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July 23, 2013

VIA E-MAIL

Mr. Hollis Singh
Manitoba Public Utilities Board
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Mr. Singh:

Re: Manitoba Hydro NFAT -
GAC Proposed Response to Order 67/13
Our File No. 16194 WSG

I am providing a response to the letter dated July 18, 2013 submitted by Manitoba Hydro commenting on the proposed budget of Green Action Centre ("GAC"). There are a number of issues raised in the Manitoba Hydro response that require clarification of the GAC position. The GAC submission of June 28 and July 29 was intended to respond to Board Order 67/13. In the GAC submission, GAC advised that our intervention intends to focus in particular on the "alternatives" portion of the NFAT process. GAC is, of course, concerned with all aspects of the NFAT analysis, but our main contribution is intended to be an analysis of the generation, conservation and customer heating fuel choice alternatives to those identified in the Preferred Development Plan, namely DSM wind and fuel switching.

The Terms of Reference prescribed by IEM set a very high standard of justification for MH's preferred development plan (PDP). It is not enough for MH to show that its PDP is economically beneficial and can accommodate additional DSM or fuel-switching. The NFAT must also provide:

2. An assessment as to whether the Plan is justified as superior to potential alternatives that could fulfill the need. The assessment will take the following factors into consideration:
 - a. If preferred and alternative resource and conservation evaluations are complete, accurate, thorough, reasonable and sound;and additionally
 - j. If the Plan has been justified to provide the highest level of overall socio-economic benefit to Manitobans, and is justified to be the preferable long-term electricity development option for Manitoba when compared to alternatives.

We submit that the high standard of demonstrated comparative superiority to alternatives requires a rigorous elaboration of how those alternatives can contribute to meeting the identified need.

In the July 18th letter, Manitoba Hydro questions the need for the detailed analysis of DSM that is contemplated by Mr. Dunsky. We note that CAC has defended the detail of Mr. Dunsky's study in its reply. We concur in the comments made by CAC regarding Mr. Dunsky. We would note in addition that a public consultation on Power Smart's annual program is no substitute for Mr. Dunsky's expert analysis of what DSM can achieve in the context of the NFAT.

We would note that it would appear that no other intervener is directly addressing wind and customer fuel switching. A serious consideration of the "alternatives" to the PDP would require that these alternatives be examined with some rigor to permit the Board to be satisfied on the issues. The examination of these issues requires technical and economic expertise. It is for that reason that GAC has invited Pattern Energy to join with GAC as a collaborator in the intervention. We expect that Pattern Energy will be able to bring expertise on the economics and technical specifications of wind energy generation in the North American markets. Pattern Energy's management team has developed approximately 30 projects into construction, financing and operation over the last 10 years. They continue to develop projects in North, South and Central America. Wind turbine technology has been evolving quickly over the last 10 years, with significant advances in the efficiency of the technology, as well as reductions in capital cost, both of which have made wind energy much more cost competitive with other generation types. Pattern Energy's team of scientists, turbine experts and commercial professionals will add an important perspective in evaluating the assumptions used by Manitoba Hydro in its comparison of wind energy and hydro electric power. As the Board is aware, Manitoba Hydro does not have any wind energy projects under its ownership, has not developed any wind energy projects to

commercial operation, and could therefore benefit from the perspective that comes from private wind energy companies that are actively developing and building projects.

Manitoba Hydro has indicated that in its view, Pattern Energy would not qualify as an intervener who would be eligible for an award of costs based upon the Board's criteria as set out in the PUB Rules of Practice and Procedure. It is true that Pattern Energy is a commercial entity which works for the benefit of its shareholders. The purpose of GAC reaching out to ask Pattern Energy to collaborate with GAC in this intervention is to bring the proper degree of expertise to the table.

In Board Order 67/13, the Board has considered the issue of costs that might be awarded to MIPUG. In particular, the Board held:

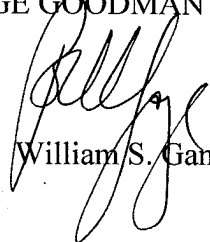
The Panel has determined that PUB Rules 46(c) . . . and Rule 43(d) will not be criteria considered in determining MIPUG's eligibility for an award of costs. The remaining criteria will be considered in respect of MIPUG when cost submissions are due.

GAC would ask that the same principle be applied to the consideration of Pattern Energy in its collaboration with GAC. It is the position of GAC that it is important to have the perspectives of energy and conservation providers, not just rate-payers, in considering the energy alternatives. In order for the NFAT to be a robust, full and meaningful exploration of the energy alternatives to the PDP, GAC is of the view that its collaboration with Pattern Energy would be essential.

Yours very truly,

GANGE GOODMAN & FRENCH

Per:



William S. Gange

WSG/lc

cc: Manitoba Hydro
Attn: Patti Ramage