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**BY EMAIL**

January 28, 2011

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Board staff Submission in EB-2011-0106**

Please find attached Board staff's submission in the above matter. Please forward the following to all parties in the proceeding.

Yours truly,

*Original Signed by*

Rudra Mukherji  
Case Manager



## **BOARD STAFF SUBMISSION**

EB-2011-0106

JANUARY 28, 2011

## **Background**

Goldcorp Canada Ltd. and Goldcorp Inc. acting jointly as Goldcorp (“Goldcorp” or the “Applicant”) have filed an application with the Ontario Energy Board, (the “Board”) dated April 25, 2011 under section 92 of the *Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B*. Goldcorp is seeking an order of the Board granting leave to construct 10.7 km of 115 kV single circuit transmission line from Hydro One Networks Inc.’s (“HONI’s”) 115 kV E2R Transmission line at a point approximately 2 km south of Harry’s Corner to the to-be-constructed Balmer Complex Transformer Station, all in the Municipality of Red Lake.

The proposed transmission facilities include:

- a new switchyard connecting HONI’s Tap on its E2R 115 kV transmission line approximately 2 km southwest of Harry’s Corner with the proposed 115 kV transmission line;
- a new 10.7 km 115 kV single circuit transmission line running from the switchyard to the to-be-constructed Balmer Complex Transformer Station;
- a 115 kV/44 kV Transformer Station at Goldcorp’s Balmer Complex.

The proposed transmission facilities will be owned and constructed by Goldcorp until the system is commissioned. Following which, the switchyard and 115 kV transmission line, but not the Balmer Complex Transformer Station, will be transferred to and operated by HONI.

The planned in-service date for this project is December 2011.

The Board issued a Notice of Application and Hearing (“Notice”) on April 29, 2011. The Notice was served on all affected and interested parties and was also published in the Northern Sun News and the Wawatay News.

HONI, the Independent Electricity System Operator (“IESO”) and Lac Seul First Nation (“LSFN”) requested intervenor status and were granted such status.

On May 26, 2011, the Board issued Procedural Order No.1, which amongst other things, set out the schedule for interrogatories and submissions.

Pursuant to Procedural Order No. 1, the following are the submissions of Board staff. These submissions reflect the observations and concerns of Board staff and are intended to assist the Board in evaluating Goldcorp’s application.

## **Board staff Submission**

### *Project Need*

Goldcorp submitted that the proposed transmission facilities are needed to allow Goldcorp to meet its increased electricity demands arising from mining activities in the Red Lake area. Furthermore, Goldcorp submitted that this would alleviate the need for Goldcorp to utilize diesel generation thereby avoiding adverse operational and environmental effects, and the proposed facilities would free-up capacity in the Red Lake Transmission Station, thereby allowing Hydro One to service new and emerging demand in the Ear Falls/Red Lake area. Goldcorp also submitted that the proposed facilities will allow it to realize its Mine Development Plan in an economically efficient manner and thereby benefit the overall Red Lake economy.

Goldcorp also submitted that it had considered various alternatives to the proposed facilities, such as, obtaining supply from Hydro One, temporary use of diesel generation, on-site Natural Gas fired generators, wind and solar projects and conservation and demand management options. For each of the alternatives considered, Goldcorp explained why the alternatives were not appropriate and submitted that the building of the proposed transmission facilities is technically feasible, makes use of available Goldcorp patented lands and available Crown lands and is supported by other users in the Red Lake area.

In Board staff's view the need for the project has been established and the proposed facilities represent the best of the alternatives examined. Board staff also notes that the System Impact Assessment and the Customer Impact Assessment indicate that the proposed facilities will not adversely impact the transmission system, local area short circuits or the reliability of Hydro One's E2R 115 KV transmission system.

### *Environmental Assessment ("EA")*

Goldcorp submitted that it was required to seek project approval under two Class EAs - *Class EA for Minor Transmission Facilities* and *Class EA for Resource Stewardship and Facility Development*. Goldcorp further submitted that the proposed project had received approval from the Ministry of Environment under the *Class EA for Minor Transmission Facilities* and that approval from the Ministry of Natural Resources (MNR) for the *Class EA for Resource Stewardship and Facility Development* was still pending. In its pre-filed evidence, Goldcorp indicated that approval from MNR was expected by April 26, 2011.

At the hearing of the motion<sup>1</sup> Goldcorp informed the Board that the pending Class EA approval was delayed until MNR was satisfied that appropriate consultation with the affected First Nations had occurred. Goldcorp also noted that it may not be able to acquire permits to begin construction until the Class EA was approved. On June 8, 2011 Goldcorp submitted a letter from MNR, which confirmed the same.

While the Board does not have jurisdiction to determine issues related to the EA approval, staff submits that if the Board decides to approve the application, the Board's approval should be conditional on the successful completion of both Class EAs and on Goldcorp obtaining all necessary approvals, permits, licences, certificates and easement rights required to construct, operate and maintain the project.

**All of which is respectfully submitted**

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<sup>1</sup> Goldcorp Motion for an interim order to carry out civil engineering work at the Balmer Complex and to clear and grub the right-of-way, dated May 3, 2011