

July 2, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P1E4

Dear Ms. Walli:

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

Please accept this Letter of Comment on the above proceeding. I am a resident of Lambton County and am a user of roads Suncor proposes to use as part of the route for its 15 kilometre transmission line – Fuller Road, Proof Line Road, Rawlings Road, Thomson Line, Army Camp Road. As a rural resident I pay a premium price for delivery of electricity and have a vested interest in ensuring that renewable energy transmission connections do not compromise the reliability and quality of electricity service provided by my distributor, HONI (Networks).

Overview

1. Suncor seeks approval for Leave to Construct its Proposed Transmission Facilities (PTF) for Cedar Point Wind Energy Centre. Specifically: for a transformer station, a 15 km single circuit kV Transmission Line to connect the Transformer Station to the Jericho Station, the forms of land agreements, and for authority to construct portions of the Proposed Transmission Facilities upon, under or over a highway, utility line or ditch.
2. In accordance with the *Filing Requirements*, Suncor must provide the entire case for all four elements, and for them collectively as the proposed PTF.

3. This comment focuses on four issues:

- inconsistency between the filed proposed route of the transmission line and the routing contemplated by Suncor's commitments to the County and to Suncor's REA routing modifications
- lack of independent legal review of Suncor's Ontario Ground leases and lack of provision for access to free legal counsel
- insufficient demonstration that Suncor implements business practices that underpin successful exercise of authority to construct transmission line crossings
- insufficient demonstration of knowledge about the impact of the PTF on grid reliability and of business expertise and experience in managing ongoing operation of the facility

4. The OEB **Rules of Practice** section 23 *Public Comment* sub-section 23.03 provides that

23.03 Before the record of a proceeding is closed, the applicant in the proceeding must address the issues raised in letters of comment by way of a document filed in the proceeding

I respectfully request that Suncor provide a full and adequate response to this letter of comment. The issue framework is established in **Brdstaff IR 20140403, HONI IR Suncor 20140402 , Suncor IRR 20140417, Lambton County Req Oral Hearing 20140328 and Suncor Response Req for Oral Hearing Lambton County 20140407 .**

As per **Board Staff NOTE 2** found in **IR 20140403**, I request 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.

Issue #1: Route of Transmission Line (issue identified in Board Staff Interrogatory #9)

In IR #9 Board Staff note the consequences of making material deviations from the proposed route on the approval status of a Leave to Construct.

Since this proceeding began, Suncor has announced two modifications to its proposed Transmission Line route. In **Lambton County Request for an Oral Hearing 20140328**, Lambton County points out that the proposed transmission route would interfere with its planned relocation of Highway #6 (Thomson Road). Suncor's Response (in **Suncor Response Req Oral Hearing 20140407**) is that Suncor would relocate its poles a short distance.

The second modification was announced in its *Notice of Modification* May 20 2014. Please see the *Modification Report* at <http://www.suncor.com/en/about/4797.aspx> .

To date Suncor has not submitted an amendment to its proposed route. My concern is not with materiality of the various changes. My concern is that the OEB record be consistent with the REA.

Question/Request

1. Does Suncor plan to submit a revised route, with the appropriate maps, to this application?

ISSUE #2: Landowner's Agreements

Board Staff Interrogatory # 8: Land Matters references (c) Exh. F/ Tab 1/ Sch. 1/ Attach. 1/ Option for Ontario Ground Leases. The question put to Suncor is:

- i. 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?

Suncor's Response

- iii. This form has not, to Suncor's knowledge, been reviewed by an independent third party. No, Suncor has not offered nor provided 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.

Comment

Steve Williams, the President and CEO of Suncor begins **The Way We Do Business** with this statement:

I am very proud of Suncor's reputation and commitment to building and maintaining mutual trust and respect while working safely and lawfully.

These are Suncor's values:

Safety above all else. Do it safely, or don't do it.

Respect . Being our best. Giving our best. Showing we care.

Raise the bar. Pursue with passion. Always add value.

Commitments matter. We are all connected and part of something bigger.

Do the right thing. The right way, with integrity.

Not having an independent legal review of Suncor's Ontario Ground leases to affirm conformity to Ontario law and not providing access to free legal counsel is a missed opportunity for Suncor to walk the talk of its values. These two actions would align Suncor's values – particularly respect, raising the bar, commitments matter – with its leases.

By offering to pay legal costs associated with having leases reviewed whether a deal is reached or not, Suncor affirms that no landowner has to rely on Suncor's interpretations of legal and financial issues. The fear of mounting legal fees may cause landowners to sign leases even though their complex legal and financial clauses are not fully understood. The offer to cover legal costs strengthens mutual trust and respect and minimizes detrimental reliance issues. Everyone benefits.

Question/Request

2. Would Suncor explain why it did not have its Ontario ground lease form

scrutinized by an independent third party and why it does not offer to cover legal costs associated with independent legal review by potential landowners?

ISSUE #3: Authority to Construct Transmission Line Crossings

Brd Staff IRR Suncor 20140403 Interrogatory #7 Crossings asks how many road crossings are involved. Suncor identifies 8 – six are Municipal, two are County road (Thomson Line) crossings and one is Provincial. Board Staff then ask Suncor if Suncor has any concerns about the crossings. Suncor's response:

ii. Suncor is concerned about costs associated with crossings, specifically requests for unreasonable heights above road travelled portions of the road or specific requests to bury transmission lines to cross infrastructure. Suncor has addressed these concerns by meeting with the owners of road allowances (Municipality of Lambton Shores, County of Lambton, and MTO) impacted by the proposed Transmission line to understand their concerns and determine their permitting processes.

HONI IR 20140407 IR#1 Preamble emphasizes the need for shared responsibilities and shared cost:

A distributor is obliged by legislation (*the Electricity Act, 1998*) to connect and serve customers in its Service Area, while meeting certain requirements respecting service quality, reliability and cost. Distributors must meet these and other obligations even when their customers reside on the other side of the road behind high-voltage transmission lines. The increasing need of electricity 'generator-transmitters' and distributors to share the same rights of way, therefore, also implies the need to share certain responsibilities and incremental costs fairly.

HONI IR #2 identifies crossing problems:

Hydro One Networks will likely require access to properties of its distribution customers which may lie behind the Applicant's high voltage line, to, among other things, provide a new connection, upgrade or expand existing service, maintain or repair its assets or restore power. This would require that Networks route its line across the road and undertake a "perpendicular crossing" of the Applicant's assets and share the right of way.

At IR #2(c) HONI asks:

What principles and methodology would the Applicant suggest for allocating the

higher costs between itself and Networks in cases such as the above?

Suncor responds by stating it agrees *in principle* (my emphasis) with Networks' cost argument and routing solutions. Suncor concludes by stating that "Suncor will endeavor to negotiate and execute the agreements".

At IR#3 HONI asks:

What is the Applicant's process for notifying Networks of its ongoing plans where Networks' involvement is required?

Suncor's response: **(Suncor IRR 20140417)**

Suncor is not clear on what is being asked by Hydro One Networks Inc. The Project defined includes multiple crossings of existing Hydro One Network Lines. Notification of these crossings is a result of this application to the Board. Please clarify.

Comment

Suncor's answers are problematic. Suncor treats HONI IR #1 and #2 content as subject matter for negotiations. Questions about principles, methodology, communication processes and interfaces are not negotiable items – rather, they explore the heart of corporate Suncor. I expected that Suncor would welcome these interrogatories to demonstrate its corporate responsiveness and responsibility by detailing relevant preexisting procedures and historical practices, by describing its capability and experience in managing communications where responsibilities are shared and by providing examples of success in striking a mutually beneficial balance on costs. Historically, what experience does Suncor have with guaranteed response times? What is its track record? Historically, what are its lead time requirements? What are the qualifications of key individuals who would be supporting the work with respect to communications management, site supervision, cost and schedule control, safety management, materials management? How does Suncor execute work, how does it manage conflict resolution?

Suncor fails to make a case for cost as the overriding factor where public safety and sound technical reasons support a solution different from that proposed. Suncor defines County height requests and underground crossings as unreasonable solely on a cost basis – Suncor does not even engage County reasons for making the request.

A mutually beneficial agreement in this circumstance appears blocked by the opposing obligations (the County to the public it serves and Suncor to the stakeholders it serves).

Suncor also identifies cost as a dominant decision driver in its relationship with Networks. Suncor never acknowledges that Networks is responsible and accountable for meeting reliability and quality obligations as well as price obligations.

In discussions of costs, the Hearing considers the price impacts on consumers from the proposed transmission facilities, the cost of which is not to be recovered through Uniform Transmission Rates but rather is wholly the responsibility of the Applicant. The priority topics are impact on reliability and impact on quality of electricity service. I am not suggesting that Suncor thereby be put in an untenable or clearly disadvantaged position as having to assume unreasonable costs – but rather that the cost argument be situated in the central concerns of reliability and quality. Suncor never explains what makes a cost unreasonable – i.e. the line between a reasonable cost and an unreasonable cost.

With regard to Networks IR#3, Suncor's response suggests that it has no ongoing standard operating procedure for notification - what does "notification is a result of this application" even mean?

Together, these responses bring into question whether Suncor has the corporate culture to construct and operate its proposed PTF in ways that support the public interest with respect to "reliability, quality and price of electricity service".

Question/Request

3. Would Suncor please provide a detailed description supported with appropriate documentation to confirm that Suncor has the management capability and experience to take a balanced approach to sharing responsibilities and costs with municipalities and utilities, including but not limited to samples of preexisting and historical communication procedures and practices.

ISSUE #4 (a): PTF - Compliance with IESO SIA Report

Board Staff IR #3 references at (a) Exh. H/ Tab 2/ Sch. 1/ System Impact Assessment/ IESO Requirements for Connection p.2-5. Board Staff ask Suncor to provide an update on progress to meet connection requirements.

Suncor's response (**Suncor IRR 2014 0417**) lists a number of items:

The requirements indicated in the SIA which pertains to the technical design of the Cedar Point facility such as reactive power capability, voltage control system, SPS requirements, frequency response, ride-through requirements, short circuit level withstand, protection system requirements etc. are provided to Suncor's engineering provider to ensure these requirements are met. Suncor will complete the IESO Facility Registration and Market Entry process, following timelines as recommended by the IESO.

Suncor does not mention the control function missing in the Cedar Point facility, the exception that the IESO notes in its **Executive Summary**, Section *Findings*:

6. The functions of the proposed wind farm control system meet the requirements in the Market Rules **except** (my emphasis) that the inertia emulation control function is unavailable. The IESO reserves the right to ask the connection applicant to install this function in the future should the function become available for the proposed type of WTG.

In **2. General Requirements 2.1 Frequency/Speed Control** at p.7, the IESO states that “while it is not required for wind facilities to provide a sustained response to system frequency decline... the connection applicant will need to indicate to the IESO whether the

function of inertia emulation control is commercially available ... and is required to install this function once it is commercially available.”

Comment

The IESO uses standard units of writing in its reports to facilitate document creation. The section of its reports that references inertia emulation control is such a unit of writing. What appears in the Suncor SIA report is identical to what appears in other wind energy SIA reports. The **IESO CAA ID: 2010-392 Bow Lake Wind Farm August 31 2012 Final Report Addendum** is of particular interest in that the applicant, Bow Lake Wind Farm Phase 1 Ltd., made 3 changes to its original proposal, and one was to “install 2×18 GE 1.62 MW wind turbines instead of 2×13 Siemens SWT 2.31 machines”.

The reason the Applicant gives is found in section **3.8 Inertia Emulation:**

Each GE wind turbine will be installed with WindINERTIA which enables the GE 1.6 MW WTG to provide inertial response to help stabilize grid frequency. This feature supports the grid during under frequency events by providing a temporary increase in power production for a short duration, contributing towards frequency recovery.

Inertia emulation control is an industry recognized issue. Here is an example of a wind farm company responding directly to the reliability issue by changing its WTG from what Bow Lake originally proposed and Suncor is now proposing – the Siemens 2.31 – to a WTG that helps stabilize grid frequency.

Questions/Requests

In the same spirit that Board Staff (**Interrogatory #3**) requested an update on progress to meet connection requirements, I request that Suncor respond to these further connection requirement concerns:

- 4(a)1. Would Suncor please provide its best estimate of when the lack of inertia emulation control will be corrected, and whether Suncor can mitigate any potential loss of reliability and quality of electricity service in the interim.
- 4(a)2. Would Suncor please present its business case for selecting the Siemens 2.31 over the GE 1.6 MW WTG, given that the GE product helps stabilize grid frequency?

Issue #4 (b): PTF Operational Information

Board Staff IR #6 notes that in assessing the quality of service, additional operational detail may be beneficial particularly in maintenance and in ultimate responsibility for reliability and quality of electricity service of the PTF (given co-ownership of assets). It also asks Suncor to clarify whether the ESA Connection Assessment Approval is for distribution or transmission facilities. The specific questions/requests and Suncor's responses are:

- i. 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.

Suncor's Response (Suncor IRR 20140417)

- i. Confirmed
- ii. 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.

Suncor's Response (Suncor IRR 20140417)

ii. A telephone number for contacting Suncor (1-866-344-0178) along with the mailing/e-mail address is posted on the Project website (<http://www.suncor.com/cedarpointwind>) and provided directly to the local municipalities and MOE. These would be the direct contact points for Suncor during all phases of the Project. The Emergency Response and Communications Plan will include key contact information for emergency service providers, a description of the chain of communications and how information would be disseminated between Suncor and the relevant responders. Suncor is currently preparing this document and relevant information will be obtained during consultations with the municipalities/County's Emergency Services Departments.

The telephone number provided for the reporting of concerns and/or complaints would be equipped with a voice message system used to record the name, address, telephone number of the complainant, time and date of the complaint along with details of the complaint. All reasonable efforts would be made to take appropriate action as a result of concerns as soon as possible. The actions taken to remediate the cause of the complaint and the proposed actions to be

taken to prevent reoccurrences of the same complaint in the future would also be recorded. If appropriate, the MOE Spills Action Centre would be contacted to notify them of the complaint. Correspondence would be shared with other stakeholders, such as the MOE, as required and/or as deemed appropriate.

- iii. 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.

Suncor's Response (Suncor IRR 20140417)

- iii. A copy of the ESA approval will be provided once obtained .

Comment

Suncor confirms its sole responsibility and accountability for the reliability and quality of electricity service but does not appear to have even a boiler plate for an *Emergency Response and Communications Plan*. This PTF is not Suncor's first – I expected that Suncor would have a standard operation procedure (SOP) and that it would have provided a draft iteration of that SOP suited to this particular PTF. Suncor's response calls into question Suncor's capacity to operate/manage the PTF and all its many varied and complex requirements. Suncor's answer to the ESA approval is similarly problematic. Suncor ought reasonably to know the subject matter of the ESA's Connection Assessment Approval (CAA) – either the transmission facilities or the distribution facilities. If the answer is distribution facilities, clearly the document is irrelevant to this proceeding. Suncor never clarifies the purpose of the ESA's CAA – it will provide a copy regardless of relevance.

Questions/Requests

- 4(b)1. Would Suncor please confirm that it will post its *Emergency Response and Communications Plan* on its website?
- 4(b)2. Would Suncor please provide documented evidence that it has the

management/operational systems in place to achieve due diligence in meeting the many complex requirements specified in the SIA and CIA reports? For greater clarity in helping Suncor understand the question:

- (i) Would Suncor please identify the senior management position charged with overseeing and being accountable and responsible for conducting in-house compliance reviews regarding the obtaining of all Transmission Facilities permits and approvals. If not, please explain the practices in place to achieve due diligence.
- (ii) Would Suncor please explain its management/organizational process for staying on top of wind facility innovations, refurbishments, procurements that would stabilize reliability and quality of grid connection i.e. the function of inertia emulation control?
- (iii) Would Suncor please provide a copy of its standard inspection/investigation protocol for ensuring that its transmission facilities do not compromise reliability and quality performance indicators of local distributors?

I look forward to Suncor's responses to the issues and their associated questions.

Sincerely

Doris St. Amand

[REDACTED]

[REDACTED]

[REDACTED]