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Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

March 17, 2014

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2601, 2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

EB-2013-0246 – Hydro One Networks Inc. Section 92 – Niagara Region Wind Generation Connection Project – HONI Argument-in-Chief

Please find attached Hydro One Networks Inc. Argument-in-Chief regarding the Niagara Region Wind Generation Connection Project application before the Board. Two (2) hard copies will be sent to the Board shortly.

An electronic copy of the Argument-in-Chief has been filed using the Board's Regulatory Electronic Submission System and the confirmation slip is enclosed.

Sincerely,

ORIGINAL SIGNED BY IAN MALPASS FOR ANDREW SKALSKI

Andrew Skalski

c. Parties to EB-2013-0246 (electronic only)

EB-2013-0246

NIAGARA REGION WIND GENERATION CONNECTION

HYDRO ONE NETWORKS INC. SUBMISSION

On July 4, 2013, Hydro One Networks Inc. (“Hydro One”) applied to the Board for an Order granting leave to upgrade transmission line facilities in the Niagara region of Ontario (“Niagara Region Wind Generation Connection Project” or “the Project”).

The application before the Board is driven by Hydro One’s transmission license where it is obligated to make an offer to connect or address a change in capacity upon request from a generator¹, in this case in relation to the proposed Niagara Region Wind Project (“NRWP”).

The Independent Electricity System Operator (“the IESO”) has granted approval for the Project in a System Impact Assessment report². The Customer Impact Assessment confirmed that the Project can be incorporated without any adverse impact on Hydro One customers³.

The Project will increase capacity for the connection of the NRWP by upgrading existing idle conductor Q5G with a new 115kV overhead conductor for a 25 kilometer section of line on the existing corridor from Hamilton Beach Transformer Station to Structure Number 154 near Mountainview Road in the Town of Lincoln⁴. This Project is ultimately contingent on Niagara Region Wind Corporation (“NRWC”) obtaining both OEB and Ministry of Environment approval for the NRWP. The NRWP will be connected through a privately owned 20 km 115kV circuit that NRWC is currently seeking approval to construct before the OEB in EB-2013-0203. NRWC’s Argument-in-Chief in that proceeding is expected by March 21, 2014. The NRWP is currently pending Renewable Energy Approval with the Ministry of Environment and no confirmed timeline is currently available on that approval.

¹ Exhibit B, Tab 1, Schedule 4, page 1

² Exhibit B, Tab 6, Schedule 3

³ Exhibit B, Tab 6, Schedule 4

⁴ Exhibit B, Tab 2, Schedule 1

1 The Project is in the public interest as it will provide for the connection of the above-
2 noted Niagara Region Wind Farm which supports the provincial government's policy
3 objective to increase the amount of renewable generation in Ontario⁵. Moreover, this
4 project will have no impact on the price of a typical residential customer's electricity
5 bill⁶. The cost of the project is \$16 million, which, in accordance with the requirements
6 of the Transmission System Code, NRWC is required to pay for in its entirety through a
7 capital contribution⁷.

8
9 The Project will have minimal environmental impact and will be screened-out under the
10 *Class Environmental Assessment for Minor Transmission Facilities*⁸. Currently, Hydro
11 One is waiting for comments on the project arising from its consultation program. Hydro
12 One will adhere to all recommendations made by the Ministry of Environment and other
13 provincial or federal ministries, departments or agencies, and will also abide by any
14 commitments made during the consultation process⁹.

15
16 No new permanent land rights will be required to accommodate the proposed
17 transmission facilities; however, temporary rights for construction purposes may be
18 required at specific locations along the corridor¹⁰. Hydro One will follow standard
19 construction practices and will consult with landowners to minimize impacts of
20 construction.

21
22 It should also be noted that the only intervenor in the current proceeding is the IESO.

23
24 At the present time, NRWC has advised that it will pay the required capital contribution
25 once it has received its own approvals¹¹. As it is not clear when such approvals will be
26 received, Hydro One suggests that it would be appropriate for the Board to make its
27 approval of the Project conditional on the customer notifying Hydro One that it wishes to
28 proceed. Hydro One can then in turn inform the Board.

29

5 Exhibit A, Tab 3, Schedule 1 page 1

6 Exhibit B, Tab 4, Schedule 3 page 4

7 Exhibit A, Tab 2, Schedule 1 page 2

8 Exhibit B, Tab 6, Schedule 1, page 2

9 Exhibit I, Tab 6, Schedule 6

10 Exhibit B, Tab 6, Schedule 7

11 Exhibit I, Tab 1, Schedule 3

1 In summary, Hydro One believes that the Niagara Region Wind Generation Project is in
2 the public interest and should be approved. The transmission solution provided in the
3 application is cost-effective and results in no impact to ratepayers. The Project will not
4 adversely impact the reliability or quality of electricity service and it will assist in
5 satisfying government policy as it relates to the promotion of renewable energy
6 resources. Hydro One has been and continues to consult with appropriate parties and
7 believes that the environmental impact of this project will be minimal.

8

9 All of which is respectfully submitted for the Board's consideration.