



Ontario Waterpower Association

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Ontario Energy Board
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**SUBJECT: File: EB-2010-0059 – Staff Discussion Paper –
Transmission Project Development Planning**

The Ontario Waterpower Association (OWA) appreciates the opportunity to provide comment on the Ontario Energy Board's staff discussion paper on Transmission Development Planning. At the outset, we wish to commend the Board for initiating dialogue on this important matter.

In preparing this response, the OWA has worked collaboratively with a group of generator organizations, led by the Association of Power Producers of Ontario (APPrO). While the OWA generally agrees with the advice put forward in the APPrO submission, we wish to provide supplemental comment from the perspective of our sector.

1. Limitations of the FIT ECT process

It is important to note that the Feed-in-Tariff Program is limited for waterpower to those projects with an installed capacity of 50MW or less. As such, should the ECT be restricted to consideration of FIT applications, the result will under-represent waterpower's potential with respect to the determination of transmission requirements. Moreover, there are a number of waterpower projects already underway outside the FIT program (e.g. Little Jackfish). Should the Board choose to apply the proposed new process for designating a transmitter, consideration must be given to the projects that cannot participate in the FIT program.

2. Artificial limitations on waterpower capacity

Related to the above, waterpower project proposals in the four northern rivers (Attiwapsikat, Winisk, Severn, Albany) are currently subject to artificial capacity limitations of 25MW. More than a dozen applications have been filed for sites that exceed this limitation, yet have not progressed to FIT applications due to policy uncertainty in the Far North. It will be important in the process of assessing certain development plans of prospective transmitters that these development opportunities that are

potentially related yet perhaps unaddressed through the ECT be considered. Failure to do so may result in an incorrect assessment of the required line capacity.

3. Anticipation of Aboriginal Participation

The discussion paper suggests some requirement for transmitter proposals to include in their plan the approach anticipated with respect to the engagement of Aboriginal communities, yet does not contemplate the likelihood that for a number of the transmission projects, Aboriginal entities may, in fact, be a partner to or proponent of the project. In northern Ontario in particular, there has been strong interest expressed by Aboriginal communities in transmission and, as the Board will be aware, the government's Aboriginal Loan Guarantee Program includes transmission investment. In order to align with the FIT program, some consideration should be given to valuing Aboriginal involvement in the assessment of transmitter development plans.

4. Complexity of Development Plan requirements

While the technical and financial competency criteria with respect to potential transmitters appear reasonable, the detail of the development plans to be filed seem to go well beyond what one would reasonably anticipate at this stage of the process. No significant environmental work will have been undertaken at this point, for example, and as such, details of proposed route selection would be premature. The same can be said with respect to the requirement for a plan to obtain rights of way and land use rights required for development and construction. I would suggest, in fact, that including such provisions as part of an open competitive process is likely to invite localized public and stakeholder concern at a point in the process prior to their involvement.

5. Development already underway

While not directly apparent in the discussion paper, it is presumed that this new process, once finalized, will not compromise transmission development activity that is already underway. If current work on proposed transmission lines is to be considered part of this process, a clear transition strategy must be proposed and input sought from interested parties.

Again, thank you for the opportunity to provide comment.



Paul Norris,
President
Ontario Waterpower Association