



November 28, 2007

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

**Re: EB-2007-0707 Integrated Power System Plan and Procurement Processes**

Dear Ms. Walli:

Chatham-Kent Hydro Inc. (CKH) welcomes the opportunity to comment on the Integrated Power System Plan (IPSP) and procurement processes.

Please find attached the submission from Chatham-Kent Hydro Inc. for the Ontario Power Authority Integrated Power System Plan.

Yours truly,

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**Submission regarding the Ontario Power Authority Integrated  
Power System Plan**

**EB- 2007-0707**

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## **Executive summary**

Chatham-Kent Hydro supports the initiative by the Government of Ontario and the Ontario Power Authority (OPA) to develop and maintain an Integrated Power System Plan (IPSP) for Ontario. We believe the plan the OPA has submitted is somewhat comprehensive and we are encouraged by the inclusion of conservation targets and procuring the supply of energy from renewable sources. Chatham-Kent Hydro does have some comments about the specifics of the IPSP.

Chatham-Kent Hydro comments regarding the IPSP will focus on:

- whether the plan meets the objectives of the Minister of Energy's direction (section 25.30 of the Electricity Act)
- the Windsor Essex transmission reinforcement plan (Exhibit E Tab 5 Schedule 4),
- and the developing and enabling of renewable energy (Exhibit E Tab 2 Schedule 2).

## **Ministerial Direction**

Section 25.30 of the Electricity Act requires an integrated power system plan that will assist through effective management of electricity supply, transmission, capacity and demand, the achievement by the Government of Ontario of;

“Its goals relating to the adequacy and reliability of electricity supply, including electricity supply from alternative energy sources and renewable energy sources, and its goals relating to demand management”.

Chatham-Kent Hydro believes the IPSP plan does not address the reliability of supply and the ability to connect energy generated from renewable sources to the extent it needs to be addressed in South-Western Ontario.

The OPA's proposed draft issues list “number six” raises the questions whether the IPSP plan, strengthens the transmission system to,

- Facilitate the development and use of renewable energy resources in parts of the province where the most significant development opportunities exists?
- Promote system efficiency and congestion reduction and facilitate the integration of new supply, all in a manner consistent with the need to cost effectively maintain system reliability?

Chatham-Kent Hydro agrees that these are important issues and should remain in the final issues list, but do not believe the IPSP has adequately addressed them in South-Western Ontario.

#### **Windsor Essex Transmission Reinforcement Plan (Exhibit E Tab 5 Schedule 4)**

Chatham-Kent Hydro's concerns regarding the OPA's plans for Windsor Essex area are relative to the fact that the Hydro One owned supply stations (Tilbury West DS and Tilbury TS) that are included in the East Essex planning area, supply our customers in the former Town of Tilbury. Chatham-Kent Hydro has lobbied Hydro One for many years to reconstruct or merge the antiquated Tilbury TS with the newer Tilbury West DS. The reliability issues caused by excessive interruptions on the 115 KV supply feeders to the area have also been of great concern to us.

The Windsor Essex Study has two components to it, one being West Essex and the other East Essex. Chatham Kent Hydro will focus on the East Essex proposals. The OPA indicates they have not sufficiently consulted with stakeholders in order to refine the proposed transmission facilities (page 2 of Exhibit E, Tab 5, Schedule 4). It also indicates that Hydro One will proceed with the Environmental Assessment (EA) process and necessary consultation in order to identify a station site and file a section 92 leave to construct application to the Ontario Energy Board (OEB). Based on this comment by the OPA we are assuming that the 2 alternatives proposed by the OPA for East Essex are the only ones that Hydro One will be proceeding to review, obtain input and eventually file the section 92 leave of construct for (page 22 and 23 of Exhibit E, Tab 5, Schedule 4).

Chatham-Kent Hydro does not believe either of these proposals addresses the issues affecting the community of Tilbury. Tilbury has a strong industrial base along the 401 Highway and requires reliable electricity supply. We don't believe the reliability of the 115 KV system has been considered as both of the proposals only appear to address system adequacy in respect to voltage sustainment.

We believe a third proposal should be considered that includes a more robust and reliable supply to the Chatham-Kent Hydro customers in Tilbury which is the following.

#### **Developing and Enabling of Renewable Energy (Exhibit E Tab 2 Schedule 2)**

One of the goals established in the Ministerial Direction was to include the supply of energy from renewable energy sources. The OPA has identified that by 2025 the total capacity of energy from renewable sources will be 15,700 MW (Exhibit E, Tab 2, Schedule 2, page 6, section 2.1). Wind sources will be the majority of this as the OPA has identified 12,054 MW of potential wind capacity (page 7 of schedule 2, Tab 2, Exhibit E). The OPA has identified that 2,787 MW of this wind total will come from small wind sites (less than 10 MW). The OPA has deemed 1,148 MW are feasible for connection and will be included in the plan (Exhibit E, Tab 2, Schedule 2, page 10). Chatham-Kent Hydro is not challenging these estimates but would like to point out that small wind sites are a significant portion of the potential wind capacity in Ontario.

Chatham-Kent Hydro would also like to point out that if only 1,148 MW of the potential 2,787 MW small wind sites are deemed feasible, then there must be constraints preventing the inclusion of all the capacity of the small wind generators.

The experience that potential wind developers in the Chatham-Kent area is that the constraint that prevents connection is within the transmission system. When the OPA has been questioned on this issue by Chatham-Kent and the Wind Developers they claim the constraint is within the distribution system though they agree that the backlog rest in the Hydro One queue on each individual transformer station. We believe the OPA is confusing transmission facilities with distribution facilities and even though the independent Electricity System Operator (IESO), OEB and distributors define Hydro One transformer stations as transmission assets the OPA does not seem to.

Chatham-Kent Hydro believes that the constraints that exist on the Hydro One transformer stations should be addressed in the IPSP plan as these stations are transmission assets and it would be consistent with the Ministerial Direction to include them.

The OPA has used California as an example of the reality of the type of renewable energy projects that exist (Exhibit E, Tab 2, Schedule 2, page 14). They tend to be small projects located in remote areas. If Ontario realizes a similar experience and indications are that we will, then the OPA needs to focus on a more effective means to connect small wind projects to the grid and we do not believe the IPSP plan addresses this important issue.

South-Western Ontario, and in particular Chatham-Kent is a “hotbed” of activity for small wind projects and unless the constraints are resolved on the transmission system these projects will not be able to contribute to the future supply needs of Ontario.

### **Summary**

Chatham-Kent Hydro is in support of the overall IPSP that is before the OEB however we do have issues with the following:

1. the IPSP does not adequately address the issues of South-Western Ontario
2. Western-Essex Transmission reinforcement plan does not consider all options that could benefit the industrial base in the community of Tilbury.
3. Additional attention on connecting the wind generation in the Municipality of Chatham-Kent is required in order to meet the provincial goals for renewable energy.