

**RÉGIE DE L'ÉNERGIE**

**DOSSIER : R-3669-2008, PHASE 2**

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**RÉPONSES D'ÉNERGIE BROOKFIELD MARKETING INC. (« EBMI »)  
À LA DEMANDE DE RENSEIGNEMENTS N° 3  
DE LA RÉGIE DE L'ÉNERGIE**

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**RÉPONSES DE EBMI À LA DEMANDE DE RENSEIGNEMENTS N° 3 DE LA RÉGIE DE L'ÉNERGIE (LA RÉGIE) RELATIVE À LA DEMANDE DE MODIFICATION DES TARIFS ET CONDITIONS DES SERVICES DE TRANSPORT D'HYDRO-QUÉBEC À COMPTER DU 1<sup>ER</sup> JANVIER 2009 - PHASE 2**

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**Veillez prendre note que nous avons fait traduire les questions pour permettre à nos experts d'y répondre. Nous ajoutons la version traduite à la suite des questions.**

**Preuve amendée**

- 1. Référence :** Pièce C-6-56, EBMI, Rapport de l'expert C. Roach, paragraphe 88, page 45.

**Préambule :**

*« More importantly, reading his [M. Judah Rose] references reveals what would be a fundamental deficiency in the FERC's eyes – HQT's activities do not invite timely and meaningful input by customers and other stakeholders at the early stages of planning. [...] »* (nous soulignons)

**Demande :**

- 1.1** Veuillez donner des exemples d'intrants de la part de clients ou d'autres participants au marché (incluant les transporteurs auxiliaires et les transporteurs accessibles) dans les premières étapes de planification du réseau du Transporteur, qui auraient pu ou pourraient avoir comme impact une planification différente du réseau. / *Please cite some examples of input by customers or other market participants (stakeholders) (including auxiliary transmission providers and accessible transmission providers) at the early stages of the planning of the Transmission Provider's network, the impact of which could have had or might have a difference on network planning.*

**R 1.1 :** I provide several examples below:

2010 California ISO Transmission Plan  
(<http://www.caiso.com/2771/2771e57239960.pdf>)

The California ISO produced its 2010 Final Transmission Plan that was developed through a Commission-approved, Order No. 890-compliant transmission planning process that provides for significant stakeholder input, including early in the planning process. Stakeholder meetings are held at three different points in the planning process (see section 1.1), where any interested stakeholder or market participant may submit written and/or oral comments regarding the unified planning assumptions, study results, and certain proposed projects.

Stakeholder participation had impacts on the 2010 Transmission Plan. Over 100 requests were submitted by stakeholders related to the 2010 Transmission Plan (see Appendix D), and each was addressed by the California ISO in full, in some cases resulting in significant changes to its planning assumptions and model. For example, the California ISO agreed to include a list of all previously-approved transmission plans that would be included in the planning assumptions for the 2010 Transmission Plan as a way to provide transparency to stakeholders, including the requesting stakeholder, NextLight Renewable Power LLC. Another example comes from a comment by Southern California Edison, an investor-owned utility participating in California ISO's markets, which suggested that the ISO revise its guidelines on modeling new generation projects in its planning assumptions. California ISO made the suggested revisions, and in doing so materially altered the generation assumptions that would be used in the transmission planning model.

PJM 2009 Regional Transmission Expansion Plan (available at: <http://www.pjm.com/documents/reports/~/media/documents/reports/2009-rtep/2009-rtep-report.ashx> )

Similar to California ISO, PJM has a FERC-approved, 890-compliant transmission planning process that is designed to allow stakeholder input and impact at every stage. In the 2009 RTEP, PJM indicates that it made the decision to hire industry consultant expertise to assess two high-voltage direct current transmission projects after discussions with stakeholders. The two projects were proposed as alternatives to a "base design" transmission solution being considered by PJM. While the result of the consultants' study was to affirm the superiority of the base design solution, it was through stakeholder input that PJM could confirm that the base design transmission project was economic and feasible. (RTEP at 115-116) PJM posted the results of this study at:

<http://www.pjm.com/~/media/committees-groups/committees/teac/20091118/20091118-pjm-path-dc-conceptual-study.ashx>.

The PJM 2009 RTEP also references stakeholder impact in another ISO, Midwest ISO. Midwest ISO stakeholders raised a concern regarding operational issues related to the PJM – Midwest ISO border area flow gate near Lake Michigan. In response, Midwest ISO initiated a study on similar issues on all of their borders. Midwest ISO and PJM are collaborating on this study to identify and implement transmission upgrades to relieve congestion on these types of ISO-border flow gates. The study is set to be completed in 2010. (RTEP at 149) PJM stakeholders also recommended retaining certain inputs to the planning process (e.g., Local Deliverability Areas, see RTEP at 351).

Big Rivers (FERC Order, *Order Conditionally Granting Petition for Declaratory Order and Granting Waivers*, Docket No. NJ09-3-000, September 17, 2009.)

Big Rivers, a non-public utility, sought a FERC finding that its OATT satisfies the FERC's comparability standards and is an acceptable reciprocity tariff. Additionally, Big Rivers requested FERC confirmation that its Attachment K for the transmission planning process satisfies the requirements of Order No. 890. FERC approved Big Rivers' request and found that its OATT substantially conforms with or is superior to the requirements of the pro forma OATT. One way that Big Rivers allows for participation, input, and contribution to its transmission planning process is through the "Regional Stakeholder Group". This group has meetings on a recurring basis and is open to all transmission customers, neighbouring utilities, RTOs, regulatory agencies, and generation owner/development companies.

SPP's ITP Filing (Submitted May 17, 2010 in Docket No. ER10-1269-000) and subsequent FERC Order (132 FERC ¶ 61,042, issued July 15, 2010)

SPP filed a proposal to revise its tariff to introduce a modified transmission planning process based on the nine principles of Order No. 890, including the transparency principle. SPP indicated that it would determine the years to be studied, the methodology, criteria, assumptions, and data to be used in the assessments through stakeholder sessions, and any such information would be posted on its website. The FERC found that SPP's ITP proposal complied with Order No. 890's nine principles (Order at P 52), including openness and transparency, noting that all data to be used in its assessments will be developed through stakeholder sessions, which are open to all entities (Order at P 59).

Bonneville Power Administration (124 FERC ¶ 61,054, issued July 17, 2008 in Docket No. NJ08-5-000)

Bonneville, a non-public utility, submitted a request for declaratory order to the FERC seeking confirmation that its proposed Attachment K to its OATT conforms with Order No. 890's nine planning principles. FERC found Bonneville compliant with the nine planning principles of Order No. 890, making individual findings on each of the nine principles. Regarding "coordination," FERC noted that Bonneville's Attachment K provides for meetings with customers and interested persons at each stage of the planning process to discuss, for example, results of system screening studies, possible system upgrades, economic study results, and conceptual solutions that impact Bonneville's transmission system (Order at P 24). Further, regarding "transparency," FERC stated that Bonneville shares for comment its planning studies and supporting assumptions, and conducts meetings to discuss and receive comment on assumptions, methodologies, and criteria for future studies. (Order at P 36)

- 2. Références :**
- (i) Pièce C-6-56, EBMI, Rapport de l'expert C. Roach, paragraphe 117 page 58.
  - (ii) Pièce C-6-56, EBMI, Rapport de l'expert C. Roach, paragraphe 118, page 58.

**Préambule :**

(i) « *The favoritism could take the form of HQT planning transmission expansions only to accomodate resources its affiliate control.* »

(ii) « *The concern with favoritism is that it can lead to higher than necessary costs to ratepayers in both Québec and in the U.S.* For this reason, I would suggest that requiring an Attachment K serves two goals: one, get the best rates possible for the people of Québec and two, assure robust power exports by assuring the best rate possible for U.S. ratepayers. » (nous soulignons)

**Demande :**

**2.1** Veuillez appuyer, à l'aide d'exemples, l'affirmation soulignée en préambule. / *With the help of examples, please support the statement that is underlined in the preamble.*

**R 2.1 :** The point is that, by opening HQT's planning process to stakeholder input, different and better transmission expansion plans could result and those plans could mean lower rates for ratepayers in both Quebec and the U.S.

For example, HQT might plan and build an intertie that is used exclusively by its production affiliate. Had the planning process been open to stakeholder input, other approaches to the intertie could have been considered and, possibly, they could lead to a better (bigger or less expensive) intertie. That better intertie could mean lower rates for ratepayers in both Quebec and the U.S. Quebec ratepayers could pay lower rates because transmission revenue offsets increase, or because the better interties gives them access to cheaper power. U.S. ratepayers could pay lower transmission fees per MWh and lower generation costs, too.

Note, too, that opening the planning process to stakeholders could mean not only better transmission investment, but also better generation investment. That is, development of new generation, especially new renewable generation, requires new transmission investment for interconnection and integration. If the planning process was open, stakeholders could come in and reveal generation options that (a) have cheaper generation costs or (b) cheaper interconnection and integration costs or (c) offer an opportunity for larger transmission facilities that generate more transmission revenue.