

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998 (the "Act")*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Summerhaven Wind LP under section 92 for an order or orders granting leave to construct a new 9 km long 230 kV single circuit overhead transmission line and related facilities.

**REPLY SUBMISSIONS OF
THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR**

1. On July 27, 2011, Summerhaven Wind, LP ("Summerhaven") filed its reply ("Reply Submissions") in response to Board Staff and interveners earlier submissions in respect of its leave to construct application. Pursuant to Procedural Order No. 8, the Independent Electricity System Operator (the "IESO") wishes to comment on the Reply Submissions relating to the recommendation for construction of a common switching station to jointly connect the Summerhaven and Capital Power Nanticoke Port Dover wind projects.

2. As a general matter, the IESO repeats and relies on its submissions filed with the Ontario Energy Board (the "Board") on June 22, 2011. Summerhaven does not dispute the need for the common switching station or the fact that this is a superior and less costly connection design, all of which are consistently aligned with the public interest. Summerhaven's argument, against pursuing this option, is that the recommendation for a common switching station was "only raised in September 2010, as [it] was

finalizing the detailed environmental reports.”¹ Additionally, Summerhaven claims that it “could not have reasonable been expected to change the [connection] location at such a late point in the development cycle.”² The IESO disagrees with this assertion by Summerhaven as the evidence shows clearly that upon providing the requisite project details to the IESO and Hydro One, the information regarding the need for a common switching station was discussed shortly after with Summerhaven and Capital Power. Furthermore, the facts also shows that this was done well in advance of the mandated timeline for completion of the connection assessment work, contrary to Summerhaven’s position that this occurred at a late point in the development cycle.³

3. The IESO also disagrees with the claim that it was unreasonable for Summerhaven (and Capital Power) to consider the proposed common switching station design. The decision regarding the single switching station design was determined unilaterally and was primarily driven by what was deemed overall to be most convenient for Summerhaven and Capital Power—as opposed to what is in the broader public interest. In their view, adopting the common switching station design would have required them to make adjustments to their respective plans and timelines for conducting and obtaining approvals relating to the environmental and archaeological studies. While the single switching station option was viewed by Summerhaven and Capital Power as being more suitable when considered from this perspective, it goes without saying that this comes at the cost of significant lost opportunities for improving reliability, connection efficiency and operational control and flexibility of the transmission system for the benefit of all parties, as well as potentially reducing overall connection costs to ratepayers by over

¹ Summerhaven Reply Submissions, July 27, 2011, para. 51, page 15.

² Summerhaven Reply Submissions, July 27, 2011, para. 53, page 15.

³ IESO Submissions, July 22, 2011, para. 4 & 5, pages 2-3.

\$10 million. Contrary to Summerhaven's position, the public interest standard which applies to the Board's review of leave to construct applications does not require that the Board also give consideration to matters relating to environmental and archaeological work. In fact, the opposite is true; accordingly, regulatory procedures require that the Board set aside such argument.

4. The idea of maximizing efficiency and reducing cost to ratepayers in respect of leave to construct applications does not appear however to be completely lost to Summerhaven. In addressing a similar concern regarding the need for consideration of potential efficiency and cost impacts arising from proximity to Haldimand County Hydro Inc. ("HCHI") distribution system, Summerhaven makes the point of noting that "[a]s a matter of public interest and in accordance with the Board's mandate under 96(2)(2.), a renewable generator should not be forced to implement a more expensive design when there is an option available to HCHI that would be less expensive for all parties involved, including potentially, HCHI ratepayers."⁴ The IESO, for the most part, agrees with Summerhaven in this regard; similarly, with respect to the current issue, the IESO also believes that ratepayers should not be held liable for an inferior and more costly option when a superior option is available. In the IESO's view, Summerhaven should be held to the same standard in the review and determination of whether its connection proposal is indeed in the public interest.

5. The IESO believes that the modification of the timeline related to environmental and archaeological studies to accommodate the common switching station option could have been accommodated by Summerhaven. As detailed in Summerhaven's Reply Submissions, approval of the

⁴ Summerhaven Reply Submissions, July 27, 2011, para. 21, page 8.

environmental and archaeological studies is yet to be granted and any number of unforeseen events or issues could still impact the project design and development timeline.⁵ Additionally, Summerhaven's argument that its adoption of the preferred option would have significantly delayed the environmental and archaeological work and thereby risk exposing it to large financial penalties from suppliers and the Ontario Power Authority is largely unsubstantiated as no evidence has yet been provided to show the purported incremental costs or penalties to Summerhaven had it gone with the common switching station option.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED,
THIS 3rd DAY OF AUGUST, 2011**

Original signed by

Carl Burrell
Senior Regulatory Analyst
Independent Electricity System Operator

cc. Ms. Kristyn Annis, Counsel to Summerhaven Wind LP (By Email)
All Intervenors (By Email)

⁵ Summerhaven Reply Submissions, July 27, 2011, para. 15, page 6.