

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B);

AND IN THE MATTER OF an application by Dufferin Wind Power Inc. for an Order or Orders pursuant to Section 92 of the *Ontario Energy Board Act, 1998* (as amended) granting leave to construct transmission facilities in the Township of Melancthon, the Town of Shelburne and the Township of Amaranth, all of which are in the County of Dufferin, Ontario.

APPLICATION

1. Dufferin Wind Power Inc. (the “**Applicant**”) is a corporation, headquartered in Toronto, that was formed on May 17, 2011 pursuant to the laws of the Province of New Brunswick. The Applicant’s majority shareholder is Longyuan Canada Renewables Ltd. (“**Longyuan Canada**”), a New Brunswick corporation which is a wholly owned subsidiary of China Longyuan Power Group Corporation Limited (“**Longyuan**”). Longyuan constructs, manages and operates wind generation facilities and, with over 8,900 MW of wind power (installed capacity), is the second largest wind energy owner and operator in the world. The Applicant’s minority shareholder is Farm Owned Power (Melancthon) Ltd. (“**FOP**”), a corporation formed pursuant to the laws of Canada by a group of local landowners in the vicinity of the Dufferin Wind Farm site in the Township of Melancthon. A detailed description of the Applicant is provided in Exhibit B, Tab 2, Schedule 2.
2. The Applicant hereby applies to the Ontario Energy Board (the “**Board**”) pursuant to Section 92 of the *Ontario Energy Board Act, 1998* (the “**Act**”) for an order or orders

under Section 96 of the Act granting leave to construct the following transmission and interconnection facilities:

- (a) a 34.5/230 kV intermediate transformer station on the southeast corner of the West half of Lot 26, Concession 2 in the Township of Melancthon (the “**Project Substation**”);
 - (b) a 230 kV switching station on Part Lot 2, Concession 2 in the Township of Amaranth, adjacent to Hydro One Networks Inc.’s (“**Hydro One’s**”) existing Orangeville Transformer Station (“**Orangeville TS**”) in the Township of Amaranth (the “**Switching Station**”);
 - (c) an approximately 47 km 230 kV three phase single circuit transmission line running from the Project Substation to the Switching Station (the “**Transmission Line**”); and
 - (d) a 100 m 230 kV interconnection that will connect the Switching Station to Orangeville TS (the “**Interconnection**”).
3. The facilities described in paragraph 2, being the Project Substation, the Switching Station, the Transmission Line and the Interconnection, are collectively referred to in this Application as the “**Transmission Project**”.
 4. The Applicant further requests approval of the Board pursuant to Section 97 of the Act for the forms of land agreement included in Exhibit F, Tab 2, Schedule 1.
 5. Moreover, the Applicant requests approval of the Board pursuant to Section 101 of the Act for authority to construct portions of the Transmission Project upon, under or over a highway, utility line or ditch, as further described in Exhibit F, Tab 1, Schedule 1.
 6. The Applicant is currently developing, and plans to construct and operate, the Dufferin Wind Farm, which is a planned 99.1 MW wind energy generation facility in the Township of Melancthon in Dufferin County (the “**Wind Farm**”). The Wind Farm will consist of 49 wind turbines, the output of which will run along a 34.5 kV underground collection system that links the turbines to the Project Substation. The Applicant has a

20-year contract with the Ontario Power Authority (the “**OPA**”) in respect of the Wind Farm pursuant to the OPA’s Feed-in Tariff (“**FIT**”) Program.

7. The proposed Transmission Project is required by the Applicant to connect the Wind Farm to the Independent Electricity System Operator (“**IESO**”) controlled grid. This will enable the Applicant to supply renewable energy to the IESO-controlled grid, consistent with its obligations under its FIT contract, the objectives of the FIT Program and the renewable energy policies of the Government of Ontario.
8. The Applicant proposes to locate the Project Substation on private lands amid the Wind Farm in the Township of Melancthon, as well as to locate the Switching Station on private lands adjacent to Orangeville TS in the Township of Amaranth.
9. The Applicant proposes to locate 31.2 km of the Transmission Line along a former rail corridor that is now owned by the County of Dufferin, as well as 15.6 km of the Transmission Line along private lands situated between the Wind Farm site and the former rail corridor, for a total length of nearly 47 km. While these private lands along which the Transmission Line will run are entirely within the Township of Melancthon, the former rail corridor runs through the Township of Melancthon, the Town of Shelburne and the Township of Amaranth, all of which are in the County of Dufferin, Ontario.
10. The proposed Transmission Project was selected from among other transmission alternatives and routes (see Exhibit B, Tab 4, Schedule 1) on the basis of consultations with members of the local community and municipal governments in the vicinity of the Wind Farm and Transmission Project and with a view to minimizing impacts on residents and the affected communities. The proposed Transmission Project is also preferred because it minimizes line losses relative to lower voltage options that were considered.

11. While the Applicant has been engaged in ongoing discussions with the County of Dufferin concerning its request for an easement along the former rail corridor, an easement agreement has not been finalized to date. The Applicant and the County of Dufferin have signed a Memorandum of Understanding to address cost recovery for negotiating the easement and the negotiations are ongoing. With respect to the private lands required for the Transmission Line, with a few minor exceptions the Applicant currently has easements or leases in place for all such lands required for the Transmission Line. The Applicant is continuing to work with the owners of these sections with a view to finalizing the necessary agreements shortly. With respect to the private lands required for the stations, the Applicant currently has a lease with the owner of the lands required for the Project Substation that contemplates a wind turbine and intends to finalize an additional lease to cover the lands needed for the Project Substation and related facilities. Moreover, the Applicant is finalizing an option to purchase the lands required for the Switching Station.
12. The location of the Wind Farm and the Transmission Project is described in Exhibit B, Tab 2, Schedule 3. Maps and technical drawings, including a single line drawing, are provided in Exhibit B, Tab 2, Schedules 4 and 5, respectively. The components of the Transmission Project are described in detail in Exhibit D, Tab 1, Schedule 1.
13. The Applicant received a System Impact Assessment Report from the IESO on December 2, 2011 (the “**Initial SIA Report**”) and a System Impact Assessment Final Addendum Report from the IESO on August 31, 2012 (the “**SIA Addendum Report**”) in respect of the Wind Farm and the Transmission Project. Copies of the Initial SIA Report and the SIA Addendum Report are provided in Exhibit H, Tab 2, Schedule 2. The SIA Addendum Report concludes that, subject to certain requirements set out in the Initial SIA Report and the SIA Addendum Report, the Transmission Project is expected to have no material adverse impacts on the reliability of the integrated power system and it therefore recommends that a *Notification of Conditional Approval for Connection* be

issued for the Dufferin Wind Farm. The *Notification of Conditional Approval for Connection* was issued concurrently with the SIA Report on August 31, 2012, a copy of which is provided in Exhibit H, Tab 2, Schedule 1.

14. The Applicant received a final Customer Impact Assessment (“CIA”) Report from Hydro One on August 31, 2012 in respect of the Wind Farm and the Transmission Project. The final CIA Report, a copy of which is provided in Exhibit H, Tab 3, Schedule 1, concludes that the Wind Farm and Transmission Project can be incorporated without any adverse impacts on Hydro One customers in the area.
15. The Wind Farm and the proposed Transmission Project are subject to the requirements of the Renewable Energy Approval (“REA”) process in Ontario Regulation 359/09 under the *Environmental Protection Act*. The Applicant filed its final REA submission package with the Ministry of the Environment on August 13, 2012 and therefore expects to receive its REA in approximately January 2013. The REA process is discussed in Exhibit E, Tab 2, Schedule 1.
16. The Applicant has carried out a comprehensive stakeholder consultation program, guided by the REA process, through which it has been able to provide information to interested stakeholders and receive feedback and other information from stakeholders. The feedback received has played a significant role in shaping the proposed Transmission Project. The Applicant’s consultation program and the impact it has had on the Transmission Project are described in Exhibit G, Tab 1, Schedule 1.
17. Although the proposed Transmission Project will enable the Applicant to transmit electricity, by application of Ontario Regulation 161/99 under the Act, the Applicant is exempt from the requirement under Section 57(b) of the Act to obtain a licence to own or operate transmission facilities. This is because the Applicant will not charge a price for transmitting electricity and the Applicant will be a transmitter that is also a generator that transmits electricity only for the purpose of conveying it to the IESO-controlled grid.

The Applicant does intend to apply for a generator licence in respect of the Wind Farm in due course.

18. Subject to receipt of its REA approval, as well as other necessary permits and approvals, the Applicant plans to commence construction of the Project Substation and the Switching Station in Spring 2013. Construction of these stations is expected to take approximately 5 months to complete. Construction of the Transmission Line is scheduled to commence in Summer 2013 and is also expected to take approximately 5 months to complete. The Wind Farm is expected to go into service by December 31, 2013. In keeping with this project schedule, the Applicant requests that this Application be handled by the Board on an expedited basis, having regard to the need for appropriate timeframes for notice and intervenor participation.
19. The cost of the Transmission Project will be paid for by the Applicant. As such, the Transmission Project will not affect electricity transmission rates in Ontario.
20. The evidence in support of this Application has been prepared in accordance with the requirements set out in Chapter 4 of the Board's *Minimum Filing Requirements for Transmission and Distribution Rate Applications and Leave to Construct Projects*, as amended May 17, 2012.
21. The Applicant requests that copies of all documents filed with or issued by the Board in connection with this Application be served on the Applicant and the Applicant's counsel as follows:
 - (a) The Applicant:

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(b) The Applicant's Counsel:

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Attention: Mr. Jonathan Myers
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and

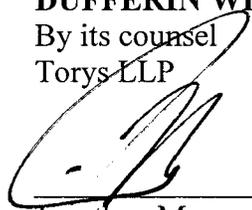
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22. Additional written evidence, as required, may be filed in support of this Application and may be amended from time to time prior to the Board's final decision.
23. The Applicant requests that the Board proceed by way of written hearing, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*.

Dated at Toronto, Ontario, this 21st day of September, 2012.

DUFFERIN WIND POWER INC.

By its counsel
Torys LLP



Jonathan Myers