

May 31, 2010

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Transmission Project Development Planning (EB-2010-0059)

**Electrical Contractors Association of Ontario (ECAO) Comment on April 19, 2010
Board Staff Discussion Paper.**

We write as counsel to ECAO.

ECAO has considered Board Staff's April 19, 2010 Discussion Paper on Transmission Project Development Planning (the Discussion Paper). As invited by the Board in its April 19, 2010 notice to interested parties, ECAO offers brief supporting comment on the policy put forward by Staff.

General Position.

Board Staff's policy proposal specifically contemplates competitive entry into Ontario's electricity transmission sector by third party transmission developers. ECAO endorses this objective of the proposal.

ECAO further endorses the recognition in Staff's proposal of the importance of ensuring a match between resources and work load.

ECAO's Interests.

ECAO is a not-for-profit corporation established to represent electrical contractors across Ontario. ECAO's 850 member contractors provide a broad range of electrical services in the institutional, commercial, industrial, residential and electrical utility construction and maintenance marketplace. The services provided include: the planning, siting, construction and maintenance of power lines, poles and transformers; the construction and maintenance of substations; the construction and maintenance of power generation equipment and facilities (powerhouses and all related inside and interconnection wiring); and the construction and maintenance of interconnection facilities.

ECAO has a direct interest in the regulation of electrical transmission, distribution and related interconnection facilities. ECAO's members have done extensive work constructing transmission and generation connection facilities for Ontario's utilities and private electricity generators, including in particular the wind powered electricity generation facilities built and connected in Ontario over the past several years.

Specific Comments.

As recently acknowledged by senior Hydro One Networks Inc. staff in that utility's last distribution rate case, Ontario's knowledgeable and fully qualified electrical contractors stand ready, willing and able to contribute towards realization of the Ontario government's ambitious green energy objectives.¹ ECAO's Final Argument in that Hydro One distribution case commenced with a quote which is equally relevant to the transmission planning policy under consideration in this proceeding:

...regulation, if applied with flexibility and sensitivity to market forces, can actually spur private sector innovation and investment in the energy sector."

(Then) Senator Barack Obama
The Audacity of Hope, Thoughts on Reclaiming the American Dream, page 200
Vintage Books, 2008

Board Staff commences its policy proposal by highlighting the tremendous transmission infrastructure need facing the sector in Ontario; 7000 MW of transmission capacity entailing billions of dollars of transmission investment.

Staff's policy proposal contemplates the entry of new capital and expertise to assist with this momentous task. Under that proposal a "potentially competitive designation process" for transmission planning would lead to the selection of proponents to develop enabler or network expansion transmission facilities, and designation would allow the selected proponents to recover their prudently incurred transmission planning costs.

ECAO endorses Staff's proposal to remove barriers to the entry of new capital and human resources into Ontario's electrical transmission planning and construction sector. New entry can produce more cost effective and timely outcomes, through the use of the discipline exerted by

¹ EB-2009-0096 Transcript Volume 5, page 158, lines 15 - 16.

private capital and the prudent engagement of third party electrical planning and construction resources. As Staff's research work indicates, in Texas the value of diversified sources of skills has been a recognized benefit in transmission planning, and in the U.K. the ability to manage and mitigate commercial risks to transmission development projects has been deemed important. ECAO's members, and their developer clients, regularly engage in the commercial contracting processes that determine who is best placed to absorb which risks and then economically allocate those risks.

As reflected in Staff's proposed filing requirements, ECAO endorses in particular consideration by the Board of:

1. The third parties to be relied on by the applicant, and the role of those third parties in the project.
2. The resources and technical capabilities to be utilized by the transmission developer.
3. The major risks to achievement of the project development and/or project construction schedules, and the Applicant's strategies to mitigate or address those risks.
4. The consistency between the level of resources proposed to be engaged by the proposed transmission developer and the financial and human resources needed to ensure timely completion of the project.

Conclusion.

ECAO's members stand ready, willing and able to bring their considerable technical qualifications and experience and their project development and management expertise to bear in support of Ontario's ambitious electricity infrastructure renewal plans. ECAO appreciates the opportunity to comment on this transmission planning policy development initiative by the Board, and looks forward to considering the further materials that come out of this process.

Your truly,
MACLEOD DIXON LLP



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c. E. Roberts (ECAO)

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