



EB-2009-0120

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S. O. 1998, c. 15, Schedule B;

**AND IN THE MATTER OF** a review of an application filed by Yellow Falls Power Limited Partnership (“YFP”) under section 78 of the *Ontario Energy Board Act, 1998*, for an Order pursuant to section 92 of the *Ontario Energy Board Act, 1998*, granting leave to construct transmission facilities that will connect YFP’s planned Yellow Falls Hydroelectric Project to Ontario’s transmission grid.

**BOARD STAFF SUBMISSION**

**Leave to Construct  
Transmission Line and Associated Facilities  
for the connection of  
Yellow Falls Generating Station  
to the IESO-controlled Grid**

1. The Applicant, Yellow Falls Power Limited Partnership (the “Applicant” or “YFP”) is seeking leave to construct a 25 km 115 kV three phase single circuit transmission line and associated facilities to connect a hydro-electric generating station of 16 MW capacity to the IESO-controlled Grid. The generating station is at Yellow Falls and the connection to the Grid would be at a customer switching station close to the Hydro One transmission line H9K.
2. Board staff is concerned with the state of the evidence regarding system and customer impacts and of project need for the proposed transmission line and associated facilities.
3. The Board’s jurisdiction to consider electricity leave to construct applications is limited by s. 96(2) of the Ontario Energy Board Act, which states:

In an application under section 92, the Board shall only consider the following when, under subsection (1), it considers whether the construction, expansion or reinforcement of the electricity transmission line or electricity distribution line, or the making of the interconnection, is in the public interest:

1. The interests of consumers with respect to prices and the reliability and quality of electricity service.
  2. Where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.
4. YFP advises in its application that it had originally intended to construct a 20 MW generating station at Island Falls, some 3 km from the site of construction for the current application. In response to Board staff Interrogatory no. 1, YFP advised that, “the Island Falls Project was awarded an RES II contract by the Ontario Power Authority (“OPA”), but that the RES II contract is valid only for projects greater than or equal to 20 MW ....”
  5. YFP advised in its application that it intends to contract the sale of electricity from the current project through the OPA’s proposed Feed-in-Tariff (“FIT”) procurement program. YFP has not provided evidence to indicate that a FIT contract has been signed, or if an application has even been submitted.

6. Therefore Board staff submits that since the application has included neither a RES II contract nor a FIT contract, and the Applicant has provided no evidence of authority to access the Grid for the power from the proposed generating station, that these documents must be filed so as to demonstrate project need for the associated transmission facilities before the Board can make a final determination on this application.
7. In its application, YFP provided the Board:
  - a. At Tab 13, a System Impact Assessment (“SIA”) dated July 6, 2006, from the Independent Electricity System Operator (“IESO”) which includes in the title “Island Falls Hydraulic Generation”. This is the project which YFP had originally planned to construct.
  - b. At Tab 14, a Customer Impact Assessment (“CIA”), Revision 1 dated October 6, 2006 from Hydro One which includes in the title “Proposed 20MW Island Falls Hydraulic Generation Project...”
8. At Tab 2, page 12 of the application, the Applicant advised that, “...all equipment will be designed to meet all interconnection requirements applicable to connection to Hydro One’s 115 kV system including the Hydro One [CIA], the [SIA] from the [IESO]...”
9. In its response to Board staff Interrogatory no. 1, YFP indicated that it anticipates submitting an application for the Feed-In Tariff Program, and that, “the FIT program rules will require that any previous SIAs or CIAs that were completed for the Project prior to submission of an application for a FIT contract be rescinded “and “accordingly they will ... provide the required connection and system information (assessments) in accordance with the final FIT program rules.”
10. However, YFP did not directly respond when asked in Board staff Interrogatory No. 1 to provide a date when the updated SIA and CIA documents would be completed and provided to the Board.
11. It would appear that YFP believes that the SIA and CIA provided for Island Falls are acceptable forms of evidence for the current application before the Board, until such time as the updated SIA and CIA reports specific to the actual configuration of the Yellow Falls project become available.

12. Board staff concludes from the response to interrogatory No. 1 that YFP rescinded its impact assessments some time ago and is now seeking to secure a FIT contract. The OPA's FIT application requirements<sup>1</sup> indicate that the Applicant cannot apply for an impact assessment until a FIT contract is secured. This poses a challenge to the Applicant because the FIT contract is not in place. Therefore YFP cannot produce the updated SIA and CIA reports, even if it wanted to, until the FIT contract is secured.
13. Board staff submits that the receipt of updated SIA and CIA reports specific to the Yellow Falls project must be made conditions of approvals to ensure the project will not adversely affect customers or reliability of the grid. As the SIA and CIA are important requirements of a section 92 leave to construct application, it may be necessary for the intervenors or Board staff to review or otherwise make submissions on the CIA and SIA once they are filed.
14. Board staff is mindful that significant time has passed since the filing of interrogatory responses on August 17, 2009, and expects that YFP will be able to provide a meaningful update on the status of its FIT application, SIA, and CIA, including relevant dates, in its reply submission.

All of which is respectfully submitted.

**End of document**

---

<sup>1</sup>IESO web site (2009), *Feed-in-Tariff (FIT)*.  
Available from the IESO site, <http://www.ieso.ca/imoweb/fit/fit.asp>