Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2020-0265

HYDRO ONE NETWORKS INC.

Application for leave to reconductor existing transmission circuits between Hawthorne transmission station and Merivale transmission station

BEFORE: Emad Elsayed
Presiding Commissioner

Anthony Zlahtic
Commissioner

April 22, 2021

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1 INTRODUCTION AND SUMMARY

This is a Decision and Order of the Ontario Energy Board (OEB) on an application filed by Hydro One Networks Inc. (Hydro One) under section 92 of the *Ontario Energy Board Act, 1998* (OEB Act) for leave to reconductor existing transmission circuits M30A and M31A between Hawthorne transmission station and Merivale transmission station, and to perform related transmission station enabling work (Application). In addition, Hydro One requested approval under section 97 of the OEB Act for the form of land use agreements it offers to landowners for the routing and construction of the proposed work.

The transmission line and associated facilities proposed by Hydro One are collectively referred to as the Hawthorne to Merivale Reconductoring Project (the Project). A map showing the location of the Project is attached as Schedule A to this Decision and Order.

The OEB grants Hydro One leave to construct the Project and approves the forms of land use agreements set out in the Application. The OEB finds that this Project is in the public interest based on an examination of price, reliability and quality of electricity service, and land matters. In leave to construct applications, the OEB typically considers the need for the Project and alternatives to the Project as part of the consideration of price. This leave to construct is subject to the OEB's conditions of approval attached as Schedule B to this Decision and Order.

2 PROCESS

Hydro One filed its Application on December 2, 2020. The OEB issued a Notice of Hearing on December 18, 2020. The Independent Electricity System Operator (IESO), Environmental Defence (ED), the Ottawa International Airport Authority (OIAA), and Nav Canada applied for intervenor status.

The OEB issued Procedural Order No. 1 on February 2, 2021. It granted intervenor status to the IESO, ED, and the OIAA; granted ED eligibility to apply for an award of costs; and established the Application's initial procedural schedule, including the filing of OEB staff and intervenor interrogatories by February 12, 2021, and the filing of interrogatory responses by Hydro One by February 26, 2021. Through a letter dated February 4, 2021, the OEB approved Nav Canada as an intervenor.

Procedural Order No. 1 also directed the OIAA to file additional information by February 5, 2021, before a determination could be made on its cost award eligibility. The OIAA provided additional information by email and letter dated February 9, 2021.

On February 3, 2021, ED advised that it wished to file evidence regarding Hydro One's assessment of project Alternatives 3 and 4. Through Procedural Order No. 2 issued on February 11, 2021, the OEB denied ED's request, stating that it would be inefficient to delay the proceeding to hear further examination of alternatives that could be adequately explored through the interrogatory process. Procedural Order No. 2 also established a tentative date of Wednesday March 3, 2021, for a transcribed Technical Conference to clarify matters arising from the interrogatories related to Alternatives 3 and 4 only.

On February 12, 2021, ED filed a renewed request to provide evidence in the proceeding. Through Procedural Order No. 3 issued on February 12, 2021, the OEB granted ED's request. Accordingly, ED was required to file any evidence regarding Hydro One's assessment of project Alternatives 3 and 4 by March 9, 2021, and the Technical Conference that would allow for further exploration of alternatives was rescheduled to March 10, 2021. Procedural Order No. 3 also approved the OIAA's request for cost eligibility.

On February 18, 2021, Hydro One filed a letter requesting that the Technical Conference be rescheduled until March 16, 2021, to provide Hydro One with additional time to address ED's evidence. Through Procedural Order No. 4 issued on February 19, 2021, the OEB granted Hydro One's Request. Procedural Order No. 4 also established that written submissions from OEB staff and intervenors were due March 23, 2021, and Hydro One's reply submission was due March 30, 2021.

Hydro One responded to interrogatories on February 26, 2021, in accordance with Procedural Order No. 1. As part of its response, under separate cover, Hydro One requested confidential treatment of the informational data underpinning its response to ED's interrogatory #1. Through Procedural Order No. 5, issued on March 2, 2021, the OEB provided parties with an opportunity to object to Hydro One's confidentiality request, with any such objections filed by February 26, 2021, and Hydro One's response to any objections filed by March 9, 2021. OEB staff supported Hydro One's confidentiality request which was granted by the OEB through Procedural Order No. 6, issued on March 15, 2021.

On March 12, 2021, OEB staff filed a letter requesting that the OEB expand the scope of the Technical Conference to allow for further exploration of interrogatories related to project need. Through Procedural Order No. 6, the OEB approved OEB staff's request.

On March 24, 2021, following review of OEB staff's written submission, the IESO requested OEB approval to provide a reply submission on the need for the project and the solution required to address the need. OEB approval was required as, in the normal course, only Hydro One, as the applicant, would have the right to file a reply. Through a letter dated March 26, 2021, the OEB granted the IESO's request and required it to file its reply submission on or before March 30, 2021.

3 DECISION ON THE ISSUES

Section 92 of the OEB Act provides that leave of the OEB must be obtained for the construction, expansion or reinforcement of electricity transmission lines. Section 96(2) of the Act limits the scope of the OEB's review in an application under section 92 to the interests of consumers with respect to prices and the reliability and quality of electricity service, and, where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.

The Project does not relate to any renewable energy sources, and therefore the OEB has considered the impact of the Project on prices and the reliability and quality of electricity service. As part of its review of a project's impact on prices, the OEB typically considers the need for a project and alternatives to the proposed project.

The OEB's findings on the Project's impacts on prices (which includes an analysis of Project need and alternatives), reliability, quality of service, land matters, and conditions of approval are addressed in this chapter.

3.1 Price: Need and Alternatives

The 230kV M30A and M31A circuits connect the Hawthorne and Merivale Transmission stations, in the City of Ottawa. These circuits supply customers in the western half of the City of Ottawa and provide a transmission path for a portion of the power transfers between Eastern Ontario and the Greater Toronto Area.

The need for the Project was established by the IESO through its hand-off letter (IESO Letter) dated February 1, 2019. The IESO Letter stated that the latest demand forecast, completed as part of the regional planning process for the Ottawa area, demonstrated that circuits M30A and M31A were inadequate today to supply the demand in west Ottawa and the required bulk power transfers under summer peak conditions. The IESO Letter also stated that the overload will increase in severity over the longer-term as the demand in west Ottawa is forecast to increase by about 150 MW in the next 10 years.[1]

Hydro One submitted that the Project is a development project and that it is non-discretionary as it is being undertaken to "remove the current limitation to the transfers of bulk power west from eastern Ontario towards the GTA."[2]

Hydro One considered four alternatives in its Application.

[1] Exhibit B / Tab 3 / Schedule 1 / Attachment 1 / p.2
[2] Exhibit B / Tab 4 / Schedule 1 / p.2

Alternative 1 involved installing approximately 11.9 km of 230 kV underground cables between Hawthorne and Merivale Transmission stations along the circuits existing right-of-way (ROW). This option was rejected based on cost, which was forecast to be up to 13 times higher than the preferred option.

Alternative 2 considered construction of a new 230kV double circuit overhead transmission line between the St. Lawrence and Merivale transmission stations. Alternative 2 equated to a line route distance of approximately 85 km. Alternative 2 was also rejected based on cost, which was forecast to be up to 22 times higher than the preferred option.

Alternative 3 is Hydro One's preferred option and involves replacing the existing single conductor M30A and M31A circuits with 1443 kcmil dual-bundled 230 kV conductors. Alternative 3 includes a line route distance of approximately 11.9 km. With respect to Alternative 3, the IESO Letter stated that "[c]onsidering the relatively low cost, technical feasibility and short implementation timelines, the conductor uprate option is the preferred solution for reinforcing the M30/31A circuits and increasing the capability of the [Hawthorne to Merivale] path."

Alternative 4 was the same as Alternative 3, however, considered the installation of 1780 kcmil dual-bundled conductor. The benefit of the larger conductor was that it would reduce line losses by an additional 10% compared to Alternative 3. This option was rejected on the basis that its incremental cost compared to Alternative 3 (approximately $4.5 million) would not be offset by the additional incremental reduction in line losses. Hydro One also indicated that the extra capacity of the circuits over Alternative 3 would also require station upgrades to be completed.

Hydro One stated that qualitative benefits of the preferred option included reduced potential for congestion of provincial supply resources, improved operability and reliability of the IESO-controlled electricity grid in the Ottawa area, and a reduction in construction outages.[3]

In its submission, OEB staff stated that "…the application, interrogatory responses and IESO testimony provided at the Technical Conference have not demonstrated that the proposed project addresses an identifiable need or that the proposed project would be the appropriate alternative for addressing a need, if it did exist." More particularly, the OEB staff submission stated that although the IESO Letter referenced various drivers for the Project, during the Technical Conference, the IESO confirmed that the Project

[3] Exhibit B / Tab 6 / Schedule 1 / p. 2

was not proposed for congestion relief or to meet capacity shortfalls in the province, as the IESO Letter and Application may have suggested. Further, OEB staff argued that, while the IESO stated that there is a need in the West Ottawa area, in OEB staff's view, the need, and the Project's role in addressing it, remained unclear.[4]

OEB staff also stated that the IESO did not demonstrate how reliability standards drive the need for the Project nor did the IESO associate the need for the Project to any specific planning criteria or demonstrate which planning criteria would be violated if the Project was not undertaken.

OEB staff expressed concern that the IESO had not considered non-wires options, nor did the IESO characterize seemingly important dimensions of the stated need, including its frequency and magnitude. OEB staff's conclusion was that if the IESO cannot well characterize project need, it is difficult for parties to identify and assess options to address it.

Based on its analysis of the evidence, OEB staff submitted that if Hydro One was unable to further explain in its reply submission why the planning analysis is adequate to support the need for this Project, that the OEB should withhold approval of the Project, or the proposed Project budget, until such time that the need is adequately established and it can be confirmed that the proposed alternative represents an appropriate solution to address the established need. However, rather than deny the Application outright, the OEB staff submission provided two related options for the OEB's consideration: 1) Approve the Project but not the Project budget, which would be subject to OEB review in the future; or 2) Hold the Application in abeyance until further notice, pending the filing and examination of further evidence justifying project need, reliability benefits and the appropriateness of the proposed alternative.

In its reply submission, Hydro One stated that it and the IESO have undertaken extensive technical evaluations since 2014 with findings indicating that the M30A and M31A circuits need to be upgraded, as they are overloaded under peak transfer conditions.[5] Hydro One also made specific reference to the IESO Letter and its finding that the M30A and M31A circuits are inadequate even today for the required bulk power transfers under summer peak conditions and that over the next 10 years, the overload will become even more severe as demand is forecast to increase.[6]

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[4] OEB staff Submission, p. 4
[5] Hydro One Reply Submission, p. 5
[6] Hydro One Reply Submission, pp. 4-5

Hydro One also stated that "OEB Staff's submission focuses on the [Technical Conference] testimony and appears to disregard the prefiled evidence and interrogatory responses." As evidence to its statement, Hydro One provided an excerpt of the IESO Letter which it contended provides a concise summary of the Project's need.[7]

With respect to OEB staff's proposed options, Hydro One submitted that "[OEB] Staff's submission with respect to the two options they have proposed is unreasonable and misaligned with the purpose of a S.92 leave to construct application and also goes against general principles of regulatory recovery."[8] Among other things, Hydro One also stated that OEB staff's options will "impose reliability risks on Ontario electricity customers, and both will delay construction of the Project, a Project that has been reviewed and planned for over six years, including being included in Hydro One's 2015 Regional Infrastructure Plan Report."[9]

The IESO reply submission argued that the evidence clearly demonstrates the Project is needed based on the following seven propositions:

1. the M30A and M31A circuits do not meet the scenario-based standards for transmission planning that are utilized by the IESO to meet its reliability obligations;

2. the limitations on the M30A and M31A circuits require the IESO to implement operational measures such as load shedding to accommodate existing system load and generation utilization during peak demand conditions;

3. the use of operational measures adversely impacts customers and cannot be relied upon by the IESO to meet the required transmission planning standards;

4. the existing situation will be exacerbated as demand in the Ottawa area is projected to grow in the next 5 to 15 years;

5. the implementation of the Project will eliminate the IESO's reliance on operational measures (such as load shedding) to manage flows on the M30A and M31A circuits and can accommodate future flows based on the current 20-year demand forecast;

[7] Hydro One Reply Submission, pp. 6
[8] Hydro One Reply Submission, p. 10
[9] Hydro One Reply Submission, p. 11

6. the Project is relatively low cost, technically feasible and has short implementation timelines compared to other non-wires alternatives that were screened out of the IESO's analysis; and

7. the implementation of the Project will provide secondary benefits that result from the facilitation of capacity imports from Quebec.[10]

The IESO stated that OEB staff's position appears to be based on a "fundamental misunderstanding of the evidence filed in this proceeding." Contrary to OEB staff's argument, the IESO stated that it did not identify "various drivers" for need; rather, the IESO stated that it has consistently attributed need to maintaining the reliability of the integrated power system.[11] The IESO stated that such need is clearly identified in the Needs and Alternatives section of the IESO Letter. The IESO submission also pointed to a number of interrogatory responses as evidence to its position.

The IESO reply submission also addressed OEB staff's contention that the IESO did not assign the need for the Project to any specific reliability criteria and did not characterize important dimensions of the stated need, including its frequency and magnitude. Specifically, the IESO referenced its response to OEB staff interrogatory #1 as well as the role of the Ontario Resource and Transmission Assessment Criteria (ORTAC) in its planning activities.[12] The IESO further stated that, contrary to the submissions of OEB staff related to the dimensions of the need, the frequency and magnitude of the exceedances are not relevant considerations in determining need under the applicable reliability criteria.[13]

ED commissioned and filed a study to support its evidence on transmission Alternatives 3 and 4. The objective of ED's evidence was to 1) determine which of transmission Alternative 3 or 4 was more cost effective; and 2) shed light on Hydro One's transmission loss valuation practices. The OEB's findings with respect to these matters are provided below and in section 3.6.

In its submission, ED requested that the OEB approve the Project "while also asking Hydro One to improve its assessment and documentation of project alternatives in future cases with respect to: (i) transmission loss valuation; and (ii) the monetary value of system-wide benefits."[14] ED added that "it is not asking the [OEB] to direct Hydro

[10] IESO Reply Submission, p. 1
[11] IESO Reply Submission, p. 3
[12] IESO Reply Submission, p. 8
[13] IESO Reply Submission, p. 10
[14] ED Submission, p. 2

One to adopt each of the above specific recommendations", but that ED is "seeking a more general direction that Hydro One assess and improve its analysis of alternatives with reference to the points raised in this proceeding".[15]

Findings

The OEB finds that Hydro One, with support from the IESO, has demonstrated the need for this Project and that it is prudent to proceed with the Project at this time. Technical evaluations conducted by both Hydro One and the IESO since 2014 indicate that the M30A and M31A circuits have been operating near capacity and are currently overloaded under summer peak conditions, and that this overload will continue to become more severe as demand is forecast to increase in the west Ottawa area over the next 5-15 years.

The IESO explained that the existing limitations on these circuits require the IESO to implement operational measures such as load shedding (i.e. the deliberate shutdown of loads to prevent a system failure) to accommodate existing system load and generation utilization during peak demand conditions. Implementation of the Project will eliminate the IESO's reliance on such operational measures to manage flows on the M30A and M31A circuits and can accommodate future flows based on the current 20-year demand forecast.

The OEB finds that Hydro One and the IESO, in their respective reply submissions, adequately addressed the concerns raised by OEB staff regarding the need for the Project. Hydro One and the IESO made it clear that the driver for the Project is reliability of the integrated power system due to the current thermal limitations of the existing M30A and M31A circuits. Further, the facilities applied for address this reliability need in accordance with reliability standards and criteria specified by the Northeast Power Coordinating Council, North American Electric Reliability Corporation and the IESO's ORTAC. Secondary benefits of the Project include:

- Meeting demand growth in the west Ottawa area
- Enabling the full existing intertie capability from Hydro Quebec to participate in future capacity auctions in the Ontario electricity market
- Unlocking transmission constrained generation capability in eastern Ontario to meet potential transmission constraints in the Greater Toronto Area

The OEB finds that Hydro One's recommended alternative (Alternative 3) represents the most cost-effective alternative to address the identified need. In the OEB's view,

[15] ED Submission, p. 14

there was an initial lack of common understanding surrounding the primary need for the project:

- ED's evidence advocated that the $4.5 million incremental cost for Alternative 4 (at a cost of $25.8 million) above Alternative 3 (at a cost of $21.3 million) was the superior alternative if:
    - The decrease in system line losses of Alternative 4 versus Alternative 3 incorporated ED's proposed methodology for valuing the price of electricity, and
    - An additional 122 MW of Hydro Quebec intertie capacity was taken into consideration.

  ED, having initially challenged Alternative 3, supported it in its reply submission once the record was clarified that the difference in cost between Alternatives 4 and 3 would be greater than $4.5 million. Hydro One provided additional evidence at the Technical Conference that in order to realize the Alternative 4 additional reduction in line losses and 122 MW of capacity, the Hawthorne TS would need to be expanded at a cost potentially greater than $50 million.

- OEB staff challenged Hydro One's and the IESO's assessment of alternatives considered on the basis of a non-wires alternative being excluded.

The OEB is satisfied that Alternative 3 is the best wires alternative based on the system reliability need described above. This need was clearly established through Hydro One's interrogatory responses, transcript statements by the IESO's and Hydro One's representatives at the Technical Conference and their respective reply submissions.

The OEB is satisfied with the IESO's Technical Conference and reply argument submissions as to why a non-wires alternative was not presented as an alternative. Given the need for the applied for facilities at a cost of $21.3 million, a non-wires solution such as additional generation was screened out as infeasible and not warranting further consideration.[16]

3.2 Price: Customer Impacts

The estimated capital cost of the Project is $19.7 million, including overheads and capitalized interest, but not including removal costs of $1.6 million. The total Project cost, including removal costs, is $21.3 million.[17] Hydro One stated that it does not

[16] IESO, Reply Submission, p. 14 - 16.
[17] Exhibit B/ Tab 1 / Schedule a / p. 4

anticipate that the Project will cause incremental operating and maintenance costs as it is replacing existing conductors.[18]

The Project cost estimate includes a contingency estimate of $1.797 million that Hydro One states was developed based on its past experience. Hydro One stated that the key project risks considered in the contingency amount include risks related to outage constraints, construction risks, permits and approvals, and material delivery timelines.[19]

Hydro One provided cost information for three comparator transmission line projects in its Application. Each involved reconductoring a double circuit configuration, one at 230 kV and two at 115 kV. Through the Application and responses to OEB staff interrogatory #15, Hydro One described the general applicability of each comparator to the Project. Although applicable, Hydro One identified that the Project "has significant differences from the majority of Hydro One's line reconductoring projects that have been undertaken in the past…". These differences include, but are not limited to, the fact that the Project is being undertaken on two separate and adjacent sets of towers, compared to the majority of Hydro One's reconductoring projects that reconductor two circuits that are carried on a single set of towers, and the presence of a high-voltage 500 kV circuit on the same towers as the 230 kV circuits being reconductored that requires additional safety measures to be implemented during the construction process.[20]

Hydro One stated these differences result in an increased level of complexity and add costs that were not applicable to comparator projects. Hydro One further stated the "uniqueness in the scope of the [Project] makes it difficult to complete a comparable project cost analysis."[21]

Hydro One estimates that the Project will increase the line connection pool revenue requirement by 0.26%, from $3.92 kW/month to $3.93 kW/month.[22] Hydro One estimated the Project will increase the typical monthly residential customer bill by $0.02 or 0.01%, assuming a consumption of 1,000 kWh per month.[23]

Hydro One stated that no customer contributions will be required because the Project is not driven by a load increase or customer load applications.[24]

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[18] Exhibit B / Tab 9 / Schedule 1 / p.1
[19] Exhibit B / Tab 7 / Schedule 1 / p. 2
[20] Exhibit B / Tab 7 / Schedule 1 / p. 4
[21] Exhibit B / Tab 7 / Schedule 1 / p. 4
[22] Exhibit B / Tab 9 / Schedule 1 / p. 2
[23] Exhibit B / Tab 9 / Schedule 1 / p. 3
[24] Exhibit B / Tab 9 / Schedule 1 / p. 2

OEB staff submitted that the Project's budget demonstrates that the cost estimate for the Project is reasonable. OEB staff also submitted that Hydro One's evidence demonstrates that the Project will have very small, acceptable impacts on customers.[25]

Findings

The OEB finds that the Project cost estimate, resulting in an estimated increase in a typical monthly residential customer bill of $0.02 or 0.01%, is reasonable.

3.3 Reliability and Quality of Service

Hydro One filed the Final System Impact Assessment (SIA) prepared by the IESO and the Final Customer Impact Assessment (CIA) prepared by Hydro One.

The SIA concluded that the Project will not have a materially adverse impact on the reliability of the integrated power system. The SIA highly recommended that Hydro One obtain the IESO's approval for its outage plan as soon as possible given circuits M30A and M31A are currently being operated to their thermal capability during summer peak load conditions. Although Hydro One did not specifically indicate that it would obtain the recommended approval, Hydro One has agreed to OEB staff's proposed Condition of Approval #1 that states "Hydro One shall fulfill any requirements of the SIA and the CIA, and shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the project."[26]

The CIA concluded that the Project will not have any adverse effects on transmission connected customers. With respect to customer reliability, the CIA concluded that the Project "will improve supply reliability to customers in the Merivale area and those supplied from by Ellwood MTS and Albion TS. The project will eliminate line overloading following contingences under summer peak load conditions and with heavy power transfers from Eastern Ontario to the GTA."[27]

OEB staff submitted that it did not have any concerns about the reliability and quality of service associated with the project, considering the conclusions of the IESO's System SIA and Hydro One's CIA.

[25] OEB staff Submission, p. 5
[26] Exhibit I / Tab 1 / Schedule 13, pp. 1-2
[27] Hydro One: Customer Impact Assessment M30A/M31A Conductor Upgrade, February 26, 2021.

Findings

The OEB concurs with the findings of the SIA by the IESO and the CIA by Hydro One that the Project is expected to have no material adverse impact on the reliability of the integrated power system and will increase supply reliability for connected customers.

3.4 Land Matters

Hydro One stated that the Project will be completed within the existing ROW between the Hawthorne and Merivale transmission stations and that it will "rely predominantly on existing land and statutory easement rights it enjoys on Infrastructure Ontario Bill 58 lands and on existing land rights on federally, municipally and privately-owned property, to construct, operate and maintain the proposed reconductored circuit transmission facilities."[28]

The Application seeks new land rights and/or permitting pertaining to water/rail crossings. Hydro One further stated that temporary land rights may be required at specific locations along the existing ROW, however, any such rights have not yet been identified. Hydro One specified that any temporary land rights will be determined in advance of the Project's construction start date.[29]

OEB staff submitted that it had no issues or concerns with Hydro One's proposed forms of agreements, including the Transfer and Grant of Easement agreement, which has not been previously approved by the OEB.[30]

Findings

The OEB approves the proposed forms of land use agreements, including the Transfer and Grant of Easement agreement.

3.5 Conditions of Approval

Under subsection 23(1) of the OEB Act, the OEB may, in making an order, impose such conditions as it considers proper.

OEB staff submitted that, if leave to construct the Project is granted, it should be subject to the five conditions of approval proposed by OEB staff in its interrogatory #13.[31] Hydro

[28] Exhibit E / Tab 1 / Schedule 1, p. 2
[29] Exhibit E / Tab 1 / Schedule 1, p. 1
[30] OEB staff Submission, p. 6
[31] OEB staff Submission, p. 6

One stated that it had no concerns with OEB staff's proposed conditions being included in the OEB's final Decision and Order.[32]

Nav Canada provided a letter to Hydro One on March 21, 2021, stating that it had no objections to the Project provided Hydro One notifies Nav Canada at least 10 business days prior to the start of construction on certain transmission towers (referred to as pylons in the Nav Canada letter).[33] In its reply submission, Hydro One stated that although it does not oppose Nav Canada's request and will provide the requested notification, it does not believe it should be added as a specific condition of approval on the basis that its request is adequately covered in Condition of Approval #1, as proposed by OEB Staff.[34]

Findings

The OEB grants the leave to construct the Project subject to the conditions shown in Schedule B. Regarding the condition suggested by Nav Canada, the OEB agrees with Hydro One that this is adequately covered in Condition of Approval #1 and that there is no need to explicitly state that specific condition. In addition, Hydro One indicated in its reply submission that it will commit to Nav Canada's requirements.

3.6 Other Matters

Through its submission, ED requested that the OEB direct Hydro One to improve its assessment and documentation of project alternatives in future cases with respect to transmission loss valuation and the monetary value of system-wide benefits.

In its reply submission, Hydro One identified the additional steps it will take in the future related to line losses, including providing the line loss process details in its next transmission rate filing application expected to be filed with the Board later in 2021, and assisting the IESO to determine the monetary value of the relative system benefits (e.g., capacity) of project alternatives if the IESO advises that there are system benefits.

Findings

ED suggested that the OEB ask Hydro One to improve its assessment of project alternatives with respect to transmission line loss evaluation and corresponding system wide benefits in future cases. The OEB does not find this to be necessary in the context

[32] Exhibit I / Tab 1 / Schedule 13, pp. 1-2
[33] Nav Canada Letter to Hydro One, March 22, 2021
[34] Hydro One Reply Submission, p. 9

of this Application. As Hydro One indicated in its reply submission, line loss process details and guidelines will be provided in its next transmission rate filing application which is expected later in 2021.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One Networks Inc. is granted leave, pursuant to section 92 of the OEB Act, to construct the Hawthorne to Merivale Project as described in the Application.
2. Leave to construct is subject to Hydro One Networks Inc. complying with the Conditions of Approval set forth in Schedule B.
3. The OEB approves the proposed forms of agreements that Hydro One Networks Inc. has offered or will offer to each owner of land affected by the Hawthorne to Merivale Project.
4. Eligible intervenors shall file with the OEB and forward to Hydro One their respective cost claims in accordance with the OEB's Practice Direction on Cost Awards on or before **April 29, 2021**.
5. Hydro One shall file with the OEB and forward to intervenors any objections to the claimed costs of the intervenors on or before **May 10, 2021**.
6. If Hydro One objects to any intervenor costs, those intervenors shall file with the OEB and forward to Hydro One their responses, if any, to the objections to cost claims on or before **May 17, 2021**.
7. Hydro One Networks Inc. shall pay the OEB's costs of, and incidental to, this proceeding upon receipt of the OEB's invoice.

DATED at Toronto April 22, 2021

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

SCHEDULE A

DECISION AND ORDER

HYDRO ONE NETWORKS INC.

EB-2020-0265

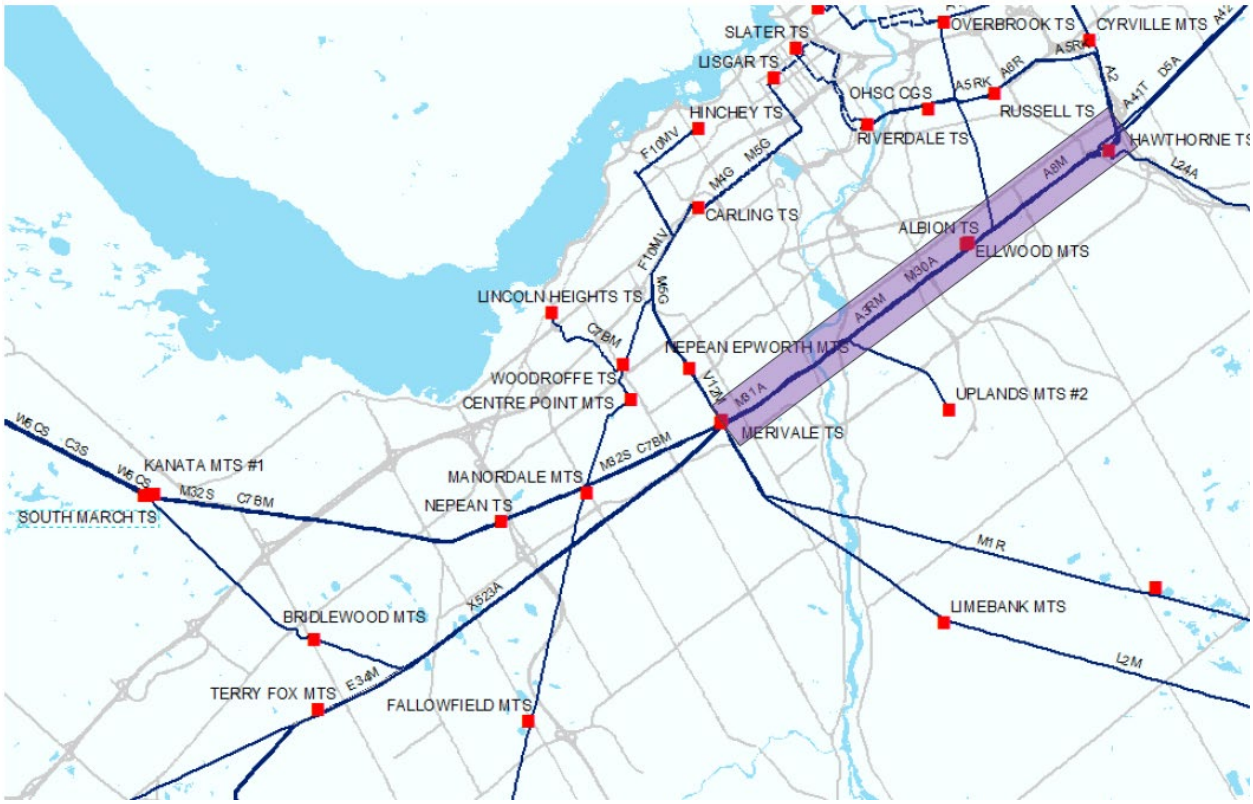
APRIL 22, 2021

SCHEDULE A – HAWTHORNE TO MERIVALE PROJECT MAP

APPLICATION UNDER SECTION 92 OF THE OEB ACT

HYDRO ONE NETWORKS INC.

EB-2020-0265



SCHEDULE B

DECISION AND ORDER

HYDRO ONE NETWORKS INC.

EB-2020-0265

APRIL 22, 2021

CONDITIONS OF APPROVAL

APPLICATION UNDER SECTION 92 OF THE OEB ACT

HYDRO ONE NETWORKS INC.

EB-2020-0265

1. Hydro One shall fulfill any requirements of the SIA and the CIA, and shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.

2. Unless otherwise ordered by the OEB, authorization for leave to construct shall terminate 12 months from the date of the Decision and Order, unless construction has commenced prior to that date.

3. Hydro One shall advise the OEB of any proposed material change in the Project, including but not limited to changes in: the proposed route, construction schedule, necessary environmental assessment approvals, and all other approvals, permits, licences, certificates and rights required to construct the Project.

4. Hydro One shall submit to the OEB written confirmation of the completion of the Project construction. This written confirmation shall be provided within one month of the completion of construction.

5. Hydro One shall designate one of its employees as project manager who will be the point of contact for these conditions, and shall provide the employee's name and contact information to the OEB and to all affected landowners, and shall clearly post the Project manager's contact information in a prominent place at the construction site.