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May 31, 2010

BY EMAIL & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2010-0059
Consultation on Transmission Project Development Planning
Comments of Energy Probe

Pursuant to correspondence from the Board, dated April 19, 2010, providing the timeline for submissions, Energy Probe Research Foundation (Energy Probe) is hereby providing three hard copies of its Comments on the Staff Discussion Paper, released April 19, 2010, for the Board's consideration. An electronic copy of this communication in PDF format is being forwarded to your attention.

Should you have any questions or require additional information, please contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Laurie Reid, Senior Policy Advisor, Ontario Energy Board (By email)

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EB-2010-0059

Ontario Energy Board
Transmission Project
Development Planning

COMMENTS OF
ENERGY PROBE RESEARCH FOUNDATION
(“ENERGY PROBE”)

May 31, 2010

Transmission Project Development Planning

Comments of Energy Probe Research Foundation

Background

- 1. By its April 19, 2010 letter to Ontario licensed Electricity Transmitters, the Ontario Power Authority (“OPA”) and other Interested Parties, the Ontario Energy Board (“Board”) initiated a consultation to develop a process to facilitate the timely, cost effective development of major transmission facilities which may be required to connect renewable generation in Ontario. It is the understanding of the Board that in order to accommodate current Feed-in Tariff (“FIT”) applications for contracts, significant investment in transmission infrastructure will be required.**
- 2. On the same date, a Board staff Discussion Paper entitled “Transmission Project Development Planning” outlining Board staff proposals for transmission project development in Ontario was released.**
- 3. The Discussion Paper focuses on transmission projects identified by the OPA and the transmission investment requirements associated with the connection of renewable generation under the FIT program and other renewable generation assessed through a process the OPA calls the “Economic Connection Test” (“ECT”).**
- 4. Through the ECT, the OPA is expected to identify four categories of transmission investments: capacity enhancements; network reinforcements; enabler facilities; and, network expansions.**
- 5. In its letter of April 19, 2010, the Board invited comment on the staff Discussion Paper from all interested parties. The following are the Comments of Energy Probe submitted in response to the Board’s invitation.**

Issue # 1 **Should new entrants be required to be licensed as transmitters as a condition of participation in a designation process?**

6. Energy Probe submits that new entrants should not be required to be licensed as transmitters as a condition of participation in a designation process. Rather, new entrants should undergo a thorough and demanding review to determine that they are financially and technically competent to undertake any transmission project, to operate the completed project and to function as the owner under the regulatory regime in Ontario; new entrants should be pre-qualified by the Board, not licensed, as a requirement for participation in a designation process. The Board may wish to update information filed by a new entrant annually until successful participation in a designation process leads to becoming licensed as a transmitter.

Issue # 2 **How long would it take to prepare transmission project development plans (i.e., how much time should be given for filing transmission project development plans after notice of the designation process has been given)?**

7. While three months appears to be sufficient time to prepare most transmission project development plans, Energy Probe submits that it may not fit every project circumstance. The filing time should be evaluated for each project and listed in the Board's Notice.

Issue # 3 **Are these the appropriate decision criteria? Should the decision criteria be weighted and, if so, which are most important?**

8. It is the submission of Energy Probe that the Staff Discussion Paper has correctly identified the appropriate decision criteria. As for weighting the criteria, it appears to Energy Probe that the weight assigned to each criterion may in part be dependent upon the project itself. Indeed, where the proponent is applying for more than one project, the Board will have to evaluate the sum total of the projects.

9. Obviously, if the proponent does not possess the financial and/or technical capacity to carry out the Project(s), the other criteria are irrelevant.

10. Energy Probe is concerned that the effort to develop an effective weighting system for each criterion and the relative weight between criterion will in large part be self-defeating in the designation process. It will take more effort than it is worth.

Issue # 4 Are staffs proposals regarding the implications of plan approval reasonable?

11. Energy Probe submits that the proposals of staff in respect of the implications of plan approval are reasonable.

Issue #5 Under what circumstances should two transmitters be designated to develop the same project and to recover the development costs from ratepayers?

12. Energy Probe would not support two transmitters being designated to develop the same project and to recover the development costs from ratepayers unless there were two different proposals presented by the transmitters. In that circumstance, it may be necessary for the proposals to be further fleshed out in order that an efficient and cost effective decision be made in favour of the superior proposal.

13. Energy Probe submits that the above would an unusual occurrence. Should the Board designate two transmitters to develop the same project, Energy Probe submits that prudent and reasonable costs should be recoverable by both proponents.

Issue # 6 Are these the appropriate filing requirements to enable the Board to apply the decision criteria identified in section 3.1? If other decision criteria are being suggested, what additional filing requirements would be appropriate for the other criterion or criteria?

14. Given that the Board has updated filing requirements for natural gas rates applications, electricity distributor rates application, transmitter rates applications, etc., Energy Probe submits that, other than comments above in respect of licensing, it supports the filing requirements in the Discussion Paper but does expect them to be revised as the Board gains more experience in both planning and execution of Transmission Project Development Planning.

15. Energy Probe Research Foundation appreciates the opportunity to comment on these most important issues.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

May 31, 2010

Energy Probe Research Foundation