

**PILOT PROJECT UPDATE – ELECTRICITY DEMAND MANAGEMENT UTILIZING
EXISTING EMERGENCY GENERATORS**

Attachment 2

MAY 28 2007 1:52 PM FR LSB ENERGY

4163254521 TO 99055074712

P.02

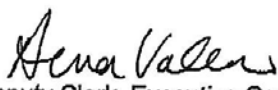


Executive Council
Conseil exécutif

R.O.C./Décret 168/2007

I certify that the attached is a true copy of the Regulation under the
Electricity Act, 1998, by His Honour the Administrator of the Government of the
Province of Ontario in Council on May 16, 2007.

Dated at Toronto, May 17, 2007.


Deputy Clerk, Executive Council

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MAY 28 2007 1:52 PM FR LSB ENERGY

4163254521 TO 99055074712

P.03



Ontario
Executive Council
Conseil exécutif

Order in Council Décret

On the recommendation of the undersigned, the
Lieutenant Governor, by and with the advice and
concurrence of the Executive Council, orders that:

Sur la recommandation de la personne soussignée,
le lieutenant-gouverneur, sur l'avis et avec le
consentement du Conseil exécutif, décrète ce
qui suit :

the appended Regulation be made under the
Electricity Act, 1998.

Recommended

Minister of Energy

Concurred

Chair of Cabinet

Approved and Ordered

MAY 16 2007

Date

Administrator of the Government

R.O.C./Décret (R)

168/2007

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P.04

CONFIDENTIAL
Until filed with the
Registrar of Regulations

REGISTRAR OF REGULATIONS
Filed as O. Reg. 215/07
On MAY 25 2007
Proposed source law publication dates:
e-Laws May 29/07
Ontario Gazette June 9/07

reg2006.0387.e
12-ARN

ONTARIO REGULATION

made under the

ELECTRICITY ACT, 1998

EXEMPTION: COMPLIANCE WITH SECTION 144 OF THE ACT

Definition

1. In this Regulation,

“municipal standby generation facility” means a generation facility that is owned or operated by a municipal corporation, or an agent of a municipal corporation, for the purposes of providing standby power to a municipal property or facility which normally receives electricity service from a distributor.

Exemption, section 144

2. (1) Despite section 144 of the Act, a municipal corporation may generate electricity using a municipal standby generation facility if the criteria set out in this section are satisfied.

(2) A municipal corporation may generate electricity using a municipal standby generation facility if the generation facility complies with all requirements under the *Environmental Assessment Act* and the *Environmental Protection Act* that apply to the generation facility or to the class of generation facilities to which the generation facility belongs and one of the following conditions is satisfied:

1. The IESO-controlled grid has entered or it is anticipated that it is about to enter an emergency operating state in accordance with section 2.3 of Chapter 5 of the Market Rules.
2. The voltage at the service connection point at the generation facility is less than 88 per cent or more than 106 per cent of the nominal supply voltage.

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MAY 28 2007 1:52 PM FR LSB ENERGY

4163254521 TO 99055074712

P.05

2

3. The frequency at the service connection point at the generation facility is less than 90 per cent or more than 110 per cent of the nominal supply frequency.

4. The generation facility is being operated for maintenance or testing purposes for periods totalling 60 hours or less in any calendar year.

(3) If a municipality's municipal standby generation facility is being operated under a condition listed in paragraph 1, 2 or 3 of subsection (2), the municipal corporation shall cease generating electricity using the generation facility as soon as reasonably practical after the condition ceases to exist.

Exemption, Regional Municipality of York

3. (1) Despite section 144 of the Act and subject to subsection (2), The Regional Municipality of York, for a period of not more than three years beginning from the day this Regulation is filed, may generate up to eight megawatts of electricity from the generation facility located at the Aurora Pumping Station pursuant to the adoption by the Council of The Regional Municipality of York of the recommendations contained in Report No. 3 of the Finance and Administration Committee, as amended, at the Council Meeting of March 29, 2007, which Report is available at the website maintained by The Regional Municipality of York.

(2) The exemption set out in this section applies only if the generation facility located at the Aurora Pumping Station complies with all requirements under the *Environmental Assessment Act* and the *Environmental Protection Act* that apply to it or to the class of generation facilities to which it belongs.

(3) The Minister may require that The Regional Municipality of York provide such information and reports as the Minister requires within the time and in the manner specified by the Minister.

Exception

4. For the purposes of sections 2 and 3, a municipality may generate electricity using a municipal standby generation facility other than through a corporation incorporated under the *Business Corporations Act*.

Commencement

5. This Regulation comes into force of the day it is filed.

*** TOTAL PAGE.05 ***