

700 University Avenue, Toronto, Ontario M5G 1X6

Tel: 416-592-4463 Fax: 416-592-8519
andrew.barrett@opg.com

October 30, 2014

VIA RESS AND COURIER

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

Dear Ms. Walli,

**Re: EB-2014-0194 - Ontario Power Generation - Section 92 Application for
Leave to Construct Transmission Line – New Post Creek Generating Station**

Attached please find interrogatory responses from Ontario Power Generation Inc. (OPG) in the above noted proceeding.

Pursuant to the Board's Procedural Order No. 1, provided are two (2) hardcopies of OPG's responses and one electronic copy in searchable / unrestricted PDF format filed through the Board's Regulatory Electronic Submission System (RESS).

Please direct any comments or questions in this matter to the undersigned.

Yours truly,

[Original Signed By]

Andrew Barrett

cc: Robert Caputo, OEB (email)
Ljuba Djurdjevic, OEB (email)
Maia Chase, IESO (email)
Fred Cass, Aird & Berlis LLP (email)
Carlton Mathias, OPG
Regulatory Affairs Records, OPG

Board Staff Interrogatory 1

Interrogatory

PROJECT COSTS AND ECONOMICS

Interrogatory 1

References:

(1) *Exh. B, Tab 5, Sch. 1*

Page 1 of the reference states that “OPG and CRP are not rate-regulated transmitters and are not seeking recovery of the cost of the Proposed Line in transmission rates. The Proposed Line will be fully funded and owned by OPG and CRP as part of the New Post Creek Project.”

Page 2 of the reference further states that “The payments for the output of the proposed New Post Creek Project will be contractual in nature and will not be regulated by the OEB. OPG and CRP are not rate-regulated transmitters and are not seeking recovery of project costs for the Proposed Line in transmission rates. The project to construct the Proposed Line has no impact on transmission rates.”

Page 2 of the reference further states that “the Ontario Minister of Energy has directed the OPA to enter into negotiations for a power purchase agreement to procure electricity from the proposed 25 MW New Post Creek hydroelectric generating station. The output from the New Post Creek Project will therefore be sold to the OPA through a negotiated supply contract. The Proposed Line, as part of the cost of the generating station, would therefore be recovered through this contract.”

Questions / Requests

- (a) Please advise whether there are any changes/upgrades required on the Hydro One system in order to accommodate the proposed generation and transmission facilities.
- (b) If the answer to (a) is yes:
 - Describe the changes/upgrades required;
 - Provide the estimated costs of the changes/upgrades;
 - Who will be responsible for payment of these costs?
- (c) Will OPG be responsible for ongoing operation and maintenance costs of the proposed transmission facilities? If not, please explain.
- (d) What is the status of the OPA's negotiations with OPG regarding a power purchase agreement to procure electricity from the proposed 25 MW New Post Creek hydroelectric generating station? When is the agreement expected to be executed?

Response

- (a) Changes are required on the Hydro One system in order to accommodate the proposed generation and transmission facilities.
- (b) The connection of the proposed New Post Creek project to the Hydro One transmission system requires connection facilities including: tapping structures to connect the New Post Creek project to the 115kV circuit D6T, modification of protection settings for circuit D6T, and modification of the North East Load Rejection and Generation Rejection Scheme to include the New Post Creek Project. A cost estimate has not been prepared for this work. Per the Transmission System Code, costs associated with this work will be paid for by OPG and CRP.
- (c) OPG and CRP will be responsible for ongoing operation and maintenance costs of the proposed transmission facilities.
- (d) Negotiations with the OPA regarding a power purchase agreement are in progress. Negotiation of the agreement is expected to be completed by March 2015, and the agreement is expected to be executed shortly thereafter.

Board Staff Interrogatory 2

Interrogatory

LAND - RELATED MATTERS & OTHER APPROVALS

Interrogatory 2

References:

- (1) Exh. F, Tab 1, Sch. 1
- (2) Exh. G, Tab 1, Sch. 1

Reference (1) states that “the New Post Creek Project will require the deregulation of an approximately 200 hectare portion of land within the existing Little Abitibi Provincial Park and its replacement with an approximately 400 hectare park addition, to comply with the Provincial Parks and Conservation Reserves Act, 2006. The Proposed Line is located entirely on Crown Land owned by the Province, outside of the existing and proposed replacement lands of Little Abitibi Provincial Park.”

Reference (1) further states “that No federal or First Nation reserve lands will be affected by the New Post Creek Project, however the proposed transmission line would cross within overlapping Traditional Territories of the TTN and MCFN. As discussed in Ex. G-T1-S1, TTN is involved in and supports the Project through CRP, and MCFN has been consulted and supports the project.

It has been confirmed that no private owners are impacted by the Proposed Line.”

Questions / Requests

- (a) What agreements/approvals are needed in order to achieve the required “deregulation of an approximately 200 hectare portion of land within the existing Little Abitibi Provincial Park.....”?
- (b) What is the status of any agreements/approvals required in (a) and when are these expected to be executed?
- (c) Other than an indication that TTN and MCFN support the project, are there any further agreements/approvals required with/by TTN and MCFN before the proposed transmission facilities can be built? If so, please provide the status and expected dates that the agreements/approvals will be executed.
- (d) For any costs in (a) not payable by the Applicant, please describe the facilities/work required, costs of these and cost responsibility including any ongoing operation and maintenance costs.

Response

- (a) The deregulation of an approximately 200 hectare portion of land within the existing Little Abitibi Provincial Park has been completed and was published in The Ontario Gazette on May 17, 2014.
- (b) All agreements and approvals relating to the deregulation of the portion of land within Little Abitibi Provincial Park are in place.
- (c) There are no further agreements/approvals required with/by TTN and MCFN before the proposed transmission facilities can be built.
- (d) There are no incremental costs in (a) not payable by the Applicant.

Board Staff Interrogatory 3

Interrogatory

SYSTEM IMPACT ASSESSMENT (SIA)

Interrogatory 3

References:

- (1) Exh. H, Tab 1, Sch. 1*
- (2) Exh. H-1-1, Attachment 1, System Impact Assessment Report, CAA ID:2007-294, dated October 28, 2010.*

Based on the above-noted references:

- the IESO has completed a SIA (CAA ID:2007-294, dated October 28, 2010) filed as Exh. H-1-1, Attachment 1;
- the SIA concluded that “ the proposed project will not have a material adverse effect on the reliability of the IESO-controlled grid.”
- The SIA recommends that “Notification of Conditional Approval for connection be issued to Ontario Power Generation Inc., subject to IESO’s Requirements for Connection listed below, and any further requirements that may be identified by Hydro One Networks Inc. in the Customer Impact Assessment.”
- The Applicant states that “There have been no significant changes since the SIA was issued to warrant an updated SIA to be issued by the IESO.”
- OPG/CRP will satisfy the requirements, recommendations and any other conditions imposed by the IESO as described in the SIA.

Questions / Requests

- (a) Please provide verification from the IESO that the October 2010 SIA is still applicable and that an updated SIA is not required.
- (b) Please file a copy of the IESO’s Notification of Conditional Approval for Connection for this project.
- (c) Does the Applicant plan to implement all of the IESO's connection requirements contained in the SIA and any further updates to the SIA?
- (d) Please provide verification that Hydro One Networks Inc. intends to carry out the transmitter requirements outlined in the SIA and any further updates to the SIA.

Response

- (a) Due to recent design changes for the New Post Creek project, primarily relating to technical specifications for the turbine units and the penstock, as part of the ongoing detailed design process, as well as the addition of other new generation facilities and system changes (unrelated to the New Post Creek project) to the Hydro One system configuration in the Northeast, an addendum to update findings from the October 2010 SIA is in progress with the IESO. A firm date for completion of the addendum is not currently available due to the continuing finalization of the detailed technical specifications for New Post Creek and other possible impacts unrelated to the New Post Creek project.
- (b) As the SIA addendum process is in progress with the IESO, the Notification of Conditional Approval for Connection will be obtained after the SIA addendum is finalized.
- (c) The applicant plans to implement all of the IESO's connection requirements contained in the SIA addendum and any possible further updates to the SIA addendum.
- (d) Hydro One intends to carry out the transmitter requirements as documented in the October 2010 SIA and any further updates to the SIA addendum. Hydro One will carry out any connection work required to connect the New Post Creek Project as stipulated by the Transmission System Code.

Board Staff Interrogatory 4

Interrogatory

CUSTOMER IMPACT ASSESSMENT (CIA)

Interrogatory 4

References:

- (1) *Exh. I, Tab 1, Sch. 1*
- (2) *Exh. I-1-1, Attachment 1, Customer Impact Assessment Report dated February 25, 2010.*

Based on the above-noted references:

- Hydro One completed a SIA (Ref 2), dated February 25, 2010 filed
- the CIA concluded that “the proposed project could be incorporated with minor impact to Hydro One customers”
- The Applicant states that “There have been no significant changes since the CIA was issued to warrant an updated CIA to be issued by Hydro One.”
- OPG/CRP will satisfy the requirements, recommendations and any other conditions imposed by Hydro One as described in the CIA.

Board staff notes that the CIA report pre-dates the SIA report.

Questions / Requests

- (a) Please provide verification from Hydro One that the February 25, 2010 CIA is still applicable and that an updated CIA is not required.
- (b) Does the Applicant plan to implement all of Hydro One’s connection requirements contained in the CIA and any further updates to the CIA?

Response

- (a) Due to the reconfiguration of Hydro One’s 115kV transmission circuits in the area (unrelated to the New Post Creek project and as discussed in OPG’s application) and recent design changes to the New Post Creek project (as discussed in the response to Interrogatory 3(a)), an addendum to the February 2010 CIA to assess the impact of the project on area customers is in progress with Hydro One. As was the case with the SIA addendum discussed in Interrogatory 3(a), a firm date for completion of the CIA addendum is not currently available due to the continuing

finalization of the detailed technical specifications for New Post Creek and other possible impacts unrelated to the New Post Creek project.

- (b) The applicant plans to implement all of Hydro One's connection requirements contained in the CIA addendum and any further updates to the CIA addendum.