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BY E-MAIL

August 13, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

**Re: Board Staff Submission
wpd White Pines Wind Incorporated
Application for Leave to Construct Transmission Facilities
Board File No. EB-2013-0339**

Pursuant to Procedural Order No. 4, please find enclosed Board Staff's submission in this proceeding.

Yours truly,

Original signed by

Robert Caputo
Case Manager
EB-2013-0339

c. All Parties in EB-2013-0339

Encl.

BOARD STAFF SUBMISSION
WPD WHITE PINES WIND INCORPORATED
APPLICATION FOR LEAVE TO CONSTRUCT TRANSMISSION FACILITIES
BOARD FILE NO. EB-2013-0339

BACKGROUND

wpd White Pines Wind Incorporated (the "Applicant") filed an application with the Board, dated September 18, 2013 for leave to construct approximately 28 km of 69 kV underground electricity transmission line and associated facilities. The line would connect the company's White Pines wind renewable energy development project in Prince Edward County to the provincial power grid.

PROCESS TO DATE

- The Board issued its Notice of Application and Written Hearing on October 9, 2013. The Notice was published and served by the Applicant as directed by the Board.
- The following parties were granted intervenor status:
 - County of Prince Edward (the "County")
 - Alliance to Protect Prince Edward County ("APPEC")
 - Al S. Warunikiw
 - Gordon Gibbons
- Procedural Order No. 1 was issued on March 6, 2014.
- The interrogatory process for the Applicant evidence was completed by April 16, 2014.
- Procedural Order No. 2 was issued on May 9, 2014.
- The County, APPEC, and Al S. Warunikiw filed evidence in accordance with Procedural Order No. 2.
- Board staff filed interrogatories to the County and a response was filed on June 23, 2014.
- Procedural Order No. 3 was issued on July 15, 2014.
- Procedural Order No. 4 was issued on July 18, 2014.

LEGISLATION

Section 96(2) of the Ontario Energy Board Act, 1998, states:

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.*

INTERESTS OF CONSUMERS WITH RESPECT TO RELIABILITY AND QUALITY OF ELECTRICITY SERVICE

System Impact Assessment

The System Impact Assessment (“SIA”) assesses whether the proposed connection to the electricity grid will have an adverse impact on the quality and reliability of the electricity grid operation.

The Applicant filed a SIA Report issued by the Independent Electricity System Operator (“IESO”) dated October 26, 2011. This SIA was based on a 69kV overhead transmission line originally proposed by the Applicant. The SIA concluded that the connection of the Wind Project to the system will not result in any material adverse effects on the reliability of the IESO-controlled grid and issued a Notification of Conditional Approval of Connection Proposal to WPD Whites Pines on October 26, 2011, which conditionally approved the Wind Project for connection subject to the completion of certain requirements identified in the SIA.

The Applicant submitted that on July 24, 2013 it applied to the IESO for an amended SIA based on the use of the now proposed underground transmission line.

In response to Board staff interrogatory 6 (a), the Applicant stated an amended SIA will be completed by May 2014 and would be filed when available. In its Argument in Chief, dated August 6, 2014, the Applicant advised that it now expects to receive an amended SIA in September 2014 and anticipates that the amended SIA will also conclude that the connection of the White Pines Wind Project will have no

material adverse impact on the reliability of electrical service. The Applicant further submitted that it will construct the Transmission Project in accordance with the reasonable connection requirements contained in the amended SIA.

If the Board decides to approve this application, Board staff suggests that the approval be conditioned on the applicant obtaining the amended SIA from the IESO and abiding by the conditions of the amended SIA and any future amendments to it.

Customer Impact Assessment

The Customer Impact Assessment ("CIA") assesses the impact of the proposed connection on Hydro One customers in the area.

The Applicant filed a CIA Report issued by Hydro One Networks Inc. ("HONI") dated October 21, 2011. This CIA was based on a 69kV overhead transmission line originally proposed by the Applicant. The CIA concluded that no adverse impacts to transmission customers were expected. It further concluded that fault levels at low voltage and high voltage buses are in accordance with the Transmission System Code Requirement and states that all customers are required to check to ensure that the equipment and grounding system at their stations meet the expected increase in fault level.

The Applicant submitted that the IESO advised that it would notify HONI if an amendment to the CIA is required following completion of the amended SIA.

The Applicant further submitted that it will construct the Transmission Project in accordance with the reasonable connection requirements contained in the CIA, or the amended CIA, should one be required.

If the Board decides to approve this application, Board staff suggests that the approval be conditioned on the applicant abiding by the conditions of the amended CIA (if one is required) and any future amendments to it.

INTERESTS OF CONSUMERS WITH RESPECT TO PRICES

In Exh. B, Tab 1, Sch. 1, p. 2, the Applicant submitted that:

- it will not charge a price for the transmission of any electricity generated by the Wind Project; therefore, pursuant to section 4.02(1)(d) of Ontario

Regulation 161/99, the Applicant is exempt from the requirement under section 57(b) of the OEB Act to obtain a licence to own or operate transmission facilities; and

- it will finance the development and construction of the Transmission Project. The Transmission Project will not have any adverse impact on electricity transmission rates in Ontario.

RENEWABLE ENERGY APPROVAL (“REA”), LAND-RELATED MATTERS AND OTHER APPROVALS

REA Approval

In its response to Board staff interrogatories, the Applicant indicated that it anticipates that it will receive a decision on the REA by September 11, 2014 in accordance with the MOE six-month service guarantee.

Comments filed in this proceeding suggest that the Board should not hear or approve this leave to construct application without prior REA approval. Board staff submits that the Board can approve a leave to construct application prior to REA approval or other approvals, if it otherwise chooses to, with a condition such as “The Applicant shall obtain and comply with all necessary approvals, permits, licences, certificates and easement rights required to construct, operate and maintain the Project”.

Placement of Transmission Line on Municipal Road Allowances

The Applicant’s pre-filed evidence (Exh F, Tab 1, Sch 1, Page 1) indicates that the proposed 28 km transmission line will be built underground within the municipal road allowances of the County with the exception of two existing bridge crossings, where the Transmission Line will be mounted in conduits attached to the sides of the bridges. According to the evidence, no meaningful discussions/negotiations took place between the Applicant and the County since March 2013 and no agreement with respect to the placement of the transmission line on municipal road allowances has been reached to date.

It is clear that there has been a lack of cooperation between the Applicant and the County regarding placement of the proposed transmission line on municipal road allowances as proposed by the Applicant.

Board staff submits that if a road use agreement between the Applicant and the County is not reached prior to a Board decision in this proceeding, the Board can still approve the section 92 application if it chooses to. This issue was considered in Board Case EB-2013-0203 in which the Board stated “In the case of municipal road allowances, an Applicant is not required to submit a road use or other agreement to the Board under section 97 where it proposes to rely subsequently upon the statutory rights conferred by section 41 of the Electricity Act.”¹

Transmission Line Attached to the Side of Bridges

The Applicant’s pre-filed evidence (Exh F, Tab 1, Sch 1) states that “the 28 km Transmission Line will be built underground within the municipal road allowance with the exception of two existing bridge crossings, where the Transmission Line will be mounted in conduits attached to the sides of the bridges”.¹

With respect to the mounting of the transmission line to the side of bridges, the Applicant stated in response to Board staff Interrogatory 4 (b), that it will require permits from the Quinte Conservation Authority and may require permits from the County for these works. The Applicant also stated that, as the need for the permits is contingent on obtaining REA approval, it will apply to the Quinte Conservation Authority for the permits once a REA decision is made. The Applicant further stated that due to the County’s refusal to engage in discussions with it, there have been no discussions with the County regarding any permits that may be required for the Applicant’s proposal to attach the transmission line to the side of bridges.

As in the above section regarding the need for REA approval, appropriate approvals for attaching the proposed transmission line to the side of bridges would also be required and should be a condition of approval if the Board chooses to approve the application.

All of which is respectfully submitted.

¹ EB-2013-0203, Decision on Threshold Questions and Procedural Order No. 2, dated February 4, 2014, pages 12-13 under Conclusion.