

December 1, 2008

Ontario Energy Board  
2300 Yonge Street, Suite 2700  
P.O. Box 2319  
Toronto, ON  
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board File No.: EB-2008-0003  
Transmission Connection Cost Responsibility Review  
Submissions of Northwatch  
Proposed Amendments to the Transmission System Code**

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Northwatch is pleased to comment on the Ontario Energy Board's Proposed Amendments to the Transmission System Code (the "Proposed Amendments") as part of the above noted matter.

Northwatch was founded in 1988 and is a regional coalition of community and district based environmental groups, naturalist clubs, social justice and development organizations, local peace groups, Aboriginal support groups, as well as many individuals. Its membership base covers the land mass north of the French River, comprised of the districts of Nipissing, Sudbury, Algoma, Manitoulin, Cochrane, Temiskaming, and the Hudson's Bay lowlands.

Northwatch's main objective is to represent the public interest with respect to environmental protection, social justice, and resource management matters in north-eastern Ontario. Its members are committed to promoting the health, well being and sustainability of the human and natural communities throughout the region.

Northwatch submitted comments on the Ontario Energy Board's Staff Discussion Paper "Generation Connections – Transmission Connection Cost Responsibility Review" (the "Discussion Paper") on July 8, 2008. The comments below are in addition to that submission.



## **COMMENTS OF NORTHWATCH**

### **1 Hybrid and Pooling Options**

Northwatch supported the Pooling Option in its comments on the Discussion Paper because this option shared the costs of enabler lines amongst transmission rate payers rather than generators. It was felt that this would provide an incentive for the development of renewable resources by local northern generators.

After considering the comments submitted in response to the Discussion Paper, the Board now supports the Hybrid Option.

Having reviewed the various submissions and the Board's position, Northwatch is of the view that it could support the Hybrid Option if it were confident that generators contributing a security deposit based on individual capacity requirements as a percentage of total capacity of the enabler facility at the time of connection, as outlined in proposed amendment to section 6.3.10, would also incent local northern developers.

### **2 Definition of Enabler Facility**

Northwatch supports the proposed definition of "enabler facility" in the Proposed Amendments.

Northwatch believes that the IPSP must, once approved, be central to the identification of enabler resource clusters and therefore the associated enabler facilities, however recognises that there is uncertainty surrounding the timing of the IPSP hearing and the ability of the IPSP to meet the planning needs of north-eastern Ontario. Therefore, Northwatch agrees that enabler facilities should be defined to include both those identified in the IPSP and those to serve a renewable cluster that is the subject of a Directive.

Northwatch notes, however, that proper planning is required when siting and approving enabler facilities. The issues of needs and alternatives must be addressed and there must be due consideration of environmental and social factors.

### **3 Transmitter Designation Process**

The Board accepts that during the transmitter designation process, third parties with an interest in developing an enabler line could also be considered. The Board further recognizes that it will, in the future, have to design this process for designating a transmitter to develop and construct an enabler facility.

Northwatch stresses the importance of consulting with third parties in the designation process to ensure an open process and that broader interests are addressed in addition to the interests of those competing for the designation.



#### **4 Unsubscribed Lines**

Unsubscribed lines remain a concern in choosing the Hybrid Option. Proving incentives for generators must be balanced with unreasonable burdens on ratepayers. It will be important to ensure that poor planning does not result in ratepayers paying for empty lines. It must also be ensured that poor projects are not moved forward simply to fill line capacity.

It is Northwatch's position that unsubscribed lines and costs can be minimised with proper and thorough planning through the IPSP, the designation process, and the leave to construct process.

#### **5 Integrated Planning**

Northwatch supports the development of renewable energy clusters but is concerned that, without proper planning, clusters may create regions focused solely on energy production. This would concentrate not only the positive effects from such clusters, such as economic growth, but also the negative effects, such as environmental impacts. Therefore, Northwatch submits that it is imperative to ensure an integrated planning process is in place and that it includes a cumulative impacts assessment.

The Board believes that the benefits of integrated planning could be achieved through either the Pooling Option or the Hybrid Option as transmission facilities are owned and operated by the transmitter in both options, and there would be a hearing process in the identification of the transmitter (Discussion Paper, p. 10).

The Board must recognize the need for integrated planning and cumulative impacts assessment when designing the transmitter designation process and particularly recognize opportunities for integrated planning within the IPSP and leave to construct processes. All processes must support integrated planning to ensure adequate consideration of social, environmental and economic impacts with minimal overlap of efforts.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Juli Abouchar', written in a cursive style.

Juli Abouchar  
*Partner, W+SEL*  
*Certified as a Specialist in Environmental Law*  
*by the Law Society of Upper Canada*

cc: Northwatch  
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