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July 31, 2013

Delivered by Email and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Application for Leave to Construct – Grand Bend Wind Limited
 Partnership
 Board File No. EB-2013-0185**

We are counsel to Grand Bend Wind Limited Partnership (the “Applicant”) in the above-captioned matter.

Please find accompanying this letter the Applicant’s Reply Submission, delivered in accordance with Procedural Order No. 1. Please do not hesitate to contact me should you have any questions or require further information.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by James C. Sidlofsky

James C. Sidlofsky
Encl.

copy to: Gordon Potts, Northland Power Inc.
 Intervenors of Record

TOR01: 5295430: v1

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

AND IN THE MATTER OF an application by Grand Bend Wind Limited Partnership for an order or orders pursuant to section 92 of the *Ontario Energy Board Act, 1998* granting leave to construct transmission facilities in an Area Northwest of Grand Bend.

**GRAND BEND WIND LIMITED PARTNERSHIP REPLY TO
BOARD STAFF SUBMISSION**

DELIVERED JULY 31, 2013

INTRODUCTION

1. Grand Bend Wind Limited Partnership (the “Applicant” or “Grand Bend”) has applied to the Board for leave to construct (the “Application”) approximately 30 km of 230 kV transmission line and associated facilities including a 34.5 kV to 230 kV substation and a 230 kV switching station to connect a 100 MW wind-powered electricity generation facility in the vicinity of Grand Bend, Ontario (the “Generation Project”) to the IESO-controlled grid. The Generation Project is the subject of an Ontario Power Authority Feed-in Tariff contract.
2. The route of the proposed transmission line, which the Applicant intends to bury, and the proposed locations of the associated facilities (collectively referred to as the “Transmission Facilities”), are shown in the Board staff submission filed on July 24, 2013. Particulars with respect to the proposed Transmission Facilities can be found in the Application and in the Applicant’s July 17, 2013 responses to Board staff interrogatories.
3. The Application was dated April 23, 2013, and the Applicant published and delivered the Notice of the Application as directed by the Board.

4. As Board staff indicate in their submission, four parties requested and were granted intervenor status:
 - The Independent Electricity System Operator (the “IESO”);
 - Goderich-Exeter Railway Company Ltd.;
 - The Corporation of the Municipality of Bluewater; and
 - Van Miltenburg Farms.
5. Procedural Order #1, issued on June 20, 2013, provided for interrogatories and responses, written submissions from Board staff and intervenors, and a reply submission from the Applicant. None of the intervenors filed interrogatories, nor did any of the intervenors file written submissions. Only Board staff filed interrogatories and a written submission.
6. The submissions that follow are in reply to submission filed by Board staff on July 24, 2013.

THE BOARD’S JURISDICTION

7. As Board Staff have discussed in their submission, the Board’s mandate with respect to applications made under section 92 *Ontario Energy Board Act, 1998* (the “Act”) is limited by subsection 96(2) of the Act. Specifically, when determining whether a proposed work is in the public interest, the Board’s jurisdiction is limited to consideration of the following: (i) the interests of consumers with respect to prices and the reliability and quality of electricity service; and (ii) where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.
8. The Applicant can confirm Board staff’s observations that the proposed Transmission Facilities are to be used solely to connect the Generation Project into the IESO-controlled grid. The Applicant will not be a licensed or rate-regulated transmitter, and the financial risk of constructing, owning, and operating the Transmission Facilities lies solely with the Applicant. Accordingly,

the construction, ownership and operation of the Transmission Facilities will not adversely affect the interests of consumers with respect to prices and the reliability and quality of electricity service.

9. As the proposed Transmission Facilities will connect renewable generation facilities to the electricity grid, they will promote the use of renewable energy sources in keeping with the Board's second consideration in applications of this kind.
10. At page 3 of their submission, Board staff observe that "As discussed in further detail below, there appears to be nothing in the evidence filed that suggests there are any concerns associated with the proposed facilities that are relevant to the above-listed issues." The Applicant agrees with the staff submission, and further submits that the approval of this Application by the Board is supported by the evidence on the record in this proceeding.

OTHER MATTERS ADDRESSED IN THE BOARD STAFF SUBMISSION

11. Board staff addressed the following additional matters in their submission:

- a) Need for the project

In Board Staff's view, the need for the project is well supported by the evidence.

- b) Transmission rate impact

Board staff noted that because the Applicant will be responsible for the total cost of the facilities proposed in the subject application including any modifications required on the Hydro One transmission system needed to accommodate the proposed facilities, the project will have no impact on transmission rates in Ontario.

- c) Renewable Energy Approval

Board staff observed that the Applicant now anticipates receiving MOE approval of the REA in October of this year, and confirmed the Applicant's advice that there have not been any objections to the granting of the REA.

d) Land-related matters and other approvals

Board staff confirmed that the Applicant filed three forms of agreement in relation to the property rights that it proposes to acquire – the first draft Road Users Agreement from the Municipality of Bluewater; the redacted lease agreement for the substation; and the redacted lease agreement for the switching station – and that the Applicant submitted that each of the affected landowners has been presented with the form(s) of agreement. The forms of agreement are subject to Board approval, and Board staff concluded that they do not see any reasons for the Board not to approve the forms of agreement filed by the Applicant.

e) System Impact Assessment (SIA)

Board staff noted that the Applicant confirmed in its responses to Board staff interrogatories that it plans to implement all of the IESO's connection requirements contained in the final SIA report (December 21, 2011), the addendum (July 8, 2013) and any further updates to these documents. Board staff also noted that the Applicant also confirmed that Hydro One Networks Inc. intends to carry out the transmitter requirements outlined in the SIA report, addendum and any further updates to these documents.

In this regard, the Applicant confirms that on July 24, 2013, it filed a copy of the IESO's Notification of Conditional Approval as requested in Board staff Interrogatory #9(b), forthwith following receipt of the Notification from the IESO.

f) Customer Impact Assessment (CIA)

Board staff noted that the Applicant confirmed in its responses to Board staff interrogatories that it plans to implement all of the connection requirements contained in the final Hydro One Networks Inc. CIA report (January 4, 2012), the addendum (June 25, 2013) and any further updates to these documents. Board staff also noted that the Applicant also confirmed that Hydro One intends to carry out the transmitter requirements outlined in the CIA report, addendum and any further updates to these documents.

g) Project Schedule

Board staff observed that the project schedule (with the Transmission Facilities expected to be in operation by December 2014 and commercial operation for the Generation Project expected on or before December 15, 2014) appears ambitious and would likely require outstanding approvals, including leave to construct, as soon as possible in order to meet the dates listed.

h) Conditions of Approval

Board staff suggested that the typical conditions of approval attached to a Decision and Order for a leave to construct application be applied if the Board decides to approve this Application. The suggested conditions of approval are contained in Appendix A to the Board staff submission.

12. Board staff's overall conclusion in respect of the Application was as follows:

"Board Staff submits that the proposed transmission line and associated facilities are in the public interest as defined by section 96(2) of the Act, and recommends that the leave to construct be granted as requested."

THE APPLICANT'S REPLY

13. As stated by the Board in Procedural Order No.1, applicable legislation and Board practice, the scope of the Board's mandate in a leave to construct proceeding is narrow. As confirmed by Board Staff submissions, the Applicant has demonstrated the need for the Transmission Facilities, which need is consistent with the promotion of the use of renewable energy sources. The Applicant has also demonstrated that because the costs related to the construction and operation of the Transmission Facilities will be the responsibility of the Applicant, rate payers will not be adversely affected. The IESO and Hydro One, through the SIA and CIA and applicable addenda, have demonstrated that the construction and operation of the Transmission Facilities are not anticipated to have an adverse impact on reliability or the quality of electricity service. The Applicant shall take the necessary actions to fulfill requirements set out in both the SIA and CIA, as amended.
14. The Applicant has reviewed the Board staff submission and agrees with the Board staff conclusion. The Applicant submits that that it has satisfied the Board's public interest test, as well as Chapter 4 of the Board's Filing Requirements for Transmission and Distribution Applications in its Application and throughout this Proceeding.

15. With respect to the Board staff comments regarding the project schedule, the Applicant submits that it is working diligently to obtain the approvals necessary to allow for commercial operation of the Generation Project by December 15, 2014. The Board's issuance of the requested order at its earliest convenience will greatly assist the Applicant in achieving this objective.
16. The Applicant has had an opportunity to review the conditions of approval suggested by Board staff and set out in Appendix A to their submission. The Applicant confirms that it has no objection to the proposed conditions of approval as drafted.
17. For all the foregoing reasons, the Applicant respectfully submits that it has fulfilled the requirements under section 96(2) of the Act, and that the proposed Transmission Facilities are in the public interest. The Applicant therefore requests that the Board grant the relief requested in the Application, including granting leave to construct the Transmission Facilities and the approval of the forms of land-related agreements provided in the Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 31ST DAY OF JULY, 2013

Grand Bend Wind Limited Partnership
By its Counsel
Borden Ladner Gervais LLP
Per:

Original Signed by James C. Sidlofsky

James C. Sidlofsky