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April 5, 2019

Delivered by Email, RESS & Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2701
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Networks Inc.
Application for Leave to Construct – EB-2018-0098
Notice of Motion for Reconsideration
of Atlantic Power Corporation (“Atlantic Power”)**

Please find enclosed Atlantic Power’s Notice of Motion for Reconsideration in respect of the above noted matter.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by John A.D. Vellone

John A.D. Vellone

cc: Applicant and Intervenors of record in EB-2018-0098
Jarvis Coffin, Atlantic Power Corporation
Michael Engelberg, Hydro One Networks Inc.
Tam Wagner, Independent Electricity System Operator

IN THE MATTER OF an application made pursuant to sections 92 and 97 of the *Ontario Energy Board Act, 1998*, by Hydro One Networks Inc. for approval to upgrade an existing 115 kilovolt electricity overhead transmission line and associated station facilities between Spruce Falls Junction and Carmichael Falls Junction in Kapuskasing area

ATLANTIC POWER CORPORATION

NOTICE OF MOTION FOR RECONSIDERATION

April 5, 2019

NOTICE OF MOTION

Atlantic Power Corporation (“Atlantic Power”) will make a motion to the Ontario Energy Board (the “Board”) on a date and at a time to be determined by the Board.

THE MOTION IS FOR:

1. A review, suspension and cancellation of the Board’s Decision and Order dated August 23, 2018 (the “Decision”) in the matter of Hydro One Networks Inc.’s (“HONI”) application under sections 92 and 97 of the *Ontario Energy Board Act, 1998* (the “Act”) for leave to construct transmission facilities between Spruce Falls Junction and Carmichael Falls Junction in the Kapuskasing area (the “Application”) and for the matter to be put to a new hearing;
2. An order extending the time period under Rule 40.03 *OEB’s Rules of Practice and Procedure* (the “Rules”) to serve a motion for review and variance;
3. An order that Atlantic Power has satisfied the “threshold test” referred to in Rule 43.01;
4. An order pursuant to Rule 40.04 that the Decision be stayed pending the determination of this motion;
5. An order permitting Atlantic Power to file fresh evidence on the costs of the Atlantic Power alternatives in light of the new cost estimates provided by Hydro One.

THE GROUNDS FOR THE MOTION ARE:

6. HONI filed an application on February 6, 2018 for leave to construct the under the Kapuskasing Area Reinforcing Project (referred to as the “KAR Project” in the Decision”) pursuant to sections 92 and 97 of the *Act*.

7. HONI represented in its evidence before the Board and in its submission that the total cost of the KAR Project would be \$21.07 million.¹
8. The IESO recommended the KAR Project on the basis that it is the “least-cost option” for providing the required levels of reliability.²
9. OEB staff submitted that the KAR Project proposed by HONI appeared to be the most efficient solution from a cost perspective for addressing the system reliability needs.
10. In response, Atlantic Power developed an illustrative cost estimate of a five year contract of its Calstock Generation Facility using publically available assumptions that amounts to \$19.181 million.
11. The OEB approved the Application on the basis that the KAR Project recommended by the IESO appeared to be the least-cost option in the long term and therefore met the requirements under section 96 of the *Act* and was in the public interest.
12. On March 18, 2019, HONI filed a letter with the Board addressed to the Manager, Supply and Infrastructure applications at the Board of a “change in the in-service date and cost” of the KAR Project. HONI informed the Board that since leave to construct the KAR Project was granted, detailed estimating and field verification unearthed the need for increased scope of work to accommodate the new facilities.
13. As a result, HONI now estimates that the overall cost estimate has increased to approximately \$32.1 million (being \$14.8 million in line costs and \$17.3 million in station work costs) (the “Revised Cost Estimate”).
14. HONI’s original estimate for station work costs was \$6 million.³ The Revised Cost Estimate for Station Work is now \$17,344,000. This is a threefold increase in costs and a significant change to the estimated costs of the KAR Project.

¹ HONI’s Argument in Chief at para. 25. Citation to Hydro One Pre-Filed Evidence – February 5, 2018 – Exhibit B, Tab 7, Schedule 1.

² IESO submissions dated July 17, 2018.

³ Exhibit B, Tab 7, Schedule 1. Decision at p. 6.

15. The estimated costs of the KAR Project as compared to other proposals or options were a material issue at the hearing.
16. The Revised Cost Estimate constitutes a change in circumstances and/or new facts under Rule 42.01. The Revised Cost Estimate puts into doubt the correctness and/or reasonableness of the Decision.
17. It was not until HONI served the Revised Cost that Atlantic Power became aware of the change in circumstances and new facts. It is fair and reasonable for the Board to exercise its discretion pursuant to Rule 7 to extend timeline under Rule 40.03 to serve this motion. The time under Rule 40.03 should only start running from the date that HONI served the Revised Cost Estimate.
18. A stay of the Decision is appropriate pending the determination of the motion for review. HONI should not incur further costs towards the KAR Project if the Decision may be suspended or varied.
19. Atlantic Power intends to file evidence that it would be able to provide reliable, low-cost power supply(s) that can simultaneously provide voltage support to the H9K grid, from its 30 MW biomass Calstock Power Plant and/or its 40 MW combined cycle Kapuskasing power plant. Both of these plants have the capability to modify their operating modes and output in order to satisfy the requirements of the IESO with little to no capital upgrades. Atlantic Power is confident that the cost to provide these services will result in a lower cost to the ratepayers than what the inflated Hydro One solution does, in addition to the fact that it preserves a generation source(s) in the region as the capacity gap emerges in the early to mid 2020s.
20. Atlantic Power relies upon:
 - (a) Rule 7 on the extension of time;
 - (b) Rules 40 through 43 on the Board's on a motion for review;
 - (c) Rule 42 with respect to the request for a stay;

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- (d) Such other and further grounds and material as counsel may advise and this tribunal may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Decision and Order dated August 23, 2018;
2. An affidavit of Sean Gillespie, Vice President, Operations, Atlantic Power Corporation
3. The record of this Proceeding, EB-2018-0098, including the previous decisions and orders;
4. The Submissions on this Application;
5. Written submissions, to be filed;
6. Such further and other documentary evidence as counsel to Atlantic Power may advise and this tribunal may permit.

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April 5, 2019

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AND TO:

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