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File 96078

September 5, 2019

VIA COURIER and RESS FILING

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

Dear Ms. Walli,

**Re: Hydro One Networks Inc. Application for 2020-2022 Transmission Rates
(EB-2019-0082)**

Attached please find the Power Workers' Union's Submissions in connection with the above-noted proceeding. An electronic copy has been filed through the Board's RESS filing system, and two paper copies will follow by courier delivery.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP


Richard P. Stephenson
RPS:pb

Encl.

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**Hydro One Networks Inc.
2020-2022 Transmission Rates Application**

**The Power Workers' Union (PWU) Submissions on
the Inclusion/Exclusion of transmission Line Losses from the Issues List**

On August 22, 2019, Environmental Defence provided a letter requesting that transmission losses be included in the issues list as a stand-alone issue (Issue #8) or under Issue # 1.

In Procedural Order No. 4, the Board ordered that OEB staff, intervenors and Hydro One Networks file any submissions with the OEB stating their position with supporting reasons for issue 8's inclusion or exclusion from the issues list, and served on all parties by September 5, 2019.

The PWU is more concerned about the inclusion or exclusion of the transmission line losses issue in this proceeding than whether the issue should be included as a stand-alone or addressed as part of any other issue in the issues list. The PWU, for example, believes the issue could be addressed under Issue # 9 (Transmission System Plan) because, the PWU submits, line losses should be an important consideration in operational and investment decisions.

The PWU supports the inclusion of transmission line losses in the issues list for the reasons put forward by Environmental Defence as well as the following:

1. As can be seen from EB-2016-0160, Hydro One's position has been that IESO is better placed to measure, report and benchmark transmission line losses and encourage loss reduction through incentives as part of its regional planning efforts. However, in its Decision and Order, the Board found that Hydro One has a role and responsibility:

It was also clear that the responsibility for managing line losses lies with the IESO in some areas (e.g. regional planning) and with Hydro One in some cases (e.g. asset refurbishment or replacement).¹

2. In EB-2016-016 Decision, the Board also found that "Hydro One has not provided any evidence of specific initiatives that it has undertaken or is planning to undertake to reduce line losses."² It appears that Hydro One has not taken this issue seriously, despite the Board's finding that , given the magnitude of line losses, Hydro One should not only work jointly with the IESO to explore cost effective opportunities for line loss reduction but also to explore, as part of its

¹ EB-2016-0160, Board Decision and Order, November 1, 2017, page 32

² Ibid., page 33.

investment decision process, opportunities for economically reducing line losses and to report to the Board on such initiatives.³ Had Hydro One made progress since EB-2016-0160, there would be no reason why it would resist the inclusion of the issue in the issues list and report on any initiatives taken so far.

3. The PWU notes that the IESO is complying with the Board's Decision and Order on the IESO's 2018 Revenue Requirement Submission (EB-2018-0143) by launching a series of public information sessions to inform stakeholders on how transmission system losses are considered during planning of the transmission system in Ontario, including methodologies to assess the cost effectiveness of transmission loss reduction measures.⁴ The IESO announcement indicates that the information sessions would include the discussion of the National Grid UK's transmission losses processes, the recommendations of the Council of European Energy Regulators, and methodologies to assess the cost effectiveness of transmission loss reduction measures.

The PWU submits that the Board and stakeholders would benefit from any information by Hydro One on the following questions:

- a) Given that the IESO and Hydro One are the two big players on the issue of transmission losses, what is Hydro One's level of involvement and commitment in this IESO initiative?
- b) Does Hydro One expect the initiative to address transmission line losses from regional planning perspective alone or propose cost effective line loss reduction methods from the perspective of asset refurbishment and replacement, which is essentially the responsibility of Hydro One?
- c) Has Hydro One consulted and determined the relevance and effectiveness of the National Grid UK's transmission losses processes and the recommendations of the Council of European Energy Regulators, and methodologies to assess the cost effectiveness of transmission loss reduction measures?

All of which is submitted respectfully

³ Ibid.

⁴ <http://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Overview/Public-Information-Sessions>