



Canadian Wind Energy Association
Association Canadienne de l'Énergie Éolienne

October 11, 2006

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

re: EB-2006-0226

Dear Ms. Walli,

The Canadian Wind Energy Association (CanWEA) is pleased to have an opportunity to comment on recently proposed amendments to the Distribution System Code and the Retail Settlement Code (EB-2006-0226). Our 250 corporate members represent wind turbine and component manufacturers, wind energy project developers, utilities and a broad range of service providers to the wind energy industry.

CanWEA has been a strong supporter of Ontario's emerging Standard Offer program and we are keen to see it succeed. Please find below our comments on EB-2006-0226 and our recommendations for changes that we believe would strengthen the Standard Offer program's potential to meet and exceed its expectations.

Proposed Amendment 13 – Addition of Section 6.2.4.1 a)

CanWEA strongly agrees with the Ontario Energy Board (OEB) proposal of 'first come-first served' resource allocation to assess connection applications. We propose that the point at which a proponent would enter the 'first come-first served' assessment stream would be with the receipt of their application and payment by the LDC at each step in the application process (e.g., Connection Impact Assessment (CIA), Connection Cost Estimate, etc.).

CanWEA also strongly believes, however, that payment for a CIA and simple entry into the connection application assessment stream must not provide a proponent with a position in the distribution system model with respect to the allocation of distribution capacity or connection rights. Our view, consistent with proposals we have recently made to the Ontario Power Authority (OPA) and the current Hydro One distribution system queue, is that only an executed Connection Cost Recovery Agreement (CCRA) should confer these distribution capacity / connection rights.

After implementation of these recommendations, CanWEA proposes that a review of their implementation be undertaken after one year for the purposes of examining additional ways to streamline, accelerate and enhance the equity of the process.

Proposed Amendment 13 – Addition of Section 6.2.4.1 c)

CanWEA, as noted above, believes that only a signed Connection Cost Recovery Agreement (CCRA) should provide distribution capacity / connection rights to proponents. Under such a scenario, we feel there is no need to place a time limit on the validity of a CIA because these applications and studies do not confer any rights to distribution capacity / connection.

Proposed Amendment 13 - Section 6.2.4.1 d)

CanWEA believes that the term “differs in a material respect” must be closely defined if this removes an application from the resources assignment or cancels a CIA. Because of the differences in electrical configuration between turbine models and the name plate rating differences, the CIA initial data may change once a final turbine is selected. Due to the current market conditions for wind turbines, it is not possible three years prior to construction - at the stage when a CIA application is submitted - to guarantee which model will be installed.

CanWEA suggests that changes that do not adversely affect the stability of the distribution line, compared to the original application (e.g. reductions in name plate rating or turbine electrical configuration) should not be considered "material" changes. Proponents should be advised that such non-material changes may cause delays in processing an application, to allow for any revision of the assessment.

An Additional Proposal for Consideration

CanWEA would like to urge the OEB to consider the issue of responsibility for costs related to upgrades of the distribution system under the Distribution System Code. At this time, these costs must be borne in total by the proponent. CanWEA believes this issue needs to be reviewed because:

- it requires the proponent to cover the full costs of the upgrade when those system upgrades benefit all customers
- it results in inequitable treatment of distribution system upgrades relative to transmission system upgrades (costs of upgrades to the transmission system are allocated between the proponent and rate base, based on whether they are a benefit to the proponent or the system)

- cost sharing will foster private investment in the distribution system, improving system reliability while allowing more projects to be built on distribution lines in addition to providing better service for customers and users
- cost sharing will provide an incentive for local distribution companies to implement system upgrades in a more co-ordinated and cost effective way.

Accordingly, CanWEA would support changes to the Distribution System Code that required cost-sharing of distribution system upgrades between the proponent and the local distribution company where such upgrades would provide broader system benefits.

Once again, CanWEA appreciates the opportunity to comment on EB-2006-0226. Thank you for your consideration.

Yours sincerely,

Robert Hornung
President