



Peaking Your Interest – Frequently Asked Questions (FAQ #1)

1. Hydro One is building a new transformer and distribution station at a site located north of Millers Side Road and east of Dufferin Street. Is this the same as the peaker generation project?

No. Hydro One is adding capacity to its transmission facilities. These transmission upgrades are part of a larger plan to address supply problems in Northern York Region, but Hydro One is not building a generator. It is also important to understand that, **unlike** the Northern York Region peaker generation project, Hydro One's project has already received all necessary Ministry of the Environment approvals to proceed.

2. Is it true that there are plans to build an electric generator in King Township?

It's true that the Ontario Power Authority (OPA) has identified the need for "peaking" generation in Northern York Region. The purpose of the peaking generation is to meet electricity demand requirements in the Region that are caused by growth. In particular, there is a need for more supply capacity at the times of highest demand, usually the hottest days in summer.

In order to meet the electricity demands of Northern York Region and South Simcoe County without extensive additions to the transmission system, the new peaking generation plant would have to be connected to the transmission system at one of a small number of specific points. This means the best location would be in the Township of King, or East Gwillimbury, or Newmarket or Aurora. A Site in the Township of King might be selected, or a site might be selected in one of the other municipalities.

3. What kind of generator is being planned?

The OPA has defined the need as approximately 350 mega-watt of natural gas-fired single cycle turbine "peaker".

4. Why gas-fired?

A natural gas-fired generator is reliable, and is clean as compared with the most common coal-burning technologies. After all the approvals are in place, a gas-fired plant can be constructed and put into operation in about two years, which is a short time as compared with most other generation technologies.

5. What is a “peaker” plant?

A “peaker” generator is designed to provide power when electricity use by consumers is at a “peak” (usually on the hottest days in summer). The plant would operate when electricity demand in Northern York Region and South Simcoe County exceeds the existing transmission facilities supply or in emergency situations. While peaking generation is more expensive than other options it would only be used when lower-cost generation from outside Northern York Region is unavailable.

6. Are there any alternatives, other than this generator to meet the supply issues in Northern York Region?

An alternative is to upgrade transmission lines into and through required areas of Northern York Region. Also renewable sources such as wind or solar generators cannot be used as peakers, because there is no assurance that the wind or sunlight will be available at the time when the generator’s output is most needed.

7. Has a specific location for a generator been selected?

No, not yet. The OPA released a Request for Qualifications (RFQ) on January 31st, 2008. The RFQ is an invitation to companies to express their interest in building energy generation in Northern York Region. The OPA has set a deadline of March 28th, 2008 for the companies to respond. The OPA will evaluate the responses and invite some or all of the companies to submit a detailed proposal. We expect the OPA will take about six months to select one of the proposals. The selected company will enter into a contract with the OPA to build the plant and sell the output.

The location of the peaker plant will be the location identified by the winning company, who can obtain the necessary approvals.

8. What criteria will be used by OPA to choose the winning project?

The OPA will evaluate proposals according to:

- access to site(s) on which the generators could be built;
- adequate resources to finance the project;
- ability to meet environmental criteria;
- acceptance in the community where the project will be built; technical soundness of the design;
- ability to meet the requirements of Hydro One for connection to the transmission grid and of the Independent Electricity System Operator for sales into the market; and
- Bid price for the generated power.

9. How will energy company proponents work with the community?

It will be up to each generation company to communicate with the municipal government and the public, in the area where it hopes to build. In previous instances, the generation companies have done such things as:

- Hold public meetings or “open house” exhibits that people can visit to get information and ask questions.
- Establish an internet web site with information about the project; and
- Meet with municipal councils, chambers of commerce and community groups;

10. What role will the Township of King play in OPA’s qualification and proposal process?

The Township of King will be developing criteria to evaluate potential locations within King Township to decide whether to support peaking generation in the Township and if so, which of the proposals might be beneficial to the community. The Township of King will have an opportunity to provide their input to the OPA and directly to the proponents.

We will be gathering information by speaking to the OPA, the Ministries of Energy and of Environment, and the generation companies. We will also contact representatives of other communities where natural gas-fired generators have been built, to ask about their experience. The Township will proactively solicit opinions and concerns from individuals and groups within King Township to help evaluate the project.

We will review and analyze residential and business opinions and concerns when formulating the Township’s criteria development for reviewing and assessing energy company proposals. We will also incorporate community opinions in our discussions with individual proponents to guide them in the development of their proposal.

11. How can I obtain more information?

The Township of King will be posting information on its web site and articles will be printed in the community newspapers. Documents about the OPA’s Request for Qualifications and Request for Proposals will also be posted at the OPA’s web site, www.powerauthority.on.ca. We also expect that at least some of the proponents will have web sites with information about their proposed generation project.

If you provide us with your email address we will broadcast material as it becomes available.

You can also attend any public meetings or open houses that might be held by the OPA or by the energy generation companies.

12. How can I contribute my opinions regarding the possibility of a peaking generator in our community?

We invite you to start by responding to the Township's on-line survey "Peaking Your Interest Survey #1" at www.king.ca. You are welcome to do so anonymously, if you prefer. But if you provide your name and email address, we will add you to our list of interested community members. As things proceed, we might contact some people on the list to discuss their views in depth. We might also use the information to let you know about meetings and other public events on this subject, or to let you know when information is added to our web site.

13. What about residents and businesses that don't use a computer or the internet?

People who want to use the Internet but don't have a computer at home can use the facilities at any of the four branches of the King Township Library.

For residents without access to a computer and the internet please contact the Township of King Municipal Offices @ 905-833-5321 or mail or visit 2075 King Road, King City ON L7B 1A1 to obtain additional information or additional copies of the FAQ and survey.