I've attached further info on Greenfield in a chronology and BN on eastern power in particular. Tom, would you be able to run the math on a 280 MW plant for homes powered?

Thanks

From: Smith, Mark (ENERGY)
Sent: November 16, 2011 11:16 AM
To: King, Ryan (ENERGY)
Subject: ACTION REQUIRED: Greenfield South Background
Importance: High

Hi Ryan,
Ryan Dunn is looking for as much background info on Greenfield as he can find. The House Book Note and attached QAs/KM seem to be pretty comprehensive to me. Can you confirm that the information is current? Also, he specifically asked about why it was needed (pulled from early HBN and attached below), and how many homes it would power, can you provide that?

Proposed System Need – as of September 1 2011

- **The Greenfield South plant is required to be able to meet needs for local and regional reliability for the Southwest and Western GTA.**

Mark Smith
Media and Issues Officer
Ministry of Energy and Ministry of Infrastructure
416-326-5001

Chronology

Greenfield South Power Plant

- June 2004 Ministry of Energy launches 2,500 MW CES RFP; the RFP set out a 2007 in service date to coincide with the coal shutdown.
- April 2005 Eastern Power awarded two contracts. The two contracts were 280MW each for a Greenfield South plant (Hwy 427 & QEW) and a Greenfield North plant (Hwy 407 & Hwy 10); 2009 was the contracted in-service date for the Eastern Facilities.
- August 2005 Greenfield North contract terminated under a mutual agreement between the OPA and Eastern Power because Eastern Power was not able to obtain financing. The Greenfield South contract remained in place with the original contracted in-service date of 2009.
- September 2005, Eastern Power filed a force majeure (FM) notice with the OPA because the Ministry of the Environment (MOE) received requests to elevate the project to an individual EA
- January 2006, the Director of the MOE denied the elevation request
- March 2006, City of Mississauga passed zoning by-laws that would not allow Greenfield South to be built at the proposed site
- October 2007, OMB issued an Order in favour of Eastern power after Eastern Power appealed the City of Mississauga ruling to the OMB
- July 2008, the Minister of the Environment concurred with the decision made by the Director of the MOE and Eastern Power receives EA approval
- July 2008, Eastern Power terminates first FM upon receipt of Minister of the Environment's decision; at the same time, negotiation of an amendment was initiated
- March 2009, Eastern Power applies for a building permit from the City of Mississauga; According to the Ontario Building Code, permit is to be issued within 30 business days of completing application. This does not happen.
- August 2009, Greenfield files second force majeure dated back to June 15, 2009 due to delays in obtaining building permit.
- March 2009, resulting from delay between 2005 and 2008, the OPA and Eastern Power amend agreement with new in service date of Sept 2012 (from July 2009); agreement also amended so that proponent no longer has option of burning oil if natural gas prices increase.
- March 2011, Eastern Power determines that they can obtain project financing and terminates second FM
- May 2011, OPA and Eastern Power agree to revised milestone date for commercial operation resulting from the building permit delay.
- May 2011, project financing achieved through **EIG Management and Credit Suisse**
- May 2011, Eastern Power obtained building permit from the City of Mississauga ;mobilization is in process and major foundation work is planned to commence in July 2011
- Project is presently advanced into detailed design stage; major equipment procurement is underway with steam turbine generator delivered and in storage

Briefing Note: Eastern Power Limited

Address

401-2275 Lake Shore Blvd W
Toronto, ON
M8V 3Y3

Company Profile

- Eastern Power Limited is a privately-owned company founded in 1985. Eastern Power is an Ontario-based corporation with its corporate administrative offices in Toronto. Eastern Power is also ~~ownlisted under the name of Eastern Power Developers Incorporated, as and~~ operates ~~esors of the Keele Valley and Brock West landfill gas generating stations. s and variously as a construction firm, land developer and environmental consulting firm..~~
- Greg Vogt is the president of Eastern Power.
- Hubert Vogt is vice-president of Eastern Power.
- Dr. Bruce E. Holbein is the public face of the company's involvement in Greenfield South.

Projects/Background

- Greenfield South Power Corporation (GSPC) lists Eastern Power Limited as an affiliate on its web site, but it appears that GSPC is wholly owned by Eastern Power Limited.
- Eastern Power obtained \$550 million financing for the Greenfield South plant from Credit Suisse, insured by EIG.
- Eastern Power has two landfill gas non-utility generation (NUG) contracts for the Keele Valley Power Plant in Vaughan and the Brock West Power Plant in Pickering. These are managed by the Ontario Electricity Financial Corporation (OEFC).
- Eastern Power sued OEFC for \$121 million in 1998 over a dispute about the Keele Valley contract.
- The case was decided in favour of the OEFC except for one issue where the courts sided with Eastern Power. The OEFC has made an offer to settle on this issue, but Eastern Power has not responded. Eastern Power has indicated that they may continue to pursue the issue in the courts rather than respond.
- Super Blue Box Recycling Corp (SUBBOR) is an affiliate of Eastern Power which operated a demonstration Energy from Waste facility in Guelph between 1998 and 2002. Guelph terminated the relationship when they couldn't obtain proof that the facility was operating at full-scale.

Prepared by: Ryan King, Senior Advisor and Executive Assistant
ADM's Office

4-6204

Allan Jenkins, Senior Policy Specialist
Energy Markets
5-6926

Approved by:

Garry McKeever, Director
Energy Supply and Competition
5-8627

Rick Jennings, Assistant Deputy Minister
Energy Supply, Transmission and Distribution Policy
4-6190

Cayley, Daniel (ENERGY)

From: Rehob, James (ENERGY)
Sent: November-16-11 11:42 AM
To: Calwell, Carolyn (ENERGY); Perun, Halyna N. (ENERGY)
Subject: RE: Bill: Timing Re: Introduction, Process, Translation etc.

Privileged & Confidential Legal Advice / Solicitor & Client Privileged

November 16, 2011

Hi, again – two more points: Firstly, I now understand that there may be a Cabinet meeting or LRC (one or the other) scheduled for November 24, 2011. Secondly, we should add vetting the bill through CLB and CLOC to the list below. Thank you very much!
James

From: Rehob, James (ENERGY)
Sent: November 16, 2011 10:33 AM
To: Calwell, Carolyn (ENERGY); Perun, Halyna N. (ENERGY)
Subject: Bill: Timing Re: Introduction, Process, Translation etc.

Privileged & Confidential Legal Advice / Solicitor & Client Privileged

November 16, 2011

Good morning, Carolyn and Halyna. While I am still awaiting a second draft of the Greenfield South Bill back from OLC, there are a number of important and time-sensitive matters related to the bill which I would really appreciate discussing with you at your early convenience. These are all elements drawn from my understanding of the process and I'm sure you are well acquainted with them, but I thought it would be useful for us to have a discussion about the process and timing:

- **General timing:** As I understand there is no actual timing yet established for the introduction of the Bill, although I have heard mention that it may be desired that we introduce next week (as soon as the House rises). I'm actually quite unclear whether the drafting will be in any way ready, but you can certainly know that I will do everything I can to meet the timing as established by the decision-makers.
- **General Process elements:** The Bill will need to receive policy approval, either by a committee of Cabinet, such as EERP, LRC or Cabinet sitting as both LRC and itself.
 - To date, formal Cabinet committees have not yet been struck;
 - Our own Cabinet Office Liaison (Hanna Smith) would normally schedule this item or arrange for a special meeting of Cabinet with ECO and CO.
 - Earliest Cabinet dates are in January (this is just my current understanding and needs to be confirmed with Hanna Smith our ECO/CO) therefore **a special Cabinet or LRC/Cabinet, etc. meeting may well be required** if introduction is to occur in this session of the House;
 - Policy and related briefing documents do need to be developed with the client and sent through (along with the MAG BN on its own track).
- **Bill-related elements:** Normally, the introduction version of the Bill including the (usually 50) requisite number of required copies have to be delivered to the office of the House Leader on the day of introduction, if not the day before:
 - MO or DMO should liaise with the **Office of the House Leader** as early as possible after the Bill is fully drafted and ready to ensure we have lined up introduction dates/timing;
 - Prior to this, we must prepare both English and French Compendium and Plain Language (simplified version) of compendium;
 - Ministry (usually LSB-me) would arrange for translation services through George Nutter of Communications, who (as was the case in the most recent Bills we've done) arranges for French

translation services. Translation of the Bill itself and its Explanatory Note are prepared for us by OLC's own French translation unit.

- Timing for Second Reading and Committee would have to be identified as soon as possible so that we can prepare any required amendments to the Bill, assuming the Bill goes to the Committee after First versus Second reading. The main difference for the policy-makers and the drafters is that the scope of the amendments that one can make at the Second Reading stage is smaller (the scope of the Bill is fixed) and only the more technical versus wide-open fundamental policy changes can be made at Committee after Second Reading.
- LSB may want to touch base with the Clerk of the House in order to ensure we provide him or her with the Bill and related documents in the time required, once the committee stage elements are settled.

The best course of action I would posit at this point given the information I have on hand is that we should, as soon as possible (when appropriate, of course) discuss the development of a policy and process plan for this initiative with Hanna Smith and Rick Jennings, once MO and DMO allow us or direct us to do so.

Thank you!

Kindly,

James

James P. H. Rebob

Senior Counsel
Ministry of Energy and
Ministry of Infrastructure
Legal Services Branch
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5
Tel: 416-325-6676
Fax: 416-325-1781
james.rebob@ontario.ca

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Fisher, Petra (ENERGY)

From: Morton, Robert (ENERGY)
Sent: October-26-11 11:44 AM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: Cayley, Daniel (ENERGY); Smith, Mark (ENERGY)
Subject: FW: Killer Q's for Minister re: miisissauga greenfield plant

Here is what Daniel and I have put together:

- What are the possible alternative locations [being considered](#)?
- Are the alternative locations in residential areas?
- What is the status of negotiations with the owners to move the plant?
- Have you even started negotiations with the owners?
- Why didn't you tell the owners to stop building the plant when you made the announcement?
- How much will it cost to move the plant?
- Did you know how much it would cost to move the plant when the announcement to move it was made? If not, why?
- Isn't this just a classic example of political opportunism to save Liberal seats in the Legislature?
- Why shouldn't the people of Ontario believe that this is just another in the long list of lies made by the McGuinty government?
- Can't other resources, such as [renewable energy and conservation](#), replace the need for this plant?
- You say conditions have changed because of residential development in the area – how could you not know that developments were planned near the plant when you approved it?
- Are you going to announce new minimum setbacks for gas plants?
- You have recently cancelled two gas plants that faced significant public opposition – why then is the gas plant in Northern York Region still going ahead? Is it because it is in a riding held by a PC MPP?

Cayley, Daniel (ENERGY)

From: Smith, Mark (ENERGY)
Sent: November-16-11 12:08 PM
To: King, Ryan (ENERGY)
Subject: RE: Greenfield Fact Sheet
Attachments: Greenfield - Messages and Qs and As.Oct27.doc

Importance: High

Hey Ryan, I just want to make sure I'm on the right page. Before I flip this to Dunn, can you confirm that the following info accurately reflects what we discussed?

Hi Ryan, the attached QAs are current, and cover most of the material I think you're looking for. I've clipped out sections based on our conversation, and added information regarding the original RFP. I'm still waiting on the number of homes powered and expect to have that to you shortly.

GENERAL BACKGROUND

- Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. The plant will occupy roughly 2 hectares of the property.
- The plant is 700 metres from the Trillium Health Centre and 1.1 km from the nearest school (Isna Elementary School). The nearest block of homes is about 250 metres south of the site.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition in 2005 and holds a contract with the Ontario Power Authority (OPA).
- The station would have provided power to (insert #) homes.
- The plant was designed to complement our baseload supply and would have only operated when electricity supply was needed, during periods of higher demand and to improve the reliability of supply to the local community.
- Actual operation would depend on several factors including weather, demands on the electricity system, and availability of other sources of power.
- The plant's original planned commercial operation date was 2009 (now targetting 2014)
- It was expected to operate 10% to 45% of the time.

On the original RFP

The coal closure commitment created the need for new generation. Should keep in mind that at the time of this RFP the deadline for coal closure was 2007 so there was a real and pressing need (this was the Premier's commitment) to bring new generation that could replace coal (ie meet the potential shortfall). That was the impetus for the RFP. I've pasted below a summary of some of the criteria to do with the actual RFP. As this was an RFP, all of the bids and evaluations are strictly confidential.

- In 2004 and 2005 the Ministry developed and administered a Clean Energy Supply (CES) Request for Proposals that ultimately resulted in 5 successful projects totalling 1,955 MW of gas-fired generating capacity.
- The RFP sought to secure new generation to support coal replacement and support reliability.
- Greenfield South Power Corporation (controlled by Eastern Power Corporation) was a successful applicant in the CES RFP and signed a contract with the OPA in April 2005
- All proposals had to meet rigorous financial and technical requirements, which were examined by an independent Evaluation Team, which consisted of staff from the Ministries of Finance and Energy, the IESO, Hydro One and the OEB. The proposals that met all of these criteria were then stacked according to price (the Net Revenue Requirement) and adjusted for timing, location and transmission requirements. The winners represented the least-cost options for the province.
- All projects are required to meet provincial approvals and municipal approvals including Environmental Assessment and Certificates of Approval.

Local need/other options

What about the transmission solution? When the Oakville plant was cancelled you said a transmission solution can ensure the area will have enough electricity.

- We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

Mark Smith

Media and Issues Officer

Ministry of Energy and Ministry of Infrastructure

416-326-5001

From: Morton, Robert (ENERGY)
Sent: November 16, 2011 10:59 AM
To: Smith, Mark (ENERGY)
Cc: Kovesfalvi, Sylvia (ENERGY)
Subject: FW: Greenfield Fact Sheet

Hi Mark,

Ryan has requested some basic facts on the Greenfield facility. I quickly pulled together some info below using old Q&A. Can you please add anything further that you feel is appropriate, run it by policy, and forward it to Ryan. Thank you.

Greenfield South – Basic Facts

The Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue.

The station would have provided power to (insert #) homes.

The plant was designed to complement our baseload supply and would have only operated when electricity supply was needed, during periods of higher demand and to improve the reliability of supply to the local community.

Actual operation would depend on several factors including weather, demands on the electricity system, and availability of other sources of power.

It was expected to operate 10% to 45% of the time.

From: Dunn, Ryan (ENERGY)
Sent: November 16, 2011 10:28 AM
To: Morton, Robert (ENERGY)
Subject: Greenfield Fact Sheet

Can I get some basic facts re: the Greenfield facility?

How many MW?

How many homes would it power?

What's its purpose? Etc.....

**Greenfield South Power Plant
KM/QA
Draft Two – October 27, 2011**

KEY MESSAGES

- Our government is committed to relocating the natural gas plant originally planned for Mississauga.
- That's why I sent a letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a new location for the site.
- It's our expectation the OPA and Eastern Power will work together to find a **satisfactory resolution to the Mississauga site.**
- As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority

QUESTIONS AND ANSWERS

STATUS

Why is work proceeding if the plant is being moved?

Our government is committed to finding a satisfactory resolution to the natural gas plant originally planned for Mississauga.

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Why don't you stop construction while discussions are ongoing?

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

When did construction start?

Construction started in May 2011.

Why hasn't construction stopped?

Again, the first step is holding discussions with Eastern Power. I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site

What if Eastern Power does not agree to discussions and continues construction?

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Will you issue a stop-order?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.

Will it require legislation to cancel it?

At this time, the OPA, as the contract holder, will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

But if talks break down, is legislation an option?

The first step is holding discussions with Eastern Power.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site

Minister, your spokesperson said that legislation was not needed, is this true?

The best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site.

That's why I sent a letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a satisfactory resolution to the site.

NEGOTIATIONS

What stage are discussions at with the company? Have you personally spoken to them?

I have asked the OPA, as the contract holder, to begin discussions.

Who is negotiating with the company on behalf of the province? Is it the OPA?

I have asked OPA, as the contract holder, to begin discussions.

Will Eastern Power be the company to build the relocated plant? Do you have assurances from them on that?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will you put this back out to tender?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

What is the process for cancelling the project?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

COST

Isn't the price going up as long as construction continues?

Many issues will be considered in the discussions.

How much is it going to cost to relocate this plant?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site. I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

How much would it have cost to move the plant when the intent to relocate was first announced in late September, 2011?

Many issues will be considered in the discussions.

Is the company just trying to get as much as they can from a settlement?

I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

Will the cost be made public knowledge at some time?

Our government is committed to conducting business in an open and transparent manner.

How long do you expect negotiations to take and how much will this cost taxpayers?

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

RELOCATION

What are the alternative locations being considered?

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will it be in Mississauga?

The first step is holding discussions with Eastern Power.

Why not build the natural gas plant in Nanticoke instead? They've indicated they're a willing host community.

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will the public be consulted?

Yes.

LOCAL SUPPLY AND RELIABILITY

Will this jeopardize power supply in the area?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available including transmission options to ensure reliability.

How delayed will this plant be now and do we have enough power in the interim to meet demand?

As I have said, the first step is holding discussions with Eastern Power.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

How often will the new plant operate?

Actual operation of an alternate plant will depend on several factors including weather, local system conditions, demands on the electricity system and the availability of other sources of power.

So we know for sure it will be a gas plant – and not additional transmission or other resources, such as renewable energy and conservation – that will replace this plant?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

What about the transmission solution? When the Oakville plant was cancelled you said a transmission solution can ensure the area will have enough electricity.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

Will a natural gas plant be built in the Kitchener-Waterloo-Cambridge-Guelph area?

As indicated in the Long-Term Energy Plan the procurement of a natural gas plant in the Kitchener-Waterloo-Cambridge area is necessary.

The Kitchener-Waterloo-Cambridge area is a major automotive and high-tech centre and is experiencing rapid population and economic growth. Peak demand has been increasing at a rate double the provincial average. The region is host to several data centres that require a reliable power supply.

How many natural gas plants are there already operating in the GTA?

There are four major plants:

- The 550-megawatt Portlands Energy Centre near downtown Toronto
- The 874-megawatt Goreway Station in Brampton
- The 683-megawatt Halton Hills Generating Station
- A 117-megawatt cogeneration plant at the Toronto International Airport in Mississauga

In addition there are a number of smaller natural gas generating plants operating in industry, and in commercial and institutional complexes, including universities and hospitals, including:

- A 68-megawatt facility at the Ottawa Health Sciences Centre
- A 6.6-megawatt facility at Brock University in St. Catharines
- A 2.3-megawatt district energy facility at [Durham College in Oshawa](#)
- A 12-megawatt [cogeneration facility in London](#)
- A 5-megawatt cogeneration facility in [Sudbury](#)
- A 6.7-megawatt cogeneration facility at Sudbury hospital

WHAT RELOCATING GREENFIELD MEANS FOR OTHER PROJECTS

Are there other power projects set to break ground that you may reconsider?

This is a case and location-specific issue and is not applicable to any other issue.

You said that about Mississauga, after you cancelled Oakville. How can we trust that you won't cave to pressure the next time?

Like any other business, energy partners work together to respond to changing conditions.

This is a case and location-specific issue and is not applicable to any other issue.

Communities object to wind power yet you won't budge. This is two gas plants you have cancelled. Why the double-standard?

The government has heard the community's concerns about this plant proceeding as originally planned prompting our intention to relocate the plant. There is no reason to try and juxtapose this case with other generation projects.

Does this speak to a need to have a more independent, arms-length process?

This is a case and location-specific issue and is not applicable to any other issue. We will continue to work collaboratively with all parties involved.

Will you reconsider new gas set-backs or a new siting process for plants of any kind?

We are investigating how siting is dealt with in other jurisdictions but are still in the preliminary research stage.

What is the status of negotiations with TransCanada over the cancellation of the Oakville plant?

We are in discussions with TransCanada, and do not have an update at this time.

GENERAL BACKGROUND

- Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. The plant will occupy roughly 2 hectares of the property.
- The plant is 700 metres from the Trillium Health Centre and 1.1 km from the nearest school (Isna Elementary School). The nearest block of homes is about 250 metres south of the site.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition in 2005 and holds a contract with the Ontario Power Authority (OPA).
- The plant's original planned commercial operation date was 2009.
- Approval delays resulting from City of Mississauga opposition to the project at the environmental approval and building permitting stages harmed the economic viability

of the project. The contract between Greenfield South Power Corporation and the OPA was renegotiated, and the commercial operation date has been extended to September 1, 2014.

- The project obtained zoning approval in 2007 and environmental approval in 2008.
- The OPA was advised on May 31, 2011, that the company has received its building permit for the plant. The company is moving equipment to the site, and excavation and foundation work is expected to start in early July.
- The site is located in a predominantly industrial area. It is bounded by a railway line, a transmission corridor and the Queen Elizabeth Way.
- The Ontario Municipal Board reviewed municipal planning and zoning and determined that the site was properly zoned and suitable for this type of electricity generation facility.
- In October 2011, the Minister of Energy wrote to the OPA asking them to begin discussions with Eastern Power to find an alternate location for the Greenfield South Plant.

Note:

In April 2005, Eastern Power was awarded contracts for two 280 MW natural gas plants – one for Greenfield South and one for Greenfield North (Huronario St. north of Derry Rd.). In August 2005, Greenfield North contract terminated under a mutual agreement between the OPA and Eastern Power because Eastern Power was not able to obtain financing. The Greenfield South contract remained in place. At the time, Eastern Power said it preferred the Greenfield South site because it was better for natural gas supply and electrical connection and the area was zoned for industrial activity, including power generation.

Fisher, Petra (ENERGY)

From: Chapman, Tom (ENERGY)
Sent: November-16-11 12:09 PM
To: Smith, Mark (ENERGY); King, Ryan (ENERGY)
Subject: RE: ACTION REQUIRED: Greenfield South Background

In this case I would suggest using 'over 100,000 homes'

The amount varies according to how much the plant would run. The 100k is a conservative estimate.

Tom Chapman | (office) 416 325 6898 | (cell) 416 458 6515

From: Smith, Mark (ENERGY)
Sent: November 16, 2011 11:28 AM
To: King, Ryan (ENERGY); Chapman, Tom (ENERGY)
Subject: RE: ACTION REQUIRED: Greenfield South Background

Great, Thanks!

Mark Smith
Media and Issues Officer
Ministry of Energy and Ministry of Infrastructure
416-326-5001

From: King, Ryan (ENERGY)
Sent: November 16, 2011 11:27 AM
To: Smith, Mark (ENERGY); Chapman, Tom (ENERGY)
Subject: RE: ACTION REQUIRED: Greenfield South Background

The plant was needed as part of the commitment to close all coal fired generation facilities (originally for 2007) as were the other facilities that were part of the RFP. I've attached further info on Greenfield in a chronology and BN on eastern power in particular. Tom, would you be able to run the math on a 280 MW plant for homes powered?

Thanks

From: Smith, Mark (ENERGY)
Sent: November 16, 2011 11:16 AM
To: King, Ryan (ENERGY)
Subject: ACTION REQUIRED: Greenfield South Background
Importance: High

Hi Ryan,
Ryan Dunn is looking for as much background info on Greenfield as he can find. The House Book Note and attached QAs/KM seem to be pretty comprehensive to me. Can you confirm that the information is current? Also, he specifically asked about why it was needed (pulled from early HBN and attached below), and how many homes it would power, can you provide that?

Proposed System Need – as of September 1 2011

- The Greenfield South plant is required to be able to meet needs for local and regional reliability for the Southwest and Western GTA.

Mark Smith

Media and Issues Officer

Ministry of Energy and Ministry of Infrastructure

416-326-5001

Fisher, Petra (ENERGY)

From: Smith, Mark (ENERGY)
Sent: November-16-11 12:13 PM
To: Dunn, Ryan (ENERGY)
Cc: Morton, Robert (ENERGY); Kovesfalvi, Sylvia (ENERGY)
Subject: RE: Greenfield South Information
Attachments: Greenfield - Messages and Qs and As.Oct27.doc

Importance: High

Hi Ryan, the attached QAs are current, and cover most of the material I think you're looking for. I've clipped out sections based on our conversation, and added information regarding the original RFP.

GENERAL BACKGROUND

- Greenfield South Generating Station is a 280-megawatt combined cycle natural gas plant located in the City of Mississauga on a 4.5 hectare property at 2315 Loreland Avenue. The plant will occupy roughly 2 hectares of the property.
- The plant is 700 metres from the Trillium Health Centre and 1.1 km from the nearest school (Isna Elementary School). The nearest block of homes is about 250 metres south of the site.
- The plant was selected in the Ministry of Energy Clean Energy Supply competition in 2005 and holds a contract with the Ontario Power Authority (OPA).
- The station would have produced enough power to supply over 100,000 homes.
- The plant was designed to complement our baseload supply and would have only operated when electricity supply was needed, during periods of higher demand and to improve the reliability of supply to the local community.
- Actual operation would depend on several factors including weather, demands on the electricity system, and availability of other sources of power.
- The plant's original planned commercial operation date was 2009 (now targetting 2014)
- It was expected to operate 10% to 45% of the time.

On the original RFP

The coal closure commitment created the need for new generation. Should keep in mind that at the time of this RFP the deadline for coal closure was 2007 so there was a real and pressing need (this was the Premier's commitment) to bring new generation that could replace coal (ie meet the potential shortfall). That was the impetus for the RFP. I've pasted below a summary of some of the criteria to do with the actual RFP. As this was an RFP, all of the bids and evaluations are strictly confidential.

- In 2004 and 2005 the Ministry developed and administered a Clean Energy Supply (CES) Request for Proposals that ultimately resulted in 5 successful projects totalling 1,955 MW of gas-fired generating capacity.
- The RFP sought to secure new generation to support coal replacement and support reliability.
- Greenfield South Power Corporation (controlled by Eastern Power Corporation) was a successful applicant in the CES RFP and signed a contract with the OPA in April 2005
- All proposals had to meet rigorous financial and technical requirements, which were examined by an independent Evaluation Team, which consisted of staff from the Ministries of Finance and Energy, the IESO, Hydro One and the OEB. The proposals that met all of these criteria were then stacked according to price (the Net Revenue Requirement) and adjusted for timing, location and transmission requirements. The winners represented the least-cost options for the province.
- All projects are required to meet provincial approvals and municipal approvals including Environmental Assessment and Certificates of Approval.

Local need/other options

What about the transmission solution? When the Oakville plant was cancelled you said a transmission solution can ensure the area will have enough electricity.

- We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

Mark Smith

Media and Issues Officer

Ministry of Energy and Ministry of Infrastructure

416-326-5001

**Greenfield South Power Plant
KM/QA
Draft Two – October 27, 2011**

KEY MESSAGES

- Our government is committed to relocating the natural gas plant originally planned for Mississauga.
- That's why I sent a letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a new location for the site.
- It's our expectation the OPA and Eastern Power will work together to find a **satisfactory resolution to the Mississauga site.**
- As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority

QUESTIONS AND ANSWERS

STATUS

Why is work proceeding if the plant is being moved?

Our government is committed to finding a satisfactory resolution to the natural gas plant originally planned for Mississauga.

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Why don't you stop construction while discussions are ongoing?

The first step is holding discussions with Eastern Power. I have asked the OPA, as the contract holder, to begin discussions with Eastern Power to find a satisfactory resolution to the site.

When did construction start?

Construction started in May 2011.

Why hasn't construction stopped?

Again, the first step is holding discussions with Eastern Power. I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site

What if Eastern Power does not agree to discussions and continues construction?

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Will you issue a stop-order?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

As the OPA proceeds with their discussions, we will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.

Will it require legislation to cancel it?

At this time, the OPA, as the contract holder, will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

But if talks break down, is legislation an option?

The first step is holding discussions with Eastern Power.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site

Minister, your spokesperson said that legislation was not needed, is this true?

The best option, and the one we are choosing at this time, is to have the OPA work with Eastern Power to find satisfactory resolution to the site.

That's why I sent a letter to letter to the CEO of the OPA asking him to begin discussions with Eastern Power to find a satisfactory resolution to the site.

NEGOTIATIONS

What stage are discussions at with the company? Have you personally spoken to them?

I have asked the OPA, as the contract holder, to begin discussions.

Who is negotiating with the company on behalf of the province? Is it the OPA?

I have asked OPA, as the contract holder, to begin discussions.

Will Eastern Power be the company to build the relocated plant? Do you have assurances from them on that?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will you put this back out to tender?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

What is the process for cancelling the project?

At this time, the OPA will begin discussions with Eastern Power to find a satisfactory resolution to the site.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

COST

Isn't the price going up as long as construction continues?

Many issues will be considered in the discussions.

How much is it going to cost to relocate this plant?

I have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site. I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

How much would it have cost to move the plant when the intent to relocate was first announced in late September, 2011?

Many issues will be considered in the discussions.

Is the company just trying to get as much as they can from a settlement?

I'm hopeful that this will be resolved fairly and in the best interests of ratepayers.

Will the cost be made public knowledge at some time?

Our government is committed to conducting business in an open and transparent manner.

How long do you expect negotiations to take and how much will this cost taxpayers?

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power.

It's our expectation the OPA and Eastern Power will work together to find a satisfactory resolution to the site.

RELOCATION

What are the alternative locations being considered?

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will it be in Mississauga?

The first step is holding discussions with Eastern Power.

Why not build the natural gas plant in Nanticoke instead? They've indicated they're a willing host community.

The first step is holding discussions with Eastern Power. We have asked the OPA to begin discussions with Eastern Power to find a satisfactory resolution to the site.

Will the public be consulted?

Yes.

LOCAL SUPPLY AND RELIABILITY

Will this jeopardize power supply in the area?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available including transmission options to ensure reliability.

How delayed will this plant be now and do we have enough power in the interim to meet demand?

As I have said, the first step is holding discussions with Eastern Power.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

How often will the new plant operate?

Actual operation of an alternate plant will depend on several factors including weather, local system conditions, demands on the electricity system and the availability of other sources of power.

So we know for sure it will be a gas plant – and not additional transmission or other resources, such as renewable energy and conservation – that will replace this plant?

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

What about the transmission solution? When the Oakville plant was cancelled you said a transmission solution can ensure the area will have enough electricity.

We are in an excellent supply situation in Ontario. The OPA will examine what options are available, including transmission options, to ensure reliability.

Will a natural gas plant be built in the Kitchener-Waterloo-Cambridge-Guelph area?

As indicated in the Long-Term Energy Plan the procurement of a natural gas plant in the Kitchener-Waterloo-Cambridge area is necessary.

The Kitchener-Waterloo-Cambridge area is a major automotive and high-tech centre and is experiencing rapid population and economic growth. Peak demand has been increasing at a rate double the provincial average. The region is host to several data centres that require a reliable power supply.

How many natural gas plants are there already operating in the GTA?

There are four major plants:

- The 550-megawatt Portlands Energy Centre near downtown Toronto
- The 874-megawatt Goreway Station in Brampton
- The 683-megawatt Halton Hills Generating Station
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Fisher, Petra (ENERGY)

From: Gerard, Paul (ENERGY)
Sent: November-16-11 12:15 PM
To: Botond, Erika (ENERGY)
Cc: Kett, Jennifer (OPO); Kett, Jennifer (ENERGY); Dunn, Ryan (ENERGY); Levitan, Daniel (ENERGY); Kovesfalvi, Sylvia (ENERGY); Morton, Robert (ENERGY); Sylvis, Laura (ENERGY); Kulendran, Jesse (ENERGY); Silva, Joseph (ENERGY); Lepage, Guy (CAB); Calwell, Carolyn (ENERGY); Perun, Halyna N. (ENERGY); Sharkawi, Rula (ENERGY)
Subject: MEDIA CALL - Global TV News - Request to Interview Minister about Greenfield South
Importance: High

Hello Erika,

Nishi Gupta at Global TV News would like an on-camera interview with Minister Bentley for him to respond to today's press conference held at the Greenfield South site by the Conservative energy critic.

Nishi.gupta@globalnews.ca
416-662-5938

Paul.

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 12:17 PM
To: 'Smith, Mark (ENERGY)'; Dunn, Ryan (ENERGY)
Cc: Morton, Robert (ENERGY)
Subject: RE: Greenfield South Information

ps – Ryan – to clarify, the attached QA were prepared to respond to general inquiries in late October. A week ago today, I began working on another collection of QA focused on potential outcomes of negotiations with Greenfield (you've seen latest version). This collection continues to evolve (I'll be sending out another version later this afternoon).

From: Smith, Mark (ENERGY)
Sent: November 16, 2011 12:13 PM
To: Dunn, Ryan (ENERGY)
Cc: Morton, Robert (ENERGY); Kovesfalvi, Sylvia (ENERGY)
Subject: RE: Greenfield South Information
Importance: High

Hi Ryan, the attached QAs are current, and cover most of the material I think you're looking for. I've clipped out sections based on our conversation, and added information regarding the original RFP.

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Requirement) and adjusted for timing, location and transmission requirements. The winners represented the least-cost options for the province.

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Mark Smith

Media and Issues Officer

Ministry of Energy and Ministry of Infrastructure

416-326-5001

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 12:41 PM
To: 'Kristin Jenkins'; 'Patricia Phillips'
Subject: Greenfield Presser
Attachments: photo.jpg

Duplicate attachment removed
(previously released)

Suspect you've already seen ...

-----Original Message-----

From: Cayley, Daniel (ENERGY)
Sent: November 16, 2011 12:36 PM
To: Botond, Erika (ENERGY); Dunn, Ryan (ENERGY); Kett, Jennifer (ENERGY); Kovesfalvi, Sylvia (ENERGY); Morton, Robert (ENERGY); King, Ryan (ENERGY); Sharkawi, Rula (ENERGY); Nutter, George (ENERGY); Kulendran, Jesse (ENERGY)
Subject: RE: Greenfield Presser

Please see attached photo of the Greenfield South construction site. This was taken from the location where the presser was held.

Daniel Cayley

Issues and Media Officer

Communications Branch

Ministries of Energy and Infrastructure

Office: (416) 325-0781

BB: (416) 347-4677

daniel.cayley@ontario.ca

P Please consider the environment before printing this e-mail

Fisher, Petra (ENERGY)

From: Silva, Joseph (ENERGY)
Sent: November-16-11 12:44 PM
To: Kulendran, Jesse (ENERGY); Dunning, Rebecca (ENERGY)
Subject: RE: Request for Briefing of Minister on Vapour

The crowd from this morning's Vapour Lock briefing know about this briefing to be set up.

Rebecca – could you find time with Maria please? In terms of invitees, Rick, Halyna, Carolyn – Jess, anyone else?

From: Silva, Joseph (ENERGY)
Sent: November 16, 2011 12:43 PM
To: 'david.morley@infrastructureontario.ca'
Cc: Kulendran, Jesse (ENERGY); Dunning, Rebecca (ENERGY)
Subject: RE: Request for Briefing of Minister on Vapour

PS An outlook invite will be sent once timing has been confirmed. Thank you.

From: Silva, Joseph (ENERGY)
Sent: November 16, 2011 12:42 PM
To: 'david.morley@infrastructureontario.ca'
Cc: Kulendran, Jesse (ENERGY); Dunning, Rebecca (ENERGY)
Subject: Request for Briefing of Minister on Vapour

Hi David,

Deputy Lindsay is requesting that David brief the Minister on Project Vapour by way of introduction, update, flag for issues, and options, as appropriate.

We are hoping that David will be able to provide the briefing within the next week or two.

Thank you very much
Joseph

Joseph Silva

Executive Assistant (A) to the Deputy Minister of Energy
Hearst Block 4th Flr, 900 Bay St, Toronto ON M7A 2E1
Tel: 416-325-2371 , Email: Joseph.Silva@ontario.ca

Cayley, Daniel (ENERGY)

From: Calwell, Carolyn (ENERGY)
Sent: November-16-11 1:48 PM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: FW: Time-Sensitive: Update
Attachments: QA-repudiationNov16 (siting workstops) 11am(rk).doc

Please see additional changes in the attached – I worked from Ryan's version.

I wonder if we would benefit from a re-group to discuss the different scenarios that we are trying to address. To some extent, circumstances have overtaken us.

At the end of last week, the 2 step scenario was intended to address the OPA's different wording between 2 letters, to be sent at 2 different times: first) that the OPA would not proceed with the contract and second) that it was terminating the contract.

As of yesterday, the language is settled at "not proceeding with the contract" because of legal advice that the OPA received. The termination language will not be used – accordingly, our messages no longer have to reflect that distinction.

Now, the only 2 scenarios in play are 1) Eastern stops construction as a result of the current discussions or 2) Eastern refuses to stop construction.

I've tried to address this a bit in my changes, but I was reluctant to do this completely without everyone on the same page.

Carolyn

From: King, Ryan (ENERGY)
Sent: November 16, 2011 1:25 PM
To: Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

My edits

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:01 PM
To: Calwell, Carolyn (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Time-Sensitive: Update
Importance: High

CO asked us to develop messaging/qa and coms strategy to support agreement to stop construction while negotiations continue. We recommend we employ the same coms strategy if decision is reached to stop construction (statement from OPA, statement from Minister).

Below is a draft Minister's statement, and attached are key messages (picked up in statement) and updated QA's.

Once I receive your feedback/approval, will share with CO, then ask OPA to draft statement.

(ps – For now, will keep as one document, identifying messaging/qa for all the potential scenarios (dead or alive) requested by CO. Hopefully we are closer to some decisions and I can cut this back (eliminate/meld scenarios) for next go-around).

ENERGY DRAFT – 16 NOV 2011 – 11am – If OPA/Greenfield Reach Agreement to Stop Construction

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

A few weeks ago, the Ontario Power Authority began negotiations with Greenfield South. This morning/afternoon, the OPA notified us that Greenfield has agreed to stop construction immediately, while negotiations continue.

We are pleased with this progress and look forward to a satisfactory resolution.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

Greenfield Contract Termination (Repudiation)

November 16, 2011 (11am4:17 pm)

MEDIA PROTOCOL

Generally the Minister's Office responds to strategic questions and OPA responds to operational questions.

Strategic - Minister's Office (Minister or Erika Botond)

- Government's decision to relocate the plant
- Government's commitment to relocate the plant.

Operational - OPA (Colin Andersen or Kristen Jenkins)

- Status of contract negotiations, and process for finding another site
- History of Greenfield site selection (required approvals, public consultation, etc).

Process

- The OPA immediately notifies the Ministry of Energy of any Greenfield-related media call (Communications Director, Media Manager and Spokesperson).
- The Ministry immediately notifies Minister's Office, Deputy Minister's Office, Legal and Cabinet Office.
- The OPA submits proposed responses; the ministry secures approvals (Cabinet Office, DMO, Legal, Policy).
- The Minister's Office confirms who responds and how (phone/email).

WHO SAYS WHAT – General Guidelines

	MINISTER	OPA
Key Messages	<p>SCENARIO A – If if OPA sends letter to Greenfield South advising unsuccessful negotiations lead to repudiation termination (2-step approach) OPA advises Greenfield that it will not proceed with the contract</p> <p>The OPA is in negotiations with Greenfield South.</p> <p>I understand the OPA has notified Greenfield South that it will not be proceeding with the contract.</p> <p>It is our expectation that Greenfield South will stop construction at the site.</p>	<p><i>We are in discussions with Greenfield South.</i></p> <p><i>We have notified them that we will not be proceeding with the contract.</i></p> <p><i>It is our expectation that Greenfield South will stop construction at the site.</i></p>
	<p><u>SCENARIO B – If agreement is reached to stop construction</u></p> <p><u>The OPA continues to negotiate with Greenfield South.</u></p> <p><u>While negotiations continue, Greenfield South has agreed to stop construction immediately.</u></p> <p><u>We are pleased with this progress and look forward to a satisfactory resolution.</u></p> <p><u>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</u></p>	<p><u><i>We are continuing to negotiate with Greenfield South.</i></u></p> <p><u><i>While negotiations continue, Greenfield South has agreed to stop construction immediately.</i></u></p> <p><u><i>We are continuing our discussions with Greenfield South and hope to reach a satisfactory resolution.</i></u></p>

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	<p><u>SCENARIO CB – If Contract is Terminated Does Not Proceed</u></p> <p>I understand the OPA has had discussions with the developer – Greenfield South. The OPA has notified Greenfield that the OPA is not proceeding with the contract.</p> <p>The OPA will look for another site for the gas plant.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i></p> <p><i>We are seeking to continue discussions with Greenfield South on next steps. We cannot provide any additional information on these discussions at this time.</i></p> <p><i>We will look for another site for the gas plant.</i></p> <p><i>Once potential sites have been identified, the public will be consulted before a final decision is made.</i></p>
	<p><u>SCENARIO DG – If letter/letters become public</u></p> <p>Despite OPA's best efforts, a successful negotiations were not successful-could not be reached.</p> <p>OPA has decided that the contract <u>will</u> come to an end and we support their decision.</p> <p>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</p> <p>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</p>	<p><i>Despite our best efforts, a successful negotiations <u>were not successful-could not be reached.</u></i></p> <p><i>We have decided that the contract <u>will</u> come to an end and appreciate the government's support.</i></p> <p><i>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</i></p> <p><i>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</i></p>

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Comment [C1]: Scenario C should reflect the possibility that Greenfield will not agree to stop construction.

	<p>Gas-fired generation has^{is} an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</p> <p>To ensure Ontario is following best practices, the government will review the look at the gas-plant siting process. It has already started to investigate how siting is dealt with in other jurisdictions and this investigation will continue.</p> <p>The government remains committed to providing a strong, stable supply of electricity for Ontario. We also remain committed to providing support to those making investments in Ontario's electricity system.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>Gas-fired generation has^{is} an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</i></p> <p><i>We share the government's commitment to ratepayer value.</i></p> <p><i>We hope to continue discussions with the developer to arrive at a resolution fair to all parties.</i></p>
Letters		
What does/do these letters mean?	<p><i>It/they mean the government supports OPA's decision to terminate not proceed with the contract with Greenfield South.</i></p>	<p><i>It/they mean negotiations had stalled and that the OPA recognized the best next step for all parties involved – ratepayers, the developer and OPA – was not to proceed with terminate the contract. The OPA decided to terminate not to proceed with the contract and the government indicated their support.</i></p>
Does this mean construction stops immediately?		
What kind of penalty	<p>That is what the OPA asked and that is our expectation.</p>	<p><i>That is what we asked and that is our expectation.</i></p>

does the developer face if they don't stop construction?	The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.	<i>The developer will not be able to recover its costs of ongoing construction. We have asked them to stop and that it our expectation.</i>
Why did negotiations fail?	The OPA and the developer could not reach an agreement.	<i>We could not reach an agreement.</i>
How long did the OPA give it? How extensive have the discussions been?	I understand the OPA and developer have been speaking frequently for the past month.	<i>We have been speaking frequently with the developer for the past month.</i>
There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?	This is a unique case and these circumstances do not apply to other contracts or issues.	<i>This is a unique case and these circumstances do not apply to other contracts or issues.</i>
What does “most appropriate way to allocate compensation between the OPA and Crown” mean?	It means that we will sit down together to determine how to share the cost of cancelling <u>not proceeding with</u> -the contract, giving full recognition to ratepayer value and contractual obligations.	<i>It means that we will sit down together to determine how to share the cost of cancelling<u>not proceeding with</u> the contract, giving full recognition to ratepayer value and contractual obligations.</i>

<p>Exactly how much is it going to cost to cancel this contract?</p>	<p>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</p>	<p>We hope to start negotiations soon. We are committed to finding a fair resolution that upholds ratepayer value.</p>
<p>How long will settlement negotiations take? Is there a drop-dead date?</p>	<p>The OPA will take the time necessary to come to a fair resolution.</p>	<p><i>We will take the time needed to find a fair solution.</i></p>
<p>Are these letters precedent-setting? Has the Ministry or OPA sent similar letters before?</p>	<p>No. Such letters are not precedent-setting. Our government conducts business on behalf of the people of Ontario in an open and transparent manner.</p>	<p><i>No. Such letters are not precedent-setting. Our agency conducts business on behalf of the people of Ontario. We do so in an open and transparent manner.</i></p>
<p><u>Contract Termination</u></p>		
<p>Has the contract been terminated?</p>	<p><u>SCENARIO A (contract will not proceed if negotiations unsuccessful)A</u></p> <p>No, however if negotiations are not successful, The OPA has notified Greenfield South that it will not be proceeding with the contract. In the meantime, the OPA has asked Greenfield South to stop construction at the site.</p>	<p>No—We are in discussions with Greenfield South. We have notified them however that if our negotiations are not successful, we will not be proceeding with the contract. In the meantime, we have asked Greenfield South to stop construction at the site.</p>

Who terminated the contract?		
Why was the contract terminated? Were other solutions not viable?	<p>SCENARIO B AND GC (not proceeding with contract)</p> <p>Following discussions with Greenfield South, OPA decided that not proceeding with the contract would best serve the public's interest.</p>	<p><i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i></p>
Did the OPA terminate the contract at the government's request?	<p>Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.</p> <p>The OPA, as the contract holder, has been in discussions with Greenfield South to resolve this matter in the best interests of Ontarians. Following discussions with Greenfield South, OPA decided that not proceeding with the contract best serves the public's interest. We support the OPA's decision.</p>	<p><i>Contract negotiations are commercially sensitive. These discussions are confidential. We will continue to negotiate in the best interests of Ontarians.</i></p> <p><i>The government has been clear that it is committed relocating the plant. Given the government's commitment, and following discussions with Greenfield South, we decided not proceeding with the contract was the appropriate next step.</i></p> <p><i>Our goal has been to resolve this matter in the best interests of Ontarians. We believe this decision best serves the public interest. Contract negotiations are commercial sensitive and we cannot say more than that.</i></p>
Why wasn't the contract terminated sooner?		
If the OPA is terminating the contract, how can you	Discussions began as soon as they could between OPA and	<p><i>We initiated discussions with Greenfield South as soon as ss they could we received the Minister's letter asking us to begin discussions. --Not proceeding with the contract is the result of these discussions.</i></p>

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get the company to work with the OPA to relocate the site?	Greenfield South. This decision is the result of those discussions.	<i>We will pursue further discussions with Greenfield South.</i>
Will Greenfield South be the company to build the relocated plant? Do you have assurances from them on that?	The OPA will pursue further discussions with Greenfield South and we expect them to find a satisfactory resolution.	<i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i>
Will you put this back out to tender?	The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.	<i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i>
What is the process for finding another site?	The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.	<i>This will require further consideration, but we will consider local generation needs and transmission and distribution support. Once options are identified, the public will be consulted.</i>
How come you've cancelled the plants in Mississauga and Oakville but not in Northern York Region?	The OPA is best able to answer this. We can confirm that the site selection will include public consultation.	<i>These are two very different situations. Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American</i>
	These are two very different situations. The OPA has advised that	

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Construction			
<u>When will construction stop now that Greenfield has agreed to stop work while negotiations continue?</u>	<u>We understand that Greenfield South agreed to stop construction immediately.</u>	<u>We have an agreement from Greenfield South to stop construction immediately.</u>	Formatted: Font: Not Bold
<u>What kind of penalty does the developer face if they don't stop construction?</u>	<u>The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.</u>	<u>The developer will not be able to recover its costs of ongoing construction. We have asked them to stop and that it our expectation.</u>	Formatted: Font: Not Bold
<u>How much will the construction completed to date cost</u>	<u>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</u>	<u>We are committed to finding a fair resolution that upholds ratepayer value.</u>	Formatted: Font: Bold

<p><u>ratepayers?</u></p> <p><u>Why did it take so long to stop construction?</u></p> <p>Now that the OPA has terminated the contract, will work stop at the site?</p> <p>Will legislation be required to stop construction?</p> <p>Minister, your spokesperson said that legislation was not needed, is this</p>	<p><u>Discussions began as soon as they could between OPA and Greenfield South. The agreement to stop construction is the result of those discussions.</u></p> <p>SCENARIO CA</p> <p>My understanding is that the OPA has notified the developer that it will not be proceeding with the contract. The OPA has asked the developer to stop work at the site.</p> <p>SCENARIO B & C IF SECOND LETTER SENT</p> <p>My understanding is that the OPA has notified the developer that it is not proceeding with the contract. The OPA requires the developer to stop work at the site.</p> <p>Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution.</p> <p>It is our expectation the OPA and Greenfield South will work together to find a satisfactory resolution.</p> <p>The best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution to the site.</p>	<p><u>We initiated discussions with Greenfield South as soon as we received the Minister's letter asking us to begin discussions. Not proceeding with the contract is the result of these discussions.</u></p> <p>SCENARIO CA</p> <p><i>We have notified Greenfield South that we will not be proceeding with the contract and asked Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site.</i></p> <p>SCENARIO B & C</p> <p><i>The government is best able to answer this question.</i></p> <p>IF SECOND LETTER SENT</p> <p><i>We have notified Greenfield South- that we are not proceeding with the contract. We have stated that we require Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site, and hope to reach a satisfactory resolution.-</i></p> <p><i>The government is best able to answer this question.</i></p>
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true?		
<p><u>Contract Value</u></p> <p>Why should anyone want to contract with OPA or government after this?</p> <p>What's the status of negotiations with TransCanada?</p> <p>Will the cost of these contract cancellations be made public knowledge at some time?</p>	<p>The government and our agencies have successful track records for negotiating and fulfilling contracts in the best interest of Ontario taxpayers. This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>Like any other business, energy partners work together to respond to changing conditions. Contracts are renegotiated or terminated on a small and large scale across businesses of all types.</p> <p>Discussions with TransCanada continue. We do not have an update at this time.</p> <p>Our government is committed to conducting business in an open and transparent manner. We will provide what we can when we can.</p>	<p><i>Our agency has a successful track record for negotiating and fulfilling contracts in the best interest of Ontario ratepayers.</i></p> <p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>Discussions with TransCanada continue. We do not have an update at this time.</i></p> <p><i>Contracts are commercially sensitive. It is up to the developer to determine what they are willing to make public and when.</i></p>

Fisher, Petra (ENERGY)

From: Rehob, James (ENERGY)
Sent: November-16-11 1:50 PM
To: Letourneau, Amanda (ENERGY)
Subject: Greenfield South - Chart for various approvals received

Categories: Green Category

Hi, Amanda! Would you be able to put together a chart or charts of the various approvals received (e.g. municipal, etc) and reflected in your emails (building permits) – Including columns for:

- Permit Type;
- Act
- Permit Number;
- Application by: [expect it would be Greenfield South but could be another entity, affiliate, agent etc.]
- Issued to [expect it would be Greenfield South Power but just in case its some agent, affiliate etc.]
- Date of Issue/Approval?
- Other Information

I may need to create a Schedule to the Bill reflecting some or all of this information.

Come by to discuss if you like,

Thanks very much, Amanda!
James

James P. H. Rehob
Senior Counsel
Ministry of Energy and
Ministry of Infrastructure
Legal Services Branch
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5
Tel: 416-325-6676
Fax: 416-325-1781
james.rehob@ontario.ca

Notice

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Cayley, Daniel (ENERGY)

From: Rehob, James (ENERGY)
Sent: November-16-11 2:11 PM
To: Calwell, Carolyn (ENERGY)
Subject: FW: Greenfield Presser
Attachments: WS_BinaryComparison_gov2011.046 (Greenfield South Power Project).e01-gov2011.046 (Greenfield South Power Project).e02PW.doc; gov2011.046 (Greenfield South Power Project).e02PW.doc

Duplicate attachments removed

Privileged & Confidential

Hi, Carolyn - this just received - OLC is siting lack of information (as are we) - see note below. Try same password as last time if needed.

Kindly,

James

-----Original Message-----

From: MacNaughton, Catherine (JUS)
Sent: November 16, 2011 2:07 PM
To: Rehob, James (ENERGY)
Cc: Partington, Tara (JUS); Perun, Halyna N. (ENERGY)
Subject: RE: Greenfield Presser

Hi James,

Attached is draft 2 which has some changes from draft 1, but the changes are based on our guesses of what you might want to consider including and some fine tuning on the language I threw together quickly for draft 1. I cannot go any further without some input on what your Ministry, MAG and Finance want. All we do is the drafting and translating. Without content instructions, we can't do anything further for you. We have no info on details needed for the compensation or how it will be paid or when, etc. We don't know what is to be removed from the site and how the site is to be left. We have no info on what if anything will be included relating to whether or not to assist the Corporation once it is in breach of all of its contracts for the construction and open to being sued. I am sure there may be other issues to be covered but I don't know what they are or what you need the bill to do.

thanks

Catherine Macnaughton
Legislative Counsel
Office of Legislative Counsel
3600-99 Wellesley Street West
Toronto, Ontario M7A 1A2
phone: (416) 326-2787
fax: (416) 326-2806

email: catherine.macnaughton@ontario.ca -----Original Message-----

From: Rehob, James (ENERGY)
Sent: November 16, 2011 13:31
To: MacNaughton, Catherine (JUS)
Cc: Partington, Tara (JUS)

Subject: FW: Greenfield Presser

Privileged & Confidential Legal Advice / Solicitor & Client Privileged

November 16, 2011

Hi, Catherine and Tara - Just checking in: This was just received - it appears the construction is still proceeding and of course my Director had asked how the draft Bill is proceeding. Please let me know how things are going and if you require anything from me (beyond answers to the many good questions you posed in the initial draft).

For now, I'm continuing to work with the initial draft and will transfer any updated thinking/language for your consideration into the next draft.

We are hoping to receiving clarity or at least some direction on two of the major issues soon, compensation and site (who to own, what level of remediation, etc.) as the DM is setting up a briefing with the MO in order to get guidance. Hence, I hope to be in a position to address at least some of your questions soon.

Thanks - I'm at x.56676.
James

-----Original Message-----

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 12:48 PM
To: Perun, Halyna N. (ENERGY); Rehob, James (ENERGY)
Subject: FW: Greenfield Presser

The attached gives us a good sense of the construction to date.

Carolyn

-----Original Message-----

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 12:41 PM
To: @CAB-Issues
Cc: McMichael, Rhonda (CAB); Calwell, Carolyn (ENERGY)
Subject: Greenfield Presser

-----Original Message-----

From: Cayley, Daniel (ENERGY)
Sent: November 16, 2011 12:36 PM
To: Botond, Erika (ENERGY); Dunn, Ryan (ENERGY); Kett, Jennifer (ENERGY); Kovesfalvi, Sylvia (ENERGY); Morton, Robert (ENERGY); King, Ryan (ENERGY); Sharkawi, Rula (ENERGY); Nutter, George (ENERGY); Kulendran, Jesse (ENERGY)
Subject: RE: Greenfield Presser

Please see attached photo of the Greenfield South construction site. This was taken from the location where the presser was held.

Daniel Cayley

Issues and Media Officer

Communications Branch

Ministries of Energy and Infrastructure

Office: (416) 325-0781

BB: (416) 347-4677

daniel.cayley@ontario.ca

P Please consider the environment before printing this e-mail

Cayley, Daniel (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 2:23 PM
To: 'King, Ryan (ENERGY)'; Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

Any objections to my replacing messaging for Scenario A (not proceeding) with messaging in current version of Minister's and OPA's statements?

From: King, Ryan (ENERGY)
Sent: November 16, 2011 2:17 PM
To: Nutter, George (ENERGY); Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY)
Subject: RE: Time-Sensitive: Update

By all means yes

From: Nutter, George (ENERGY)
Sent: November 16, 2011 1:54 PM
To: Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY)
Subject: RE: Time-Sensitive: Update

Certainly I am supportive of the two scenario approach.

George Nutter
Manager, Energy Communications
Communications Branch
Ministry of Energy
Ministry of Infrastructure

4th fl. Hearst Block
900 Bay Street
Queen's Park, Toronto
Ontario, Canada M7A 2E1

416-326-9602 office
416-326-3947 fax

george.nutter@ontario.ca

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:53 PM
To: Calwell, Carolyn (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

The simpler the better. I'm ok with creating one doc with two scenarios if there's agreement across the board (I'll check in with CO as well).

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 1:48 PM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: FW: Time-Sensitive: Update

Please see additional changes in the attached – I worked from Ryan's version.

I wonder if we would benefit from a re-group to discuss the different scenarios that we are trying to address. To some extent, circumstances have overtaken us.

At the end of last week, the 2 step scenario was intended to address the OPA's different wording between 2 letters, to be sent at 2 different times: first) that the OPA would not proceed with the contract and second) that it was terminating the contract.

As of yesterday, the language is settled at "not proceeding with the contract" because of legal advice that the OPA received. The termination language will not be used – accordingly, our messages no longer have to reflect that distinction.

Now, the only 2 scenarios in play are 1) Eastern stops construction as a result of the current discussions or 2) Eastern refuses to stop construction.

I've tried to address this a bit in my changes, but I was reluctant to do this completely without everyone on the same page.

Carolyn

From: King, Ryan (ENERGY)
Sent: November 16, 2011 1:25 PM
To: Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

My edits

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:01 PM
To: Calwell, Carolyn (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Time-Sensitive: Update
Importance: High

CO asked us to develop messaging/qa and coms strategy to support agreement to stop construction while negotiations continue. We recommend we employ the same coms strategy if decision is reached to stop construction (statement from OPA, statement from Minister).

Below is a draft Minister's statement, and attached are key messages (picked up in statement) and updated QA's.

Once I receive your feedback/approval, will share with CO, then ask OPA to draft statement.

(ps – For now, will keep as one document, identifying messaging/qa for all the potential scenarios (dead or alive) requested by CO. Hopefully we are closer to some decisions and I can cut this back (eliminate/meld scenarios) for next go-around).

ENERGY DRAFT – 16 NOV 2011 – 11am – If OPA/Greenfield Reach Agreement to Stop Construction

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

A few weeks ago, the Ontario Power Authority began negotiations with Greenfield South. This morning/afternoon, the OPA notified us that Greenfield has agreed to stop construction immediately, while negotiations continue.

We are pleased with this progress and look forward to a satisfactory resolution.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

Cayley, Daniel (ENERGY)

From: King, Ryan (ENERGY)
Sent: November-16-11 2:43 PM
To: Jennings, Rick (ENERGY)
Subject: FW: Revised options deck
Attachments: GS Options on Site 16 11 2011(rk).ppt

Rick, my suggested edits attached in red

From: Perun, Halyna N. (ENERGY)
Sent: November 16, 2011 2:40 PM
To: King, Ryan (ENERGY); Rehob, James (ENERGY)
Cc: Jennings, Rick (ENERGY)
Subject: RE: Revised options deck

Hi there –We'll need comments by 4:15 please - thank you

Halyna

Halyna N. Perun
A/Director
Legal Services Branch
Ministries of Energy & Infrastructure
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5
Ph: (416) 325-6681 / Fax: (416) 325-1781
BB: (416) 671-2607
E-mail: Halyna.Perun2@ontario.ca

Notice

This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. Any dissemination or use of this information by others than the intended recipient(s) is prohibited. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 1:14 PM
To: King, Ryan (ENERGY); Rehob, James (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Jennings, Rick (ENERGY)
Subject: Revised options deck

We had the opportunity to take the DM through the Greenfield options deck this morning and to discuss compensation and site issues. The DMO is now trying to schedule a briefing for the Minister, which could happen as early as tomorrow morning. Would you please take a look at the attached revised deck and provide your comments? The changes aren't intended to fundamentally revisit the approach but rather are supposed to clarify – if that hasn't happened, please let me know. The DMO is looking for the revised deck by end of day. My apologies for the short turn around.

Thank you!

Carolyn

This communication may be solicitor/client privileged and contain confidential information only intended for the person(s) to whom it is addressed. Any dissemination or use of this information by others than the intended recipient(s) is prohibited. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

Greenfield South Power Corporation Options

**Minister's Briefing
Confidential/Solicitor Client Privileged
November 17, 2011**

Issues

- Next steps to resolve the Greenfield South gas plant require the government and the OPA to determine:
 1. what compensation Greenfield South should receive for termination of the contract; and
 2. what will happen with the Greenfield South site
- These issues inform both negotiations with Greenfield South and, potentially, draft legislation
 - All options are not equally feasible and may need to be adjusted depending on circumstances

Compensation

- There are at least 3 options to address compensation:
 1. Formula based on provable costs incurred by Greenfield South
 2. Fixed amount based on estimated costs incurred by Greenfield South
 3. Referral to a third party arbitrator for determination of compensation

Compensation

- Compensation is assumed to include:
 - Sunk costs of construction and equipment
 - Costs paid to terminate construction and equipment contracts
 - Soft development costs, such as engineering, design, surveys, and legal fees
 - Costs of securing the site once construction stops
- Compensation could include:
 - Lost profits
 - Costs of acquiring the site

Option 1 – Formula based on costs incurred

- Greenfield would receive compensation for reasonable costs incurred in developing the project based on costs that it could prove through invoices and other documentation and, potentially, audit
- A formula could define “reasonable costs” and the time periods in which those costs were incurred
- Pros
 - Places onus on Greenfield South to prove its costs
 - Payment would be based on verifiable information
 - This approach was taken in the *Adams Mine Lake Act, 2004*
 - Provides a rational basis for negotiations
- Cons
 - Negotiations could become bogged down in settling a formula without getting to the application of the formula
 - May remain unresolved for a significant period of time as the process unfolds

Option 2 – Fixed Amount

- Greenfield would receive compensation based on an amount determined by the OPA. This amount would be an estimate of costs to the date of termination of the contract, without verification from Greenfield South
- Pros
 - An amount could be determined quickly
 - Could be used as a tactic in the context of legislation to advance negotiations
- Cons
 - Would require implementation through legislation.
 - Greenfield would not agree to an amount imposed by the OPA or the government
 - Appears arbitrary and unfair

Option 3 – Referral to Arbitrator

- An arbitrator could be appointed to resolve compensation either with consensus of Greenfield South or through legislation
- Pros
 - Provides for resolution of compensation through an independent third party
 - Allows for fair, impartial assessment of the amount of compensation
- Cons
 - Could result in a lengthy process, although process could be negotiated or legislated
 - Once arbitration commences, the ability of the OPA and the government to control the process is reduced

The Project Site

- There are at least 3 options to address the project site, which is a brownfield in a mostly industrial and commercial area:
 1. Acquire the site
 2. Greenfield retains the site
 3. Engage the City of Mississauga to seek its interest in acquiring the site from Greenfield South or contributing to compensation to Greenfield South

Site Option 1 – Acquisition

- Infrastructure Ontario or Ontario Power Generation acquires the site “as is” from Greenfield South
- Greenfield is compensated in the manner determined above and for the fair value of the land
- Pros
 - Quick to implement
 - Costs of demolition and site restoration, if necessary, are deferred
 - Site becomes available for public use or for resale
- Cons
 - Costs of security of site
 - May be perceived as expropriation, even if Greenfield is a willing seller

Option 2 – Greenfield retains site

- Use of site for electricity generation is prohibited through agreement or legislation
- Greenfield is compensated as determined above, for costs of restoring site to its pre-construction state, if desirable, and retains title to the land
- Pros
 - Limits OPA's and government's interests to immediate financial interests
 - Less intrusive to private interests than acquiring the site
- Cons
 - Public may continue to have ongoing concerns about future use of site

Option 3 – City of Mississauga Participation

- Begin discussions with the City of Mississauga to determine their interest in acquiring the site from Greenfield South Power Corporation or playing a role in resolution of the site
- City could contribute financially to compensation for Greenfield South or take on the liability of owning the site and in turn have a say in or control over the future use of the land
- Pros
 - Could potentially reduce total costs borne by the OPA or the Province
 - City could show that it is doing something positive in light of the cancellation
- Cons
 - Interest of the City is unknown. City unlikely to make a financial contribution

Other Considerations

- Relocation – Greenfield South develops a generation project at another site or Greenfield South's turbines are used at another site
 - Relocation complicates and potentially delays resolution of the Mississauga site
 - Any potential site may have bring with it local opposition and/or other complications associated with the new location

Fisher, Petra (ENERGY)

From: Kulendran, Jesse (ENERGY)
Sent: November-16-11 3:02 PM
To: Lindsay, David (ENERGY)
Cc: Silva, Joseph (ENERGY)
Subject: Fw: Time-Sensitive: Update

Importance: High

FYI!

Jesse Kulendran - Senior Coordinator, Policy & Special Projects - Deputy Minister's Office - Ministry of Energy - Tel.: 416-327-7025 - Blackberry: 416-206-1394

From: Kovesfalvi, Sylvia (ENERGY)
To: 'Kristin Jenkins' <Kristin.Jenkins@powerauthority.on.ca>; 'Patricia Phillips' <Patricia.Phillips@powerauthority.on.ca>
Cc: Kulendran, Jesse (ENERGY); Silva, Joseph (ENERGY); Nutter, George (ENERGY)
Sent: Wed Nov 16 15:00:40 2011
Subject: Time-Sensitive: Update

Hi – We are just finalizing some messaging/QA should agreement be reached to stop construction while negotiations continue.

Below is our draft minister's statement.

Would you be able to prepare statement for OPA and send for our review this afternoon?

Let me know if you have any questions/concerns.

Thank you.

Sylvia
416-327-4334

ENERGY DRAFT – 16 NOV 2011 - If OPA/Greenfield Reach Agreement to Stop Construction

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

A few weeks ago, the Ontario Power Authority began negotiations with Greenfield South. This morning/afternoon, the OPA notified us that Greenfield has agreed to stop construction immediately, while negotiations continue.

We are pleased with this progress and look forward to a satisfactory resolution.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

Fisher, Petra (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 3:10 PM
To: 'Botond, Erika (ENERGY)'
Subject: FW: qa - with siting review
Attachments: Greenfield Q's and A's Updated - MO copy RDEB edits.skredits.Nov16 - 3PM.doc

Hi – in case you do want siting review Q's included – use this version (3pm).

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 2:48 PM
To: 'Botond, Erika (ENERGY)'
Subject: FW: qa

I meant to ask – shall we include gas siting review Q's as well (currently not in the MO version)>

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 2:41 PM
To: 'Botond, Erika (ENERGY)'
Subject: RE: qa

Erika – attached are updated QA for your review. I've included messaging should work stop while negotiations continue, and have made a few minor changes so content is consistent with current version of Minister's statement (I believe the "as soon as possible" has been deleted from we will relocate asap). and noted one comment.

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 1:32 PM
To: Kovesfalvi, Sylvia (ENERGY)
Subject: RE: qa

Please say "become public"

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:32 PM
To: Botond, Erika (ENERGY)
Subject: RE: qa

Alright – then I'll have an "if letters leak" section.

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 1:31 PM
To: Kovesfalvi, Sylvia (ENERGY)
Subject: RE: qa

They could leak. Will need a q and a about them regardless.

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:31 PM
To: Botond, Erika (ENERGY)
Subject: RE: qa

So if the letters are not going public I can remove all the QA about what letter's mean/precedent, etc. Correct?

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 1:12 PM
To: Kovesfalvi, Sylvia (ENERGY)
Subject: RE: qa

Yes.
Letters will not go public.

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:11 PM
To: Botond, Erika (ENERGY)
Subject: RE: qa

I'll try to have it to you by 3pm.

Do these two scenarios work for you?

If greenfield agrees to stop construction while negotiations proceed.
If contract does not proceed.

(and if contract doesn't proceed – letters will go public so we need to keep that bit in – correct?)

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 1:10 PM
To: Kovesfalvi, Sylvia (ENERGY)
Subject: RE: qa

4 PM. Thx!

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:09 PM
To: Botond, Erika (ENERGY)
Subject: RE: qa

When do you need it?

From: Botond, Erika (ENERGY)
Sent: November 16, 2011 1:07 PM
To: Kovesfalvi, Sylvia (ENERGY)
Subject: RE: qa

The two most likely. Please work from this document. (attached)

When can we expect it?

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:05 PM
To: Botond, Erika (ENERGY)
Subject: qa

Hi Erika – will the minister be reviewing the QA document this afternoon? (is yes, does he want to see all the scenarios built in, or just two of the more likely outcomes?)

MISSISSAUGA UPDATE

DRAFT

Nov 16, 2011 (3pm)

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KEY MESSAGES

If Greenfield agrees to stop construction while negotiations proceed

- The OPA continues to negotiate with Greenfield South.
- While negotiations continue, Greenfield South has agreed to stop construction immediately.
- We are pleased with this progress and look forward to a satisfactory resolution.
- The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.

If contract does not proceed

- We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.
- We listened to local concerns from all residents, taking into consideration the recent development in the area, including more residential areas.
- For several weeks, the Ontario Power Authority has been in discussion with the owners of the plant, they have not agreed to stop construction and relocate.
- The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.
- Ontario families and businesses need a reliable supply of clean power for our homes and businesses and we intend to honour our commitment to relocate the gas generation plant ~~as quickly as possible~~.
- The best interests of Ontarians and their communities are our primary priority.

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Questions and Answers

If Greenfield Agrees to Stop Construction

When will construction stop now that Greenfield has agreed to stop work while negotiations continue?

We understand that Greenfield South agreed to stop construction immediately.

What kind of penalty does the developer face if they don't stop construction?

The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.

How much will the construction completed to date cost ratepayers?

The developer will not be able to recover its costs of ongoing construction.

Why did it take so long to stop construction?

Discussions began as soon as they could between OPA and Greenfield South. The agreement to stop construction is the result of those discussions.

Contract Termination

Has the contract been terminated?

The OPA is working hard to come to a fair resolution. Unfortunately, after several weeks of discussion with the corporate owners of the plant, they have not agreed to stop construction and relocate. Not proceeding with the contract is simply the next step in the process to ensure ratepayers are protected.

Who terminated the contract?

The Ontario Power Authority informed the corporation that it will not proceed with its contract. Not proceeding with the contract is simply the next step in the process to ensure ratepayers are protected.

Why was the contract terminated? Were other solutions not viable?

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction. For several weeks, the Ontario Power Authority has been in discussion with the owners of the plant, they have not agreed to stop construction and relocate.

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The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.

Did the OPA terminate the contract at the government’s request?

The OPA, as the contract holder, has been in discussions with Greenfield South to resolve this matter in the best interests of Ontarians.

For several weeks, the Ontario Power Authority has been in discussion with the owners of the plant, they have not agreed to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Why wasn’t the contract terminated sooner?

Discussions began as soon as they could between OPA and Greenfield South. This decision is the result of those discussions.

If the OPA is terminating the contract, how can you get the company to work with the OPA to relocate the site?

The OPA will pursue further discussions with Greenfield South.

Will Greenfield South be the company to build the relocated plant?

Ontario families and businesses need a reliable supply of clean power for our homes and businesses. We intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our primary priority.

Will you put this back out to tender?

Ontario families and businesses need a reliable supply of clean power for our homes and businesses. We intend to honour our commitment to relocate the gas generation plant as quickly as possible. The best interests of Ontarians and their communities are our primary priority.

Comment [K1]: Our approved response to this question and the next is: *The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.*

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What is the process for finding another site?

The OPA is best able to answer this. We can confirm that the site selection will include public consultation.

How come you've cancelled the plants in Mississauga and Oakville but not in Northern York Region?

These are two very different situations.

We made a specific commitment to the residents of Mississauga during the election, and Mississauga voters overwhelmingly agreed with our commitment to relocate the gas generating plant. We intend to honour our commitment

The OPA has advised that Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.

Construction

Now that the OPA has terminated the contract, will work stop at the site?

The OPA has notified the developer that it is not proceeding with the contract. The OPA has asked the developer to stop work at the site.

Will legislation be required to stop construction?

The OPA has notified the developer that it is not proceeding with the contract. The OPA requires the developer to stop work at the site.

Legislation was an option, however, we were hopeful that Greenfield South would work with the OPA to find satisfactory resolution.

For several weeks, the Ontario Power Authority has been in discussion with the owners of the plant, they have not agreed to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Minister, your spokesperson said that legislation was not needed, is this true?

Legislation was an option, however, we were hopeful that Greenfield South would work with the OPA to find satisfactory resolution.

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Contract Value

Why should anyone want to contract with OPA or government after this?

The government and our agencies have successful track records for negotiating and fulfilling contracts in the best interest of Ontario taxpayers. This is a unique case and these circumstances do not apply to other contracts or issues.

Like any other business, energy partners work together to respond to changing conditions. Contracts are renegotiated or terminated on a small and large scale across businesses of all types.

What's the status of negotiations with TransCanada?

Discussions with TransCanada continue. We do not have an update at this time.

Will the cost of these contract cancellations be made public knowledge at some time?

Our government is committed to conducting business in an open and transparent manner.

If Letters Become Public

What does/do these letters mean?

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction. The OPA ~~has been~~ is working hard to come to a fair resolution.

Unfortunately, after several weeks of discussion with the corporate owners of the plant, they have not agreed to stop construction and relocate. Not proceeding with the contract is simply the next step in the process to ensure ratepayers are protected.

We intend to relocate the gas generation plant and have it supplying power as quickly as possible.

Does this mean construction stops immediately?

This means the OPA will no longer proceed with the contract and Greenfield is financial liable for any further investments in the project. This is the next step in this process to minimize the cost and protect ratepayers. This in the best interests of Ontarians and their communities are our primary priority. It's

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important that the OPA continue to try and work with the company to resolve this in as quickly and fairly a way possible.

What kind of penalty does the developer face if they don't stop construction?

Not proceeding with the contract means Greenfield is financial liable for any further investments in the project. This next step will protect Ontario ratepayers from any future costs.

Why did negotiations fail?

For several weeks, the Ontario Power Authority has been in discussion with the owners of the plant, they have not agreed to stop construction and relocate.

The Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses. We intend to honour our commitment to relocate the gas generation plant ~~as quickly as possible.~~ The best interests of Ontarians and their communities are our primary priority.

How long did the OPA give it? How extensive have the discussions been?

There have been several weeks of discussion between the OPA and Greenfield.

They have not agreed to stop construction and relocate, and the Ontario Power Authority has informed the corporation that it is taking the next step in this process and will not proceed with its contract.

There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction. There have been significant changes to the area since the plant was originally approved in 2004, including the construction of several residential buildings. The health and well-being of Ontarians is our primary concern and we listened to local concerns from all residents, taking their concerns into consideration, including the recent development in the area.

What does “most appropriate way to allocate compensation between the OPA and Crown” mean?

It means that we will sit down together to determine how to share the cost of cancelling the contract, giving full recognition to ratepayer value and contractual obligations.

Exactly how much is it going to cost to cancel this contract?

The OPA is working hard to come to a fair resolution. Unfortunately, after several weeks of discussion with the corporate owners of the plant, they have not agreed to stop construction and relocate. Not proceeding with the contract is simply the next step in the process to ensure ratepayers are protected.

How long will settlement negotiations take? Is there a drop-dead date?

We intend to honour our commitment to relocate the gas generation plant ~~as quickly as possible~~. The OPA is working hard to come to a fair resolution. This is simply the next step in the process to ensure ratepayers are protected.

Are these letters precedent-setting? Has the Ministry or OPA sent similar letters before?

No. Such letters are not precedent-setting.

Our government conducts business on behalf of the people of Ontario in an open and transparent manner.

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Cayley, Daniel (ENERGY)

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November-16-11 3:38 PM
To: 'Calwell, Carolyn (ENERGY)'; 'King, Ryan (ENERGY)'
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Time-Sensitive: Update
Attachments: QA-repudiationNov16 (siting workstops).3pm.doc

Next version, reflecting two possible outcomes. Note – have included a brief status section on page one (under media protocol) indicating letter strategy. Have also incorporated current statement messaging.

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 1:48 PM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: FW: Time-Sensitive: Update

Please see additional changes in the attached – I worked from Ryan's version.

I wonder if we would benefit from a re-group to discuss the different scenarios that we are trying to address. To some extent, circumstances have overtaken us.

At the end of last week, the 2 step scenario was intended to address the OPA's different wording between 2 letters, to be sent at 2 different times: first) that the OPA would not proceed with the contract and second) that it was terminating the contract.

As of yesterday, the language is settled at "not proceeding with the contract" because of legal advice that the OPA received. The termination language will not be used – accordingly, our messages no longer have to reflect that distinction.

Now, the only 2 scenarios in play are 1) Eastern stops construction as a result of the current discussions or 2) Eastern refuses to stop construction.

I've tried to address this a bit in my changes, but I was reluctant to do this completely without everyone on the same page.

Carolyn

From: King, Ryan (ENERGY)
Sent: November 16, 2011 1:25 PM
To: Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

My edits

From: Kovesfalvi, Sylvia (ENERGY)

Sent: November 16, 2011 1:01 PM

To: Calwell, Carolyn (ENERGY); King, Ryan (ENERGY)

Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)

Subject: Time-Sensitive: Update

Importance: High

CO asked us to develop messaging/qa and coms strategy to support agreement to stop construction while negotiations continue. We recommend we employ the same coms strategy if decision is reached to stop construction (statement from OPA, statement from Minister).

Below is a draft Minister's statement, and attached are key messages (picked up in statement) and updated QA's.

Once I receive your feedback/approval, will share with CO, then ask OPA to draft statement.

(ps – For now, will keep as one document, identifying messaging/qa for all the potential scenarios (dead or alive) requested by CO. Hopefully we are closer to some decisions and I can cut this back (eliminate/meld scenarios) for next go-around).

ENERGY DRAFT – 16 NOV 2011 – 11am – If OPA/Greenfield Reach Agreement to Stop Construction

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

A few weeks ago, the Ontario Power Authority began negotiations with Greenfield South. This morning/afternoon, the OPA notified us that Greenfield has agreed to stop construction immediately, while negotiations continue.

We are pleased with this progress and look forward to a satisfactory resolution.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

Greenfield Contract Termination (Repudiation)

November 16, 2011 (3pm/4am)

MEDIA PROTOCOL

Generally the Minister's Office responds to strategic questions and OPA responds to operational questions.

Strategic - Minister's Office (Minister or Erika Botond)

- Government's decision to relocate the plant
- Government's commitment to relocate the plant.

Operational - OPA (Colin Andersen or Kristen Jenkins)

- Status of contract negotiations, and process for finding another site
- History of Greenfield site selection (required approvals, public consultation, etc).

Process

- The OPA immediately notifies the Ministry of Energy of any Greenfield-related media call (Communications Director, Media Manager and Spokesperson).
- The Ministry immediately notifies Minister's Office, Deputy Minister's Office, Legal and Cabinet Office.
- The OPA submits proposed responses; the ministry secures approvals (Cabinet Office, DMO, Legal, Policy).
- The Minister's Office confirms who responds and how (phone/email).

Current Status

- On November 14, 2011, the OPA sent the first letter to Greenfield South, **requesting** that Greenfield stop construction and signalling OPA will not proceed with contract if negotiations are not successful. If agreement is not reached to stop construction while continuing to negotiate, the OPA will send a second letter **requiring** Greenfield South to stop construction and indicating OPA will not proceed with the contract.

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WHO SAYS WHAT – General Guidelines

	MINISTER	OPA
Key Messages	SCENARIO A – OPA advises Greenfield that it will not proceed with the contract	
	The OPA is in negotiations with Greenfield South.	We are in discussions with Greenfield South.
	I understand the OPA has notified Greenfield South that it will not be proceeding with the contract.	We have notified them that we will not be proceeding with the contract.
	It is our expectation that Greenfield South will stop construction at the site.	It is our expectation that Greenfield South will stop construction at the site.
	The OPA will look for another site for the gas plant.	We cannot provide any additional information on these discussions at this time.
	The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.	We will look for another site for the gas plant.
	The OPA has advised us that after several weeks of discussions between the Ontario Power Authority and the owners of the plant, no agreement has been reached to stop construction and relocate.	Once potential sites have been identified, the public will be consulted before a final decision is made.
	The Ontario Power Authority has informed Greenfield South that it is taking the next step in this process and will not proceed with its contract.	Despite best efforts to work with Greenfield South Power Corporation, we are not proceeding with the contract for Greenfield's Mississauga power plant..
	Ontario families and businesses need a reliable supply of clean power for our homes and businesses.	After several weeks of discussions it has become clear that Greenfield South has no intent to consider relocation and continues construction. In light of this, we have notified Greenfield that we are not proceeding with the contract. Greenfield is financially liable for any further investments in the project.
	The government intends to honour our commitment to relocate the gas generation plant.	
	The best interests of Ontarians and their communities are our	

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	<p><u>number one priority.</u></p>	<p><u>The OPA will continue to work with the government to identify another site for the gas plant based on local generation needs and transmission and distribution support to ensure a long-term reliable supply of electricity.</u></p>
	<p><u>SCENARIO B – If agreement is reached to stop construction</u></p> <p>The OPA continues to negotiate with Greenfield South.</p> <p>While negotiations continue, Greenfield South has agreed to stop construction immediately.</p> <p>We are pleased with this progress and look forward to a satisfactory resolution.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><u>(this section requires OPA input)</u></p> <p><i>We are continuing to negotiate with Greenfield South.</i></p> <p><i>While negotiations continue, Greenfield South has agreed to stop construction immediately.</i></p> <p><i>We are continuing our discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p>

Comment [C1]: Scenario C should reflect the possibility that Greenfield will not agree to stop construction.

	<p><u>SCENARIO C9 – If letter/letters become public</u></p> <p>Despite OPA's best efforts, negotiations were not successful.</p> <p>OPA has decided that the contract will come to an end and we support their decision.</p> <p>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</p> <p>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</p> <p>Gas-fired generation has an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</p> <p>To ensure Ontario is following best practices, the government will look at the gas-plant siting process. It has already started to investigate how siting is dealt with in other jurisdictions and this investigation will continue.</p>	<p><i>Despite our best efforts, negotiations were not successful.</i></p> <p><i>We have decided that the contract will come to an end and appreciate the government's support.</i></p> <p><i>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</i></p> <p><i>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</i></p> <p><i>Gas-fired generation has an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</i></p> <p><i>We share the government's commitment to ratepayer value.</i></p>

<p>Letters</p> <p>What does/do these letters mean?</p> <p>Does this mean construction stops immediately?</p> <p>What kind of penalty does the developer face if they don't stop construction?</p> <p>Why did negotiations fail?</p> <p>How long did the OPA give it? How</p>	<p>The government remains committed to providing a strong, stable supply of electricity for Ontario. We also remain committed to those making investments in Ontario's electricity system.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p> <p><i>It/they mean the government supports OPA's decision to not proceed with the contract with Greenfield South.</i></p> <p>That is what the OPA asked and that is our expectation.</p> <p>The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.</p> <p>The OPA and the developer could not reach an agreement.</p>	<p><i>It/they mean that the OPA recognized the best next step for all parties involved – ratepayers, the developer and OPA – was not to proceed with the contract. The OPA decided to not to proceed with the contract and the government indicated their support.</i></p> <p><i>That is what we asked and that is our expectation.</i></p> <p><i>The developer will not be able to recover its costs of ongoing construction. We have asked them to stop and that is our expectation.</i></p> <p><i>We could not reach an agreement.</i></p> <p><i>We have been speaking frequently with the developer for the past month.</i></p>
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<p>extensive have the discussions been?</p> <p>There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?</p> <p>What does “most appropriate way to allocate compensation between the OPA and Crown” mean?</p> <p>Exactly how much is it going to cost to cancel this contract?</p> <p>How long will settlement negotiations take? Is</p>	<p>I understand the OPA and developer have been speaking frequently for the past month.</p> <p>This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>It means that we will sit down together to determine how to share the cost of not proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</p> <p>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</p>	<p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>It means that we will sit down together to determine how to share the cost of not proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</i></p> <p><i>We are committed to finding a fair resolution that upholds ratepayer value.</i></p> <p><i>We will take the time needed to find a fair solution.</i></p>
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there a drop-dead date?	The OPA will take the time necessary to come to a fair resolution.	
Are these letters precedent-setting? Has the Ministry or OPA sent similar letters before?	No. Such letters are not precedent-setting. Our government conducts business on behalf of the people of Ontario in an open and transparent manner.	<i>No. Such letters are not precedent-setting. Our agency conducts business on behalf of the people of Ontario. We do so in an open and transparent manner.</i>
<u>Contract Termination</u>		
Has the contract been terminated?	<p><u>SCENARIO A (contract will not proceed if negotiations unsuccessful)</u></p> <p><i>The OPA is in discussions with Greenfield South. The OPA has notified Greenfield South that it will not be proceeding with the contract if negotiations are not successful. In the meantime, the OPA has asked Greenfield South to stop construction at the site.</i></p>	<p><i>We are in discussions with Greenfield South. We have notified them however that if our negotiations are not successful, we will not be proceeding with the contract. In the meantime, we have asked Greenfield South to stop construction at the site.</i></p>
Who terminated the contract?	<p><u>IF SECOND LETTER IS SENT SCENARIO C (not proceeding with contract)</u></p>	<p><u>IF SECOND LETTER IS SENT</u></p>
Why was the contract terminated? Were other solutions not viable?	Following discussions with Greenfield South, OPA decided that not proceeding with the contract would best serve the public's interest.	<p><i>After pursuing discussions to reach a negotiated agreement, we have notified Greenfield South that the OPA is not proceeding with the contract.</i></p>

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<p>Did the OPA terminate the contract at the government's request?</p> <p>Why wasn't the contract terminated sooner?</p> <p>If the OPA is terminating the contract, how can you get the company to work with the OPA to relocate the site?</p> <p>Will Greenfield South be the company to</p>	<p>Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.</p> <p>The OPA, as the contract holder, has been in discussions with Greenfield South to resolve this matter in the best interests of Ontarians. Following discussions with Greenfield South, OPA decided that not proceeding with the contract best serves the public's interest. We support the OPA's decision.</p> <p>Discussions began as soon as they could between OPA and Greenfield South. This decision is the result of those discussions.</p> <p>The OPA will pursue further discussions with Greenfield South and we expect them to find a satisfactory resolution.</p>	<p><i>Contract negotiations are commercially sensitive. These discussions are confidential. We will continue to negotiate in the best interests of Ontarians.</i></p> <p><i>The government has been clear that it is committed relocating the plant. Given the government's commitment, and following discussions with Greenfield South, we decided not proceeding with the contract was the appropriate next step.</i></p> <p><i>Our goal has been to resolve this matter in the best interests of Ontarians. We believe this decision best serves the public interest. Contract negotiations are commercial sensitive and we cannot say more than that.</i></p> <p><i>We initiated discussions with Greenfield South as soon as we received the Minister's letter asking us to begin discussions. Not proceeding with the contract is the result of these discussions.</i></p> <p><i>We will pursue further discussions with Greenfield South.</i></p>
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<p>build the relocated plant? Do you have assurances from them on that?</p>	<p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p>	<p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p>
<p>Will you put this back out to tender?</p>	<p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p>	<p><i>We expect to continue discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p>
<p>What is the process for finding another site?</p>	<p>The OPA will pursue further discussions with Greenfield South to find a satisfactory resolution.</p>	<p><i>This will require further consideration, but we will consider local generation needs and transmission and distribution support. Once options are identified, the public will be consulted.</i></p>
<p>How come you've cancelled the plants in Mississauga and Oakville but not in Northern York Region?</p>	<p>The OPA is best able to answer this. We can confirm that the site selection will include public consultation.</p> <p>These are two very different situations. The OPA has advised that Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</p>	<p><i>These are two very different situations. Southwest GTA's local reliability issues can be addressed through building transmission. Transmission projects were rejected by the people of Northern York Region, and a generating facility is required immediately in the region to meet North American standards for reliability.</i></p>
<p>Unrelated content</p>		

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	Unrelated content removed	
<p><u>Construction</u></p> <p>When will construction stop now that Greenfield has agreed to stop work while negotiations continue?</p> <p>What kind of penalty does the developer face if they don't stop construction?</p> <p>How much will the construction completed to date cost ratepayers?</p> <p>Why did it take so long to stop construction?</p>	<p>We understand that Greenfield South agreed to stop construction immediately.</p> <p>The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.</p> <p>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</p> <p>Discussions began as soon as they could between OPA and Greenfield South. The agreement to stop construction is the result</p>	<p>We have an agreement from Greenfield South to stop construction immediately.</p> <p><i>The developer will not be able to recover its costs of ongoing construction. We have asked them to stop and that it our expectation.</i></p> <p><i>We are committed to finding a fair resolution that upholds ratepayer value.</i></p> <p><i>We initiated discussions with Greenfield South as soon as we received the Minister's letter asking us</i></p>

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<p>Now that the OPA has terminated the contract, will work stop at the site?</p> <p>Will legislation be required to stop construction?</p> <p>Minister, your spokesperson said that legislation was not needed, is this true?</p>	<p>of those discussions.</p> <p>My understanding is that the OPA has notified the developer that it will not be proceeding with the contract. The OPA has asked the developer to stop work at the site.</p> <p>—IF SECOND LETTER SENT My understanding is that the OPA has notified the developer that it is not proceeding with the contract. The OPA requires the developer to stop work at the site.</p> <p>Legislation is an option, however, the best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution.</p> <p>It is our expectation the OPA and Greenfield South will work together to find a satisfactory resolution.</p> <p>The best option, and the one we are choosing at this time, is to have the OPA work with Greenfield South to find satisfactory resolution to the site.</p>	<p>to begin discussions. Not proceeding with the contract is the result of these discussions.</p> <p><u>We have notified Greenfield South that we are not proceeding with the contract. We have stated that we require Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site, and hope to reach a satisfactory resolution.</u></p> <p>We have notified Greenfield South that we will not be proceeding with the contract and asked Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site.</p> <p>The government is best able to answer this question.</p> <p>IF SECOND LETTER SENT We have notified Greenfield South that we are not proceeding with the contract. We have stated that we require Greenfield to stop construction. We have made it clear that Greenfield is financially liable if construction continues. We will pursue further discussions about stopping work at the site, and hope to reach a satisfactory resolution.</p>
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		<i>The government is best able to answer this question.</i>
<p><u>Contract Value</u></p> <p>Why should anyone want to contract with OPA or government after this?</p> <p>What's the status of negotiations with TransCanada?</p> <p>Will the cost of these contract cancellations be made public knowledge at some time?</p>	<p>The government and our agencies have successful track records for negotiating and fulfilling contracts in the best interest of Ontario taxpayers. This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>Like any other business, energy partners work together to respond to changing conditions. Contracts are renegotiated or terminated on a small and large scale across businesses of all types.</p> <p>Discussions with TransCanada continue. We do not have an update at this time.</p> <p>Our government is committed to conducting business in an open and transparent manner. We will provide what we can when we can.</p>	<p><i>Our agency has a successful track record for negotiating and fulfilling contracts in the best interest of Ontario ratepayers.</i></p> <p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>Discussions with TransCanada continue. We do not have an update at this time.</i></p> <p><i>Contracts are commercially sensitive. It is up to the developer to determine what they are willing to make public and when.</i></p>

Cayley, Daniel (ENERGY)

From: Rehob, James (ENERGY)
Sent: November-16-11 3:48 PM
To: Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY)
Subject: RE: Revised options deck
Attachments: GS Options on Site 16 11 2011 (JPR Comments 3 45 pm).ppt

Privileged & Confidential Legal Advice / Solicitor & Client Privileged

November 16, 2011

Hi, Carolyn. My comments on your very good slide-deck are reflected in red. I've only sent to you and Halyna as I am including provisions of the draft Bill –(Need to verify whether Rick/Ryan should be seeing drafts of the bill yet).

In particular, I'm concerned about receiving clear direction on the "follow-on" contracts regarding Greenfield's own suppliers, etc.

Compensation: In terms of setting out the elements of compensation, however, I would just note that the draft Bill (in what is currently s.7 of the draft Bill) provides for a fairly complex formula (which I don't fully understand as of yet) and does exclude compensation for lost profits and goodwill. Subsection 7(10) of the draft bill could be useful in terms of obtaining more specific direction, as it currently includes amongst the elements for compensation, the following to be considered as "reasonable costs and expenses":

Reasonable costs and expenses

(10) For greater certainty and subject to subsection (11), a reference in this section to reasonable costs and expenses incurred for the purpose of developing the project and the site includes reasonable costs and expenses incurred for that purpose for,

- (a) seeking to acquire and acquiring the site;
- (b) surveys, studies and testing;
- (c) engineering and design services;
- (d) buildings, structures, machinery and fixtures erected or placed upon, in, over or under the land, or affixed to the land^[1], and forming part of or to be used in connection with the project;
- (e) machinery and equipment to be used for or in connection with the generation, distribution or transmission of electricity, minus the net salvage value of the machinery and equipment as of the day this section comes into force; **(ie. less whatever the Corporation can get for the machinery and equipment on sale or return to manufacturer or sale as scrap, etc. - not sure I have expressed it correctly.)**
- (f) terminating contracts for the development of the project **and acquisition of ...? and related improvements to real property? - i.e. how much to prevent the Corporation from being sued for breach of contract.**

- (g) legal fees and disbursements relating to...;
- (h) property taxes; and
- (i) seeking government approvals and permits.

Same

(11) For greater certainty, a reference in this section to reasonable costs and expenses,

- (a) does not include any amount that exceeds the fair market value of the property, goods or services for which the cost or expense was incurred; and
- (b) does not include any amount for which the Corporation has been reimbursed by another person.

Site Remediation/Restoration: Just reflecting OLC's latest queries, we will need specific direction on the elements or level of site-remediation (what is to be removed, what is to remain) soon. So far, Ryan/Rick have provided that the site should "be returned to its preconstruction condition" but this needs to be verified (from my read of Ryan's email on point). For the purposes of this briefing, it would be good to flag the need for specific decisions on elements regarding site restoration/remediation and to have "point person(s)" identified in MO/DMO to provide specific guidance on these elements along with our other questions.

For instance, we need to be more specific about how the site is to be left and the level of remediation to be achieved or the remediation activities that are expected to be completed. My understanding of the policy direction regarding "returning the site to its pre-construction phase" includes the following:

- Assume all major electricity generation equipment, installations, connections, etc. are to be removed
- Whether ancillary structures (storage buildings, etc.) are to remain or are to be removed (direction so far is to remove but it would be good to confirm)
- whether municipal services (electricity, water mains, etc.) are to remain if present prior to construction (LSB still working to confirm what services were on-site prior to construction).
- Need direction on removal of dangerous substances (fuel oil, sulphuric acid, etc) - (assume remove and remediate but should be confirmed)

If it turns out that there is a detailed listing of things that MO (or MOE) wants done, we can provide a schedule to the Bill to reflect these steps.

Finally, re. Option 3, p. 11 – Cons: The province may wish to retain control of the site in order to ensure that no further use for generation purposes occurs, if we do not preclude using legislation.

Kindly,

James

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 1:14 PM
To: King, Ryan (ENERGY); Rehob, James (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Jennings, Rick (ENERGY)
Subject: Revised options deck

We had the opportunity to take the DM through the Greenfield options deck this morning and to discuss compensation and site issues. The DMO is now trying to schedule a briefing for the Minister, which could happen as early as tomorrow morning. Would you please take a look at the attached revised deck and provide your comments? The changes aren't intended to fundamentally revisit the approach but rather are supposed to clarify – if that hasn't happened, please let me know. The DMO is looking for the revised deck by end of day. My apologies for the short turn around.

Thank you!

Carolyn

This communication may be solicitor/client privileged and contain confidential information only intended for the person(s) to whom it is addressed. Any dissemination or use of this information by others than the intended recipient(s) is prohibited. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

^[1] Subsection 10 (1) of the Assessment Act.

Greenfield South Power Corporation Options

Minister's Briefing
Confidential/Solicitor Client Privileged
November 17, 2011

Issues

- Next steps to resolve the Greenfield South gas plant require the government and the OPA to determine:
 1. what compensation Greenfield South should receive for termination of the contract; and
 2. what will happen with the Greenfield South site
- These issues inform both negotiations with Greenfield South and, potentially, draft legislation
 - All options are not equally feasible and may need to be adjusted depending on circumstances

Compensation

- There are at least 3 options to address compensation:
 1. Formula based on provable costs incurred by Greenfield South
 2. Fixed amount based on estimated costs incurred by Greenfield South
 3. Referral to a third party arbitrator for determination of compensation

Compensation

- Compensation is assumed to include:
 - Sunk costs of construction and equipment
 - Costs paid to terminate construction and equipment contracts
 - Soft development costs, such as engineering, design, surveys, and legal fees
 - Costs of securing the site once construction stops
- Compensation could include:
 - Lost profits
 - Costs of acquiring the site
 - **Costs associated with compensating Greenfield's follow-on/sub-contractors (Enbridge Gas, trades, etc.)**

Option 1 – Formula based on costs incurred

- Greenfield would receive compensation for reasonable costs incurred in developing the project based on costs that it could prove through invoices and other documentation and, potentially, audit
- A formula could define “reasonable costs” and the time periods in which those costs were incurred
- Pros
 - Places onus on Greenfield South to prove its costs (together with costs of any sub-contractors, as required)
 - Payment would be based on verifiable information and commercial reasonableness?
 - This approach was taken in the *Adams Mine Lake Act, 2004*
 - Provides a rational basis for negotiations
- Cons
 - Negotiations could become bogged down in settling a formula without even getting to the application of the formula

Option 2 – Fixed Amount

- Greenfield would receive compensation based on an amount determined by the OPA. This amount would be an estimate of costs to the date of termination of the contract, without **agreement of** or verification from Greenfield South
- Pros
 - An amount could be determined **relatively** quickly
 - Could be used as a tactic in the context of legislation to advance negotiations
- Cons
 - Would require implementation through legislation.
 - Greenfield would not agree to an amount imposed by the OPA or the government
 - Appears arbitrary and unfair

Option 3 – Referral to Arbitrator

- An arbitrator could be appointed to resolve compensation either with consensus of Greenfield South or through legislation
- Pros
 - Provides for resolution of compensation through an independent third party
 - Allows for fair, impartial assessment of the amount of compensation
- Cons
 - Could result in a lengthy process, although process could be negotiated or legislated
 - Once arbitration commences, the ability of the OPA and the government to control the process is reduced – **Government could end up with an award it does not want or finds difficult to implement.**

The Project Site

- There are at least 3 options to address the project site, which is a brownfield in a mostly industrial and commercial area:
 1. Acquire the site
 2. Greenfield retains the site
 3. Engage the City of Mississauga to seek its interest in acquiring the site from Greenfield South or contributing to compensation to Greenfield South

Site Option 1 – Acquisition

- Infrastructure Ontario or Ontario Power Generation acquires the site “as is” from Greenfield South
- Greenfield is compensated in the manner determined above and for the fair value of the land
- Pros
 - **Relatively** Quick to implement
 - Costs of demolition and site restoration, if necessary, are deferred
 - Site becomes available for public use or for resale
- Cons
 - Costs of security of site
 - May be perceived as expropriation, even if Greenfield is a willing seller

Option 2 – Greenfield retains site

- Use of site for electricity generation is prohibited through agreement or legislation
- Greenfield is compensated as determined above, for costs of restoring **and remediating the** site to its pre-construction state, if desirable, **or restoration/remediation to an intermediate state**, and retains title to the land Pros
 - Limits OPA's and government's interests to immediate financial interests
 - Less intrusive to private interests than acquiring the site
- Cons
 - Public may continue to have ongoing concerns about future use of site

Option 3 – City of Mississauga Participation

- Begin discussions with the City of Mississauga to determine their interest in acquiring the site from Greenfield South Power Corporation or playing a role in resolution of the **ownership of the site**
- City could contribute financially to compensation for Greenfield South or take on the liability of owning the site and in turn have a say in or control over the future use of the land
- Pros
 - Could potentially reduce total costs borne by the OPA or the Province
 - City could show that it is doing something positive in light of the cancellation
 - **Could show co-operation between the Province and the City.**
- Cons
 - Interest of the City is unknown. City unlikely to make a financial contribution.

Other Considerations

- Relocation – Greenfield South develops a generation project at another site or Greenfield South's turbines are used at another site
 - Relocation complicates and potentially delays resolution of the Mississauga site
 - Unclear whether turbines/equipment, etc. can be utilized at another site (given specific technical, connection and other requirements)
[ntd-jpr: this is always a concern in other gas-generation relocation discussions, but should be verified with OPA or Rick/Ryan]

Cayley, Daniel (ENERGY)

From: Calwell, Carolyn (ENERGY)
Sent: November-16-11 4:21 PM
To: Kovesfalvi, Sylvia (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update
Attachments: QA-repudiationNov16 (siting workstops) 4pm.LSB.doc

Thanks a lot, Sylvia. Please see attached. I accepted all changes and worked from a clean copy.

We've now also received clear direction from the Minister on the siting review and now know that is off the table, so I've taken those questions out.

Carolyn

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 3:38 PM
To: Calwell, Carolyn (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Time-Sensitive: Update

Next version, reflecting two possible outcomes. Note – have included a brief status section on page one (under media protocol) indicating letter strategy. Have also incorporated current statement messaging.

From: Calwell, Carolyn (ENERGY)
Sent: November 16, 2011 1:48 PM
To: Kovesfalvi, Sylvia (ENERGY)
Cc: King, Ryan (ENERGY); Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (MAA); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: FW: Time-Sensitive: Update

Please see additional changes in the attached – I worked from Ryan's version.

I wonder if we would benefit from a re-group to discuss the different scenarios that we are trying to address. To some extent, circumstances have overtaken us.

At the end of last week, the 2 step scenario was intended to address the OPA's different wording between 2 letters, to be sent at 2 different times: first) that the OPA would not proceed with the contract and second) that it was terminating the contract.

As of yesterday, the language is settled at "not proceeding with the contract" because of legal advice that the OPA received. The termination language will not be used – accordingly, our messages no longer have to reflect that distinction.

Now, the only 2 scenarios in play are 1) Eastern stops construction as a result of the current discussions or 2) Eastern refuses to stop construction.

I've tried to address this a bit in my changes, but I was reluctant to do this completely without everyone on the same page.

Carolyn

From: King, Ryan (ENERGY)
Sent: November 16, 2011 1:25 PM
To: Kovesfalvi, Sylvia (ENERGY); Calwell, Carolyn (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: RE: Time-Sensitive: Update

My edits

From: Kovesfalvi, Sylvia (ENERGY)
Sent: November 16, 2011 1:01 PM
To: Calwell, Carolyn (ENERGY); King, Ryan (ENERGY)
Cc: Perun, Halyna N. (ENERGY); Silva, Joseph (ENERGY); Gemmiti, Paola (ENERGY); Sharkawi, Rula (ENERGY); Kulendran, Jesse (ENERGY); Nutter, George (ENERGY)
Subject: Time-Sensitive: Update
Importance: High

CO asked us to develop messaging/qa and coms strategy to support agreement to stop construction while negotiations continue. We recommend we employ the same coms strategy if decision is reached to stop construction (statement from OPA, statement from Minister).

Below is a draft Minister's statement, and attached are key messages (picked up in statement) and updated QA's.

Once I receive your feedback/approval, will share with CO, then ask OPA to draft statement.

(ps – For now, will keep as one document, identifying messaging/qa for all the potential scenarios (dead or alive) requested by CO. Hopefully we are closer to some decisions and I can cut this back (eliminate/meld scenarios) for next go-around).

ENERGY DRAFT – 16 NOV 2011 – 11am – If OPA/Greenfield Reach Agreement to Stop Construction

STATEMENT FROM ONTARIO MINISTER OF ENERGY CHRIS BENTLEY

November 16, 2011

We made a specific commitment to residents in Mississauga and Etobicoke to relocate the gas generating plant currently under construction.

We listened to local concerns from all residents, taking into consideration the changes in the area, including residential development since the plant was proposed.

A few weeks ago, the Ontario Power Authority began negotiations with Greenfield South. This morning/afternoon, the OPA notified us that Greenfield has agreed to stop construction immediately, while negotiations continue.

We are pleased with this progress and look forward to a satisfactory resolution.

Ontario families and businesses need a reliable supply of clean power for our homes and businesses - we intend to honour our commitment to relocate the gas generation plant. The best interests of Ontarians and their communities are our number one priority.

Greenfield Contract Termination (Repudiation)
November 16, 2011 (3pm)

MEDIA PROTOCOL

Generally the Minister's Office responds to strategic questions and OPA responds to operational questions.

Strategic - Minister's Office (Minister or Erika Botond)

- Government's decision to relocate the plant
- Government's commitment to relocate the plant.

Operational - OPA (Colin Andersen or Kristen Jenkins)

- Status of contract negotiations, and process for finding another site
- History of Greenfield site selection (required approvals, public consultation, etc).

Process

- The OPA immediately notifies the Ministry of Energy of any Greenfield-related media call (Communications Director, Media Manager and Spokesperson).
- The Ministry immediately notifies Minister's Office, Deputy Minister's Office, Legal and Cabinet Office.
- The OPA submits proposed responses; the ministry secures approvals (Cabinet Office, DMO, Legal, Policy).
- The Minister's Office confirms who responds and how (phone/email).

Current Status

- On November 14, 2011, the OPA sent the first letter to Greenfield South, **requesting** that Greenfield stop construction and signalling OPA will not proceed with contract if negotiations are not successful. If agreement is not reached to stop construction while continuing to negotiate, the OPA will send a second letter **requiring** Greenfield South to stop construction and indicating OPA will not proceed with the contract.

WHO SAYS WHAT – General Guidelines

	MINISTER	OPA
Key Messages	<p>SCENARIO A – OPA advises Greenfield that it will not proceed with the contract <u>and construction does not stop</u></p> <p>The OPA has advised us that after several weeks of discussions between the Ontario Power Authority and the owners of the plant, no agreement has been reached to stop construction and relocate.</p> <p>The Ontario Power Authority has informed Greenfield South that it is taking the next step in this process and will not proceed with its contract.</p> <p>Ontario families and businesses need a reliable supply of clean power for our homes and businesses.</p> <p>The government intends to honour our commitment to relocate the gas generation plant.</p> <p>The best interests of Ontarians and their communities are our number one priority.</p>	<p><i>Despite best efforts to work with Greenfield South Power Corporation, we are not proceeding with the contract for Greenfield's Mississauga power plant.</i></p> <p><i>After several weeks of discussions it has become clear that Greenfield South has no intent to consider relocation and continues construction. In light of this, we have notified Greenfield that we are not proceeding with the contract. Greenfield is financially liable for any further investments in the project.</i></p> <p><i>The OPA will continue to work with the government to identify another site for the gas plant based on local generation needs and transmission and distribution support to ensure a long-term reliable supply of electricity.</i></p>

	<p><u>SCENARIO B – OPA advised Greenfield that it will not proceed with the contract if and agreement is reached to stop construction</u></p> <p>The OPA continues to negotiate with Greenfield South.</p> <p>While negotiations continue, Greenfield South has agreed to stop construction immediately.</p> <p>We are pleased with this progress and look forward to a satisfactory resolution.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p><i>(this section requires OPA input)</i></p> <p><i>We are continuing to negotiate with Greenfield South.</i></p> <p><i>While negotiations continue, Greenfield South has agreed to stop construction immediately.</i></p> <p><i>We are continuing our discussions with Greenfield South and hope to reach a satisfactory resolution.</i></p>
	<p><u>SCENARIO C – If letter/letters become public</u></p> <p>Despite OPA's best efforts, negotiations were not successful.</p> <p>OPA has decided that the contract will come to an end and we support their decision.</p> <p>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</p> <p>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</p> <p>Gas-fired generation has an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</p>	<p>Despite our best efforts, negotiations were not successful.</p> <p><i>We have decided that the contract will come to an end and appreciate the government's support.</i></p> <p><i>The government is committed to relocating this plant. It is in the ratepayer's interest to stop construction of this plant as soon as possible.</i></p> <p><i>It is also in the interest of Ontario's economy to resolve this as quickly as possible. We need to reassure electricity developers and investors that Ontario remains a good place to make energy investments.</i></p> <p><i>Gas-fired generation has an important and cost-effective role in building a cleaner, more modern electricity system that meets Ontario's energy needs.</i></p>

Comment [C1]: This scenario doesn't require this statement.

	<p>To ensure Ontario is following best practices, the government will look at the gas plant siting process. It has already started to investigate how siting is dealt with in other jurisdictions and this investigation will continue.</p> <p>The government remains committed to providing a strong, stable supply of electricity for Ontario. We also remain committed to those making investments in Ontario's electricity system.</p> <p>The government will continue to ensure that the best interests of Ontario's communities and ratepayers remain the primary priority.</p>	<p>We share the government's commitment to ratepayer value.</p>
<u>Letters</u>		
What does/do these letters mean?	<p><i>It/they mean the government supports OPA's decision to not proceed with the contract with Greenfield South.</i></p>	<p><i>It/they mean that the OPA recognized the best next step for all parties involved – ratepayers, the developer and OPA – was not to proceed with the contract. The OPA decided to not to proceed with the contract and the government indicated their support.</i></p>
Does this mean construction stops immediately?	<p>That is what the OPA asked and that is our expectation.</p>	<p><i>That is what we asked and that is our expectation.</i></p>
What kind of penalty does the developer face if they don't stop construction?	<p>The developer will not be able to recover its costs of ongoing construction. We expect Greenfield to stop construction.</p>	<p><i>The developer will not be able to recover its costs of ongoing construction. We have asked them to stop and that is our expectation.</i></p>
	<p>The OPA and the developer could not reach an agreement.</p>	<p><i>We could not reach an agreement.</i></p>

<p>Why did negotiations fail?</p> <p>How long did the OPA give it? How extensive have the discussions been?</p> <p>There's been strong and persistent opposition in other communities – Northern York Region for example, yet those plants are proceeding. Why are you stopping this one?</p> <p>What does “most appropriate way to allocate compensation between the OPA and Crown” mean?</p> <p>Exactly how much is it going to cost to cancel this contract?</p>	<p>I understand the OPA and developer have been speaking frequently for the past month.</p> <p>This is a unique case and these circumstances do not apply to other contracts or issues.</p> <p>It means that we will sit down together to determine how to share the cost of not proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</p> <p>That has yet to be determined. The OPA is committed to resolving this matter with ratepayer value top of mind.</p>	<p><i>We have been speaking frequently with the developer for the past month.</i></p> <p><i>This is a unique case and these circumstances do not apply to other contracts or issues.</i></p> <p><i>It means that we will sit down together to determine how to share the cost of not proceeding with the contract, giving full recognition to ratepayer value and contractual obligations.</i></p> <p><i>We are committed to finding a fair resolution that upholds ratepayer value.</i></p>
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<p>How long will settlement negotiations take? Is there a drop-dead date?</p>	<p>The OPA will take the time necessary to come to a fair resolution.</p>	<p><i>We will take the time needed to find a fair solution.</i></p>
<p>Are these letters precedent-setting? Has the Ministry or OPA sent similar letters before?</p>	<p>No. Such letters are not precedent-setting. Our government conducts business on behalf of the people of Ontario in an open and transparent manner.</p>	<p><i>No. Such letters are not precedent-setting. Our agency conducts business on behalf of the people of Ontario. We do so in an open and transparent manner.</i></p>
<p><u>Contract Termination</u></p>		
<p>Has the contract been terminated?</p>	<p><i>The OPA is in discussions with Greenfield South. The OPA has notified Greenfield South that it will not be proceeding with the contract if negotiations are not successful. In the meantime, the OPA has asked Greenfield South to stop construction at the site.</i></p> <p><u>IF SECOND LETTER IS SENT</u></p> <p><u>The OPA requires Greenfield South to stop construction at the site</u></p>	<p><i>We are in discussions with Greenfield South. We have notified them however that if our negotiations are not successful, we will not be proceeding with the contract. In the meantime, we have asked Greenfield South to stop construction at the site.</i></p>
<p>Who terminated the contract?</p>	<p>Following discussions with Greenfield South, OPA decided that not proceeding with the contract would best serve the public's interest.</p>	<p><u>IF SECOND LETTER IS SENT</u></p> <p><u>The OPA requires Greenfield South to stop construction at the site</u></p> <p>After pursuing discussions to reach a negotiated agreement, w<u>e</u> have notified Greenfield South that the OPA is not proceeding with the contract.</p>
	<p>Contract negotiations are commercially sensitive. These discussions are confidential. We are confident the OPA is working in the best interests of Ontarians.</p>	<p><i>Contract negotiations are commercially sensitive. These discussions are confidential. We will</i></p>

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