



May 6, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
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Re: Board File EB-2008-0003

The OWA appreciates the opportunity to provide input on the proposed amendments to the Transmission System Code, and commends the Board for moving forward towards enabling more renewable generation in Ontario. In consideration of the proposed amendments, the OWA support makes the following recommendations.

1) Pricing information on the enabler lines should be made available to generators earlier in the process.

The amendments as proposed defer the determination of the end-point and capacity of an enabler facility to the leave to construct proceeding. These characteristics could significantly affect the cost of an enabler facility, thereby affecting the capital contributions made by connecting generators. Because generators will not want to commence development until they can assess their total costs relative to the Feed-In-Tariffs, generation projects could be delayed until a determination is made in the leave to construct proceeding. Since the proposed amendments to the Transmission System Code involve a transmitter designation process that will occur prior to a leave to construct proceeding, generation developments could be unduly delayed pending a decision in a leave to construct proceeding.

In order to give generators the ability to roughly assess their costs earlier in the process, the OWA suggests that when the OPA designates an enabler line (either as part of an IPSP or in response to a Ministerial direction), the OPA should provide a recommended end-point, capacity and approximate cost for an enabler facility. Interested parties would have an opportunity to express their views on the matter either in the IPSP proceeding or in the leave to construct proceeding. Although this proposal will not provide generators with absolute cost certainty, by adopting this approach generators will be in a better position to determine the economic viability of a project prior to a decision in the leave to construct proceeding.

2) Section 6.3.14A requires clarification.

The OWA suggests that section 6.3.14A is not clear as to whether costs will be attributed to generators based on:

- i) both capacity and relative line length; or
- ii) capacity alone, except in the circumstance where the enabler facility is a line connection facility, in which case costs will be attributed based only on relative line length.

If the Board's intention is (i) above, the OWA submits that the Transmission System Code should include guidance on how costs should be calculated based on both capacity and line length. For example, what is the relative weighting between capacity and line length? As well, in either case, the OWA requests clarification on when an enabler facility is or is not a "line connection facility". It is the OWA's understanding that all enabler lines would otherwise be line connection facilities (ie. if they were not, their costs would be borne by the Network and there would be no need for the enabler line designation).

The OWA also wishes to express that it shares the same concerns raised by the Association of Power Producers of Ontario in its submission regarding relative line length as a factor for determining generator costs.

I thank you for the opportunity to comment on the proposed amendments.



Paul Norris
President
Ontario Waterpower Association

Copy: Mr. Andrew Taylor, Counsel, Ogilvy Renault LLP