

ONTARIO ENERGY BOARD

A PROCEEDING TO DESIGNATE A
TRANSMITTER TO CARRY OUT DEVELOPMENT WORK
FOR THE EAST-WEST TIE LINE

SUBMISSIONS OF THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR
("IESO")

On April 24, 2012, Ontario Energy Board Staff ("Board Staff") filed Phase 1 submissions with respect to the Issues List. The IESO is pleased to make submissions on the Issues List and provide responses to certain points raised by Board Staff in its submissions.

Decision Criteria - Issue 1

In its submissions on Issue 1 (additions, deletions or changes to the general decision criteria), Board Staff recommends retaining the existing decision criteria, stating that all the criteria are important to the success of the East West Tie line. While Board Staff does not recommend adding any additional criteria, it suggests that if the Board were to contemplate adding new criteria, line capacity and reliability could be added.

The IESO supports Board Staff's suggestion and submits that reliability and line transfer capability should be added to the decision criteria. This supports the intent of the policy and the need identified by the Ontario Power Authority ("OPA") in relation to this project for the (long term) design of the line to deliver the OPA's targeted transfer capability, while satisfying all applicable standards and criteria. As noted by Board Staff, in his March 29, 2011 letter to the OEB, Minister Duguid reiterated the need of the East-West Tie in maintaining long-term system reliability in Northwest Ontario.

Further, in its capacity as the Reliability Co-ordinator for Ontario, the IESO will review the proposed plans to ensure they meet the targeted transfer capability while satisfying all applicable reliability standards and criteria. It is the IESO's position that a plan cannot be considered if it does not meet these standards and criteria.

In assessing the value of the existing decision criteria, Board Staff suggests that if an application were to fail on any one of a number of the criteria, the project would likely fail. The IESO shares a similar view and submits that failure on reliability and transfer capability would lead to failure of the project. The IESO therefore submits that reliability and transfer capability should be "must pass" requirements of the decision criteria.

Use of Decision Criteria - Issue 5

In its submissions regarding assigning relative importance to the decision criteria through rankings, groupings or weightings, Board Staff submitted that, "the Board should be seeking to choose the transmitter who best understands the challenges of the East-West tie line project, who has the best plan for meeting those challenges, and has the best track record of meeting similar challenges in the past." The IESO agrees with Board Staff and submits that a plan must be considered in the context of the applicant's overall capability and its understanding of and ability to meet the challenges of this project.

Role of the IESO - Issue 18

In its submissions, Board Staff invited the IESO to respond to Issue 18, which asked whether the Board should clarify the role of the IESO in the designation process, and if so, what the role should be. Board Staff then specifically requested that the IESO outline its intended role in the designation process.

The IESO intends to provide expert advice, when requested, throughout the designation process, on the reliability and operational impact of the various options for reinforcing the East-West Tie. More specifically:

- The IESO is assisting potential applicants by preparing Feasibility Study reports based on proposals that potential applicants have requested the IESO review. It is the IESO's assumption that the OEB expects to have an IESO Feasibility Study filed with all plans that differ from those assessed in the IESO's Feasibility Study Report of August 18, 2011.
- During Phase II of the process, the IESO will, if requested, review filed plans and may propose interrogatories where it is appropriate for the IESO to do so.
- The IESO will respond to interrogatories directed to the IESO.
- During Phase II of the process, the IESO may make written submissions with respect to the reliability and the operational impact of filed plans, and with respect to applicants' answers to interrogatories, if the IESO determines it is appropriate to do so.

All of which is respectfully submitted this 7th day of May, 2012.

Independent Electricity System Operator

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