

Ontario Ministry of the Environment
Ontario Waterpower Association – A Class Environmental
Assessment for Waterpower

Comments of the Ontario

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

The Ontario Independent Electricity System Operator (“IESO”) hereby submits the following in response to the Ontario Waterpower Association’s (“OWA”) Notice of Submission of Class Environmental Assessment (“Class EA”) for Waterpower Projects published on October 22, 2007. The following references the OWA’s October 2007 document “A Class Environmental Assessment for Waterpower” submitted to the Ontario Ministry of the Environment (“Ministry”).

I. Description of the Ontario Independent Electricity System Operator

The IESO is not-for-profit corporation without share capital having statutory responsibility through the Electricity Act, 1998 for establishing and administering wholesale electricity markets and directing the operation and maintaining the reliability of the integrated power system (the IESO-controlled grid) within the Province of Ontario. In addition, the Electricity Act, 1998 (Reg 452/06) states the IESO is to establish and enforce standards and criteria relating to the reliability of transmission systems. As such, the IESO's responsibilities include a broad range of integrated operations, including security assessment and scheduling, administration of the wholesale electricity market and ancillary services, and real time coordination of the power system. The IESO-controlled grid (transmission and generation connected at greater than 50,000 volts) is interconnected with grids in two Canadian provinces and three U.S. states.

The IESO is the North American Electric Reliability Coordinator (NERC) Planning Authority¹, Transmission Operator, Reliability Coordinator and Balancing Authority for Ontario, and is a member of Northeast Power Coordinating Council (NPCC). NPCC and NERC, along with the IESO, are deemed standards authorities under the Electricity Act, 1998 and may adopt reliability standards that govern the operations and planning of the power system in Ontario.

¹ Some Planning Authority functional requirements have been delegated to the OPA.

In its capacity as Ontario's independent system operator and standards authority, the IESO provides independent, expert advice to the OEB in relation to a number of regulatory proceedings including leave to construct applications ("section 92 applications under the Electricity Act, 1998) and capital project rate reviews. In this regard, the IESO may provide written and/or oral evidence relating to the reliability impacts on the IESO-controlled grid in relation to the application by a transmitter or generator seeking leave to construct new facilities which will be connected to IESO-controlled grid.

II. General Comments

As the entity responsible under provincial legislation for the real-time operation of the power system, the IESO has been concerned for some time with the lengthy regulatory process for approval to construct and operate transmission and generation projects in the province.

Through the IESO's publications, 18-Month Outlook and the Ontario Reliability Outlook (<http://www.ieso.ca/imoweb/monthsYears/monthsAhead.asp>), and our interaction with planned projects, the IESO has and continues to express concern with the risk of regulatory delay in relation to critical projects needed to ensure the IESO can balance supply (generation) and load (consumers) in real-time in the near future. The existing review and approval mechanism may involve overlapping requirements and processes which can delay the timely implementation of the planned generation and transmission projects in Ontario. While the stakeholders have taken steps to improve the efficiency of the approvals process, the IESO is supportive of additional measures to facilitate the timely review and approval of sound projects.

The OWA's proposed Class EA recognizes that any streamlined approvals process must "help ensure agency, organizational, Aboriginal community and public engagement is efficient and effective." (§5.0, p48) The IESO and the industry recognize that it is critical for stakeholders to have an opportunity to become informed of the

project, its need and benefits along with potential impacts. After consideration of the preceding, the public must have an opportunity to formally voice their support, comments, and/or concerns with a proposal to seek clarification, mitigation or revision of a project weighed against the public good. In the IESO's opinion, the proposed Class EA ensures that the public retains its right to meaningfully participate in the review and comment on waterpower proposals.

In that light, the IESO supports the OWA's objective of enabling a proponent to "coordinate and integrate the multiplicity of environmental approvals and public involvement processes that are relevant to planning a waterpower project" (§1.3, p11), and reduce the number and areas of overlap of the existing processes, while ensuring reasonable timelines to allow beneficial and suitable projects to be implemented in a timely manner. To that end, the IESO supports the Class EA as submitted by the OWA.

III. Contact Information

Should clarification be required please contact the following:

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IV. Conclusion

The IESO requests the Ministry of the Environment consider the above comments in its consideration of the OWA's Class EA submission.

Respectively submitted on this 14th day of December 2007,

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