

Electronic Notification

June 21, 2011

To: all interested parties

**Ruling on Mr. Joe Anglin's Request Regarding Timing of Proceedings
Western Alberta Transmission Line Project
AltaLink Management Ltd. (AltaLink)
Application No. 1607067
Proceeding ID No. 1045**

Request and submissions

1. On April 20, 2011, the Alberta Utilities Commission (AUC or the Commission) held a process meeting in Red Deer, Alberta in regard to the proposed Western Alberta Transmission Line (WATL) project. In the process meeting, Mr. Joe Anglin, on behalf of Lavesta Area Group, referenced the *AESO Long-term Transmission System Plan 2009*, regarding technical and timing issues of the proposed WATL project in relation to the proposed Heartland project and the proposed Eastern Alberta Transmission Line (EATL) project.
2. On April 21, 2011, the Commission requested that Mr. Anglin and any other interested party who raised this issue confirm the specific sections of the *AESO Long-term Transmission System Plan 2009* on which their submission at the process meeting was based.
3. On May 3, 2011, Mr. Anglin responded to the Commission's request by referencing page 37 of the *AESO Long-term Transmission System Plan 2009*. He submitted, based on his interpretation, that the proposed EATL project was dependent on the final location of the Heartland substation and, as such the application for the proposed EATL project was premature. Mr. Anglin added that the transmission system in the western corridor between Edmonton and Calgary was stronger than the transmission system in the eastern corridor. Therefore, the Commission should consider the proposed EATL project prior to the proposed WATL project. Additionally, Mr. Anglin submitted that the proposed EATL project should be considered after the Commission has determined the Heartland project.
4. Mr. Anglin further submitted that if the WATL was utilized without the EATL being in service, it would create too large of a contingency on the transmission system. Lastly, Mr. Anglin submitted that the hearing process should not be accelerated. Mr. Anglin asked the Commission to convene the approval processes in the following sequence to avoid or reduce contingencies. He asked that the Commission first determine the Heartland project, followed by the EATL project and lastly the proposed WATL project.
5. On May 5, 2011, the Commission requested comments from AltaLink, the Alberta Electric System Operator (AESO) and other interested parties in regard to Mr. Anglin's May 3, 2011 submission. The Commission received comments from the AESO and AltaLink on May 13, 2011.

6. The AESO argued that once applications are filed, the Commission has control over the schedule and timing for the proceedings before it. The AESO submitted that the EATL project is not dependent on the location of the Heartland substation as there will be two 500-kilovolt alternating current (AC) transmission lines connecting the two locations. Additionally, the AESO disagreed with Mr. Anglin's argument that the east corridor is the weakest link between Edmonton and Calgary. The AESO explained that although there may be fewer transmission lines in eastern Alberta, this does not equate to the conclusion that the east is the weakest portion of the transmission system. In addition, the AESO submitted that a proper assessment of the transmission system can only be made on the basis of load flow, dynamic and voltage stability studies while having regard for load and generation forecasts.

7. The AESO stated that a possible contingency could be created by fully utilizing one of the direct current (DC) transmission lines before the second DC transmission line was in service. However, the AESO contended that this contingency is not dependent on geography and that power flow of a DC transmission line is easily controllable with appropriate power transfer schedules to ensure system reliability. The AESO stated that the completion and in-service date for both DC transmission lines are within the same time frame.

8. Lastly, the AESO stated that it was not aware of any request or requirement to accelerate the hearing process, as suggested by Mr. Anglin. It submitted that the Commission should decline Mr. Anglin's request to delay the WATL proceeding until after the Heartland and EATL decisions have been issued.

9. AltaLink also requested that the Commission decline Mr. Anglin's request to delay the WATL proceeding. AltaLink submitted that the two sentences selectively referred to by Mr. Anglin in the *AESO Long-term Transmission Plan 2009* are taken out of context and misinterpret the plan. AltaLink also submitted that Mr. Anglin's submission is not supported by any technical evidence and it considered the submission to be an abuse of the process set out in the Commission's April 21, 2011 letter.

10. Additionally, AltaLink argued that the correct interpretation of the sentence quoted by Mr. Anglin from the *AESO Long-term Transmission Plan 2009* implies that both DC transmission lines should be constructed in proximity to each other to facilitate the full utilization of the DC transmission lines and that there is no suggestion in the AESO's plan that the construction of one line before the other would result in the commissioning of a transmission line that could not be used.

11. The Commission has considered the request and the submissions of the parties and has asked that I inform you of its decision.

Ruling

12. Mr. Anglin provided the reference from the *AESO Long-term Transmission System Plan 2009*, on which he based his comments at the process meeting regarding technical and timing issues of the proposed WATL project in relation to the proposed Heartland project and the proposed EATL project. The question now before the Commission is whether the referenced

portion of the *AESO Long-term Transmission Plan 2009* supports Mr. Anglin's request for sequential proceedings.

13. The Commission is not persuaded by Mr. Anglin's submissions regarding the interpretation to be given to the referenced portion of the *AESO Long-term Transmission System Plan 2009* based on its reading of the following two paragraphs from the referenced portion of the plan:

Given all of the conditions noted in Section 4.2, two HVDC high capacity lines are planned as soon as possible. Analysis indicates the preferred orientation of these lines is for one line on the west/central portion of the province connecting existing Wabamun Lake/Edmonton hub to the Calgary area hub. The preferred orientation of the second line is on the eastern side of the province, connecting the heartland hub northeast of Edmonton to the Southern hub.

Construction of both lines substantially increases the usable capacity of the first line. The first line alone cannot be fully utilized without the second line being in service as the loss of the first line would create too large a contingency on the system. Construction of these lines sends a positive and concrete signal to consumers and generation developers that transmission capacity will be in place to deliver future generation to market and reliably meet the electricity needs of consumers in central and southern Alberta.

14. The paragraphs speak to the construction of two high-voltage direct current (HVDC) transmission lines as soon as possible and that the construction of both lines substantially increases the usable capacity of the first line. However, there is no indication in these paragraphs as to which transmission line must be built first or that the transmission lines are to be built sequentially. As a result the Commission finds that these paragraphs do not support Mr. Anglin's contention that the above-mentioned proceedings should proceed in a sequential manner.

15. In addition, the Commission has a statutory duty to render a decision on an application before it within 180 days or, if unable to meet this timeline, within a maximum of 270 days of the Commission's receipt of a complete application, pursuant to Section 15.2 of the *Hydro and Electric Energy Act*. This section states:

15.2(1) When considering an application for an approval, permit or licence under this Part in respect of a transmission line or part of a transmission line, the Commission

- (a) shall make its decision in a timely manner and, if possible, within 180 days after receipt of a complete application, and
- (b) shall make a decision in respect of more than one transmission line or part of a transmission line if approval is sought for multiple transmission lines or parts of transmission lines.

(2) If the Commission cannot make a decision within the 180-day period referred to in subsection (1)(a), the Commission shall

- (a) before the 180-day period expires
 - (i) notify the applicant of the reasons why it has not made or will not be able to make a decision,

- (ii) state its best estimate as to when it reasonably expects to make a decision,
- (iii) make the reasons and estimate public,
- and
- (b) make its decision within 90 days after the expiry of the 180-day period.

16. The Commission considers that Mr. Anglin's request of convening sequential proceedings runs counter to this statutory duty, as the Commission must make a decision on the WATL application within the time frame set out above.

17. For these reasons, the Commission denies the request as set forth by Mr. Anglin in his submission of May 3, 2011.

Yours truly,

(Original signed by)

Giuseppa Bentivegna
Commission Counsel