

**Ontario Energy  
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**BY E-MAIL**

April 3, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Suncor Energy Products Inc.  
Application for Leave to Construct Transmission Facilities  
Board File No. EB-2014-0022**

Pursuant to Procedural Order No. 1 issued on March 25, 2014, please find attached Board staff interrogatories in the above proceeding.

Yours truly,

*Original Signed By*

Leila Azañez  
Case Manager

c. All parties



## **Board Staff Interrogatories**

### **Application for Leave to Construct Transmission Line and Associated facilities EB-2014-0022**

**April 3, 2014**

**Note 1:**

Suncor Energy Products Inc. is referred to as “Suncor” or the “Applicant” in this document.

**Note 2:**

Board staff requests that Suncor seek the assistance, as and when appropriate, of other parties in order to provide complete and accurate responses, including, but not limited to:

- The Ontario Power Authority (“OPA”)
- The Independent Electricity System Operator (“IESO”); and
- Hydro One Networks Inc. (“Hydro One”) and/or other entities that may be involved.

**Note 3:**

The “Project” or “Transmission Facilities” in this document refers to the proposed transformer station and proposed 15 kilometre transmission line.

**Note 4:**

Where the Applicant is of the view that answers may contain information of confidential nature, such material may be filed in accordance with the Board’s *Practice Direction on Confidential Filings*.

**Bd. Staff Interrogatory 1: General****Reference:**

- a. Exh. B/ Tab 1/ § 2-4
- b. Exh. E/ Tab 2/ Sch. 1/ § 3

**Preamble:**

Reference (a) indicates that the Applicant was awarded an OPA FIT contract in respect of the Cedar Point Wind Power Project on July 11, 2011.

Reference (a) also indicates that Suncor has developed two other wind generation facilities, and is in the process of developing two additional ones, including the Cedar Point Wind Power Project.

On licences, reference (b) states in part that:

...Ontario Regulation 161/99 to the Ontario Energy Board Act exempts Suncor from the requirement to obtain a licence to own or operate transmission facilities pursuant to Section 57(b) of the Act. The exemption is based on the fact that Suncor will be a transmitter that is also a generator and the Proposed Transmission Facilities will be used exclusively to transmit electricity to the IESO-controlled grid.

**Question/Request:**

- i. Please submit a copy of the OPA's Notice to Proceed.
- ii. Have there been any amendments to the OPA FIT contract since receipt of the Notice to Proceed?
- iii. Please confirm that Suncor recognizes that this application is based upon current information and that any changes, including FIT contract amendments, may require notifying the Board.
- iv. Please confirm that Suncor is not a transmitter.

**Bd. Staff Interrogatory 2: Permits and Project Schedule****Reference:**

- a. Exh. C/ Tab 1/ Sch. 1/p. 2-3/ Gantt Chart
- b. Exh. E/ Tab 2/ Sch. 1/ Table1 - Potentially Applicable Permits, Approvals and Authorizations
- c. Filing Requirements for Transmission and Distribution Applications/ Chapter 4/p.14/Project Planning<sup>1</sup>

**Preamble:**

Some necessary approvals such as the environmental assessment (REA) are included in the Gantt chart mentioned at reference (a). However, other permits at reference (b) do not include any timeline.

Reference (c) points to the need to provide the Board with time estimates for construction and service dates, including but not limited to the critical path and time frame for the completion of construction and operational start-up of the proposed facilities.

**Question/Request:**

- i. Please provide an updated list of all outstanding approvals and permits needed to complete construction of the Project, and indicate the timeline for obtaining each permit or approval cited at reference (b).
- ii. In accordance with reference (c), if delays in obtaining some of these permits/approvals are foreseen, please discuss the impact of these delays (if any) on the project schedule, and impact on the OPA contract terms (if any).
- iii. If milestones noted in the Gantt chart have changed, please file an updated chart.

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<sup>1</sup> May 17, 2012 version

**Bd. Staff Interrogatory 3: SIA, CIA<sup>2</sup> and Industry Standards****Reference:**

- a. Exh. E/ Tab 2/ Sch. 1/ § 1/ Codes and Standards
- b. Exh. E/ Tab 2/ Sch. 1/ Table1 - Potentially Applicable Permits, Approvals and Authorizations
- c. Exh. H/ Tab 2/ Sch. 1/ System Impact Assessment/ IESO Requirements for Connection/ p.2-5
- d. Exh. H/ Tab 3/ Sch. 1/ Customer Impact Assessment

**Preamble:**

With respect to technical standards, transmission line design and construction standards, reference (a) generally notes that the proposed Project would meet all applicable codes, standards and IESO Market Rules.

At reference (b), Suncor indicates that while the System Impact Assessment is complete and approved, it needs to determine whether the SIA requires an amendment.

Reference (c) lists several requirements that the transmitter and Suncor would have to meet. The IESO notes that it will issue a Notification of Conditional Approval for Connection subject to the implementation of these requirements.

At reference (d) Hydro One states in part that:

Any liability that Hydro One may have to Suncor Energy Products Inc. in respect of the Customer Impact Assessment is governed by the Agreement between:

1. Suncor Energy Products Inc. and Hydro One dated February 14, 2012.

**Question/Request:**

- i. Please clarify what is meant by the SIA amendment at reference (a) and whether in fact one is required.

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<sup>2</sup> SIA: IESO's System Impact Assessment

CIA: Hydro One's Customer Impact Assessment

- ii. Please provide an update on progress to meet the Requirements for Connection by Suncor.
- iii. Please provide evidence that the transmitter intends to meet the Requirements for Connection.
- iv. Please file a copy of the IESO's Notification of Conditional Approval for Connection.
- v. Please file a copy of the agreement referenced at (d) between Hydro One and Suncor.

#### **Bd. Staff Interrogatory 4: Other Connecting Projects**

**Reference:**

- a. Exh. B/ Tab 1/§10-12
- b. Exh. D/ Tab 1/Sch. 1/ Physical Design Features
- c. Exh. B/ Tab 2/Sch. 3/Attach. 1
- d. Exh. E/ Tab 2/Sch. 1/ Table 1 - Potentially Applicable Permits, Approvals and Authorizations

**Preamble:**

At references (a) and (b), Suncor describes the Project and how it interconnects with other planned private renewable energy projects in the vicinity that are being developed by NextEra Energy Canada ("NextEra"). The NextEra projects will require transmission infrastructure, a portion of which the Project will interconnect to. NextEra's projects will also require Hydro One to build certain transmission infrastructure.

Reference (c) provides further information on NextEra's "Joint Transmission Facilities" and Hydro One's Evergreen Switching Station.

At reference (a), Suncor notes that NextEra's affiliate Bornish Wind Inc. was granted leave to construct certain transmission facilities by the Board in late 2013,

and that NextEra's affiliate Jericho Wind Inc.'s transmission facilities are under review and have not been granted leave to construct yet.

At reference (a), respecting contractual arrangements with the various entities, Suncor states at paragraph 11 that:

In order to secure this pathway to the Hydro One grid, Suncor has obtained an option from NextEra to interconnect with, and to utilize as licensee, the Jericho Substation, Jericho Shared Transmission Line, and the Shared Transmission Facilities. These arrangements will provide Suncor with capacity on those facilities sufficient to convey the electricity from the Cedar Point Project to the IESO-controlled grid for the term of the FIT Contract. Suncor plans to exercise that option once it has received the required approvals for its project.

At reference (d), Suncor mentions that NextEra (Bornish) will obtain a Transmission Connection Agreement from Hydro One Networks Inc. and provide a copy to Suncor.

Board staff notes that the timelines for NextEra's transmission projects, Hydro One's, and this Project may differ. Also, Board staff notes that the way in which these timelines interplay with the Project are not clear from the pre-filed evidence. With respect to FIT contracts for this Project and NextEra's, Board staff observes that terms are varied. Also, FIT contracts terms, customarily 20 years long, would be shorter than the useful life of the transmission assets.

**Question/Request:**

- i. How many projects in total are proposed to be integrated? What elements of these projects are critical to the energization of the Transmission Facilities?
- ii. Please provide an overview of the timelines and status of all relevant projects, possibly in Gantt chart format, and highlight key elements that tie into the proposed Transmission Facilities.
- iii. Please confirm that interests in the Suncor Transmission Facilities are held exclusively by Suncor.
- iv. Please discuss the impact on this Project if any of the proposed necessary transmission infrastructure being erected as part of initiatives outside the



- present application fail to materialize. What are the implications for this Project? Please discuss the probability of such an occurrence and options available to continue the construction of the Transmission Facilities.
- v. Please file a copy of the agreement(s) Suncor has entered into with NextEra in respect of the necessary interconnection facilities.
  - vi. Is Hydro One the only licensed transmitter to which these three projects connect?
  - vii. If certain elements of the Connection Cost Recovery Agreement (CCRA) between Hydro One and NextEra are relevant to this project, please submit a copy.
  - viii. With respect to the varied projects timelines, and varied FIT contract terms, and contract life vs. transmission assets useful lives, where applicable, please discuss potential asset divesting.

## **Bd. Staff Interrogatory 5: Cost Responsibility**

### **Reference:**

- a. Exh. B/ Tab 1/ § 20

### **Preamble:**

At the reference, Suncor indicates that it is responsible for the cost of the proposed Transmission Facilities, and therefore the Project will have no impact on transmission rates in Ontario.

### **Question/Request:**

- i. If applicable what are the impacts of this Project on the licensed transmitter?
- ii. Please describe any ongoing operation and maintenance costs not payable by Suncor.

## **Bd. Staff Interrogatory 6: Operational Information**

### **Reference:**

- a. Exh. E/ Tab 1/ Sch. 1/ Operational Details
- b. Exh. E/ Tab 2/ Sch. 1/ Table1 - Potentially Applicable Permits, Approvals and Authorizations

### **Preamble:**

Board staff notes that in assessing the quality of service, additional operational detail may be beneficial.

At reference (a), Suncor provides some detail on operation and maintenance, stating in part:

The Proposed Transmission Facilities will include maintenance, protection and control systems capable of minimizing the severity and extent of disturbances to the Transmission Line. Visual transmission line inspections will be scheduled at least once every year to ensure continued compliance with all applicable codes and standards. Detailed thermography scans will be conducted on critical connection points after energization. Further, a regular vegetation and right of way management program will be developed in maintaining vegetation proximity to energized components and minimize hazards within the right of way. A maintenance program will also be developed to maintain the health of the major equipment within the Substation. This includes periodic testing of equipment electrical insulation systems as well as other equipment functional tests.

At reference (b), Suncor indicates that it would obtain a Connection Assessment Approval from the Electrical Safety Authority ("ESA").

### **Question/Request**

- i. As several projects could be involved in the maintenance of infrastructure critical to the operation of the proposed Transmission Facilities, please

- indicate what assets will be maintained by a third party and which entity will be liable for the maintenance of such assets.
- ii. Please confirm that Suncor will retain ultimate responsibility and accountability for the quality and the reliability of the electricity service in relation to the proposed Transmission Facilities.
  - iii. Please indicate whether Suncor has established a communications plan to ensure that local stakeholders, (ie. municipality, first responders and the public) are kept informed during emergency situations involving the Transmission Facilities during construction. If so, please submit your plan.
  - iv. Does the ESA's Connection Assessment Approval pertain to the transmission facilities or does it concern the distribution facilities of the overall project? If it relates to transmission assets please file a copy when acquired.

## **Bd. Staff Interrogatory 7: Crossings**

### **Reference:**

- a. Exh. E/ Tab 2/ Sch. 1/ Table1 - Potentially Applicable Permits, Approvals and Authorizations
- b. Exh. B/ Tab 1/ Sch. 2/ § 10

### **Preamble:**

At reference (a), Suncor indicates that where necessary it will obtain road use agreements and building permits from the municipal county and municipal governments.

As noted at reference (b), Suncor has requested relief under Section 101 of the Act to construct portions of the proposed Transmission Facilities upon, under or over a highway, utility, line or ditch.

### **Question/Request:**

- i. Are there any crossings (roads, streams, etc.) related to this application?

- ii. Please identify any concerns Suncor may have regarding any crossings during construction and/or the operation and maintenance of the facilities. If so, what measures have been taken to alleviate or mitigate such concerns?
- iii. Please indicate the nature (e.g. overheard transmission/distribution lines, underground cables, water pipes, railway lines, etc...) of any other existing facilities in the right-of-way which might affect construction and or maintenance. If applicable, please identify proposed approaches to mitigate possible disruption to such facilities.

### **Bd. Staff Interrogatory 8: Land Matters**

#### **Reference:**

- a. Exh. E/ Tab 2/ Sch. 1/ Table1 - Potentially Applicable Permits, Approvals and Authorizations
- b. Exh. F/ Tab 1/ Sch. 1/ Land Matters
- c. Exh. F/ Tab 1/ Sch. 1/ Attach. 1/ Option for Ontario Ground Leases

#### **Preamble:**

At reference (a), Suncor indicates that it may need to obtain road use agreements and/or building permits from county and municipal governments.

At reference (b) Suncor states in part:

Although pursuant to Subsection 41 (10) of the *Electricity Act* the Board does not have the authority to determine the specific location of structures, equipment or facilities in public streets and highways where the facilities are also subject to the need for leave to construct pursuant to Section 92 of the *Ontario Energy Board Act*, it is Suncor's understanding that the Board has such authority either ancillary to its powers under Section 92 or pursuant to Section 101 of the *Ontario Energy Board Act*, under which the Board may grant authority to construct works upon, under or over a highway, utility line or ditch.

Reference (b) mentions that Suncor has secured all the permanent private land rights it requires.

Suncor provides at reference (c) a form of land agreement for Board approval.

**Question/Request:**

- i. Does Suncor plan to negotiate a land-use agreement with the County of Lambton? Please update the Board on the status of any discussions / negotiations that have /are taking place with the County of Lambton.
- ii. Aside from the permanent land rights referenced at (b), please indicate whether access during construction, and at other times such as maintenance, will require additional land rights. If additional land rights are required, please submit appropriate evidence.
- iii. Has the form at reference (c) been reviewed by an independent third party? Or has Suncor offered and/or provided any legal compensation to landowners to cover legal costs for those who wished to have the form of land agreement reviewed by a legal consultant, or counsel?

**Bd. Staff Interrogatory 9: Route**

**Reference:**

- a. Exh. B/ Tab 2/ Sch. 1/ § 8

**Preamble:**

The route for this a project is approved in the environmental assessment process. Any changes to the route may require the re-filing of an application. In the pre-filed evidence, Suncor states that a decision from the Ministry of the Environment (MOE) in relation to the Renewable Energy Approval application is expected in in the second quarter of 2014.

**Question/Request:**

- i. Please indicate whether there have been any objections to the granting of the REA and if so by which parties? Is the timeline for a decision on the REA maintained?

- ii. Please confirm that Suncor understands that should the REA decision result in a material alteration to the route of the transmission line as proposed in this application, any Board decision and order would be predicated on the original route and would therefore no longer be valid.
- iii. Upon completion of the environmental assessment, please file a copy of the REA approval along with a copy of the REA documentation that is germane to this application. (may be filed in electronic form).

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