

**EB-2016-0008**

**SP Belle River Wind LP**

**Application for leave to construct transmission facilities  
in the Town of Lakeshore in the County of Essex,  
Ontario**

**OEB Staff Submission  
September 8, 2016**

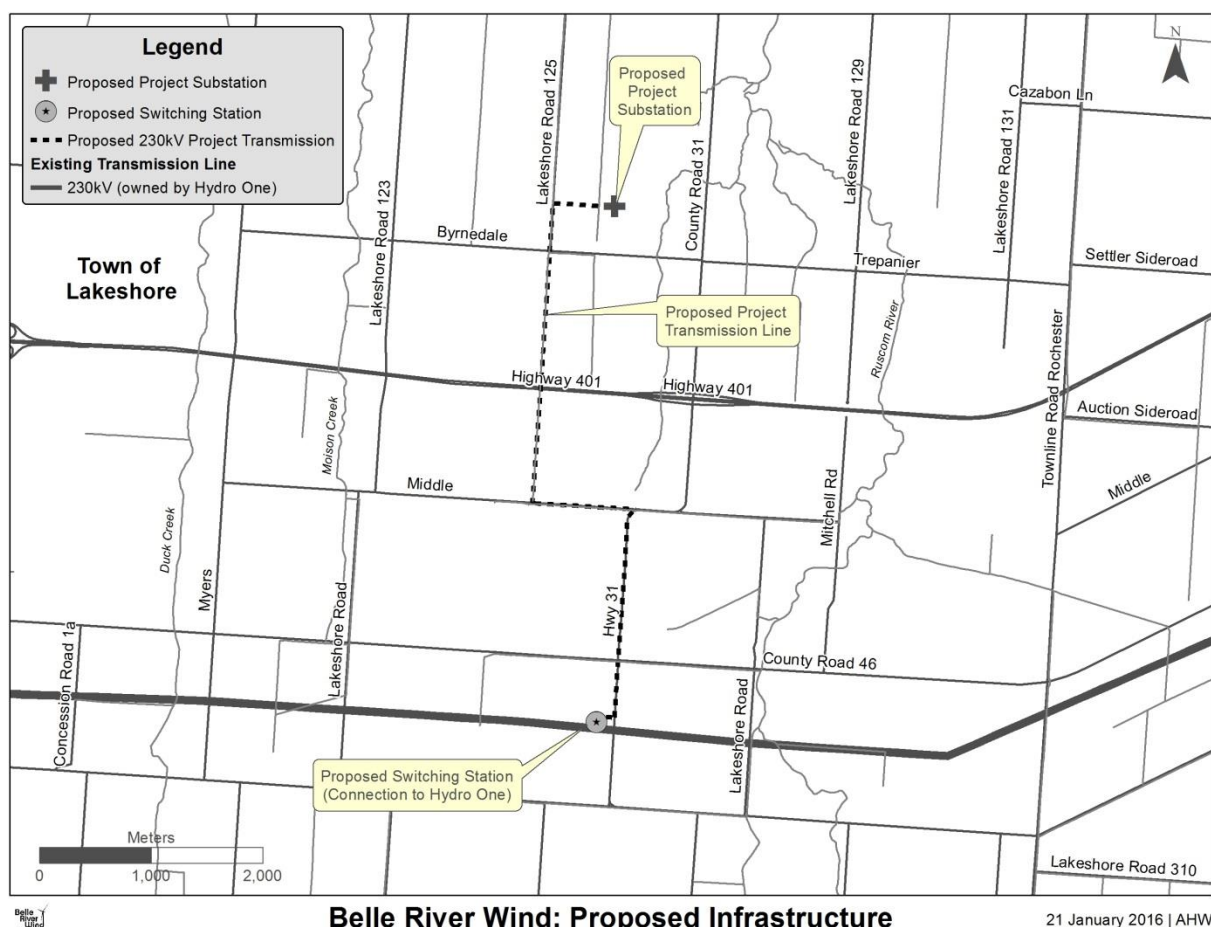
On January 7, 2016 SP Belle River Wind LP (the Applicant) applied to the Ontario Energy Board (OEB) under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (Act) for an order or orders granting leave to construct transmission facilities in the Town of Lakeshore in the County of Essex (Application). The Applicant subsequently filed an amended application on July 8, 2016 to relocate the transmission line underground (Underground Option) along the same route as described in the Application. The transmission facilities are required to connect a renewable wind generation facility known as the Belle River Wind Project (Wind Farm) to the Independent Electricity System Operator (IESO)-controlled grid. Its contract capacity is up to 100 MW.

The proposed transmission facilities include:

- a 230 kV/34.5 kV substation (Joe Byrne Substation) that will step up power from the Belle River Wind Project;
- a 230 kV switching station (Brody Switching Station) at the interconnection point to Hydro One's transmission system; and
- a three-phase single 230 kV circuit underground transmission line that will run approximately 7 kilometres between the Joe Byrne Substation to the Brody Switching Station.

The proposed transmission facilities described above are collectively referred to herein as the Transmission Facilities.

The proposed location of the Transmission Facilities is illustrated in the following diagram that appeared in the notice of hearing published on February 3, 2016:



The Applicant entered into a 20-year Power Purchase Agreement with the Ontario Power Authority (the OPA), now the Independent Electricity System Operator (IESO), on September 22, 2014.

For any leave to construct application under section 92 of the Act, section 96(2) of the Act provides that when determining if the proposed construction of an electricity transmission line is in the public interest, the OEB's jurisdiction is limited to the consideration of the interests of consumers with respect to prices and the reliability and quality of electricity service, and where applicable in a manner consistent with the

policies of the Government of Ontario, the promotion of the use of renewable energy resources.

As discussed below, OEB staff has no concerns with the evidence presented in this application with respect to the proposed facilities that is within the OEB's jurisdiction.

While other issues and concerns were raised by parties during the proceeding, these matters have either been resolved or are outside the OEB's jurisdiction.

### **Price of Electricity Service**

#### **Cost of Transmission Facilities**

The Applicant states in the evidence that "all costs for the proposed Transmission Project, including any incremental costs related to the Underground Option, will be borne by the Applicant".

In a letter submitted on May 19, 2016, the Applicant confirms that the proposed Transmission Facilities will not affect electricity transmission rates in Ontario.

Based on the above, OEB staff submits that there are no concerns related to the Transmission Facilities with respect to the price of electricity service.

### **Reliability and Quality of Electricity Service**

#### **System Impact Assessment (SIA)**

The IESO completed a final SIA for the Wind Farm and connection of the Transmission Facilities dated December 11, 2015. The IESO concluded that the proposed connection of the Wind farm and Transmission facilities will not result in a material adverse impact on the reliability of the integrated power system. The Applicant also received a Notification of Conditional Approval of Connection Proposal (Notification) from the IESO on December 11, 2015.

On June 24, 2016, the IESO issued a final addendum to the SIA in response to information the IESO received from the Applicant in respect of the Underground Option. The SIA Addendum requires the Applicant to meet all the specific and general requirements in the original SIA report and additional specific requirements in respect of inductive reactive power compensation as described on page 2 of the addendum. The

IESO concluded, provided the Applicant meets these requirements, the proposed underground connection of the Transmission Facilities "is expected to have no material adverse impact on the reliability of the integrated power system". On June 24, 2016, the Applicant also received from the IESO a Notification of Addendum of Conditional Approval of Connection Proposal based on the SIA Addendum for the Underground Option.

On September 1, 2016, the IESO filed a letter with the OEB indicating it would not be filing a final submission in this application.

#### Customer Impact Assessment (CIA)

Hydro One completed a final Customer Impact Assessment Report (CIA) for the Wind Farm and connection of Transmission facilities on December 11, 2015. Hydro One has advised the Applicant that it has no concerns with the changes made to the original Application pursuant to the requirements outlined in the SIA Addendum and does not need to update the CIA for the Underground Option.

Based on the above evidence submitted by the Applicant in respect to the SIA and CIA, OEB staff submits there are no concerns with respect to reliability and quality of electricity service.

#### **Policies of the Government on the Promotion of the Use of Renewable Energy Sources**

The evidence filed in the Application indicates that the Wind Farm will contribute up to 100 MW of clean, renewable energy to the provincial electricity grid. The Wind Farm will further the Ontario Government's policy objective to increase the amount of renewable energy being added to the Province's energy supply mix.

The Applicant is subject to the requirements of the Renewable Energy Approval (REA) process under Ontario Regulation 359/09 under the Environmental Protection Act. The final REA submission package for the Wind Farm project was submitted to the Ministry of the Environment on May 29, 2015 and was deemed complete on July 29, 2015. The Ministry of Environment issued the Applicant's REA on January 13, 2016 and no legal appeals permitted under Section 142.1 of the *Environmental Protection Act* (Ontario) and the REA regulation (O. Reg. 359/09) were filed with the Ontario Environmental Review Tribunal to challenge the issuance of the REA during the statutory prescribed time period. The Applicant states "the issued REA contemplates both an above-ground and underground transmission line".

OEB staff is of the view that the OEB can proceed with its decision in the application on condition that the Applicant has met all the REA requirements.

### **Forms of Land Agreement**

In accordance with section 97 of the Act, the OEB must be satisfied the Applicant has or will offer each owner of land affected by the proposed route or location an agreement in a form approved by the OEB. The Applicant indicated that only two landowners are impacted by the Transmission Facilities being constructed and it has entered into binding lease agreements with both Joe Byrne Substation and the Brody Switching Station in accordance with the OEB Filing Requirements for Transmission and Distribution Application Filing Requirements [Chapter 4: Applications under Section 92 of the Act](#) (Jul 31-14), Appendix A .

OEB staff does not have any concerns about the forms of agreement filed by the Applicant with the application and with the evidence updates.

### **Section 101 of the Act**

At this time the Applicants do not anticipate that an application under section 101 of the Act will be required for the Highway 401 crossing. The Ontario Ministry of Transportation (MTO) is aware of the Underground Option and issued an Encroachment Permit allowing the Applicant to drill two boreholes as part of a geotechnical investigation in support of the Underground Crossing. The Applicant has confirmed it will file an application under section 101 of the Act if it does not receive approval to cross Highway 401.

OEB staff is satisfied that the Applicant is taking the necessary steps to obtain MTO approval to cross Highway 401 for the Underground Option.

### **Other Approvals**

The Applicant submits the Transmission Facilities will be constructed and operated in accordance with all applicable technical codes and standards, including the requirements of the *Ontario Electrical Safety Code*, the *Occupational Health and Safety Act* (Ontario), the *Transmission System Code*, the *Market Rules for the Ontario Electricity Market*, including those with respect to metering.

**Adjacent Landowners**

The application indicated that a portion of the proposed 230 kV transmission line passes by 24 homes along the road allowance on French Line Road just north of County Road 46. The application does not provide the exact location of the steel poles and foundations for the proposed line in proximity to the (24) landowner's properties.

The Applicant submitted evidence of a letter of support for the Underground Option signed by 17 of the 24 landowners whose homes are adjacent to, but not directly affected by, the transmission line. The remaining 7 landowners (Remaining Landowners) were not available to meet the Applicant because of various reasons as set out in the Amended Application.

Further evidence of support for the Underground Option from the adjacent landowners and community was provided by the Applicant in the form of minutes of the Town of Lakeshore's Council Meeting dated May 24, 2016 (Amended Application, Exhibit E, Tab 1, Schedule 3 ), which contained a report from the Town's Engineering Services Division. This report highlights the Applicant's commitment to the line going underground along its entire length to address the concerns of the residents living along the route on County Road 31. The Town of Lakeshore subsequently approved a mutually agreed form of Road Use Agreement, which specifically permits the underground installation within the Town's road allowances. A resolution from the Council for the County of Essex authorizing the execution of the Road Use Agreement between the county and the Applicant was passed at the August 10, 2016 council meeting.

On August 25, 2016 the OEB issued Procedural Order No. 2 which specifically ordered that "The Applicant shall file with the OEB evidence of the process that it has followed to contact the Remaining Landowners that have not signed the letter of support for the Underground Option by August 31, 2016".

On August 31, 2016, the Applicant filed evidence that it had obtained signatures from 5 of the Remaining Landowners supporting the Underground Option. In addition, the Applicant filed an Affidavit dated August 31, 2016 sworn by its land consultant who had managed to contact one of the two Remaining Landowners and that the owner "did not object to burying the transmission line".

On April 16, 2016 the last Remaining Landowner called the Applicant's consultant regarding the above ground transmission line as originally proposed. During the conversation he asked if there were any other options as to locating transmission lines

such as burying the transmission line. On August 31, 2016 the Applicant's consultant emailed the landowner a letter from the Applicant along with Notice of Hearing. On September 6, 2016 the Applicant filed an e-mail dated September 2, 2016 from the last Remaining Landowner which indicated that he supported the Underground Option.

Based on the above evidence submitted by the Applicant with respect to the Road Use Agreement, the Process followed to contact the Remaining Landowners and the documented support by all the Remaining Landowners for the Underground Option, OEB staff has no concerns and submits that leave to construct the Transmission Facilities should be granted.