

September 25, 2009

Ontario Energy Board
2300 Yonge Street, Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board File No.: EB-2009-0077
Submissions of Northwatch
Revised Proposed Amendments to the Distribution System Code**

W+SEL is pleased to provide these comments on behalf of Northwatch on the Board's Revised Proposed Amendments to the Distribution System Code (the "Revised Proposed Amendments") in the above noted matter.

Northwatch was founded in 1988 and is a regional coalition of community and district based environmental groups, naturalist clubs, social justice and development organizations, local peace groups, and Aboriginal support groups, as well as many individuals. Its membership base covers the land mass north of the French River, comprised of the districts of Nipissing, Sudbury, Algoma, Manitoulin, and Cochrane, Temiskaming, including the Hudson's Bay lowlands.

Northwatch's main objective is to represent the public interest with respect to environmental protection, social justice, and resource management matters in north-eastern Ontario. Its members are committed to promoting the health, well being and sustainability of the human and natural communities throughout the region.

IMPACT ON NORTHERN RESIDENTS

Northwatch repeats its concern that northern residents may bear an unfair burden in terms of rate impacts and adverse environmental effects.

In its June 5 2009 notice, the Board proposed that some or all of the investments that are proposed to be funded by a distributor may be eligible to be recovered from consumers



across the province. This suggests that the burdens associated with development of distribution systems in the north will be shared by all energy consumers, as they may provide energy to all of Ontario, and meet public policy goals of Ontarians.

However this proposal is not mentioned in the Revised Notice of September 11, 2009. Northwatch strongly supports the development of such a proposal.

In the absence of any clarity that may be brought by regulations as yet not developed under Section 79.1 of the *Green Energy and Green Economy Act*, Northwatch has a concern that some ratepayers may be burdened with the costs of construction, expansion or reinforcement associated with the connection of a renewable energy generation project for which the end users are located in a distribution system distant to the location of the generation facility. Such would be the case, for example, if supply generated within a particular area or region exceeded demand, with the surplus exported for use elsewhere.

DEFINITION OF “EXPANSIONS”

Northwatch provides these comments about the activities that are defined as expansions. We note that new lines and upgrades to new lines are both included as expansions. The potential adverse impacts of building a new line are likely more significant than the other activities listed.

The Board proposes that the cap would not apply where expansions are contained in a “Board-approved plan” or as otherwise mandated by the Board.

It is not clear how section 70(2.1) will operate, and how it will integrate with the suspended IPSP process.

Northwatch supports a process leading to a Board approved distribution plan which will include the siting of new lines. Without proper planning, siting decisions will be made in an ad hoc fashion and unintended social, environmental and economic impacts will result.

INCENTIVE FOR ABORIGINAL PARTNERSHIPS

Northwatch continues to support additional reductions in the connection cost responsibility for generators that are in majority partnership with Aboriginal or local community interests. Although there are programs proposed through the OPA that would support community and local partnerships, it is also the mandate of the OEB.

As a result of *Green Energy and Green Economy Act*, 2009 (GEGEA) revisions, the Board will have an objective to:

“promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely



expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation”

The Government of Ontario policy to encourage Aboriginal and community involvement in the development and establishment of renewable energy projects is evident through its directions to the OPA to develop programs to support the participation by Aboriginal peoples and involvement of local communities (GEGEA s. 25.35(2)a) and b)).

It is also clear that timely projects result from positive local community involvement and clear benefits and where such involvement and benefit are lacking projects can be bogged down and stalled. See for example, the attached excerpts from the Globe and Mail, September 18, 2009, “Harvesting Wind Energy’s Benefits” and “Community Engagement – Local involvement encouraged” which underscore the importance of local communities to the timely development of projects.

For the GEGEA to be successful, the entire framework that supports the GEGEA including the distribution of costs, must be consistent with, and support government policy objectives. In particular, the framework must be consistent with policy objectives related to environmental protection, public involvement in environmental and social decision-making, and sustainability.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Juli Abouchar', written in a cursive style.

Juli Abouchar
Partner, W+SEL
Certified as a Specialist in Environmental Law
by the Law Society of Upper Canada

cc: Northwatch
Document #: 266565

COMMUNITY ENGAGEMENT LOCAL INVOLVEMENT ENCOURAGED

When TransAlta Corporation won its Kent Hills wind farm contract, it was aware that strong community engagement and best practices were going to be an essential part of working and communicating with the locals.

What the company wasn't aware of was just how engaged the community was going to become.

"Once we were on site, people just started showing up and wanting to talk to us. It got to the point where we became almost a tourist attraction on weekends. Even one of the local vendors set up a chip wagon during construction and ended up staying there until we were done," says Jason Edworthy, director of Community Relations with TransAlta.

"The wonderful thing was the community members' positive, welcoming attitude. They were excited about the technology and excited by the local economic development."

Leading up to the construction of its 32-turbine wind farm in this coastal New Brunswick community, TransAlta was busy seeking input from local stakeholders. "That is as critical as having operational equipment and the right site. If you haven't consulted with the local population successfully, a project is not going to work," says Mr. Edworthy.

Along with initiating both

general and individual meetings with local stakeholders, TransAlta also runs ads and works with the local media to tell its story. "Our website has also become an important tool," adds Mr. Edworthy.

The company held a local vendor fair, allowing local business people to pitch their work and wares to TransAlta's major suppliers. In the end, \$20 million of the project's \$170-million budget was spent locally.

TransAlta is one of over 420 members of the Canadian Wind Energy Association (CanWEA) – a non-profit industry association that promotes the responsible and sustainable development of the wind industry in Canada.

CanWEA's vice-president of communications and marketing, Chris Forrest, says it is essential to the success of Canada's wind industry to create the opportunity for intelligent and open dialogue where all points of view are considered and addressed.

"While wind energy is a well-established form of energy generation around the world, it is young in Canada, so people are naturally curious," he says. "It is our job to provide answers to their questions and back up our goal of bringing a new and open approach to energy development in Canada."

To that end, CanWEA has established a member-based national communications advi-

sory group this year that continues to grow in both its numbers and its mandate. "We're coming together, sharing best practices and sharing resources so that we're consistent in communicating the benefits of wind energy across the country," says Mr. Forrest.

"The vast majority of people living near wind farms have had very positive experiences, and we need to communicate what that means."

CanWEA facilitates peer-to-peer communications so that stakeholders can share their experiences. "It's better for a mayor to hear directly from another mayor how a wind development saved their town because of other resource declines," says Mr. Forrest.

Not only has CanWEA invested heavily in its website – described by Mr. Forrest as Canada's most comprehensive, go-to source for wind information – it recently worked with Canadian Geographic to develop Canada's first-ever wind energy map along with 26 related lesson plans that will be used in schools across the country.

"At the end of the day, everyone in this young industry has a stake in how we move forward and are viewed by the public. Being known as a responsible industry that communicates early and openly with the community is crucial to our long-term success," says Mr. Forrest. ■

HARVESTING WIND ENERGY'S BENEFITS

When St. Leon, Manitoba, was founded 130 years ago, it was seen as a promised land for French-speaking people from Quebec and the U.S. But by 2002, when Bob Spensley, managing director of Sequoia Energy, began considering St. Leon as a viable location for a wind farm, the town's population had dwindled to about 75 people.

These days, however, this community and others across Canada are thriving, reaping the social benefits of wind energy.

"My wife had worked in that region as an occupational therapist and knew there were strong winds in the area," says Mr. Spensley, explaining what triggered Sequoia's interest and how the notion of a wind farm gained St. Leon's community support one person at a time.

"I ordered a bowl of soup at the local hotel and just started talking about wind development as community development," he says. "One person led to the next person. It was all word of mouth back then."

In 2006, when the 99 megawatt St. Leon wind project construction was completed, it became Canada's largest wind energy installation and Manitoba's first independent power producer.

"If the community had not become so unified behind it, it may not have happened," says Mr. Spensley. "There are 51 landowner families and 63 turbines, spread over roughly 20 square miles of land – and the village is squarely in the middle of the project."

See Benefits CanWEA3

The Globe and Mail, pages CanWEA1 and CanWEA3 - Friday, September 18, 2009

BENEFITS

Along the way, he says, there have been countless kitchen table meetings aimed at sharing benefits among all stakeholders.

"Together, we found a way to share revenue between people who have turbines and those who don't. One example is a community grant of a quarter million dollars over the life of the turbines, used to enhance and maintain quality of life in the region," he says.

That grant has been used to help support a local wellness centre, a ball diamond, daycares, a health centre and a new wind energy interpretive centre.

"Sequoia now has dozens of similar projects in development across Canada and the U.S., founded on the same 'community first' values," says Mr. Spensley.

On the rugged Gaspé Peninsula in Quebec, the town of Murdochville had also lost its economic heart when the rich copper mines in the area

were depleted. But today, the forward-looking town is building a new economy based on sustainable development, including 162 MW of wind power, a wind energy research and development centre and a call centre.

Robert Vincent, president of 3Ci, one of the companies involved in Murdochville's initial wind power installations, says, "These projects were a means of sustaining economic activity for a while, so that the town could figure out ways to revitalize into other sectors."

In Ontario, as in the rest of Canada, wind power provides an opportunity for investment into local communities, says Don McCabe, vice president of the Ontario Federation of Agriculture.

"It provides local farmers with the opportunity to be involved in lease opportunities and to come together in a cooperative business arrangement," he says, noting that a council member from south-

western Ontario recently commented favourably about the tax assessments resulting from having turbines located in their area. "The bottom line is that the wind is another commodity that can be harvested off the land," he says.

Douglas Duimering, manager of Business Development for Canada at John Deere Wind Energy, says wind energy provides three primary benefits to communities: additional jobs both during the construction phase and on an ongoing basis to operate the farm and provide ancillary services; an increased tax base; and a revenue stream for those who participate. "It helps preserve the agricultural economy."

Another, important benefit for communities, says Mr. Duimering, is the opportunity to participate in creating a less carbon-intensive energy future. "They're part of promoting a more sustainable infrastructure for our entire society." ■