

Ontario Power Authority Interrogatories

Reference: C1, Tab 1, Schedule 1, Page 1

At this time, Hydro One is processing applications from over ten large generation proponents who have applied to connect to its distribution system under the FIT program.

Interrogatory #1

- a) Please confirm the number of applications that would be affected by Hydro One's proposal.
- b) Is it Hydro One's intention to apply this proposal to projects with a name plate capacity of 10MW or more, or to those projects greater than 10MW?
- c) Please provide the dates that these applications were received.
- d) Have the timelines required to complete the necessary studies been affected by the volume of applications received under the FIT program and if so, how?

Reference: C1, Tab 1, Schedule 1, page 1-2

However, the IESO's Market Rules require that large generator connection applications must also undergo a System Impact Assessment ("SIA") by the IESO and a Transmission Customer Impact Assessment by Hydro One Transmission. Ontario Regulation 326/09 made under the Electricity Act, 1998, stipulates up to 150 days to accommodate these studies.

Interrogatory #2

- a) How many applications for connection of large generation projects were received since the start of RESOP and prior to the launch of the FIT program?
- b) For each of the projects listed in question 2 a), above, please provide the following information:
 - The date the Distributor requested the SIA from IESO;
 - The date the Distributor notified Hydro One that a Transmission CIA was required;
 - The date IESO forwarded the completed SIA to the Distributor
 - The date the completed SIA was received by Hydro One Transmission
 - The date the completed Transmission CIA was forwarded to the Distributor

Reference: Distribution System Code s. 6.2.14A

The distributor shall, within 10 days of initiating a connection impact assessment study, advise in writing any transmitter or distributor whose transmission or distribution system is directly connected to the specific feeder or substation to which the proposed embedded generation facility is proposing to connect. The distributor shall include in the written communication, at a minimum, the proposed in-service date, the rated capacity and type of

technology of the proposed embedded generation facility. If the distributor requires a transmitter or host distributor to complete a TS review study or connection impact assessment, the distributor shall file an application with the transmitter or host distributor for such. A distributor will also inform the transmitter or distributor in writing on an ongoing basis of any change in status of the project including removing the capacity allocation for the project, material changes in the projected in-service date of the project or placing the project in service.

Reference: C1, Tab 1, Schedule 1, page 3

Hydro One's experience is that the steps in this phase are sequential, that is, that the IESO cannot begin the SIA until it receives the distribution CIA and similarly, that a prerequisite for beginning the Transmission Customer Impact Assessment is the receipt of the prior two reviews.

Interrogatory #3

- a) Please outline the information provided in the distribution CIA that is required to complete the IESO SIA.
- b) Of the information provided in question 3 a) above, how much of this information is required prior to the commencement of the IESO SIA?
- c) Please outline the information provided in the IESO SIA that is required to complete the Transmission CIA.
- d) Of the information provided in question 3 c) above, how much of this information is required prior to the commencement of the Transmission CIA?
- e) Of the information provided in questions 3 b) and d) above, how much, if any, of this information is available through other sources?

Reference: C1, Tab 1, Schedule 1, page 7

Upon receipt of payment from the generator, the transmitter then prepares a detailed scope of work and cost estimate for the required transmission upgrades and returns this to the distributor. The distributor compiles the total costs of all distribution and transmission upgrades and completes the offer to connect. Diagram 3, below, displays Hydro One's proposed timeline.

Interrogatory #4

With reference to Diagram 3, where both transmission and distribution upgrades are needed, how many months are acceptable to Hydro One as a deadline for the generator to execute the CCA following the Capacity Allocation Confirmation?

Reference: Distribution System Code s. 6.2.16

In the case of an application for the connection of a mid-sized or large embedded generation facility, once the impact assessment is provided to the applicant, the distributor and the

applicant have entered into an agreement on the scope of the project and the applicant has paid the distributor for the cost of preparing a detailed cost estimate of the proposed connection, the distributor shall provide the applicant with a detailed cost estimate and an offer to connect by the later of 90 days after the receipt of payment from the applicant and 30 days after the receipt of comments from a transmitter or distributor that has been advised under section 6.2.17. (Emphasis added)

Reference: Distribution System Code s. 6.2.4.1e

an applicant shall have its capacity allocation removed if:

i. a connection cost agreement has not been signed in relation to the connection of the embedded generation facility within 6 months of the date on which the applicant received a capacity allocation for the proposed embedded generation facility;

Interrogatory #5

- a) What has been Hydro One's experience in reconciling the provisions of the Distribution System Code as outlined above in sections 6.2.16 and 6.2.4.1e?
- b) For each of the projects where there may have been challenges reconciling the provision noted in question 5 a), above, please provide the following information:
 - The date that payment for a detailed cost estimate was received from the applicant (please request this information from the distributor if it is not readily available)
 - The date that the distributor requested a detailed cost estimate from Hydro One Transmission
 - The date that the detailed cost estimate was provided by Hydro One Transmission
- c) Please outline the information provided in the distribution connection cost assessment that is required to complete the Transmission cost estimate.

Reference: C1, Tab 1, Schedule 1, page 8

6.2.4.1c, which states that the CIA will not be considered complete unless the in service date for the generation facility is within three years (for non-water power projects) after the initial application date or in accordance with the timelines in an executed OPA contract. This acknowledges that the additional time required to complete the SIA, Transmission Customer Impact Assessment and the relevant cost estimates will encroach on the generation facility's construction phase and possibly jeopardize the originally contracted in-service dates. (The proponent may also have to re-negotiate the original in-service date in their contract with the OPA.)

Interrogatory #6

- a) Is Hydro One proposing that its proposed exemptions should apply to all projects that currently have a FIT contract on a retroactive basis?

- b) Or is it proposed that these exemptions should apply on a prospective basis, thus allowing future generators to take the extended timelines into consideration at the time the application is made to the FIT program?
- c) Or is it proposed that these exemptions apply both retroactively and prospectively?

Interrogatory #7

- a) Is Hydro One proposing that all distributors in Ontario would be eligible for its proposed exemptions from the Distribution System Code? If not, why not?
- b) Did Hydro One consider seeking an amendment to the Distribution System Code rather than an amendment to its license?