



Toronto, December 1, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Proposed Amendments to the Transmission System Code
Submission of Canadian Wind Energy Association
Board File No.: EB-2008-0003**

These are the submissions of the Canadian Wind Energy Association (“CanWEA”) in respect of the Ontario Energy Board’s Notice of Proposal to Amend A Code – Proposed Amendment to the Transmission System Code(the “Code”), Board File NO: EB-2008-0003 (the “Proposed TSC Amendments”).

CanWEA is a national, not-for-profit association that works on behalf of its members to promote the responsible and sustainable growth of wind energy in Canada. CanWEA has more than 340 members, including wind turbine manufacturers and component suppliers,



wind energy project developers, owners and operators, and a broad range of service providers. CanWEA's activities in Ontario are guided by its Ontario Caucus, which consists of over 120 members.

1. Definition of “Enabler Facility” and “Renewable Resource Cluster”

i) Enabler Facility

The proposed definition of “enabler facility” in the Proposed TSC Amendments is:

*“2.0.28A “enabler facility” means a line connection facility or a transformation connection facility to which **two or more generation facilities** that are included in a renewable resource cluster are connected or intend to connect to convey energy into a transmitter’s transmission system, where either (a) the connection facility is identified as an “enabler facility” and the associated renewable resource cluster is identified as such in an integrated power system plan that has been approved under Part II.2 of the Electricity Act; or (b) the associated renewable resource cluster is the subject of a direction issued by the Minister to the Ontario Power Authority under section 25.32 of the Electricity Act on or after [·] [insert date of coming into force of this amendment] and the Board, **on the advice of the Ontario Power Authority**, has determined that a connection facility is required.” [emphasis added]*

“on the advice of the Ontario Power Authority”

CanWEA submits that the Board’s determination of whether a connection facility is required should not require the advice of the Ontario Power Authority. In every leave to construct proceeding under section 92 of the *Ontario Energy Board Act, 1998*, the Board evaluates the need for transmission facilities. This has become common practice for the Board. Therefore, there is no reason why the Board could not independently make such an evaluation in the case of an enabler facility, either as part of a leave to construct proceeding or the transmitter selection process. If the Board were to want input from the OPA on the need for enabler facilities, it could request (or require) the OPA to provide such input. However, it is unnecessary to include the OPA’s involvement in the definition of “enabler facility”.

“two or more generation facilities”



The definition of an enabler facility in the Proposed TSC Amendments is limited to "a ...facility to which two or more generation facilities that are included in a renewable resource cluster are connected or intend to connect ...". Under the proposed hybrid option, single proponents outside of a cluster would still be required to take lead responsibility for the transmission connection. This would create an unfair advantage to generators that qualify for an enabler line by forcing the single generators who do not qualify for an enabler line continue to bear the upfront risk and cost of developing their own connection facilities. The hybrid option may ultimately push the OPA towards zonal procurements with limited participation and deprive the process of province-wide competition.

In addition, CanWEA assumes that the reference to "generation facilities" is intended to be to "renewable generation facilities" but suggests that this be clear in the definition.

Finally, to ensure that the specific routing of the enabler facility does not result in any unfair advantage/disadvantage to any of the proponents, CanWEA submits that all transmission facilities up to the generator's collection substation(s) should be included within the definition of "enabler facilities".

Therefore, CanWEA proposes that the definition of enabler facility be revised as follows:

"2.0.28A "enabler facility" means a line connection facility or a transformation connection facility (up to a generator's collection substation) to which ~~two~~ one or more generation facilities that are included in a renewable resource cluster are connected or intend to connect to convey energy into a transmitter's transmission system, where either (a) the connection facility is identified as an "enabler facility" and the associated renewable resource cluster is identified as such in an integrated power system plan that has been approved under Part II.2 of the Electricity Act; or (b) the associated renewable resource cluster is the subject of a direction issued by the Minister to the Ontario Power Authority under section 25.32 of the Electricity Act on or after [.] [insert date of coming into force of this amendment] and the Board, ~~on the advice of the Ontario Power Authority,~~ has determined that a connection facility is required."

ii) Renewable Resource Cluster

The proposed definition of "renewable resource cluster" in the Notice of Proposal is:

"2.0.57A "renewable resource cluster" means a defined geographic area identified as such in an integrated power system plan approved under Part II.2 of the Electricity Act or in a direction issued by the Minister to the Ontario Power Authority under



*section 25.32 of the Electricity Act **where resources suitable for renewable generation are present and where the renewable generation facilities are not, or are not expected to be, owned or controlled by the same person.***

[emphasis added]

CanWEA submits that the bold text in the definition of “renewable resource cluster” above be deleted. The clusters will be identified in an approved IPSP or in a Ministerial direction and the additional criteria/parameters suggested by the text beginning with “where resources suitable for...” is unnecessary.

2. Methodology for Determining Capital Contributions

i) Development of Methodology:

The Notice of Proposal at Page 7, item C provides:

*“A disadvantage of the hybrid option is that it requires an even greater number of regulatory steps than does the pooling option because it is necessary under the hybrid option to determine what each proponent’s capital contribution will be. **However the Board believe that this disadvantage may be more apparent than real once a suitable methodology for determining capital contributions is embedded in the Code.**”*
[emphasis added]

CanWEA requests clarification on why the methodology already contained in the TSC is not suitable for determining capital contributions for enabler facilities. If a different methodology for determining capital contributions for enabler facilities is required, what will be the process for developing that methodology?

ii) Size of the Facilities:

The total capacity of an enabler facility will be affected by the total capacity requirements of the associated renewable resource cluster. Therefore, the total capacity of a renewable resource cluster will directly impact the capital contributions of generators within a renewable



resource cluster, as well as the unsubscribed portion of an enabler facility that will be borne by transmission customers. Stakeholders may wish to present evidence to the Board on the capacity requirements of the associated renewable resource cluster. To address this important step in determining capital contributions under the hybrid option, CanWEA proposes the following addition to the proposed section 6.3.14A:

“The capacity requirements of the associated renewable resource cluster will be determined by the Board as part of a leave to construct proceeding under section 92 of the Ontario Energy Board Act, 1998, or as part of a transmitter selection process.”

iii) Timing of Payment of Capital Contribution:

It is CanWEA’s understanding that under the hybrid option, each generator would make a pro-rata capital contribution towards the cost of an enabler facility as and when it became ready to connect. CanWEA submits that this important element of the hybrid option be specifically described in the TSC. The proposed cumulative amendments under this section, as well as section (i) above are:

6.3.14A “Where a transmitter is required to construct an enabler facility, the transmitter shall attribute the cost of construction of the enabler facility to renewable generator customers whose generation facilities are ~~from time to time~~ sited in the associated renewable resource cluster. Such renewable generator customers shall pay the capital contribution at the time of connection to the enabler facility in proportion to the nameplate capacity of their respective generation facilities at the time of connection expressed as a percentage of the total capacity of the enabler facility that is required to meet the capacity requirements of the associated renewable resource cluster. For this purpose, the total capacity of the enabler facility shall be determined on the basis of its capacity at the time at which the enabler facility comes into service. The capacity requirements of the associated renewable resource cluster will be determined by the Board as part of a leave to construct proceeding under section 92 of the Ontario Energy Board Act, 1998, or as part of a transmitter selection process.”

iv) Proposed Section 6.5.1A

The proposed section 6.5.1A provides:



“Where a transmitter constructs an enabler facility, the transmitter shall require the generator customers whose generation facilities are part of the associated renewable resource cluster to pay, in the aggregate, the fully allocated cost of the minimum design required to meet the needs of the renewable resource cluster...”

CanWEA submits that the wording contained in the first sentence could be interpreted to support the pooled option (particularly because of the phrase “pay, in the aggregate”). If the purpose of section 6.5.1A is to clarify that generator cost responsibility for an enabler line is determined based on the fully allocated cost of the minimum design required to meet the capacity requirements of the associated renewable resource cluster (as suggested on page 15 of the Notice of Proposal), then CanWEA proposes that the first sentence of section 6.5.1A be re-written as follows:

“For the purpose of determining the cost attributable to generation customers under section 6.3.14A, the aggregate cost of the enabler facility will be based on fully allocated cost of the minimum design required to meet the needs of the renewable resource cluster...”

v) Treatment of Load Connections

CanWEA requests that the Board provide clarification on how it proposes to treat future load facilities that connect to an enabler facility. Will load facilities that were not forecasted at the time of sizing the enabler facility be permitted to connect? If so, how will the load customer’s capital contribution be determined? Will there be a mechanism for refunding connected generators?

3. Timing of Construction of Enabler Facilities and Designation of Transmitter



As indicated in its August 11, 2008 submissions on the Board's Staff Discussion Paper on the same Board File, CanWEA's main concern with the transmitter designation process is that it not unduly delay the construction of new transmission facilities and that it truly "enables" the connection of renewable generation. To that end, CanWEA submits that:

- i) the OEB should immediately proceed to develop a process for selecting a transmitter to develop an enabler facility, including the filing requirements, the selection criteria, etc.;
- ii) upon the proposed amendments to the TSC coming into force, the OEB proceed immediately to convene a hearing to amend the licence of each licensed transmitter to include a condition requiring the implementation, in the manner directed by the Board, transmission requirements that are either identified in an approved IPSP or associated with a direction given by the Minister to the OPA under section 25.32 of the Electricity Act, 1998; and
- iii) upon the coming into force of the IPSP or upon the issuance of a Ministerial Directive, the OEB proceed immediately to conduct a proceeding on its own motion to designate a transmitter as the entity that will develop and construct the enabler facility in question.



As indicated in its August 11, 2008 submission, CanWEA has no preference as to who builds enabler facilities amongst the various options (i.e. only currently licensed transmitters and/or only licensed transmitters in their current service territory, any entity that becomes a licensed transmitter, or otherwise) as long as the designation of who builds is governed by a clear, fair, and efficient process that is not subject to challenge by players who are simply dissatisfied with the outcome of such designation process.

All of which is respectfully submitted on December 1, 2008.

CANADIAN WIND ENERGY ASSOCIATION



Robert Hornung

