

Board Staff Interrogatories

Trout Creek Wind Power Inc.

**Application to amend Hydro
One Networks Inc.'s Electricity
Distribution Licence**

EB-2011-0209

1. Reference: Trout Creek Wind Power Inc.'s ("Trout Creek" or "Applicant") Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 1, Lines 31-32 and Page 2, Lines 1-2.

The Applicant states:

On May 12, 2011, Trout Creek received an e-mail from Hydro One requiring the execution of the Connection Cost Agreement (the "CCA") and payment of \$3,402,574.64 prior to 4:00p.m. on May 26, 2011. Prepaying such an amount, over three years before COD is not consistent with the typical project development cycle...

Questions:

- 1.1. Please describe "the typical project development cycle".
- 1.2. At what stage of a typical development cycle of a wind project with characteristics similar to Trout Creek Wind Farm, Project No. 12,780 (the "Project"), the Connection Cost Deposit ("CCD") payment is normally made?
- 1.3. Please confirm that wind generation projects are **normally not** subject to the delays experienced by the Project. If this cannot be confirmed please explain why a special CCD rule should be made for the Project?

2. Reference:

- **Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 3, Lines 18-19**
The Applicant states: "Trout Creek has not been able to officially launch the REA process because it has not been granted Applicant of Record status".
- **Applicant's Pre-filed Evidence, Exhibit B, Tab 1 Schedule 1, Paragraph 5**
Mr. Schneider states: "Trout Creek received applicant of record status on March 7th, 2011 ..."

Questions:

- 2.1. Please clarify this discrepancy in the evidence. Specifically, please confirm whether Trout Creek received the "Applicant of Record" status on March 7, 2011.

2.2. If the response to 2.1 is yes, has the applicant officially launched the REA process? If not, why not?

3. Reference: Applicant's Pre-filed Evidence, Exhibit B, Tab 1 Schedule 1, Paragraph 10

Mr. Schneider states:

Schneider cannot secure the Deposit at this stage of the development of the Project because the Project has not progressed sufficiently through the MNR site release procedure. Schneider does not have a site control agreement which is a requirement normally used as a collateral for a loan or investment for relevant development expenditures or deposits.

Questions:

- 3.1. Please provide the date by which the Applicant expects to have the site control agreement referred to by Mr. Schneider in his affidavit?
- 3.2. Please confirm that the Applicant can use the site control agreement, once available, as collateral for a loan to make the full CCD payment. If this cannot be confirmed, please explain why not.

4. Reference: Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 6, Lines 15-16.

The Applicant states: "In general, to obtain debt financing, the **waterpower** developer will need to have obtained..." [Emphasis added]

Questions:

- 4.1. Please confirm that in the above statement, reference to "waterpower" should be replaced with "windpower".

5. Reference:

- **Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 6, Lines 22-26**

The Applicant states:

Mr. Schneider, in his affidavit Exhibit B, Tab 1 Schedule 1, confirmed the delays in the MNR process do not permit Trout Creek to obtain funding and therefore are unable provide the full CCD payment at this specific time as required by the provisions of the DSC.

- **Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 6, Lines 15-21.**

Questions:

- 5.1. Please confirm that the Applicant is unable to make the full CCD payment required by Hydro One at this time because of its inability to obtain funding at this stage of the project development.
- 5.2. Please indicate whether specific objections have been raised by potential lenders as to why credit will not be extended to allow payment of the CCD at this time? If so, please provide full particulars, including documentation which would support the Applicant's position.
- 5.3. Please provide evidence that would demonstrate that lenders are unwilling to provide any project financing for the Project until the conditions listed one page 6, Exhibit A, Tab 2 of Trout Creek's pre-filed evidence are satisfied.
- 5.4. Please provide the date by which the Applicant expects to obtain debt financing.

6. Reference:

- **Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 2, Page 3, lines 24-27.**

The Applicant states:

It should be noted that these dates under the FIT Contract will be extended by 18 months as a result of *force majeure* applications to OPA. It is significant to note that OPA have recognized the significance of these delays which are acknowledged to be beyond the control of the Applicant. Therefore, the Applicant expects the new MDCO will be October 13th, 2014.

- **Applicant's Pre-filed Evidence, Exhibit A, Tab 2, Schedule 1, Page 5, Paragraph 17.**

The Applicant states:

The Ontario Power Authority has recognized 6 months of delay under the Force Majeure provisions of the FIT Contract. Further, the Ontario Power Authority has extended the Milestone Date for Commercial Operation for an additional 12 months as a result of other concerns with the development of renewable energy projects.

Questions:

- 6.1. Please confirm that the Ontario Power Authority (the "OPA") has recognized **only** 6 months of delay under the *force majeure* provisions of the FIT Contract with respect to the Project as a result of Trout Creek's *force majeure* claims submitted to the OPA.
- 6.2. Please confirm that the 12 month extension to the Milestone Date for Commercial Operation ("MDCO") was not specific to the Project (i.e. it was applicable to all renewable energy projects under FIT contracts with the OPA.)
- 6.3. Assuming the statements in items 6.1 and 6.2 are confirmed, does the Applicant agree that it would be more appropriate for the Applicant to seek an amendment to Hydro One's licence to reflect a six-month exemption from the applicable sections of the Distribution System Code (the "DSC") consistent with the delay recognized by the OPA under the *force majeure* provisions of the FIT contract?
 - 6.3.1. If you agree, please state so.
 - 6.3.2. If you disagree, please explain why you disagree and why (aside from consideration of the 6 months delay recognized by the OPA) this Project be treated differently knowing that, except for certain waterpower projects, all other renewable projects under FIT contracts with OPA have to make the CCD payments in accordance with the timelines prescribed in the DSC despite the fact that their MDCO was extended by 12 months.