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May 31, 2010

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, Ontario M4P 1E4

Re: Board File Number: EB-2010-0059, Transmission Project Development Planning

Dear Ms. Walli,

Niskibi Group Inc. (NGI) is a company being formed to pursue equity partnerships with First Nations in northern Canada to develop water- and wind-powered energy resources and mineral resources on First Nations' lands. We currently have agreements in place with five First Nations, and are in advanced discussions with two more. Our interest in this issue stems from our desire to assist our partners in connecting their communities to the grid, as well as to provide grid access to our energy and mineral projects.

We have reviewed the Staff Discussion Paper released April 19, 2010 regarding Transmission Project Development Planning. In this submission, we specifically answer the questions raised in the document; we also have some general comments which we would like the Board to consider as follows:

#### General Comments

- 1) It isn't clear how the ECT that will be performed by the OPA evaluates the potential for new load development in areas where new transmission facilities are being considered. More specifically, the ECT ought to consider the regional economic benefits of new operations, such as mining, that become possible when new transmission facilities are built.
- 2) The report is essentially silent on the issue of the desirability of connecting to off-grid communities. It is our view that consideration should be given to the policy objective of connecting off-grid communities during the evaluation of new transmission routes.
- 3) When selecting a transmission developer, the OEB ought to give consideration to the nature of First Nation ownership by prospective development companies.

## Responses to Specific Questions Raised in the Staff Discussion Paper

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

Yes. The discussion paper recommends that the development of new transmission facilities typically be assigned to a single transmitter. The requirement to be a licensed transmitter ensures that only credible developers are considered.

### **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)?**

Three months as is done in the UK and Texas is reasonable in most circumstances. However, where special circumstances are present, such as the involvement of First Nations or Métis in proposed development companies, extra time should be considered to encourage such relationships to form.

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

Criterion selection is appropriate. Weighting of the criteria from most important to least important as follows:

- 1) Organization and Experience
- 2) Land Owner and Other Consultations
- 3) Schedule
- 4) Technical Capability
- 5) Costs
- 6) Financing

The first 3 criteria above deal with a proponent's ability to tackle the initial development work of the new transmission facility in a timely fashion. These criteria should therefore be given the highest weighting when selecting the proponent to develop the transmission facility.

Criterion 4 (Technical Capability) logically follows the work done during the initial development which will establish possible routes and required expertise for the construction of the new transmission facility. Appropriate Technical Capability can be contracted to complete the detailed engineering and permitting requirements of the new transmission facility.

Criterion 5 (Costs) of any new transmission will be thoroughly reviewed during a rate hearing and won't be properly known until significant detailed development work is completed. The ability to get the new transmission facility financed, Criterion 6 (Financing), will necessarily be part of the consideration of the rate hearing. The rate hearing is the appropriate venue to fully review these final 2 criteria and as such these criteria need not be given a high weighting when selecting the proponent for development.

### **Issue for stakeholder comment: Are staff's proposals regarding the implications of plan approval reasonable?**

Yes.

**Issue for stakeholder comment: Under what circumstances should two transmitters be designated to develop the same project and to recover the development costs from ratepayers?**

Where there are two or more competing transmission routes with materially different cost/benefit analyses.

**Issue for stakeholder comment: 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?**

These filing requirements are appropriate to allow the Board to make its decision.

We thank you for this opportunity to comment on this important initiative. Should you have any questions please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "D. Smith", written in a cursive style.