Cost Responsibility for Generation Connections

OEB Stakeholder Meeting
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Submission of Invenergy Wind Canada ULC

Mark Bell

Invenergy Wind Canada ULC

John Rook, Q.C.

Bennett Jones LLP

Invenergy Wind Canada ULC

- **Headquartered in Bolton, Ontario, with affiliates in UK and Poland**
- **Its parent is Invenergy LLC, a Chicago-based developer, owner and operator of clean energy facilities, including wind and natural gas, across North America and Europe**
- **5th most active wind developer in North America, with more than $1.4 billion invested in wind power generation projects**
- **13 facilities representing 1,200 MW of wind energy projects in operation and under construction**
- **Recently concluded a $1 billion purchase agreement for wind turbines with GE Energy for 2009**
- **In connection with wind energy generation, Invenergy has also developed the expertise to design and construct transmission infrastructure to support renewable energy development**
- **Current wind projects in Southern Ontario: Chatham-Kent, Wellington, Simcoe**
- **Wind projects on crown lands in Northern Ontario include Nipigon area, Thunder Bay, and James Bay**
- **Will be an active bidder in the OPA's 2000 MW renewable energy procurement**

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Current Transmission Connection Cost Responsibility Policies

- **Relevant provisions of the Transmission System Code (the "TSC")**
  - S.2: Definitions of "network facilities", "connection facilities" and "line connection"
  - S.6: Cost allocation for electricity generators
    - Connections
    - Network upgrades
- **Renewable energy generation**
  - Its unique connection challenges
  - Implications of the current connection cost policies

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Proposed Changes to the TSC

- **Best practice: The California model**
- **Revise section 2 of "Definitions"**
  - Introduce new definitions: "Location-constrained Renewable Energy" and "Enabler Lines"
  - Revise "Connection facilities" to exclude enabler lines
- **Introduce an alternative cost responsibility policy for enabler lines**
  - Initial transmission cost to be socialized
  - New cost allocation methodology for renewable energy generators
- **Revise cost allocation policies for network upgrades required by renewable energy resources**
  - Exemptions

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Transmission Application Process

- **Current OEB Process for Transmission Projects**
  - Leave-to-construct applications by transmitters or generators
  - Disconnect between wind development and transmission capacity development
- **Best practice: The Texas model**
  - Collaborative and competitive processes
  - Designed to construct transmission facilities in advance of renewable energy development
- **Proposed Revisions**
  - Introduce an open and competitive process for renewable energy developers
    - to promote enabler lines
    - to apply for a leave to construct enabler lines

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