

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B), as amended;

AND IN THE MATTER OF an application by Yellow Falls Power Limited Partnership 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.

**Reply Submissions of the Applicant  
Yellow Falls Power Limited Partnership**

1. Board Staff's Submission raised questions regarding the status of the applicant, Yellow Falls Power Limited Partnership ("YFP"), contract with the Ontario Power Authority (OPA) to sell electricity, and also the status of the System Impact Assessment (SIA) and Customer Impact Assessment (CIA) for the proposed Yellow Falls Project.

**OPA Contract**

2. In its Answer to Board Staff Interrogatory # 1, YFP explained that the predecessor Island Falls Project was awarded a Renewable Energy Supply II ("RES II") contract by the Ontario Power Authority ("OPA") on 21 November 2005, but that as a result of the relocation of the powerhouse and dam to Yellow Falls, and the corresponding reduction in capacity from 20 MW to 16 MW, the Project will be required to secure an alternative contract for the electricity generated by the Project. As stated in YFP's Pre-Filed Evidence and the Answer to Board Staff Interrogatory #1, at that time YFP anticipated contracting the sale of electricity from the Project through the OPA's then proposed Feed-in Tariff procurement program. YFP would like to update its earlier evidence to reflect recent discussions with the OPA.

3. OPA has advised YFP that OPA prefers to contract the Project through amendment of the existing RES II contract to reflect the revised project characteristics. YFP and OPA are in the midst of finalizing the amendments to YFP's RES II contract. YFP is willing to agree to file with the Board confirmation of the signing of a contract with OPA as a condition of leave to construct. YFP submits that there is no need for YFP to file a complete copy of the contract with the Board as it will contain sensitive commercial information (such as pricing) which is not relevant to any issues before the Board.

#### **SIA**

4. The Independent Electricity System Operator ("IESO") issued a SIA Report July 6, 2006, a copy of which is provided at Tab 13 of the Pre-filed evidence. That SIA report was issued based on the previous design with the dam and powerhouse at Island Falls, rather than at its present location at Yellow Falls. However, although the dam was relocated, there were no material changes to the design of the project that affected the SIA. The generator and associated parameters will remain the same as the generator manufacturer is proposing the same model of generator for updated design. IESO has confirmed that the July 6, 2006 SIA is still valid in these circumstances (see attached email chain between IESO and Canadian Hydro).

5. If circumstances change and IESO decides that a revision to the SIA is needed, YFP is willing to agree to file with the Board any revised SIA as a condition of leave to construct.

6. The requirements contained in the SIA will be adhered to in the construction of the proposed facilities.

## **CIA**

7. Hydro One prepared a Final Customer Impact Assessment (the "CIA") dated October 6, 2006 for the previous Island Falls project and the proposed Transmission Facilities, a copy of which is provided at Tab 14 of the Pre-Filed Evidence.

8. Changes may be needed to the CIA as a result of the reduction in the generation capacity from the earlier Island Falls proposal to the Yellow Falls Project. YFP has contacted Hydro One to determine what changes may be needed. It is expected that if changes are needed those changes would make it easier for YFP to comply because the Yellow Falls Project has a lower generating capacity than the earlier proposal. The requirements contained in the updated CIA will be adhered to in the construction of the proposed facilities.

9. YFP is willing to agree to file with the Board any revised CIA that may be prepared by Hydro One as a condition of leave to construct.

## **Timing of the Project**

10. In its Pre-Filed Evidence, YFP indicated that construction of the Project was scheduled to commence in the third quarter of 2009, and that subject to the timing of completion of the Environmental Screening Process, construction on the proposed Transmission Facilities was anticipated to commence in early Q1 2010. As a result in delays in the completion of the Environmental Screening Process, construction has not yet started.

11. YFP is currently targeting construction of the Project to start in Q1 2010, and construction of the Transmission Facilities is targeted to start in Q3 2010, but the start date is dependent on completion of the Environmental Screening. Accordingly, YFP requests that the Board's Conditions of Approval grant YFP a period of at least 12 months from the date of the order granting leave to construct to start construction of the Yellow Falls Project.

### **Board's Governing Criteria**

12. 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.

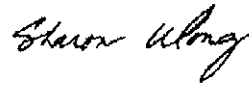
13. The intervenor, Wabun Tribal Council, takes no issue with YFP in respect of any of the governing criteria set out in s. 96(2) (WTC letter of Nov. 20, 2009).

14. Board's Staff's concern is limited to matters relating to the proof that YFP has a contract with OPA and has satisfied the requirements for a SIA and CIA. YFP submits that these concerns can be dealt with by way of conditions of approval requiring that proof of these matters be filed with the Board before the start of construction.

15. YFP is proposing a run-of-river hydro project which is consistent with the policies of the Government of Ontario for the promotion of the use of renewable energy sources. YFP is a private developer, and it is taking all the risk with respect to the cost of construction, and there is no risk to ratepayers.

16. YFP therefore requests that the Board grant leave to construct the transmission facilities as requested in the Notice of Application.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED**



December 1, 2009

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Sharon S. Wong  
Lawyer for Yellow Falls Power Limited  
Partnership

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**From:** Wu, Yishui  
**Sent:** November 23, 2009 1:30 PM  
**To:** Cornelisse, Tom  
**Subject:** RE: Status of the Yellow Falls SIA

Tom,

Based on Sarah's confirmation below the SIA of Island Falls (Yellow Falls) is still valid.

Regards,

**Yishui Wu**  
IESO T: (905)855-6477 F: (905)855-6372

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**From:** Cornelisse, Tom  
**Sent:** November 23, 2009 1:27 PM  
**To:** Wu, Yishui  
**Subject:** FW: Status of the Yellow Falls SIA

Yishui: Can you confirm that CAA 2004-155 is still valid? I see we have been bantering this one around for a while.

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**From:** Sarah Kennedy [mailto:SKennedy@canhydro.com]  
**Sent:** November 23, 2009 12:30 PM  
**To:** Cornelisse, Tom  
**Subject:** FW: Status of the Yellow Falls SIA

Good Afternoon Tom,

After our phone conversation this morning, I have been requested to obtain a letter from the IESO stating that the Yellow Falls project CAA / SIA is still valid. Once you have finished looking into the CAA, would you please send us a letter?

Thank you,

Sarah Kennedy  
Electrical Technologist  
Canadian Hydro Developers, Inc  
Direct: (403) 228-8351  
Email: skennedy@canhydro.com

11/27/2009

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**From:** Sarah Kennedy  
**Sent:** Tuesday, October 06, 2009 9:03 AM  
**To:** 'Cornelisse, Tom'; 'yishui.wu@ieso.ca'  
**Cc:** Jim Pinter  
**Subject:** RE: Status of the ISland Falls-REPLY

Tom/Yishui,

No material changes have occurred with the design of the project. The transmission line remains the same length due to a route change (please see attached location plan). The generator and associated parameters will remain the same as the generator manufacturer is proposing the same model of generator for updated design.

Thank you,

Sarah Kennedy  
Electrical Technologist  
Canadian Hydro Developers, Inc  
Direct: (403) 228-8351  
Email: [skennedy@canhydro.com](mailto:skennedy@canhydro.com)

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**From:** Cornelisse, Tom [<mailto:tom.cornelisse@ieso.ca>]  
**Sent:** Thursday, July 09, 2009 6:51 AM  
**To:** Sarah Kennedy  
**Subject:** FW: Status of the ISland Falls-REPLY

Sarah: Its looks like the CAA needs to be revisited.

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**From:** Wu, Yishui  
**Sent:** July 9, 2009 8:48 AM  
**To:** Cornelisse, Tom  
**Cc:** Agavriloai, Ioan; Lukan, Paula  
**Subject:** RE: Status of the ISland Falls

Hi Tom,

We need to check the changes to see if the CAA is still valid. They should send us all the information including generator, exciter, governor, transformer and tap line if there are changes.

Regards,

Yishui

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**From:** Cornelisse, Tom

11/27/2009

**Sent:** July 9, 2009 7:56 AM  
**To:** Wu, Yishui  
**Subject:** FW: Status of the Island Falls

Yishui: Can you confirm if the CAA is still valid.

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**From:** Sarah Kennedy [mailto:SKennedy@canhydro.com]  
**Sent:** July 8, 2009 4:43 PM  
**To:** Cornelisse, Tom  
**Subject:** RE: Status of the Island Falls

Tom,

The project is still going, and we are working on a construction date.

The capacity has changed from two 10 MW generators to two 8 MW generators. The location has changed, however the interconnection point is still the same. Because of the location the name has changed from Island Falls to Yellow Falls. Due to the recent changes is the SIA still valid?

Thank you,

Sarah Kennedy  
Electrical Technologist  
Canadian Hydro Developers, Inc  
Direct: (403) 228-8351  
Email: skennedy@canhydro.com

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**From:** Cornelisse, Tom [mailto:tom.cornelisse@ieso.ca]  
**Sent:** Monday, July 06, 2009 11:59 AM  
**To:** Sarah Kennedy  
**Subject:** Status of the Island Falls

Sarah: I've been asked to get an update on the Island Falls Project. Can you tell me if this project is still going and the expected construction date. I've attached a link to the Connection Assessment

[http://www.ieso.ca/imoweb/pubs/caa/caa\\_SIAReport\\_2004-155.pdf](http://www.ieso.ca/imoweb/pubs/caa/caa_SIAReport_2004-155.pdf)

**Tom Cornelisse** | Engineer / Technical Officer - Market Entry, IESO | Station A, Box 4474, Toronto, Ontario, M5W 4E5  
T: (905) 855-6380 | F: (905) 855-6407 | Email: [tom.cornelisse@ieso.ca](mailto:tom.cornelisse@ieso.ca) | Web: [www.ieso.ca](http://www.ieso.ca)

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11/27/2009