

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Niagara Region Wind Corporation for an order under section 92 and subsection 96(2) of the OEB Act granting leave to construct an electricity transmission line and related facilities.

APPLICANT'S ARGUMENT-IN-CHIEF

INTRODUCTION

1. Niagara Region Wind Corporation (the “**Applicant**”) filed an application with the Ontario Energy Board (the “**Board**”) on May 7, 2013 under sections 92 and 96(2) of the *Ontario Energy Board Act, 1998* (the “**OEB Act**”). The Applicant has applied to the Board for leave to construct an electricity transmission line and related facilities (collectively, the “**Facility**”). The Facility will consist of:
 - (a) Two substations, referred to as the “**Northern Substation**” and the “**Southern Substation**”;
 - (b) A transmission line running from the Southern Substation to the Northern Substation and from the Northern Substation to the Point of Common Coupling (“**PCC**”) with Hydro One Networks Inc. (the “**Transmission Line**”);
 - (c) A transition station wherein the Transmission Line makes an overhead to underground transition prior to traversing the Niagara Escarpment area; and
 - (d) An interconnect station wherein the Transmission Line terminates at the PCC with Hydro One Networks Inc. (“**HONI**”).
2. The Facility will be located in the Niagara Region in the municipalities of West Lincoln, Lincoln, and Wainfleet and in Haldimand County, and will be used to connect the Niagara Region Wind Farm to the IESO-controlled grid. The Niagara Region Wind Farm is a proposed 230 MW wind energy generation facility which was awarded a 20-year power purchase agreement under the Ontario Power Authority’s (“**OPA**”) Feed-in Tariff program (the “**FIT Program**”) in February 2011.
3. The Board issued a Notice of Application on July 5, 2013, and directed the Applicant to serve and publish the Notice. An error was subsequently discovered in the Notice and the Board re-served and re-published the Notice the week of August 19, 2013.
4. In Procedural Order No. 1 issued November 1, 2013, the Board granted intervenor status to a number of parties including the Independent Electricity System Operator (the “**IESO**”), HONI and the Township of West Lincoln (“**West Lincoln**”). The Board also requested that parties make submissions on two preliminary questions. First, the Board asked parties whether an approval under section 97 is required for the form of road use agreement that a proponent may offer to a municipality. Second, the Board requested that parties make submissions with respect to what is meant by “approved route” in section 97, and how it is determined.

5. In Procedural Order No. 2 issued February 4, 2014, the Board determined that i) an Applicant is not required to submit a form of road use agreement for the purposes of section 97 of the OEB Act, and ii) the “approved route” in section 97 is “the route or location approved by the Board in response to an application under section 92, approved in accordance with the criteria set out in section 96”.¹
6. In Procedural Order No. 2, the Board also set a timeline for the filing of interrogatories and for intervenors to indicate any intent to file evidence. Only Board staff and West Lincoln filed interrogatories. The Applicant filed answers to these interrogatories on February 28, 2013.
7. No party indicated an intent to file evidence.
8. These submissions are in response to Procedural Order No. 3 issued March 14, 2014, wherein the Board set a timeline for the filing of submissions by parties, including the Applicant’s argument-in-chief.

Legislative Context

9. In Procedural Order No. 1 issued November 1, 2013, the Board stated:

The Board established the scope of this hearing in its Notice of Application. The scope is largely defined by section 96 (2) of the Act which provides the criteria that the Board must consider in determining whether the proposed Transmission Facilities are in the public interest. Section 96 (2) sets out the following criteria:

96 (2) In an application under section 92, the Board shall only consider the following when, under subsection (1), it considers whether the construction, expansion or reinforcement of the electricity transmission line or electricity distribution line, or the making of the interconnection, is in the public interest:

1. The interests of consumers with respect to prices and the reliability and quality of electricity service.

2. Where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.

¹ Procedural Order No. 2 dated February 4, 2014, page 5.

The scope of this hearing is also defined by section 97 of the Act which requires the Board to approve the form of agreement that has been or will be offered to land owners:

97 In an application under section 90, 91 or 92, leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board.

10. As indicated, the Board determined in Procedural Order No. 2 that section 97 requires the Board to consider the form of easement agreement offered to **private** landowners and does not extend to reviewing a road use agreement between an applicant and a municipality.
11. Furthermore, the Board's *Filing Requirements for Electricity Transmission and Distribution Applications* require that an Applicant show that it has engaged in communication and consultation with affected stakeholders.
12. As detailed below, the Applicant has demonstrated in its evidence and responses to interrogatories that the Application has met the criteria under section 96(2), and the construction of the Facility is in the public interest. Also as detailed below, the Applicant has consulted with landowners as well as stakeholders more generally.

THE BOARD'S CRITERIA IN A LEAVE TO CONSTRUCT APPLICATION

Interests of Consumers With Respect to Prices

13. The cost of the Facility will be borne by the Applicant, and the Facility will not have any adverse impact on the price of electricity in the wholesale market or on transmission rates.

Interests of Consumers With Respect to Reliability and Quality of Electricity Service

14. The System Impact Assessment issued July 27, 2012 ("**SIA**") found that the connection of the Niagara Region Wind Farm via the Facility is acceptable to the IESO.² The System Impact Assessment Addendum ("**SIA Addendum**") issued September 23, 2013

² System Impact Assessment Report for the Niagara Region Wind Farm dated July 27, 2012, pg. 4. See Exhibit H, Tab 1, Schedule 2 of the Applicant's pre-filed evidence.

concluded that there would not be new requirements for the connection of the project and further indicated that the connection of the project, subject to the requirements in the original SIA, is expected to have no material adverse impact on the reliability of the integrated power system.³ The Applicant will construct the Facility in accordance with the recommendations and conditions in the SIA and SIA Addendum.

15. The Customer Impact Assessment (“**CIA**”) performed by HONI found that the Niagara Region Wind Farm can be incorporated without any adverse impact on transmission customers.⁴ The Customer Impact Assessment Addendum (“**CIA Addendum**”) issued August 15, 2013 confirmed that Hydro One customers would not be negatively impacted by the proposed connection. The Applicant will construct the Facility in accordance with the recommendations and conditions in the CIA and CIA Addendum.

Promotion of the Use of Renewable Energy Sources in a Manner Consistent with the Policies of the Government of Ontario

16. One of the Board’s objectives under the OEB Act is to facilitate the timely expansion of transmission and distribution systems to accommodate the connection of renewable energy generation facilities.⁵ The Facility will connect the Niagara Region Wind Farm to the IESO-controlled grid.
17. As noted above, the Applicant has been awarded a power purchase agreement under Ontario’s Feed-in Tariff Program, which program is in place to further the provincial government’s policy objective of increasing the amount of renewable energy generation being added to the provincial grid.
18. The Facility is therefore consistent with government policy in respect of the promotion of renewable energy sources.

³ System Impact Assessment Report Addendum for the Niagara Region Wind Farm dated September 23, 2013, pg. 1, see the Applicant’s responses to interrogatories filed February 28, 2014. See also System Impact Assessment Report for the Niagara Region Wind Farm dated July 27, 2012, pg. 1 (see Exhibit H, Tab 1, Schedule 2 of the Applicant’s pre-filed evidence).

⁴ Final CIA dated August 3, 2012, page 8, enclosed. See also Customer Impact Assessment draft for the Niagara Region Wind Farm dated July 6, 2012, pg. 8 (see Exhibit H, Tab 1, Schedule 3 of the Applicant’s pre-filed evidence).

⁵ Section 1(1) 5 of the OEB Act.

Land Matters

Rights to private lands and crossing agreements

19. The Applicant has acquired rights to the private lands that are required for the Facility, as detailed in its pre-filed evidence⁶ and in responses to interrogatories.⁷ The Applicant will also continue to consult with third parties with whom it will require crossing agreements, as further explained in its responses to interrogatories⁸ and pre-filed evidence.⁹

Project Routing

20. The Applicant considered a variety of factors in order to choose the project route. Factors included a preference for the use of existing rights-of-way, where feasible, and the objective of minimizing the need for private landowner easements, in order to minimize adverse effects of construction and operation on existing infrastructure.¹⁰

Consultation with Municipalities and Stakeholders

21. Public and stakeholder consultation has been an integral part of the environmental approval process for the Niagara Region Wind Farm and the Facility.
22. The Niagara Region Wind Farm and the Facility are subject to the environmental screening process prescribed by *Ontario Regulation 359/09, Renewable Energy Approvals under Part V.0.1 of the Act* made pursuant to *Environmental Protection Act*, R.S.O. 1990, c. E.19.
23. As part of the Renewable Energy Approval (“**REA**”) process, consultation has included mailed notices and newsletters, several public meetings, specific landowner meetings, where requested, and municipal meetings.¹¹

⁶ See Exhibit F, Tab 1, Schedule 1 of the Applicant's pre-filed evidence.

⁷ See the Applicant's responses to interrogatories filed February 28, 2014, answers 4b), c) and d).

⁸ See the Applicant's responses to interrogatories filed February 28, 2014, answer 4e).

⁹ See Exhibit F, Tab 1, Schedule 1, page 3 of the Applicant's pre-filed evidence.

¹⁰ See Route Selection Report, page 1 filed at Exhibit F, Tab 1, Schedule 5 of the Applicant's pre-filed evidence filed on May 7, 2013.

¹¹ See Exhibit G, Tab 1, Schedule 1 of the Applicant's pre-filed evidence, para. 63. See also Consultation Summary filed at Exhibit G, Tab 1, Schedule 2 of the Applicant's pre-filed evidence filed on May 7, 2013.

CONCLUSION

24. Based on the foregoing, the Applicant submits that approval of the Facility is in the public interest. The price, reliability and quality of electricity will be maintained, and approval of the Facility is consistent with the promotion of the use of renewable energy sources in a manner consistent with the policies of the Government of Ontario.
25. The Applicant therefore requests that the Board approve this application as proposed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED