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Re: EB-2014-0022

June 10, 2014

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P Box 2319
27th Floor
2300 Yonge Street Toronto ON M4P 14

Dear Ms. Walli,

RE: Amendment to Supplemental Interrogatories CSLC&WAIT-PW IR Suncor 24046 - EB-2014-0022

Suncor Energy Products Inc. (“Suncor”) Application for Leave to Construct Transmission Facilities in the Municipality of Lambton Shores, Lambton County, Ontario.

Pursuant to Section 11.01 (b) of the *OEB Rules of Practice and Procedure*, please accept this document as an amendment to Supplemental Interrogatories submitted April 16 2014. Two paper copies of this document have been sent by regular mail. The Amendment Table is attached and is on coloured paper.

WAIT thanks the Board for granting the status of timely Interrogatories to the content of the *D. St. Amand Letter of Comment Redacted (20140415)*, re-entered intact into the evidentiary record by Intervenor CSLC&WAIT-PW (now jointly referred to as WAIT) in the document *CSLC&WAIT-PW IR Suncor (20140416)*.

The Board categorized this document as Interrogatories to the Applicant. By so doing, the Board appeared to be deeming the two issues as properly constructed interrogatories. *PO2 Suncor Energy LTC 20140516* determined that interrogatories not addressed to the Applicant are out of order. The amendments correct this point of procedure. At the same time, WAIT further clarifies its understanding of the issue of scope.

WAIT respectfully submits that it is within the Board’s mandate to permit amendments to the evidentiary record. Section 11.01 (b) of the *OEB Rules of Practice and Procedure* provides that:

The Board may, on conditions the Board considers appropriate:

(a) permit an amendment to the evidentiary record; or

(b) give directions or require the preparation of evidence, where the Board determines that the evidence in an application is insufficient to allow the issues in the application to be decided”

WAIT suggests that the conditions are appropriate and that the evidence provided by Suncor is insufficient.

Conditions are Appropriate and Evidence is Insufficient

First, WAIT asserts that the conditions are appropriate. Correcting the procedural error by reworking the interrogatories to address Suncor directly has no impact on the substance of the two issues.

Second, WAIT respectfully finds that the Applicant’s evidence is insufficient in two areas – Justification of the Proposed Project and the Nature and Magnitude of Network Impacts.

These two issues have a material bearing on the business case Suncor builds in its *Application for Leave to Construct its Proposed Transmission Facilities (Proposed Project)*. Chapter 4 (dated May 17, 2012) of the Board’s *Minimum Filing Requirements for Transmission and Distribution Rate Applications and Leave to Construct Projects EB2006-0170 (Filing Requirements)* at p.8 notes that “the responsibility for the provision of all evidence for the entire case rests with the applicant”.

In other words, the Applicant bears the entire responsibility for providing all the mandated evidence. WAIT submits that Suncor has not provided all the evidence required for the Board to have a sufficient understanding of the entire business case and seeks to obtain from Suncor more detail regarding its evidence in two areas – “Proposed Project and Suggested Alternatives” and “Nature and Magnitude of Network Impacts”. Provision of this detail will make the case Suncor builds for its Proposed Project more transparent, more responsive to the Board’s *Filing Requirements* and will produce a more complete evidentiary record for decision making.

Issue #1 – Proposed Project and Suggested Alternatives - Scope

In its *PO2 Suncor Energy LTC 20140516*, the Board states:

The first supplemental interrogatory related to the “consideration of the public interest with respect to the construction of the work upon, under or over a highway, utility line or ditch” in making the decision on pole location. The examination of this application pursuant to section 101 of the Act is undertaken for the proposed route as submitted by Suncor. Therefore, evidence concerning the selection of the proposed location rather than an alternative is not within the scope of this proceeding.

Suncor applied for its Proposed Project under two sections of the Act.

Exhibit B Tab 2 Schedule 1 p.1 item 2 *Approvals Sought* identifies these sections. Approval of Suncor’s Application is pursuant to Section 92 of the OEB “granting leave to construct transmission and interconnection facilities” and “the approval of the Board pursuant to Section 101 of the Act **or** pursuant to the powers of the Board under Section 92 of the Act for authority to construct portions of the PTF upon, under, or over a highway, utility line or ditch”.

WAIT has no objection to the Board's exercising its authority either entirely within Section 92 or within section 92 and section 101.

WAIT does wish to clarify its position on the Board's statement that "evidence concerning the selection of the proposed location rather than an alternative is not within the scope of this proceeding". On the contrary WAIT submits that thorough treatment of the merits of alternatives is a mandated application requirement. Equally important, alternatives provide the proof set Suncor must set forth to justify its Proposed Project. In the absence of alternatives the Board would have simply a set of assertions – no test of the assertions would exist.

This Interrogatory is rooted not in the Act but in the OEB *Minimum Filing Requirements for Electricity Transmission Projects under Section 92 of the Ontario Energy Board Act ("the Act") Chapter 4 (Filing Requirements)*:

- p 2 - The filing requirements set out in this document are not intended to limit applicants in terms of what information they may want to present. Nor do these filing requirements limit the discretion of the Board in terms of what information and evidence it may wish to see.
- p 3-4 - The Board's role in assessing applications for leave to construct transmission lines under section 92 is to ensure that the proposed projects are in the "public interest". Section 92:

92. (1) No person shall construct, expand or reinforce an electricity transmission line or an electricity distribution line or make an interconnection without first obtaining from the Board an order granting leave to construct, expand or reinforce such line or interconnection. 1998, c. 15, Sched. B, s. 92 (1).

Note, however, that subsection 96(2) specifies that for section 92 purposes in determining whether the construction, expansion or reinforcement of the electricity transmission line or interconnection is in the public interest, the Board shall only consider the following:

"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."

- p. 7 - the Applicant is required to present the rationale for selecting the proposed project as opposed to any alternatives considered and to explain how the proposed project as opposed to alternatives is in the public interest, as defined by section 96(2) of the Act.
- p. 10 - The reasons that a project is necessary must be identified. The basic form for such evidence should be cost-benefit analyses, if applicable, of various options. The Board expects that Applicants will present:
 - the preferred option (i.e. the proposed project); and
 - alternative options.

- p.10 - It should be recognized, however, that the Board will either approve or not approve the proposed project (i.e. the preferred option). It will not choose a solution from among the alternative options. The applicant should present the smallest number of alternatives consistent with conveying to the Board the major solution concepts available to meet the same objectives that the preferred option meets.
- p.11- The applicant is expected to also compare the alternatives versus the preferred option along various risk factors including, but not limited to:
 - financial risk to the applicant;
 - inherent technical risks;
 - estimation accuracy risks; and
 - any other critical risk that may impact the business case supporting the proposed project.

• p. 17. Community and Stakeholder Consultation

The Board expects applicants will consider stakeholder consultation for all projects. Applicants are responsible for justifying the extent of consultation carried out for each application. The following information should be provided within the application:

- principles and goals of the consultation program;
- design details of the consultation program; and, the results of the consultation carried out, including how public input influenced the design, construction, or operation of the project; or,
- an explanation if no consultation was pursued.

The above sections clearly identify the importance of the role of alternatives in assisting the Board to make its decision and puts questions regarding information Suncor presents regarding alternatives irrefutably within scope.

Exhibit B Tab 4 Schedule 1 contains Suncor's rationale for selecting the proposed route over alternatives. Suncor says that it had "extensive consultations with ...municipal officials". Suncor does not identify what the consultations with the municipality were about. Nor does Suncor acknowledge that as a result of its public input, agreement was reached that the poles would be relocated at the request of the County. Suncor in its correspondence *Objection to the County of Lambton Request for an Oral Hearing 04072014* confirms that it would "move its poles a short distance to another location on the private lands" at the request of the County. Thus, given Suncor's decision to move its poles, WAIT seeks to understand why this decision was not just incorporated into its Proposed Project.

It may be that Suncor, in doing its cost-benefit analysis, has determined that it is more commercially reasonable to accommodate County needs under Section 92(2), namely

[\(2\)](#) Subsection (1) does not apply to the relocation or reconstruction of an existing electricity transmission line or electricity distribution line or interconnection where no expansion or reinforcement is involved unless the acquisition of additional land or authority to use additional land is necessary. 1998, c. 15, Sched. B, s. 92 (2).

If that is the case, why has Suncor not simply included its business case for using section 92(2) to meet its commitment to the County by relocating poles of an existing transmission facility as opposed to in the initial Leave to Construct process?

Given the mandated *Filing Requirements* noted above, it is surprising that Suncor omitted its business case for rejecting inclusion of pole placement to accommodate the County's road plans for Thomson Road in its Proposed Project. Suncor's actions in this matter beg the question be asked.

Further in making its business case for the Proposed Project against various other alternatives considered, Suncor's primary solution concept for selecting the final proposed route was to route the path "in all cases along Suncor-controlled land to minimize the amount of Road Right of Way required". Suncor's drivers for using overhead transmission lines were "cost effectiveness and ease of service". Its main driver in rejecting the abandoned railway line was "minimizing interruptions in farming operations". WAIT submits that incorporation of County needs into the Proposed Project design would seem to meet Suncor's solution concept and drivers, particularly "limiting impact on farming operations" by disrupting farming operations just once (initial construction) not twice (relocating the now existing transmission lines).

WAIT recognizes that the Board cannot choose a solution from among alternative options, but can only approve/not approve the Proposed Project and may do so with or without conditions. WAIT is not asking the Board to consider an alternative. It is asking Suncor to fulfil the mandated *Filing Requirements* and justify why its Proposed Project omits entirely the part of the route it agreed to with Lambton County and to which it has already committed to implementing.

WAIT believes that clarification of this issue is entirely within the scope of this hearing.

Amended Interrogatory 1.

Would Suncor please provide the evidence (business case) that supports its decision not to incorporate moving its poles to "another location" to accommodate County needs in the first place – i.e. in its Proposed Project?

Issue #2 – Nature and Magnitude of Network Impacts

Regarding the second issue, namely the lack of specific information on the nature and magnitude of network impacts, *PO2 Suncor Energy LTC 20140516* determined that:

Other supplementary interrogatories consist of questions that would require responses by the IESO or HONI. As indicated above, this means that they are not interrogatories properly directed to Suncor. In addition, since neither IESO nor HONI filed evidence in the proceeding it would not be appropriate to require IESO or HONI to provide a response.

WAIT agrees with the Board's first two statements. The amendment brings the second interrogatory into order by properly directing the interrogatory to Suncor. WAIT disagrees with the last statement. Suncor has filed support evidence in the form of CIA and an SIA. It is this support evidence regarding evaluation of reliability and network impacts that is referenced, in particular at p.17 below – evaluation of integrated power system reliability. WAIT submits that Suncor and only Suncor is responsible for

the evidence it introduces to support its Proposed Project. Therefore, the onus is solely on Suncor to explain its own support evidence.

The *Filing Requirements* noted below provide the basis for this interrogatory:

- p.7 - applicants must provide an explanation of how the project is in the public interest, as defined by Section 96(2)1 of the Act, namely – “ the interests of consumers with respect to prices and the reliability and quality of electricity service”.
- p.8 - The responsibility for the provision of all evidence for the entire case rests with the applicant.
- p. 8 - In leave to construct applications, the Board’s consideration is limited to the interests of consumers with respect to prices and the reliability and quality of electricity service and, where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources. This is mandated by section 96(2) of the Act
- p.8 - The Applicant’s evidence in support of the need for the project is required to be submitted and “can be supported as necessary by evidence of the Independent Electricity System Operation (“IESO”), the transmitter, and/or the Ontario Power Authority: (“OPA”).”
- p.14 - the application must provide detailed information on the project, focussing on identifying project design features and procedures that will ensure the safe and reliable operation of the proposed facilities.
- p.17 - The IESO Connection Assessment and Approval process identifies the detailed procedures to be followed by applicants who wish to connect or modify a connection to the IESO-administered grid. The IESO evaluates the design of the project and its impact on integrated power system reliability, and identifies any transmission facility enhancements required. IESO requirements must be fulfilled in addition to those listed here.
- p.19 - the Applicant “must supply specific information on the nature and magnitude of the network impacts”.

Exhibit B Tab 3 Schedule 1 p.1 contains Suncor’s evidence to support the need for the project. The section comments solely on section 96(2)2. Contrary to the *Filing Requirement*, Suncor’s explanation focuses exclusively on Section 96(2)2 – promotion of the government’s policy objective of increasing the renewable energy generation component of Ontario’s energy supply mix. The argument ignores Section 96(2)1 entirely. In Suncor’s words:

...the Proposed Transmission Facilities are in the public interest pursuant to paragraph 96(2)2 of the *Ontario Energy Board Act, 1998*...

WAIT submits that Suncor in omitting support evidence for 92(2)1 dodges the issue of reliability identified in 92(2)1.

Exhibit B Tab 1 item 15. p.15, Suncor summarizes its support evidence provided by the IESO in its SIA Report. Suncor notes that “conditional approval means that there are no significant reliability issues or concerns that would prevent connection to the IESO-controlled grid”. Suncor also states that the IESO has identified that the wind turbine it has selected has no “Inertia Emulation Capability”. The IESO has therefore identified reliability issues or concerns that, while not deemed significant at this point in time, may in the future.

It is Suncor’s responsibility to supply specific information

Therefore, WAIT requests that the Board allow the amendment to issue #2.

Issue # 2 Lack of Specific Information on the Nature and Magnitude of Network Impacts.

References

- (a) Exhibit B Tab 2 Schedule 1 p.3 para 8. **Impact Assessments**
- (b) Exhibit H Tab 2 Schedule 1 **Disclaimers**
- (c) Exhibit H Tab 2 Schedule 1 **Inertia Emulation Capability**

Questions/Requests

1. Would Suncor please identify the reliability issues or concerns referenced in (b) above.
2. Given that Suncor has entered into evidence HONI *Addendum: Customer Impact Assessment* and at p.3 that document locates the Proposed Project in the Township of Adelaide-Metcalf in Middlesex County, has Suncor confirmed the location of its Proposed Project with HONI?
3. Would Suncor please provide its best estimate of when the Proposed Project’s lack of inertia emulation capability will be corrected, and whether Suncor can mitigate any potential loss of reliability and quality of electricity service in the interim.
4. What system or protocol does Suncor have in place to demonstrate due diligence in meeting the many complex requirements caused by the location of the transmission facility as specified in the SIA and CIA reports? For example:
 - (a) Does Suncor have senior management oversee and be accountable and responsible for conducting in-house compliance reviews regarding the obtaining of all Transmission Facility permits and approvals?
 - (b) How does Suncor achieve due diligence with regard to implementation of wind turbine innovations, refurbishments, procurements that would stabilize reliability and quality of grid connection i.e. the function of inertia emulation control?
 - (c) Does Suncor have an inspection/investigation protocol to ensure that the transmission facilities do not compromise HONI reliability and quality performance indicators?

WAIT respectfully requests that for the purpose of a complete discussion and understanding of the issues, the Board permit the amendments. In order for Suncor to provide, or obtain, this information WAIT would not object if the Board were to adjust timelines so that Suncor can provide its response before it submits its Argument-in-Chief.

Sincerely,

Santo Giorno