

ONTARIO ENERGY BOARD

In the matter of the *Ontario Energy Board Act, 1998*, R.S.O. 1998, c. 15, (Schedule B), (the "Act")

And in the matter of an application by Hydro One Networks Inc. pursuant to section 92 of the Act, for an Order or Orders granting leave to construct a transmission reinforcement Project between the Bruce Power Facility and Milton Switching Station, all in the Province of Ontario (the "Leave to Construct Application")

BRUCE POWER INC.

SUBMISSIONS

July 4th, 2008

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Introduction and Summary

1. The submissions are provided by Bruce Power Inc. (“Bruce Power”) in support of Hydro One Networks Inc.’s (“Hydro One”) application for leave to construct a 500 kV electricity transmission line from the Bruce Power Complex in Kincardine to the switching station in Milton.

2. In addition to supporting Hydro One’s submissions on project need and justification and its evidence that the project is the preferred alternative (as outlined in Hydro One’s Argument in Chief), Bruce Power submits that granting leave to construct the transmission line is consistent with government policy. The government’s policy with respect to nuclear power generation in Ontario, and specifically in the Bruce area, is found in: (i) the supply mix directive dated June 13, 2006 (Exhibit B, Tab 6, Schedule 5, Hydro-One’s Pre-filed Evidence) (the “Supply Mix Directive”); and, (ii) the announcement of the Ministry of Energy and Infrastructure made on June 16, 2008 committing the province to 6300 MW of nuclear power at the Bruce site, including maintaining the 3260 MW of capacity currently supplied by the Bruce B units.

(i) The Supply Mix Directive Policy: Strengthening the Transmission System

3. The Minister’s Supply Mix Directive was issued pursuant to section 25.30(2) of the *Electricity Act, 1998* which states:

(2) The Minister may issue, and the OPA shall follow in preparing its integrated power system plans, directives that have been approved by the Lieutenant Governor in Council that set out the goals to be achieved during the period to be covered by an integrated power system plan...

4. In the Supply Mix Directive, the Minister of Energy directs the OPA to create an Integrated Power System Plan (“IPSP”) that meets the goals of, *inter alia*, (1) increasing Ontario’s use of renewable energy, such as wind, for electricity generation; and, (2) planning for nuclear capacity to meet base-load electricity requirements up to 14, 000 MW. Further, the OPA is directed to “strengthen the transmission system” to enable the supply mix goals to be achieved.

5. The Supply Mix Directive sets out the goals of the Government of Ontario. The objectives in this Directive should be treated as the goals for the Province. Importantly, they

reflect government policy and are not dependent on whether the IPSP is ultimately approved.

(ii) The Nuclear Power Commitment: 6300 MW Capacity at the Bruce Site

6. With respect to nuclear power, Hydro One observes in its Argument in Chief, at page 16, that "...recent government announcements now provide further confirmation of the OPA's expected outcomes and assumptions..." A particularly relevant announcement was made by the Minister of Energy and Infrastructure on June 16th, 2008 as follows:

As part of Ontario's energy plan to maintain 14,000 MW of nuclear generation capacity, the Bruce Site will continue to provide approximately 6,300 MW of baseload electricity through either the refurbishment of the Bruce B units or new units at Bruce C. A joint assessment will be undertaken to determine which option delivers the best value to Ontarians.

7. As an expert tribunal, the Ontario Energy Board ("Board") is entitled to take notice of policy announcements made within the electricity sector, which is squarely within its area of expertise. The Divisional Court recognized the Board's special expertise in *Graywood Investments Ltd. v. Ontario (Energy Board)* 2005 CanLII 2763, stating that:

The Board is a highly specialized tribunal. It has considerable knowledge and expertise as to the nature of this particular industry and how it operates....The Board was entitled to draw on that expertise and was not required to give any notice of such to the complainant before making a decision.

8. Accordingly, the Board may take notice of the Minister of Energy and Infrastructure's June 16th, 2008 announcement without further evidence. The importance of this announcement on provincial resource acquisition has been acknowledged by the OPA, which now treats 6,300 MW of nuclear capacity as committed for the purposes of the IPSP. According to the OPA:

On June 16, 2008, [the government] announced that it was committed to 6,300 MW from the Bruce site. This includes 3,040 MW of capacity from Bruce A; accordingly, the June 16, 2008 commitment is for an additional 3,260MW of capacity from the Bruce site (either refurbished or new build)...Because this capacity is being pursued outside the IPSP process, it is now considered "committed" for the purposes of the IPSP.

9. As with the Supply Mix Directive, the announcement with respect to production of 6,300 MW of nuclear power at the Bruce Site reflects government policy and is not dependent on whether the IPSP is ultimately approved.

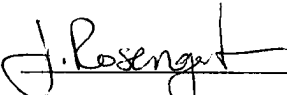
10. In light of the commitment to 6,300 MW of nuclear power at the Bruce site, arguments made by some parties during the proceeding that it is unreasonable for the OPA to assume that the existing level of Bruce nuclear generation will continue past the expected retirement date of the Bruce B units are unfounded. Government policy announcements indicate a commitment by the Government to continued production from the Bruce site. Further, Bruce Power has already commenced an environmental assessment to consider the building of new nuclear units and has applied to the Canadian Nuclear Safety Commission for a licence to prepare the Bruce site for potential construction (Exhibit K.10.1, Tab 20, Hydro-One's Pre-filed Evidence).

11. In order to facilitate the transmission of the committed nuclear power from the Bruce area, Bruce Power respectfully submits that the transmission system needs to be strengthened through the construction of the applied for transmission line and leave to construct should be granted.

All of Which is Respectfully Submitted this 4th day of July, 2008.

BRUCE POWER INC.

By its counsel


for: George Vegh