

February 24, 2014

File No: EB-2013-0439 (K2 Wind Ontario Limited Partnership - Application for Electricity Generating Licence)

Ontario Energy Board
P.O. Box 2319
27th floor
2300 Yonge Street
Toronto, ON M4P 1E4
Attention: Kirsten Walli - Board Secretary - email:
boardsec@ontarioenergyboard.ca

Dear Sirs;

The residents of ACW would like to submit the following comments in response to the K2 Wind submission dated February 11, 2014.

1. K2 Wind Response to Residents' Submission

a) Long Term Financial Viability

Our point was that a supposedly binding contract with a government entity is not really an ironclad guarantee. Governments change, as do the policies that they pursue. Contracts are cancelled or changed to reflect new policies and new priorities. We note that the RES 1 and 2 generators also had signed contracts and yet they were before the OEB in EB-2013-0029 fighting an action of the IESO which impacted their financial status. Given the fiscal challenges that the province of Ontario is facing, and the growing public anger over the rising cost of electricity, it is easy to foresee the financial situation changing in the future for electricity producers, whether through changes to public policy, the tax regime or cancellation of contracts.

b) Delayed Payments

With regard to the issue of delayed payment to the Residents Group, we would point out to the Board that there was no ambiguity whatsoever in the OEB's direction to K2 Wind. It is difficult to see how anyone could misinterpret the Board's order due to an "administrative oversight".

With regard to the issue of late payments for crop damage, a point of clarification is required. The specific reference should have been to a tenant farmer's leased land in the vicinity of the site of the substation.

There is a perception in the Township that payments are delayed when dealing with the matter of compensation for damages caused by actions in connection with the K2 Wind project. If the company feels that it has been prompt in its payments, they could easily clarify this matter for the Board through checking their records. If payments were made within a normal timeframe of 30 days, this should be easily determined. With regard to the archaeological survey damages, they should advise the Board of the date that the survey was undertaken and the dates that payments were actually made to farmers whose crops were damaged.

c) Drainage/Surface Water Issue

With regard to the drainage and surface water runoff issue we have the following comments. Hydro One is working on K2 Wind land solely to allow the K2 Wind project to hook up to the 500 kV transmission line. It is misleading to make the argument that it has nothing to do with K2 Wind or that the construction is not on their behalf. The switching yard is an integral part of the entire K2 Wind project.

K2 Wind has been the registered owner of this site since well before work commenced in November 2013. As the registered owner of the property, K2 Wind has a responsibility to ensure that activity undertaken on its land does not negatively impact abutting landowners. To claim that they have no responsibility because the ownership may change in the future is an unreasonable proposition. The drainage ditch, which is illegally collecting and directing water, would not have been dug on the site without the implicit consent of the landowner - K2 Wind.

We would point out to the Board that in EB-2012-0458, K2 Wind took the position that this was a full cost recovery site. As part of their justification for the lack of financial impacts to electrical ratepayers, K2 Wind advised that all costs associated with the switching yard construction would be borne by them. This would certainly include responsibility for all drainage works done on the site.

Further to this point, at a meeting on site on December 9, HONI workers advised residents that as they were not the registered owner, the drainage issues were not their responsibility. However, they indicated that they would make K2 Wind aware of the problem. For K2 Wind to claim that they were not aware of the drainage issue contradicts this.

d) Incidents of Trespass

Ms. Newland makes the claim that K2 wind has no knowledge of either the incidents of trespass in the vicinity of the transformer station site or the damage done to Mr. Alton's property. Repeated incidents of trespass and blocking of farm access lanes have been reported on the farms of Mr. Alton, Mr. Nivins and Mr. Drennan. Mr. Drennan and Mr. Nivins have both confronted workers trespassing on their lands and blocking laneways. When residents confront

individuals working on behalf of a company, they consider the company to have been informed.

Mr. Alton, in response to the damage done to his land, took the further step of directly contacting the K2 Wind “quick response line” to lodge a complaint. This was a number that was provided to ACW Council at a presentation by K2 Wind staff. We note that this number turned out to be the number for the Capital Power K1 office in Goderich. Mr. Alton waited over a month for a response. He also took the further step of raising the issue of trespass and damage to his property at a public Council meeting where a K2 Wind representative was present. It is therefore inaccurate for Ms. Newland to claim that K2 Wind has no knowledge of these incidents.

When local residents phone the response line and/or talk directly to representatives of a company at a public meeting, they consider a report to have been made.

2. Affidavit of Sandeep Sharma

a) K1 Turbine Fire

Mr. Sharma alleges in his affidavit that the comments made by the Residents Group “which are largely based on second-hand information, including newspaper reports, are inaccurate or do not tell the full story”. This is an inaccurate portrayal of our submission by Mr. Sharma. The Residents Group would point out to the Board that our comments were based on substantially more than second hand information. Members of the group were present at the ACW Council meeting in April 2, 2013 when Mr. Hayden of K1 Wind made an initial report on the fire. This meeting was recorded by a resident. At that meeting Mr. Hayden stated that the company would have no way of knowing if a turbine was on fire because the sensors would not know that. Mr. Sharma states that due to a “technical malfunction” the monitoring system did not operate as it was designed. This may have been due to the fact that the entire turbine was on fire. Obviously the monitoring system that Mr. Sharma describes, which consists of an Edmonton based centre and after-hours staff on-call at the local level, was not adequate. The presentation also led residents to believe that everyone had left the scene after they decided there was no need for the fire department to remain.

We submitted a copy of the official Goderich Fire Department report on our original submission. We are also attaching as Appendix A, a copy of a public memo from the Goderich Fire Chief, Mr. Steve Gardiner, to Mark Becker, CAO of ACW Township. This memo was provided to Council at the September 17, 2013 meeting and is part of the public record. Fire Chief Gardiner outlines his concerns had the fire occurred during the hot summer months and the problems and hazard it could have created for nearby residents and their property. His

memo also highlights the inadequacy of the monitoring system which the wind company has in place. He notes that a proper alarm system would contact the fire department at the first smell of smoke and not send an alarm to the wind company to send an employee out to investigate. As he so rightly points out, this type of alarm system defeats the purpose and puts residents and their property at risk.

With regard to the contact with the MOE, Mr. Paul Bollinger was the initial contact with the MOE regarding the fire. At the time that he contacted the MOE on April 2, 2013, no one from K1 Wind had yet done so despite several hours having passed since the fire.

Mr. Frayne farms the land immediately adjacent to the burnt turbine and his personal affidavit speaks directly to the aftermath of the fire. He inspected his field after the fire and found substantial amounts of debris. His affidavit is based on his own personal knowledge of the situation. In contrast, Mr. Sharma is based in Edmonton and his affidavit gives no indication that he has ever been on the site of the fire or adjacent land. His affidavit appears to be based exclusively on second hand knowledge of the situation as reported to him. We note that he states “a change of wind after the fire may have blown minor debris up to 400 metres from Turbine 19”. This is an inaccurate statement. Mr. Frayne’s affidavit is quite clear. He found an extensive debris field extending up to 530 metres from Turbine 19. One of the pieces of this supposedly minor debris that he picked up was in fact 8 feet in length and one foot in width. Photos of that “minor” debris piece were attached to his affidavit. If the Board requires that the debris piece be provided as evidence, the Residents Group will do so.

Mr. Sharma also states that Capital Power immediately cleaned up the remaining debris. However, Mr. Frayne’s affidavit again shows that the company was not in fact able to conduct an adequate clean up of the debris field on the land that he farms. This is first hand knowledge from a farmer who has inspected the field. Leaving pieces the size of a five-dollar bill throughout a field does not constitute adequate clean up.

It is also worth noting that the newspaper reports were based on interviews conducted with a K1 Wind representative. We included them to show how the information provided to the public through these interviews was inaccurate in light of Mr. Frayne’s personal discovery of debris on his field.

Mr. Sharma states that Capital Power has continued to provide regular updates to the Town Council with regard to the fire. (As a point of clarification, ACW is a Township not a Town.) Township Council members are made aware of issues through the inclusion of written reports on the meeting agenda or presentations made at the regular council meetings. To the best knowledge of the residents who are regular attendees at the Council meetings, no official report has yet been made as to the cause of the fire and/or measures that have been taken to

prevent any recurrence of this type of public fire hazard. Residents have repeatedly asked Council if such a report was provided and been told by Council that no such report has been made.

b) Stray Voltage - K1

Included in Appendix B is an excerpt from HONI's November 2007 manual *Stray Voltage Test Procedure for Electrical Contractors*. This guideline clearly states that problems are experienced with regards to humans when the voltage between contact points exceeds 3 volts. The guide also indicates that for livestock situations, OMAFRA recommends a level of 1 volt as the safe exposure limit for stray voltage and notes that the vast majority of research supports that limit. The OEB's staff recommendations regarding stray voltage limits are in line with these guidelines and are outlined in EB-2007-0709:

- a) 2.0 V if distribution system NEV at the primary/secondary connection point at the farm is the action threshold;
- b) 1 mA AC or 0.5 V ACV if the distributor's contribution to stray voltage is the action threshold.¹

It is the residents understanding that the stray voltage at the Brindleys' farm was never reduced to levels that would not adversely impact their farm operation. The Brindleys submitted a letter to Stephen Cain of the OEB on December 3, 2007 that advised that while the installation of the neutral line partially reduced the extent of the stray voltage that they were experiencing, it did not fully resolve the problem, and their cattle continued to suffer. Also included in Appendix B is a copy of the HONI voltage readings taken at the Brindley farm over the period 12/25/2007 to 01/14/2008, after the neutral was installed. Note that the readings spike as high as 3.73 volts which shows that the voltage problem was not fully resolved. Clearly, the stray voltage was not reduced to the levels recommended by OMAFRA and HONI or the OEB staff.

If Mr. Sharma wishes to claim otherwise, he should submit voltage readings that support his statement. The end result of the unfortunate situation that Ross and Darlene Brindley experienced was that ACW lost two long time residents who sold their property and left the municipality because of the impact that the K1 project had on their lives. This is a fundamental issue of unfairness and injustice to two former residents of this Township. It is unacceptable and can in no way be considered a successful resolution to the problem that K1 Wind created. This unsatisfactory situation has stained the reputation of Capital Power in this community and leaves citizens to wonder whom else will be adversely impacted by the next phase of the wind energy experiment.

¹ EB-2007-0709. Farm Stray Voltage Issue and Regulatory Options. Page 76.

As to the issue of whether or not the Capital Power response was adequate and timely, we point out to the Board that the Brindleys initiated a lawsuit against the company. Clearly they did not feel that the response was either timely or adequate. Mr. Sharma neglected to mention that in his affidavit.

We also note that Mr. Sharma's affidavit did not even touch on the issue of whether or not the Brindleys were compensated for the damage done to their health and livestock by the stray voltage created by the K1 project. If Capital Power were acting in a responsible manner, residents would be compensated when they have been impacted by the company's actions.

c) Tornado Response

Mr. Sharma states (Page 5 of his response) that "Capital Power has an arrangement with Hydro One under which Hydro One provides emergency response in the event of downed power lines, as the public will call Hydro One if a line is down and as Hydro One has superior emergency response capability. Under this arrangement, Hydro One makes the situation safe but permanent repairs are left to Capital Power."

There is a major difference between the public calling Hydro One if a line is down and K1 Wind doing the same. The downed lines that the public generally calls about are **public lines** that are owned by Hydro One. The K1 power lines affected by the tornado were not Hydro One property but involved the river crossing which is a private line. As per Mr. Sharma's own comments, permanent repairs to those lines should have been left to Capital Power. It is particularly disturbing that repairs to these private lines were allowed to take precedence over the restoration of the public grid. Hydro One's priority during a major emergency should not be fixing K1 or K2 Wind infrastructure.

d) Corporate Responsibility

One of the problems residents encounter when dealing with the wind company in ACW is the legal shell game that seems to be played in terms of corporate responsibility. Sometimes they wear one hat; at other times it's a different colour. If an issue is raised at Council meetings, there are no clear lines of responsibility and the issue of who is speaking for what is often blurry, and what authority they have is not clear. As one example, Mr. Hayden has commented on distances for safe aerial spraying around wind turbines only to be contradicted by Mr. Wendelgass at subsequent meetings. As another example, public comments for the K2 project were received and handled at the K1 office. The K2 Wind "quick response line" for problems gets you to the K1 office. Mr. Wendelgass spoke to Township staff with regard to the turbine fire. So with regard to the incidents of trespass, if all the individuals involved were wearing the K2 hat at the time of the incident, then it would be a K2 problem. However, as far as the residents of the

Township are concerned, there is no practical distinction between the two entities.

Capital Power will operate both projects, undoubtedly with the same personnel. Yet problems that were encountered with the K1 project are being dismissed as irrelevant to the K2 project. If Capital Power is involved in both projects, the problems encountered in ACW with the K1 project are relevant to the potential future operation of the K2 project.

Yours truly,

Anita Frayne - On behalf of the Residents Group

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