

1 **Green Energy Coalition (GEC) INTERROGATORY #1 List 1**

2  
3 **Interrogatory**

4  
5 1. Re: Ex.A, Tab 14, Sched. 2, p. 7, l. 6

6 The data provided in tabular form indicates that approximately 45% of proposed projects  
7 under the RESOP did not proceed to full CIAs as they were “outside threshold”.

8 a. Please discuss the impact that expected investments in “renewable enabling  
9 improvements” and “expansions” at both the transmission and distribution level will have  
10 upon this constraint.

11 b. What are HONI’s projections for the level of CIA requests, threshold rejections, CIA  
12 completions, cost estimate completions and connection cost recovery agreements  
13 completed (or in each case the analogous step under the new DSC and FIT rules) for  
14 2009 (full year), 2010, and 2011?

15 c. What are the prospects for expansion of the ‘green zone’ in the coming periods and  
16 how might this affect the work plan and budget?

17  
18  
19 **Response**

20  
21 a) The "expansions" and "renewable enabling improvements" definitions as described in  
22 the DSC pertain to the distribution system. Expansions and renewable enabling  
23 improvement may result in more projects that may fall inside the "threshold" if they  
24 increase the technical limits described on page 7 at Exhibit A, Tab1, Schedule 2. For  
25 example, if the constraint factor at a transformer station is the feeder current  
26 capability limit but a new feeder can be expanded at the station, then more projects  
27 could be connected to the station. In another case if the constraining factor is the  
28 60% transformer station threshold then the expansions and improvements may not  
29 result in a higher threshold. The thresholds and the constraining technical factor will  
30 vary from station to station. The amount and number of additional projects that may  
31 be connected at each station will also vary and depend on the project location, size  
32 and type. Until projects are identified by the FIT program, the impact of expansions  
33 and improvements on the threshold at the transformer stations, individually and  
34 collectively, cannot be determined.

35  
36 b) The number of CIA applications is expected to remain relatively flat compared to the  
37 values shown in the table on page 7 of Hydro One’s Green Energy Plan until the new  
38 FIT rules are established. While an increase in the number of applications is  
39 expected, it is uncertain how the finalized rules of the FIT program will affect the  
40 level of applications. It is difficult to project cost estimate completions and

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Exhibit H

Tab 2

Schedule 1

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- 1 connection cost recovery agreement completions, as initiation and completion of  
2 these agreements depends on the customers.  
3
- 4 c) The Orange and Yellow Zones, as designated by the Ontario Power Authority, are  
5 restricted zones for OPA contracts due to transmission constraints. Therefore,  
6 depending on the projected transmission work and the required approvals, these  
7 Orange and Yellow Zones may become Green Zones, thus allowing more projects to  
8 move towards a successful contract with the OPA.



1 **Green Energy Coalition (GEC) INTERROGATORY #3 List 1**

2 **Interrogatory**

3  
4 Re: Ex.A, Tab 14, Sched. 2, p. 4, l. 13 & p. 26, l. 27

5 HONI notes that its distribution plan will be updated to reflect the CDM programs  
6 associated with the forthcoming CDM targets and that the assembled portfolio will be  
7 available for the Board's review and approval by the end of 2009.

8 a. Please explain what aspects of the distribution plan will be updated and what costs or  
9 inputs to rate setting (as opposed to externally recouped costs) might be affected.

10 b. Please indicate what process HONI anticipates for any consultation, review and  
11 approval of the expanded plan.

12 c. Are CDM research costs such as those incurred in developing plan targets and other  
13 CDM related costs that are not program-specific included in rates or are they fully  
14 recovered through the OPA (please provide details)?

15 d. In keeping with the government's policy of having leading CDM goals, has HONI  
16 reviewed the experience in leading jurisdictions? If so please provide the information  
17 gathered and any analysis of that information.

18 e. Please provide any research and reports on the setting of suitable targets that HONI has  
19 assembled to assist in the setting of a target under the GEA.

20 f. Has HONI been asked to propose a target? If so, what has HONI proposed, how has  
21 that goal been developed, and how does it compare to that assumed in the load forecast?

22 g. What level of CDM program impact is assumed in the load forecast and what is the  
23 potential impact on revenues if the enhanced CDM program is delayed or accelerated by  
24 6 months or one year?  
25

1 Response

- 2
- 3 a. Hydro One's Green Energy Plan will be updated to reflect any targets assigned, any  
4 portfolio requirements established and any additional CDM programs. It was  
5 anticipated that targets and portfolio requirements would have been in place by June  
6 2009 and that a portfolio of CDM programs meeting those requirements would have  
7 been developed by year end 2009 and reflected in an updated Green Energy Plan.  
8 Targets have not yet been assigned and portfolio requirements have not yet been  
9 established and as such a portfolio of CDM programs for Board review and approval  
10 are not anticipated until 2010. Since these CDM programs are expected to be funded  
11 by Global Adjustment rather than distribution rates, there is no anticipated affect on  
12 distribution rates.
- 13
- 14 b. HONI anticipates that when the Board establishes CDM targets and portfolio criteria,  
15 the Board will also establish a process for any consultation, review and approval of  
16 the CDM portfolio.
- 17
- 18 c. CDM research costs such as those incurred in developing plan targets and other CDM  
19 related costs that are not program-specific are included in rates.
- 20
- 21 d. HONI has engaged a Consultant to propose a portfolio of programs suitable for  
22 Hydro One's service territory and the customer end uses within it. This includes a  
23 review of programs from other jurisdictions with CDM programs relevant to the end  
24 uses in HONI's service territory. The consultant report is expected before the end of  
25 2009.
- 26
- 27 e. HONI believes that realistic CDM targets should be based on customer end use load  
28 potential. HONI understands that the OPA is currently undertaking an initiative to  
29 determine the end use potential for Ontario and for individual distribution territories.  
30 HONI has provided input to both the EDA and the OPA on potential methodologies  
31 for allocating a provincial target, until such time as the end use potential analysis has  
32 been completed.
- 33
- 34 f. HONI has not been asked to propose a target.
- 35
- 36 g. The CDM impact used in the load forecast submitted in this rate application is  
37 presented in Table 2, page 8 of Exhibit A, Tab 14, Schedule 4. The CDM impact  
38 Used is consistent with the IPSP filed by the OPA with the Board on August 29,  
39 2007. Accelerated or delayed CDM due to GEA will have a revenue impact of about  
40 \$2 million for every 100 GWh of CDM impact for a full year or about half the  
41 amount for 6 months.