

# FW: HQ agreements

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**From:** "Orsini, Steve (CAB)" <steve.orsini@ontario.ca>  
**To:** "Bromm, William (CAB)" <william.bromm2@ontario.ca>, "Matela, Angelo (CAB)" <angelo.matela@ontario.ca>, "Kwamena, Boafoa (CAB)" <boafoa.kwamena@ontario.ca>, "Bosco, Pina (CAB)" <pina.bosco2@ontario.ca>  
**Date:** Thu, 20 Jul 2017 10:46:14 -0400

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From: David Butters  
Sent: Thursday, July 20, 2017 10:46:09 AM (UTC-05:00) Eastern Time (US & Canada)  
To: Orsini, Steve (CAB)  
Subject: HQ agreements

Steve, I understand that further electricity arrangements with Hydro Quebec may be under discussion.

APPrO has already asked the Market Surveillance Panel of the Ontario Energy Board to investigate the last deal, with we believe unfairly and inappropriately targets a class of IESO market participants, among other deficiencies.

We are aware that HQ has put forward another offer for 8 TWh of energy within a take or pay, 20-year agreement at a price that frankly makes no sense given Ontario's current energy surplus nor provides value to Ontario ratepayers, and which would be damaging to the economic interest of existing Ontario energy suppliers of all descriptions. Given that a major rationale for the Ontario Fair Hydro Plan is that existing energy facilities will have value beyond their contract terms, further out of market arrangements with HQ would seem to run counter to the underlying premise of the OFHP.

APPrO is fundamentally opposed to these kinds of arrangements which are not open or transparent either with respect to process, or price, implementation detail or even cost benefit analysis. Further, these discussions decrease confidence in, and in fact undercut the significant efforts of the IESO and market participants to undertake a market renewal project in Ontario which includes enhanced competitive processes.

APPrO has always championed open, transparent and competitive procurement processes. It is likely that other companies can provide similar products and services as compared to HQEM. If the province wants to derive low-cost clean energy, market-based mechanisms such as competitive procurement processes can achieve similar outcomes along what is being offered by HQEM, but at a lower price that competitive tension would help to produce.

I wanted you to clearly understand our position (which I can assure you is widely shared among all Ontario energy providers, major customers and other sector participants).

Please let me know if I can provide any further insights. My cell number is 647 444-6549.

David Butters  
President & CEO  
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Sent from my iPad

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