

Ministry of Energy

Office of the Minister

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Ministère de l'Énergie

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FEB 17 2011

MC-2011-694

Ms Cynthia Chaplin  
Chair  
Ontario Energy Board  
PO Box 2319  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms Chaplin:

Enclosed is a copy of a Minister's Directive issued under Section 28.6 of the *Ontario Energy Board Act, 1998* approved by the Lieutenant Governor in Council on February 9th, 2011. The Directive requires the Board to amend Hydro One's transmission licence conditions, in accordance with the terms of the Directive, with the requirement that Hydro One immediately proceed with three transmission projects in Southwestern Ontario as well as transmission station work to facilitate the connection of small scale renewable generation facilities.

I would appreciate the Board proceeding to take the appropriate steps to implement the attached Directive.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Duguid'.

Brad Duguid  
Minister



Ontario  
Executive Council  
Conseil des ministres

Order in Council  
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit:

**WHEREAS** the Ontario Government's Long-Term Energy Plan identified five priority transmission projects recommended by the Ontario Power Authority (OPA) to proceed for accelerated development in order to accommodate new renewable electricity generation, support system reliability and enable new load growth;

**AND WHEREAS** the OPA recommends three of these projects for accelerated development in Southwestern Ontario given their immediate and demonstrated importance to the cost-effective connection of renewable energy to the electricity grid;

**AND WHEREAS** the Long-Term Energy Plan outlines Ontario's vision of continuing to move towards a safe, modern and reliable electricity system with a balanced, clean and cost-effective supply mix delivered through a prudently expanded and maintained transmission and distribution network;

**AND WHEREAS** the Long-Term Energy Plan commits Hydro One and others to facilitate the connection of small-scale renewable energy generation facilities by working with existing micro-Feed-in Tariff (microFIT) applicants and Feed-in Tariff (FIT) applicants who are considered to be Capacity Allocation Exempt, in areas where there are technical challenges;


**AND WHEREAS** the Minister of Energy has, with the approval of the Lieutenant Governor in Council, the authority to issue Directives pursuant to section 28.6 of the *Ontario Energy Board Act, 1998*, as amended by the *Green Energy and Green Economy Act, 2009*, relating to the connection of renewable energy generation facilities to a transmitter's transmission system or a distributor's distribution system;

**NOW THEREFORE** the Directive attached hereto, is approved.

Recommended:   
Minister of Energy

Concurred:   
Chair of Cabinet

Approved and Ordered: FEB 09 2011  
Date

  
Lieutenant Governor

12069

Authority Verified  
Compétence vérifiée James P. H. Retob

Please print name  
Nom en lettres  
moulées s.v.p. James P. H. Retob

Telephone  
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Recommended by the  
Management Board of Cabinet on  
Recommandé par le Conseil de  
gestion du gouvernement le \_\_\_\_\_

Secretary  
Secrétaire \_\_\_\_\_

O.C. / Décret

## MINISTER'S DIRECTIVE

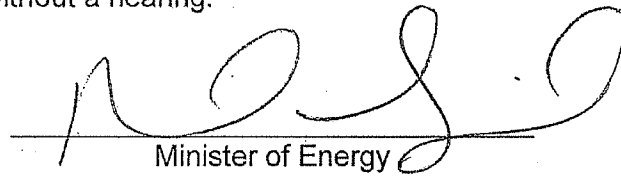
TO: THE ONTARIO ENERGY BOARD

I, Brad Duguid, hereby direct the Ontario Energy Board pursuant to section 28.6 of the *Ontario Energy Board Act, 1998* (the "Act") as follows:

1. The Board shall amend the licence conditions of Hydro One Networks Inc.'s ("Hydro One")'s transmission licence to include a requirement that Hydro One proceed to do the following related to the reasonable expansion and upgrading of the transmission system to accommodate the safe connection of renewable energy generation facilities:
  - (i) immediately develop and seek approvals for the following projects:
    - (a) Upgrading existing line(s) west of London
    - (b) A new line west of London;
  - (ii) immediately develop and implement the following projects:
    - (a) Device(s) to enhance transfer capability, such as series or static var compensation, or other similar devices, in Southwestern Ontario
    - (b) Increase short circuit and/or transformer capacity at up to fifteen (15) of the Licensee's transmission stations, to enable the connection of small-scale (capacity allocation exempt small embedded generation facility or micro-embedded generation facility as defined in the Board's Distribution System Code dated January 1, 2011) renewable energy generation facilities during the forty-eight (48) month period commencing on the date of this Licence Amendment;
  - (iii) immediately work in co-operation with the Ontario Power Authority (OPA) to establish the scope and timing of the projects identified in (i) and (ii). The scope and timing of the projects shall accord with the recommendation(s) of the OPA.

The OPA's recommendations shall be made in the course of the OPA's transmission planning activities conducted in accordance with its objects, as well as those of the OPA's transmission planning activities which are identified in a Directive to be issued by the Minister of Energy to the OPA in early 2011 pursuant to subsection 25.30(2) of the *Electricity Act, 1998* (the "Supply Mix Directive")

2. The board shall make the amendments to the transmission licence of Hydro One without a hearing.



Minister of Energy