



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2016-0258

2472883 ONTARIO LIMITED ON BEHALF OF WATAYNIKANEYAP POWER LP

Electricity Transmission Licence Amendment

Further to Ministerial Directive

BY DELEGATION, BEFORE: **Peter Fraser**

Vice President, Consumer Protection and
Industry Performance

September 1, 2016

BACKGROUND

Under section 28.6.1(1) of the *Ontario Energy Board Act, 1998* (OEB Act), the Minister of Energy (Minister) may issue directives to the Ontario Energy Board (OEB) requiring the OEB to take such steps as are specified in the directive relating to the construction, expansion or re-enforcement of transmission systems.

Sections 28.6(2) and 28.6(3) of the OEB Act apply with necessary modifications in respect of directives issued under section 28.6.1. As stated in section 28.6(2) of the OEB Act, such a directive may among other things require the OEB to amend the licence conditions of a transmitter to require the transmitter to take the actions specified in the directive in relation to its transmission system, including enhancing, re-enforcing or expanding that system. In accordance with section 28.6(3) of the OEB Act, such a directive may specify whether the OEB is to hold a hearing for the purposes of giving effect to the directive.

Under cover of a letter dated July 29, 2016, the OEB received a directive issued by the Minister under section 28.6.1(1) of the OEB Act (Transmission Directive). The Transmission Directive was approved by Order in Council No. 1158/2016 dated July 20, 2016. The Transmission Directive requires the OEB to amend, without a hearing, the transmission licence of 2472883 Ontario Limited on behalf of Wataynikaneyap Power LP (Wataynikaneyap Power LP) to require it to develop and seek approvals for certain transmission projects to connect the following sixteen named remote First Nation communities to the provincial electricity grid: Sandy Lake, Poplar Hill, Deer Lake, North Spirit Lake, Kee-Way-Win, Kingfisher, Wawakapewin, Kasabonika Lake, Wunnumin, Wapekeka, Kitchenuhmaykoosib Inninuwug, Bearskin Lake, Muskrat Dam Lake, Sachigo Lake, North Caribou Lake, and Pikangikum (collectively, Remote Communities). The Transmission Directive and Order in Council No. 1158/2016 are available on the OEB's website.

THE TRANSMISSION DIRECTIVE

The Transmission Directive requires the OEB to amend the conditions of Wataynikaneyap Power LP's electricity transmission licence to require it to proceed to do the following related to the expansion of the transmission system to connect the Remote Communities to the provincial electricity grid:

- (i) Develop and seek approvals for a transmission line, which shall be composed of a new 230 kV line originating at a point between Ignace and Dryden and terminating in Pickle Lake (the "Line to Pickle Lake"). The development of the Line to Pickle Lake shall accord with the scope recommended by the Independent Electricity System Operator.
- (ii) Develop and seek approvals for the transmission lines extending north from Red Lake and Pickle Lake required to connect the Remote Communities to the provincial electricity grid. The development of these transmission lines shall accord with the scope supported by the Independent Electricity System Operator.

In accordance with the Transmission Directive, the OEB is required to amend Wataynikaneyap Power LP's electricity transmission licence as set out above without a hearing.

Wataynikaneyap Power LP's electricity transmission licence currently has a term of 5 years and states that it will become effective on the earlier of two dates, one of which is the date on which the OEB is satisfied that the licensee has been selected by appropriate authorities as a developer of transmission assets in Ontario. The Transmission Directive, when considered with section 97.1 of the OEB Act, serves that purpose. Wataynikaneyap Power LP's licence will also be amended to have today's date as the effective date, and to have a term of 20 years.

Schedule 1 of Wataynikaneyap Power LP's electricity transmission licence currently states that the schedule will be completed at such time as the licence takes effect. Given the above, schedule 1 of Wataynikaneyap Power LP's licence will also be amended to include a reference to the transmission projects identified in the Transmission Directive.

Given the requirement that the transmission projects identified in the Transmission Directive accord with the scope recommended or supported, as applicable, by the Independent Electricity System Operator (IESO), the OEB has by letter dated September 1, 2016 asked the IESO to provide a report detailing its recommended scope for the Line to Pickle Lake and its supported scope for the transmission lines to connect the Remote Communities to the provincial electricity grid. A copy of that letter is attached to this Decision and Order as Appendix A. The OEB expects Wataynikaneyap Power LP to cooperate with and assist the IESO as the IESO may reasonably require for purposes of the preparation of the IESO's report.

The Transmission Directive also requires the OEB to require Wataynikaneyap Power LP to provide the OEB with such reporting as the OEB may consider appropriate with respect to budget, timing and risks relating to the transmission projects that are identified in the Transmission Directive. The OEB will address the matter of reporting requirements at a later date.

IT IS ORDERED THAT:

1. Wataynikaneyap Power LP's electricity transmission licence is amended to include the following new condition:

Effective September 1, 2016, the Licensee shall proceed to do the following related to expansion of the transmission system to connect the Remote Communities to the provincial electricity grid:

- (a) Develop and seek approvals for a transmission line, which shall be composed of a new 230 kV line originating at a point between Ignace and Dryden and terminating in Pickle Lake (the "Line to Pickle Lake"). The development of the Line to Pickle Lake shall accord with the scope recommended by the IESO.
 - (b) Develop and seek approvals for the transmission lines extending north from Red Lake and Pickle Lake required to connect the Remote Communities to the provincial electricity grid. The development of these transmission lines shall accord with the scope supported by the IESO.
 - (c) For the purposes of this paragraph 13.1 and Schedule 1, the Remote Communities are: Sandy Lake, Poplar Hill, Deer Lake, North Spirit Lake, Kee-Way-Win, Kingfisher, Wawakapewin, Kasabonika Lake, Wunnumin, Wapekeka, Kitchenuhmaykoosib Inninuwug, Bearskin Lake, Muskrat Dam Lake, Sachigo Lake, North Caribou Lake, and Pikangikum.
2. Wataynikaneyap Power LP's electricity transmission licence is amended to have an effective date of September 1, 2016 and a term of 20 years.
 3. Schedule 1 of Wataynikaneyap Power LP's electricity transmission licence is amended to include the facilities described in paragraph 1 above.

DATED at Toronto September 1, 2016

ONTARIO ENERGY BOARD

Original Signed By

Peter Fraser
Vice President, Consumer Protection and Industry Performance

**Appendix A
to**

**Decision and order dated September 1, 2016
EB-2016-0258**

Letter to the Independent Electricity Operator

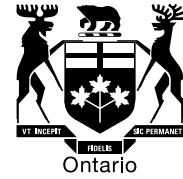
[See separate document attached]

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Rosemarie T. Leclair
Présidente et Directrice Générale



BY E-MAIL AND WEB POSTING

September 1, 2016

Mr. Bruce Campbell
President & Chief Executive Officer
Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Dear Mr. Campbell,

In a letter dated July 29, 2016, the Minister of Energy informed the Ontario Energy Board (OEB) that under the authority of section 96.1(1) of the *Ontario Energy Board Act, 1998* (OEB Act) the Lieutenant Governor in Council had made an order identifying as priority projects the construction of electricity transmission lines to Pickle Lake and extending north from Red Lake and Pickle Lake to facilitate the connection of certain named remote communities to the provincial electricity grid. The Order in Council is dated July 20, 2016.

Under cover of a second letter also dated July 29, 2016, the Minister of Energy provided the OEB with a Directive issued under section 28.6.1 of the OEB Act and approved by the Lieutenant Governor in Council requiring the OEB to amend the transmission licence issued to Wataynikaneyap Power LP to require it to develop and seek approvals for a) the construction of a new 230 kV line to Pickle Lake (the Pickle Lake project) and b) the construction of transmission lines extending north from Red Lake and Pickle Lake required to connect certain named remote First Nation communities to the provincial electricity grid (the Transmission Extension projects).

As noted in the Minister's Directive, the development of the Pickle Lake project shall be in accordance with the scope recommended by the Independent Electricity System Operator (IESO) and the development of the Transmission Extension project shall be in accordance with the scope supported by the IESO.

Given the Minister's requirement, the OEB requests a report from the IESO that details both its recommended scope for the Pickle Lake project as well as the IESO-supported scope for the Transmission Extension projects.

By reason of section 96.1 of the OEB Act, the OEB will not undertake a "needs" assessment as part of a leave to construct review of the transmission lines comprising the Pickle Lake project and the Transmission Extension projects. I would ask that the preparation of the IESO's report take into account that, although the OEB will not be assessing "need" for the project, it will still examine cost related issues as it conducts its leave to construct review, and in doing so will consider the interests of consumers with respect to price, reliability and quality of service. The OEB would also appreciate any input from the IESO that will aid in the OEB's determination of reporting requirements that may be appropriate for Wataynikaneyap Power LP with respect to budget, timing, and risks in relation to the projects in question.

It is the OEB's expectation that, when the time comes, the IESO will participate in the OEB's leave to construct process(es) relating to the Pickle Lake project and the Transmission Extension projects, and may be required to provide additional information at that time.

Please advise the OEB by September 9, 2016 of when the IESO expects to be in a position to provide its report. The OEB is aware that the IESO has already produced reports and analysis on regional electricity system needs in Northwestern Ontario, including planning for the connection of remote communities. If planning for certain projects, such as the Pickle Lake project, is further advanced relative to the planning for others, the OEB will accept the report in phases so that information that is available is provided in a timely manner. If the IESO adopts this approach, its first report should include a planned schedule for subsequent updates.

The Minister's letters, the Orders in Council and the Minister's Directive will be posted shortly on the OEB's website.

Yours truly,



Rosemarie T. Leclair
Chair & CEO