

Shakerhill Preliminary Report - Draft Two.docx

From: "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
To: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Cc: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Moulton, Dan (ENERGY)" <dan.moulton@ontario.ca>
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Good Morning:

Alan Hibben (Shakerhill Partners) has concluded his preliminary research on the topic of opening up FIT Contracts and attempting to renegotiate with renewable proponents, while concurrently elongating their contractual terms.

In short, the conclusion is that it would be incredibly challenging and potentially not worthwhile to proceed with this action. First the results would be incredibly small in relation to the effort involved : to renegotiate wind contracts by 25% (considered aspirational) would result in a 54 CENT reduction in price for residential ratepayers per month. Second, the effort, legal cost and time to negotiate this almost eats up the entire anticipated price reduction.

In fairness, this study leaves open for Government determination how best to proceed. It is Energy Ministry strong view that we set aside this concept and leave the OPA/IESO contractual arrangements as is.

Many thanks, in advance.

Andrew