



PUBLIC INTEREST ADVOCACY CENTRE
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June 9, 2023

VIA E-MAIL

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

Re: EB-2023-0108

**Hydro One Networks Application for Approval of Exemptions
related to the funding of a transmission line connecting the OPG Small
Modular Reactor near Darlington Switching Station**

We have recently become aware of the above noted exemption application regarding Hydro One Networks (Hydro One) and Ontario Power Generation (OPG). Hydro One seeks an exemption from provisions in its Transmission Licence to the effect of allowing it to construct a 22Km transmission line to connect a proposed OPG Small Modular Reactor (SMR).

As we understand the exemption it would allow the recovery of the cost of the proposed transmission line within the Uniform Transmission Rate (UTR). In the alternative some or all of the costs of the proposed line would be recovered from OPG, presumably as part of a Board approved commodity price.

Hydro One notes the following regarding the proposal:

- (i) both Hydro One and OPG are OEB rate regulated entities, and the approved cost of the Project will be borne by ratepayers whether the Project costs form part of Hydro One's rate base and funded by the Network pool or the Project costs form part of OPG's rate base and funded through its OEB approved payment amounts;*
- (ii) there is a financial benefit to ratepayers over time to recovering the costs associated with these transmission facilities through the Network pool;*
- (iii) the asset classification will not impact reliability and quality of transmission service; and*
- (iv) the Project will be built within a provincially owned corridor over which Hydro One holds a statutory easement and on a right of way easement held by Hydro One.*

We make the following observations with respect to this proposal. The cost savings or benefits of the proposal are untested. It is not clear to us that it is factually correct as to whether the proposed exemptions, if granted, would necessarily result in lower costs to ratepayer. We also note that there is a cost allocation difference as between transmission construction costs recovered through the UTR as compared to all or some parts of those costs being recovered as part of the OPG approved electricity

price. The result could be differences as between customers and customer classes with respect to the recovery of these costs.

The Board has stated in its letter of March 20, 2023 (which also recently came to our attention) that the application will be decided by delegation pursuant to section 6 of the Ontario Energy Board Act, 1998 (Delegated Authority) and that the Delegated Authority intends to make a decision on the application without holding a hearing.

Section 21 of the OEB Act states:

No hearing

(4) Despite section 4.1 of the Statutory Powers Procedure Act, the Board may, in addition to its power under that section, dispose of a proceeding without a hearing if,

(a) no person requests a hearing within a reasonable time set by the Board after the Board gives notice of the right to request a hearing; or

(b) the Board determines that no person, other than the applicant, appellant or licence holder will be adversely affected in a material way by the outcome of the proceeding and the applicant, appellant or licence holder has consented to disposing of a proceeding without a hearing.

We note that ratepayers or ratepayer classes may be adversely (and differently) affected by the proposal. The parties to this letter are therefore requesting that the Board hold a hearing with respect to this application and as part of that proceeding make allowance for further discovery.

Yours truly,

John Lawford, Counsel, Vulnerable Energy Consumer Coalition (VECC)

Michael, McLeod, Quinte Manufactures Association (QMA)

Jay Shepherd, Counsel, School Energy Coalition (SEC)

David Poch, Counsel, Green Energy Coalition (GEC)

Kent Elson, Environmental Defence Canada Inc. (ED)

Julie Girvan, Consumers Council of Canada (CCC)

Email copy

Carla Molina, Sr. Regulatory Coordinator, Hydro One Networks Inc

regulatory@HydroOne.com

Monica Caceres, Assistant General Counsel, Hydro One Networks Inc.

monica.caceres@hydroone.com