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NOV -5 2012 ONTARIO ENERGE BD

October 22, 2012

Ministry of Agriculture, Food and Rural Affairs

1 Stone Road West

Guelph, Ontario

N1G 4Y2

Enclosed, please find the Notice of Application and Hearing for Dufferin Wind Power Inc.'s application to the Ontario Energy Board (Ref# EB-2012-0365) for leave to construct approximately 47 km of single circuit 230 kV electricity transmission line and associated facilities to connect Dufferin Wind Power Inc.'s generation facility, the Dufferin Wind Farm, to the IESO-controlled grid.

As described in the enclosed Notice of Application and Hearing, the transmission line will run southwesterly from the project substation in Melancthon to the former rail corridor west of highway 10 and proceed southward down the side of the rail corridor through Shelburne and Amaranth and terminate at the Hydro One Orangeville Transformer Station on County Road 11. You are receiving the enclosed Notice of Application and Hearing because the proposed route for the transmission line runs on, over or through your property.

You can review the line route and download the Leave to Construct application on our project website at www.dufferinwindpower.ca. The application describes the specific location of the transmission line, design and specifications of the cable and power poles, underground trench and cable details, overhead/underground transition stations, and other related details.

The Notice of Application and Hearing will be published in local newspapers this week and copies of the Notice are being sent to affected landowners, local municipalities and Dufferin County. The application will also be available for review at our Shelburne office.

In addition to the contact information provided in the enclosed Notice of Application and Hearing, interested parties may also contact Dufferin Wind Power via e-mail at info@dufferinwindpower.ca, by telephone at (855) 249-1473, or by visiting our Shelburne office at 2-219 First Avenue East, Shelburne, Ontario.

Sincerely,

Jeff Hammond

Senior Vice President

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EB-2012-0365

NOTICE OF APPLICATION AND HEARING

APPLICATION FOR LEAVE TO CONSTRUCT TRANSMISSION FACILITIES FOR DUFFERIN WIND POWER INC.

Dufferin Wind Power Inc., ("DWPI") has filed an application with the Ontario Energy Board (the Board), dated September 21, 2012 under sections 92, 96(2), 97 and 101 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B. DWPI was incorporated as a New Brunswick corporation in 2011. Longyuan Canada Renewables Ltd. is the majority shareholder and Farm Owned Power (Melancthon) Ltd. the minority shareholder of DWPI.

DWPI has applied for an order of the Board for leave to construct approximately 47 km of single circuit 230 kilovolt ("kV") electricity transmission line and associated facilities to connect DWPI's generation facility, the Dufferin Wind Farm, to the IESO-controlled grid. DWPI has also applied for an order approving the forms of easement agreements provided in the application, and an order approving the construction of certain transmission facilities upon, under or over a highway, utility line or ditch.

DWPI holds a 20-year feed-in-tariff ("FIT") contract with the Ontario Power Authority in respect of the sale of electricity from the Dufferin Wind Farm which is planned to be constructed and operated in the County of Dufferin and have an installed capacity of 99.1 MW.

The work which is the subject of this application involves the construction of:

A 34.5 kV/230 kV intermediate transformer station at the Dufferin Wind Farm site;

- A 230 kV switching station adjacent to Hydro One Networks Inc.'s existing Orangeville Transformer Station;
- Approximately 47 km of primarily overhead 230 kV three phase single circuit transmission line running from the wind farm site to the switching station; and
- A 100 m 230 kV interconnection that will connect the switching station to Orangeville Transformer Station.

A map showing the location of the proposed facilities is included with this Notice.

DWPI advises that it is acquiring the permanent and temporary land rights needed for the construction of the transmission line and facilities and for access to the lands during construction.

DWPI proposes to commence construction of the transmission facilities in May 2013 in order to achieve an in-service date of December 31, 2013. DWPI will construct, own and operate the facilities and will bear the cost of the proposed line and associated facilities.

The Board has assigned File No. **EB-2012-0365** to this application.

Board Jurisdiction

For any leave to construct application under section 92 of the Act, section 96(2) of the Act provides that when determining if a proposed work is in the public interest, the Board's jurisdiction is limited to consideration of:

- The interests of consumers with respect to prices and the reliability and quality of electricity service, and
- Where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.

Environmental issues with respect to this project are considered through a separate process which is not a part of this Board proceeding.

How to see the Application

To see a copy of the application, go to the Consumer page of the Board's website and enter the case number EB-2012-0365 in the "Find an Application" box. A copy can also

be seen at the Board's office and at the applicant's office at the addresses indicated below, or on the applicant's website www.dufferinwindpower.ca.

Written Hearing

The Board intends to proceed with this matter by way of a written hearing unless a party satisfies the Board that there is a good reason for not holding a written hearing. If you object to a written hearing, you must provide written reasons why an oral hearing is necessary. Any submissions objecting to a written hearing must be received by the Board and copied to the applicant within 10 days of the publication or service date of this notice.

How to Participate

Comment

If you wish to give your opinion on the proceeding to the Board Members hearing the application, you are invited to send a written letter of comment to the Board no later than 30 days after the publication or service date of this notice. A complete copy of your letter of comment, including your name, contact information, and the content of the letter, will be provided to the applicant and the Hearing Panel.

Observe

If you do not wish to actively participate in the proceeding but you do wish to receive documents issued by the Board, you may request observer status. Your written request must be received by the Board no later than 10 days from the publication or service date of this notice.

Personal Information in Letters of Comment and Observer Requests

All letters of comment or letters requesting observer status will be placed on the public record, which means that the letters can be seen at the Board's offices and will be available on the Board's website. Before placing the letters on the public record, the Board will remove any personal (i.e. not business) contact information from the letters (i.e. the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the letter will become part of the public record. Please address your letter to the Board Secretary at the address below, and reference file number EB-2012-0365 at the top of your letter.

Intervene

If you wish to actively participate in the proceeding (e.g., submit questions, file argument), you may request intervenor status from the Board no later than 10 days after the publication or service date of this notice. Instructions for requesting intervenor status are available on the Board's website at www.ontarioenergyboard.ca/participate. Everything an intervenor files with the Board, including the intervenor's name and contact information, will be placed on the public record, which can be seen at the Board's offices and will be available on the Board's website.

If you do not have internet access, please call 1-888-632-2727 to receive information about this proceeding and how to participate.

How to Contact Us

In responding to this Notice, please reference Board file number EB-2012-0365 in the subject line of your e-mail or at the top of your letter. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

IMPORTANT

IF YOU DO NOT PARTICIPATE IN THE HEARING BY FILING WRITTEN SUBMISSIONS IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.

ADDRESSES

The Board

P.O. Box 2319 27th Floor 2300 Yonge Street Toronto ON M4P 1E4 Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca

E-filings:

www.pes.ontarioenergyboard.ca/eservice

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

The Applicant

Dufferin Wind Power Inc. Suite 4550 TD Canada Trust Tower 161 Bay Street, P.O. Box 203 Toronto ON M5J 2S1

Attention: Mr. Jeff Hammond

Tel: 416-551-2578 Fax: 416-551-3617

Email:

jeff.hammond@clypg.com.cn

Applicant's Counsel

Torys LLP Suite 3000 79 Wellington St. W. Box 270, TD Centre Toronto ON M5K 1N2

Attention: Mr. Jonathan Myers

Tel: 416-865-7532 Fax: 416-865-7380

Email: jmyers@torys.com

and

Mr. Charles Keizer Tel: 416-865-7512 Fax: 416-865-7380

Email: ckeizer@torys.com

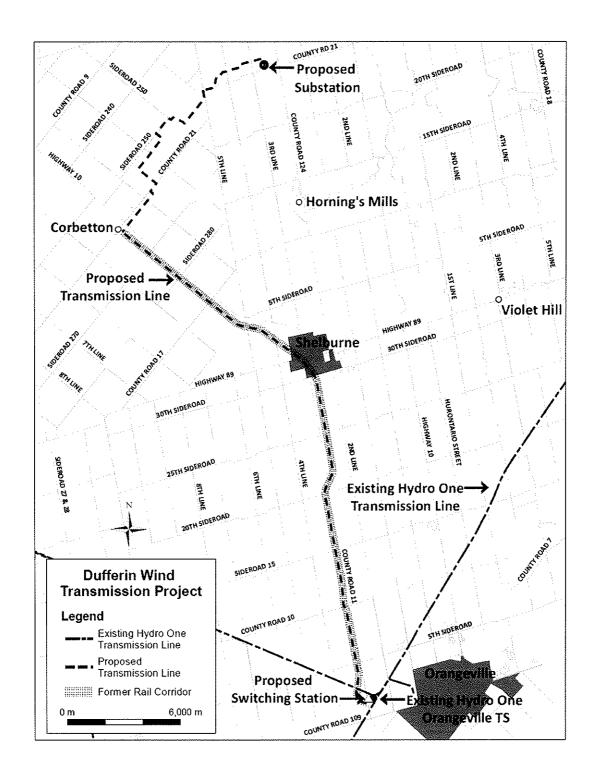
DATED at Toronto October 16, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli Board Secretary

Map of Proposed Transmission Line and Facilities



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ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Dufferin Wind Power Inc. for an Order or Orders pursuant to Section 92 of the *Ontario Energy Board Act, 1998* (as amended) granting leave to construct transmission facilities in the Township of Melancthon, the Town of Shelburne and the Township of Amaranth, all of which are in the County of Dufferin, Ontario.

APPLICATION

- 1. Dufferin Wind Power Inc. (the "Applicant") is a corporation, headquartered in Toronto, that was formed on May 17, 2011 pursuant to the laws of the Province of New Brunswick. The Applicant's majority shareholder is Longyuan Canada Renewables Ltd. ("Longyuan Canada"), a New Brunswick corporation which is a wholly owned subsidiary of China Longyuan Power Group Corporation Limited ("Longyuan"). Longyuan constructs, manages and operates wind generation facilities and, with over 8,900 MW of wind power (installed capacity), is the second largest wind energy owner and operator in the world. The Applicant's minority shareholder is Farm Owned Power (Melancthon) Ltd. ("FOP"), a corporation formed pursuant to the laws of Canada by a group of local landowners in the vicinity of the Dufferin Wind Farm site in the Township of Melancthon. A detailed description of the Applicant is provided in Exhibit B, Tab 2, Schedule 2.
- 2. The Applicant hereby applies to the Ontario Energy Board (the "Board") pursuant to Section 92 of the *Ontario Energy Board Act*, 1998 (the "Act") for an order or orders

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under Section 96 of the Act granting leave to construct the following transmission and interconnection facilities:

- (a) a 34.5/230 kV intermediate transformer station on the southeast corner of the West half of Lot 26, Concession 2 in the Township of Melancthon (the "**Project Substation**");
- (b) a 230 kV switching station on Part Lot 2, Concession 2 in the Township of Amaranth, adjacent to Hydro One Networks Inc.'s ("Hydro One's") existing Orangeville Transformer Station ("Orangeville TS") in the Township of Amaranth (the "Switching Station");
- (c) an approximately 47 km 230 kV three phase single circuit transmission line running from the Project Substation to the Switching Station (the "Transmission Line"); and
- (d) a 100 m 230 kV interconnection that will connect the Switching Station to Orangeville TS (the "Interconnection").
- 3. The facilities described in paragraph 2, being the Project Substation, the Switching Station, the Transmission Line and the Interconnection, are collectively referred to in this Application as the "Transmission Project".
- 4. The Applicant further requests approval of the Board pursuant to Section 97 of the Act for the forms of land agreement included in Exhibit F, Tab 2, Schedule 1.
- 5. Moreover, the Applicant requests approval of the Board pursuant to Section 101 of the Act for authority to construct portions of the Transmission Project upon, under or over a highway, utility line or ditch, as further described in Exhibit F, Tab 1, Schedule 1.
- 6. The Applicant is currently developing, and plans to construct and operate, the Dufferin Wind Farm, which is a planned 99.1 MW wind energy generation facility in the Township of Melancthon in Dufferin County (the "Wind Farm"). The Wind Farm will consist of 49 wind turbines, the output of which will run along a 34.5 kV underground collection system that links the turbines to the Project Substation. The Applicant has a

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20-year contract with the Ontario Power Authority (the "**OPA**") in respect of the Wind Farm pursuant to the OPA's Feed-in Tariff ("**FIT**") Program.

- 7. The proposed Transmission Project is required by the Applicant to connect the Wind Farm to the Independent Electricity System Operator ("IESO") controlled grid. This will enable the Applicant to supply renewable energy to the IESO-controlled grid, consistent with its obligations under its FIT contract, the objectives of the FIT Program and the renewable energy policies of the Government of Ontario.
- 8. The Applicant proposes to locate the Project Substation on private lands amid the Wind Farm in the Township of Melancthon, as well as to locate the Switching Station on private lands adjacent to Orangeville TS in the Township of Amaranth.
- 9. The Applicant proposes to locate 31.2 km of the Transmission Line along a former rail corridor that is now owned by the County of Dufferin, as well as 15.6 km of the Transmission Line along private lands situated between the Wind Farm site and the former rail corridor, for a total length of nearly 47 km. While these private lands along which the Transmission Line will run are entirely within the Township of Melancthon, the former rail corridor runs through the Township of Melancthon, the Town of Shelburne and the Township of Amaranth, all of which are in the County of Dufferin, Ontario.
- 10. The proposed Transmission Project was selected from among other transmission alternatives and routes (see Exhibit B, Tab 4, Schedule 1) on the basis of consultations with members of the local community and municipal governments in the vicinity of the Wind Farm and Transmission Project and with a view to minimizing impacts on residents and the affected communities. The proposed Transmission Project is also preferred because it minimizes line losses relative to lower voltage options that were considered.

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- 11. While the Applicant has been engaged in ongoing discussions with the County of Dufferin concerning its request for an easement along the former rail corridor, an easement agreement has not been finalized to date. The Applicant and the County of Dufferin have signed a Memorandum of Understanding to address cost recovery for negotiating the easement and the negotiations are ongoing. With respect to the private lands required for the Transmission Line, with a few minor exceptions the Applicant currently has easements or leases in place for all such lands required for the Transmission Line. The Applicant is continuing to work with the owners of these sections with a view to finalizing the necessary agreements shortly. With respect to the private lands required for the stations, the Applicant currently has a lease with the owner of the lands required for the Project Substation that contemplates a wind turbine and intends to finalize an additional lease to cover the lands needed for the Project Substation and related facilities. Moreover, the Applicant is finalizing an option to purchase the lands required for the Switching Station.
- 12. The location of the Wind Farm and the Transmission Project is described in Exhibit B, Tab 2, Schedule 3. Maps and technical drawings, including a single line drawing, are provided in Exhibit B, Tab 2, Schedules 4 and 5, respectively. The components of the Transmission Project are described in detail in Exhibit D, Tab 1, Schedule 1.
- 13. The Applicant received a System Impact Assessment Report from the IESO on December 2, 2011 (the "Initial SIA Report") and a System Impact Assessment Final Addendum Report from the IESO on August 31, 2012 (the "SIA Addendum Report") in respect of the Wind Farm and the Transmission Project. Copies of the Initial SIA Report and the SIA Addendum Report are provided in Exhibit H, Tab 2, Schedule 2. The SIA Addendum Report concludes that, subject to certain requirements set out in the Initial SIA Report and the SIA Addendum Report, the Transmission Project is expected to have no material adverse impacts on the reliability of the integrated power system and it therefore recommends that a *Notification of Conditional Approval for Connection* be

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issued for the Dufferin Wind Farm. The *Notification of Conditional Approval for Connection* was issued concurrently with the SIA Report on August 31, 2012, a copy of which is provided in Exhibit H, Tab 2, Schedule 1.

- 14. The Applicant received a final Customer Impact Assessment ("CIA") Report from Hydro One on August 31, 2012 in respect of the Wind Farm and the Transmission Project. The final CIA Report, a copy of which is provided in Exhibit H, Tab 3, Schedule 1, concludes that the Wind Farm and Transmission Project can be incorporated without any adverse impacts on Hydro One customers in the area.
- 15. The Wind Farm and the proposed Transmission Project are subject to the requirements of the Renewable Energy Approval ("**REA**") process in Ontario Regulation 359/09 under the *Environmental Protection Act*. The Applicant filed its final REA submission package with the Ministry of the Environment on August 13, 2012 and therefore expects to receive its REA in approximately January 2013. The REA process is discussed in Exhibit E, Tab 2, Schedule 1.
- 16. The Applicant has carried out a comprehensive stakeholder consultation program, guided by the REA process, through which it has been able to provide information to interested stakeholders and receive feedback and other information from stakeholders. The feedback received has played a significant role in shaping the proposed Transmission Project. The Applicant's consultation program and the impact it has had on the Transmission Project are described in Exhibit G, Tab 1, Schedule 1.
- 17. Although the proposed Transmission Project will enable the Applicant to transmit electricity, by application of Ontario Regulation 161/99 under the Act, the Applicant is exempt from the requirement under Section 57(b) of the Act to obtain a licence to own or operate transmission facilities. This is because the Applicant will not charge a price for transmitting electricity and the Applicant will be a transmitter that is also a generator that transmits electricity only for the purpose of conveying it to the IESO-controlled grid.

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The Applicant does intend to apply for a generator licence in respect of the Wind Farm in due course.

- 18. Subject to receipt of its REA approval, as well as other necessary permits and approvals, the Applicant plans to commence construction of the Project Substation and the Switching Station in Spring 2013. Construction of these stations is expected to take approximately 5 months to complete. Construction of the Transmission Line is scheduled to commence in Summer 2013 and is also expected to take approximately 5 months to complete. The Wind Farm is expected to go into service by December 31, 2013. In keeping with this project schedule, the Applicant requests that this Application be handled by the Board on an expedited basis, having regard to the need for appropriate timeframes for notice and intervenor participation.
- 19. The cost of the Transmission Project will be paid for by the Applicant. As such, the Transmission Project will not affect electricity transmission rates in Ontario.
- 20. The evidence in support of this Application has been prepared in accordance with the requirements set out in Chapter 4 of the Board's *Minimum Filing Requirements for Transmission and Distribution Rate Applications and Leave to Construct Projects*, as amended May 17, 2012.
- 21. The Applicant requests that copies of all documents filed with or issued by the Board in connection with this Application be served on the Applicant and the Applicant's counsel as follows:
 - (a) The Applicant:

Dufferin Wind Power Inc. Suite 4550 TD Canada Trust Tower 161 Bay Street, P.O. Box 203 Toronto, ON M5J 2S1

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Attention: Mr. Jeff Hammond

Tel: 416-551-2578 Fax: 416-551-3617

Email: jeff.hammond@clypg.com.cn

(b) The Applicant's Counsel:

Torys LLP Suite 3000 79 Wellington St. W. Box 270, TD Centre Toronto, ON M5K 1N2

Attention: Mr. Jonathan Myers

Tel: 416-865-7532
Fax: 416-865-7380
Email: jmyers@torys.com

and

Mr. Charles Keizer
Tel: 416-865-7512
Fax: 416-865-7380
Email: ckeizer@torys.com

- 22. Additional written evidence, as required, may be filed in support of this Application and may be amended from time to time prior to the Board's final decision.
- 23. The Applicant requests that the Board proceed by way of written hearing, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*.

Dated at Toronto, Ontario, this 21st day of September, 2012.

DUFFERIN WIND POWER INC.

By its counsel Torys LLP

Jonathan Myers