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**FILED ELECTRONICALLY AND VIA COURIER**

October 11, 2011

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
PO Box 2319, 27th Floor  
Toronto, ON  
M4P 1E4

**Helen T Newland**  
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DIRECT 416-863-4471

Dear Ms. Walli:

**RE: RES Canada Transmission LP  
Application for Electricity Transmission Licence;  
Board File No.: EB-2011-0282**

We represent Renewable Canada Transmission LP ("**RES Canada**") in connection with its application to the Board regarding its application for an Electricity Transmission Licence.

In accordance with Procedural Order No. 1, RES Canada is filing its responses to the interrogatories of Board Staff and Hydro One Networks Inc.

RES Canada will file two paper copies of the above-noted evidence as soon as possible.

Yours very truly,

***(signed) H.T. Newland***

HTN/ko

cc: Kristi Sebalj (OEB)  
Andrew Skalski (Hydro One)  
Michele Beauchamp

**RES Canada Transmission LP**  
**Application for Electricity Transmission Licence**  
**EB-2011-0282**

**Responses**  
**To**  
**Board Staff Interrogatories**

**October 11, 2011**

## Interrogatory #1

**Reference:** Application Cover Letter, Page 1 and Application, Section 9.  
Technical Ability

In its application cover letter, RES Canada states that technical capabilities and expertise of transmission development personnel of its parent company, Renewable Energy Systems Limited, as well as their experience in developing, constructing and managing electricity transmission facilities will be available to RES Canada for the purpose of developing, constructing and operating reliable and cost-effective transmission facilities in Ontario. However, in Section 9 (b). Technical Ability, of the application form, RES Canada states that it intends to contract transmission activities with a qualified contractor which could, but not necessarily, be an affiliate of the applicant.

- (a) Please provide reasons as to why, having such a highly experienced affiliate, RES Canada can potentially contract transmission activities with a company, other than its affiliate.
- (b) Please describe a contractor selection process and criteria to be met by a contractor to be selected by RES Canada for:
  - (i) Design and construction of transmission facilities;
  - (ii) Customer connection;
  - (iii) Operation and maintenance of high voltage transmission facilities.

## Response:

- (a) The reference in Section 9(b) of the Application to contracting with a qualified contractor was not intended to suggest that some party, other than RES Canada Transmission LP ("**RES Canada**"), would carry out the transmission activities underpinned by any Transmission Licence that is issued to RES Canada. RES Canada will be the *de jure* and *de facto* transmitter and have exclusive responsibility in this regard. RES Canada intends to participate in the Board's designation process and, if successful, to design, construct, operate and maintain transmission facilities in accordance with all applicable legislation, standards and codes.

RES Canada will rely on transmission-related expertise provided by employees of certain of its affiliates, primarily Renewable Energy Systems Americas Inc. and Renewable Energy Systems Canada Inc., in accordance with the terms and conditions of the *Affiliate Relationships Code ("ARC")*. As described in the Application, these affiliates have extensive experience in transmission system design, development, electrical connection,

construction, construction management (e.g., site investigation, engineering, materials procurement, etc.) and the safe and reliable operation and maintenance of transmission facilities. In circumstances where RES Canada contracts with an affiliate for specialized services, be it in the design, construction or operational phases of the project, it will do so in accordance with the requirements of the ARC, including the provisions that pertain to sharing and outsourcing and the requirements to document such arrangements pursuant to Services Agreements.

RES Canada also expects that, from time to time, it will retain specialized non-affiliate expert consultants (e.g., environmental, First Nations, etc.) and sub-contractors (in respect of activities during the construction phase of the project when RES Canada will look to hire local trades with knowledge of local conditions).

- (b) In light of the response to 1(a) above, RES Canada assumes that Board does not require the information requested in this question.

## **Interrogatory #2**

**Reference:** Application, Section 7. Financial Information

In its decision granting a transmission licence to Chatham-Kent Transmission Inc. (EB-2010-0351), the Board indicated that in a licensing application, it would “review to some degree the applicant’s financial status [and] its potential for access to further financial resources”. Please describe RES Canada’s plans for financing any Ontario transmission facilities it may construct, including its potential for access to any necessary further financial resources.

### **Response:**

If RES Canada is successfully designated as the proponent for the development of Ontario transmission facilities it will, on a reasonable and prudent basis and as an experienced developer of electricity infrastructure, consider all sources of financing that are available, on reasonable terms, at such time. These may include: (i) debt financing on a project basis; (ii) debt financing on a corporate basis by members of Renewable Energy Systems Ltd.’s group of companies (the “**RES Group**”); (iii) equity financing by RES Canada’s indirect parent, Renewable Energy Systems Ltd. or another member of the RES Group; and/or (iv) equity financing by an arms-length equity investor(s). Prior to the conclusion of any such financing and because RES Canada is a newly constituted entity, it will be financed by Renewable Energy Systems Canada Inc., its sole limited partner.

### Interrogatory #3

In section D of its licence application, RES Canada confirmed the following:

“I understand and acknowledge that, as a licenced electricity transmitter, I will be required, unless otherwise exempted:

- To provide non-discriminatory access to all persons wishing to connect to the transmission system.
- To comply with all licence conditions including the provisions of:
  - The Ontario Energy Board Affiliate Relationships Code for Electricity Distributors and Transmitters
  - The Ontario Energy Board Transmission System Code
  - The Market Rules made under section 32 of the Electricity Act.”

Absent an exemption, RES Canada must comply with the Board’s *Affiliate Relationships Code for Electricity Distributors and Transmitters* (“**ARC**”) (among others) effective as of the date on which a transmission licence is issued to it. Please confirm that RES Canada will satisfy the requirements of the ARC commencing on the date on which it is licensed. If not, please advise if RES Canada intends to seek an exemption from the ARC.

### Response:

RES Canada confirms that it will satisfy the requirements of the ARC as of the effective date of its Transmission Licence and that it is not seeking any exemption from the ARC as part of this Application. In this regard, RES Canada notes that, of the affiliates shown on the corporate organization charts that were filed on a confidential basis as Appendix B to the Application, the only “energy service providers,” within the meaning of the ARC, are seven limited companies incorporated in France, five limited companies incorporated in England and Wales, three limited companies incorporated in the Republic of Ireland and three limited companies incorporated in Northern Ireland (“**ESP Affiliates**”). RES Canada confirms that it will not share any employees, who are directly involved in collecting or have access to “confidential information”, with its ESP Affiliates and in fact, the ESP Affiliates do not have any operations in North America. RES Canada also confirms that it will ensure that “confidential information” (as defined in the ARC), obtained in the process of providing “current or prospective utility

service,” is not released or disclosed to any of its affiliates, except as provided for by and in accordance with the ARC.

RES Canada has been following the debate in OEB Proceeding EB-2011-0260 (TransCanada Power Transmission (Ontario) L.P.’s application for an amendment of its Transmission Licence) and understands the concerns expressed by the Independent Electricity Systems Operator (“**IESO**”) in respect of the disclosure of confidential information, including customer forecast, planning and load-flow data, to participants in the transmission designation process. This is not simply an ARC issue but has to do, more generally, with how confidential information, provided to participants in the designation process, can be protected from unauthorized disclosure. RES Canada notes that the provision of such information to RES Canada may not be required if RES Canada accepts the “Reference Option” defined in the Ontario Power Authority’s June 30, 2011 report entitled “Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Expansion”. Should RES Canada decide to propose alternative solutions (to the Reference Option), it would request the IESO to conduct the required feasibility studies and provide the results to RES Canada without also providing it with the confidential information that underpinned such studies, as per the IESO’s letter to the Board dated September 13, 2011 in the EB-2011-0260 proceeding.

In the EB-2011-0260 proceeding, Hydro One also raised concerns regarding the provision of potentially confidential and commercially sensitive technical and connection information that it might be required to provide to all bidders as part of the designation process. It is not clear to RES Canada whether Hydro One, as a potential bidder in the designation process, will actually be required to provide such information to other bidders. Hydro One, in its September 13, 2011 letters to the Board in the EB-2011-0260 says as much:

It is therefore difficult to foresee what confidential information Hydro One or others may be required to produce in the course of the designation process, in relation to the current East-West Tie or any other future projects. It is similarly difficult at this stage to predict what information might come into TPT’s possession during the designation process.

In any event, if RES Canada does receive confidential information from Hydro One as part of the designation process, it would be prepared to enter into appropriate non-disclosure agreements with Hydro One in this regard and to abide by any requirement in this regard under its Transmission Licence or otherwise.

**RES Canada Transmission LP**  
**Application for Electricity Transmission Licence**  
**EB-2011-0282**

**Responses**  
**To**  
**Hydro One Networks Inc. Interrogatories**

**October 11, 2011**



## Interrogatory #1

**Reference:** RES application, Section 10, Information about Each Key Individual

The application has identified only one key individual that is currently engaged in electricity services.

- (a) If a transmission licence is granted, will this key individual be located in Ontario, and if so, when? If not, who will be the key in-province contact? Please indicate if other key individuals will be located in Ontario and in what capacity.
- (b) Other than the key individual listed above, if a licence is granted, will RES have both staff and an office in Ontario?
- (c) If yes to part (b), will RES share office space, employees and information systems with affiliates and if so, how will it ensure compliance with ARC sections 2.2.2 and 2.2.3?
- (d) Does RES plan to operate the network transmission facilities that it builds and owns in Ontario or will it outsource operations to a third party?
- (e) If RES intends to operate and maintain transmission facilities in Ontario, what training plans does RES have to ensure its staff are trained in provincial transmission operating and maintenance practices and procedures?

### Responses:

#### (a), (b) and (c)

The RES Application, in fact, identifies seven key individuals that are involved in, *inter alia*, “electricity services” in the context of developing renewable energy projects in North America, including associated transmission and distribution facilities. Information about these key individuals was filed on a confidential basis in accordance with the Board’s practice of keeping such information confidential. Notwithstanding that the premise of Hydro One’s question is incorrect, the Applicant provides the following information to Hydro One:

The Applicant will make decisions regarding the location of its key individuals and any other employees it may need in connection with the Board’s Policy Framework for Transmission Project Development Plans (EB–2010–0059), following successful designation as a transmitter thereunder. If the Applicant believes that its key individuals need to be permanently located in Ontario, it will make arrangements accordingly.

Each of the Applicant’s key individuals listed in Section 10 of the Applicant’s Application for a Transmission Licence, resides in the US or Canada and will be available, in accordance with

normal business practices, to attend meetings in Ontario whether in person or by electronic means. Accordingly, the Applicant does not believe that the location of its staff in relation to the current proceedings for designation to be a material consideration at this time.

With respect to part (c) of the Interrogatory above, we refer you to our October 11, 2011 Responses to Board Staff Interrogatory #3 with respect to compliance with ARC. The Applicant will ensure it is in compliance with ARC at all times.

**(d) and (e)**

We refer you to our October 11, 2011 Responses to Board Staff Interrogatory #1. Moreover, the Applicant will comply with the applicable terms and conditions of its Transmission Licence and all applicable legislation, standards and codes in ensuring its staff are appropriately qualified and trained to operate and maintain transmission facilities in Ontario.

**Interrogatory #2**

**Reference:** RES application, Section 9, Technical Ability

In Section 9 of RES’ application, they write “to date, RES Americas has developed 5,200 MW of generation in eleven U.S. States and two Canadian provinces, including associated high voltage transmission lines with an aggregate circuit length of over 500 km.”

- (a) Please identify the length of the three largest high voltage transmission lines included in the projects mentioned above.
- (b) For these projects, please provide budgeted versus actual costs and schedule, with explanations for any major variances.
- (c) Please provide a listing of any complaints received during the development and construction of these projects along with their resolution.
- (d) Please indicate whether there were any aboriginal interests that were required to be consulted or accommodated as part of these projects. If so, please identify the projects and indicate the outcome of the First Nations consultations.

**Responses:**

Affiliates of the Applicant have developed 5,200MW of generation in eleven US states and two Canadian provinces, including associated high voltage transmission lines with an aggregate circuit length of over 500km; with respect to the three largest such projects:

<b>Transmission Line Length</b>	<b>Budget and Schedule</b>	<b>Complaints</b>	<b>Aboriginal Interests Consulted and Accommodated</b>
42 miles in Colorado (230 kV)	Completed on or under budget and on schedule.	No material complaints received.	Not relevant
29.5 miles in Texas (138 kV)	Completed on or under budget and on schedule.	No material complaints received.	Not relevant
20.2 miles in Texas (69 kV)	Completed on or under budget and on schedule.	No material complaints received.	Not relevant

The Applicant and its affiliates have a detailed understanding of Canadian law with respect to the duty to consult and in certain circumstances, accommodate aboriginal and First Nations people. The Applicant and its affiliates are experienced in conducting such consultations and accordingly, will be well placed to deal with any consultation required in connection with any transmission activities in Ontario.