## **ONTARIO ENERGY BOARD**

In the matter of the Ontario Energy Board Act, 1998, R.S.O. 1998, c. 15, (Schedule B), (the "Act")

And in the matter of an application by Hydro One Networks Inc. pursuant to section 92 of the Act, for an Order or Orders granting leave to construct a transmission reinforcement Project between the Bruce Power Facility and Milton Switching Station, all in the Province of Ontario (the "Leave to Construct Application")

## CANADIAN WIND ENERGY ASSOCIATION SUBMISSIONS July 4<sup>th</sup>, 2008

- The Canadian Wind Energy Association ("CanWEA") appreciates the opportunity to make these submissions in regard to Hydro One Networks Inc.'s ("Hydro One") application for leave to construct a 500 kV electricity transmission line from the Bruce Power Complex in Kincardine to the switching station in Milton (the "Transmission Line").
- 2. CanWEA submits that, in addition to facilitating the delivery of power from the Bruce Nuclear Complex, the Transmission Line will enable the development of wind power generation in the Bruce area in accordance with the Minister of Energy's June 13, 2006 directive (the "Supply Mix Directive").<sup>1</sup>
- 3. In the Supply Mix Directive, the Minister of Energy directs the Ontario Power Authority (the "OPA") to create an Integrated Power System Plan ("IPSP") that meets the goal of, among other things, increasing Ontario's use of renewable energy, such as wind, for electricity generation. Further, the OPA is directed to "strengthen the transmission system" to enable the supply mix goals to be achieved and, specifically, to facilitate the development and use of renewable energy resources such as wind power in "parts of the province where the most significant development opportunities exist."
- 4. The Bruce area has some of the best wind resources in Ontario. Therefore, wind power development in the Bruce area will clearly contribute to achieving the Supply Mix Directive goal of facilitating the development of wind power in "parts of the province where the most significant development opportunities exist." As indicated by the OPA in its analysis of the need for the Transmission Line:

The availability of the committed resources in the Bruce area and the means to deliver those resources to the Ontario power grid is an underlying assumption in the development of the IPSP.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Exhibit B, Tab 6, Schedule 5, Hydro-One's Pre-filed Evidence

<sup>&</sup>lt;sup>2</sup> Exhibit B, Tab 6, Schedule 5, Page 4 of 6, Lines 10-12, Hydro-One's Pre-filed Evidence

- 5. The OPA has already contracted for approximately 700 MW of wind generation in the Bruce area (i.e. "committed generation").<sup>3</sup>
- 6. Further, there is 1000 MW of planned wind generation in the Bruce area, comprised of 300 MW from the standard offer program ("SOP") and 700 MW from large wind projects. Board staff questioned the likelihood of these projects being developed in its July 2, 2008 submission.
- 7. In regard to the projected 300 MW from the SOP, development interest significantly exceeds distribution capacity. There are over 700 MW of SOP development in the Bruce area seeking connection studies, although distribution capacity limitations will only accommodate 300 MW.<sup>4</sup> Given the overwhelming interest in SOP development in the Bruce area and the limited capacity, it would be unreasonable to doubt the likelihood of all 300 MW being developed.
- 8. In regard to the projected 700 MW from large wind projects in the Bruce area, the OPA commissioned a study that identified approximately 1400 MW of potential in the Bruce area. For planning purposes, the OPA conservatively projected half of that potential (i.e. 700 MW) to account for the likelihood that not all of the potential will be developed.<sup>5</sup> Therefore, the likelihood of non-development has already been factored into the OPA's projection.
- 9. For these reasons, wind power development in the Bruce area supports the need for the proposed transmission line. There is no basis for concern that development will not occur.
- 10. Furthermore, the August 27, 2007 directive to the OPA to procure 2,000 MW of renewable power (the "Renewable Procurement Directive")<sup>6</sup> requires the OPA to procure up to 2,000 MW of renewable resources that the OPA has identified as having potential to come into service by 2015. 700 MW of that renewable

<sup>&</sup>lt;sup>3</sup> Hydro One's Argument in Chief, June 23, 2008, pages 4-6

<sup>&</sup>lt;sup>4</sup> Technical Conference Transcript, October 15, 2007, Page 16, Lines 22-28

<sup>&</sup>lt;sup>5</sup> Technical Conference Transcript, October 15, 2007, Page 17, Lines 5-11

<sup>&</sup>lt;sup>6</sup> Exhibit C, Tab 11, Schedule 1, Attachment 1, Interrogatory Responses

capacity has been identified by the OPA as being located in the Bruce area and as supporting the need for the transmission line.<sup>7</sup>

- 11. As a first step in responding to the Renewable Procurement Directive, the OPA issued a draft request for proposals dated June 5, 2008 for approximately 500 MW of renewable energy (the "RES III RFP"). The OPA will not be procuring projects under the RES III RFP in the Bruce area (i.e. the Orange Zone) until the inservice date of the Bruce-Milton transmission line becomes more certain.<sup>8</sup>
- 12. Therefore, concerns raised by Board staff about the likelihood of development based on the fact that no contracts have been executed etc. for wind projects in the Bruce area should be discounted. The observations made by Board staff are indicative of transmission capacity limitations and have nothing to do with interest in wind power development in the Bruce area.
- 13. If the proposed transmission line is approved by the Board, CanWEA expects that the Orange Zone designation for the Bruce area will be lifted by the OPA and procurement opportunities will made available to wind developers in the Bruce area. There is no reason to believe that wind developers in the Bruce area will not participate as actively in future procurement processes as they have in past procurement processes.
- 14. For all of the reasons contained herein, CanWEA submits that Hydro One has established the need for the Transmission Line.

All of Which is Respectfully Submitted this 4<sup>th</sup> day of July, 2008.

## THE CANADIAN WIND ENERGY ASSOCIATION

ROBERT HORNO

<sup>8</sup> Exhibit B, Tab 6, Schedule 5, Page 3 of 6, Lines 12-16 (Updated March 10, 2008)

<sup>&</sup>lt;sup>7</sup> Transcript, Vol.1, May 1, 2008, Pages 84-85