

May 22, 2012

BY EMAIL: boardsec@ontarioenergyboard.ca
ORIGINALS TO FOLLOW BY PUROLATOR COURIER

MS. KIRSTEN WALLI
BOARD SECRETARY
ONTARIO ENERGY BOARD
P O BOX 2319
2300 YONGE STREET
SUITE 2701
TORONTO ON M4P 1E4

Dear Ms. Walli:

Re: Board File No.: EB-2011-0140
Reply Submissions of Algoma Coalition
Our File No.: 12524-5

Support for Project

The Algoma Coalition generally supports the E-W Tie project and believes it is a necessary and prudent infrastructure project for the benefit of Northern Ontario and the province as a whole.

The Algoma Coalition approaches these submissions primarily from a planning perspective and with regard to the impact and opportunities that the plan brings, or should bring, to municipalities in Northern Ontario.

Stakeholder Group

As indicated in our intervention letter, the Algoma Coalition represents many stakeholder municipalities in the Northeast Region. This is a coalition of communities who have suffered a loss of 1200 direct industrial jobs in the recent past, not including the exponentially larger number of indirect jobs, often as a partial result of the uncompetitive electricity rates in Ontario. The Algoma Coalition urges proponent transmitters to consult with and partner with these northern Municipalities.

Designated Growth Plan Area

The area where the E-W Tie line is to be constructed has been designated as a Growth Plan Area pursuant to the *Places to Grow Act, 2005*, S.O. 2005, c.13 and *O.Reg 416/05*, s.3. Some Relevant excerpts from this Plan are attached hereto as **Appendix A**. The original document can be found at:
<https://www.placestogrow.ca/images/pdfs/GPNO-final.pdf>

Wishart
LAW FIRM LLP

390 Bay Street, Suite 500
Sault Ste. Marie, Ontario
Canada P6A 1X2
Tel. 705.949.6700
Fax 705.949.2465

www.wishartlaw.com

excellent solutions.

The *Growth Plan for Northern Ontario, 2011* has been established pursuant to the aforementioned legislation and *must* be considered in designating a transmitter and proceeding with both phases of this decision making process. (s. 14, *Places to Grow Act, 2005*). The Algoma Coalition is concerned that this legislation has not been considered and is not being complied with by the Board or the proponent transmitters in respect of this project to date.

Section 1.2 of the Plan sets out its purpose being to engage and empower residents, businesses, institutions and communities to work together to build a stronger Northern Ontario and recognizes that to achieve these long term goals, strategic coordination, partnerships and collaboration are essential.

While the Coalition generally supports the E-W Tie project, it is our opinion that the project has failed the Plan in that there has been no collaboration with municipalities, no partnerships with municipalities and in no way shape or form have municipalities been engaged. We do credit the process for the collaboration and engagement at the First Nation level, however, the lack of collaboration and consultation with municipalities and residents is the direct responsibility of both the Province of Ontario and the proponents.

The fact is that municipalities in Northern Ontario right now have considerable resources to offer to proponent transmitters and have a significant interest in ensuring the success, long term viability and local access to this major infrastructure project.

Section 1.4 Guiding Principles

Guiding principles 1, 4, 5 and 6 have been largely ignored by both the Province and the Proponents. As they relate to this energy project due to the lack of consultation and engagement at the municipal and community level.

Section 1.7 A Collaborative Approach to Implementation

This section states that the Plan identifies policy directions that encourage collaboration among other orders of government as well as non-governmental partners. It is regrettable that the East West Tie Line process has not taken this section seriously. If it had, opportunities for collaboration would have been executed with the municipal level of government. This omission should be rectified prior to proceeding further with the project and certainly before a transmitter is designated. Collaboration with municipalities and residents in the subject area should be a weighted Decision Criteria.

Section 2 – Economy

The preamble states that the Plan is intend to support growth and diversify the region's traditional resource-based industries. To comply

with the Plan, the E-W Tie project must include opportunities for local use of the proposed infrastructure.

In order to take advantage of opportunities that may exist in emerging sectors such as the bio economy, then access to power is needed. Hence the need to be able to access the proposed grid.

Section 2.2 An Economic action Plan for Northern Ontario

“The Province will collaborate with the federal government, as well as business and industry, municipalities, Aboriginal communities and organizations...” Unfortunately there has been no collaboration but such collaboration should be encouraged and ingrained in the result of these hearings.

Sections 2.2.2 and 2.2.3 are not supported due to the fact that no collaboration or engagement has been provided to the municipal level of government.

Section 2.2.5 states that “Industry will be encouraged to participate in the development and implementation of the Province’s five year economic action plans and regional economic plans.” No information has been provided as to just what the Province’s economic action plan is and further no regional economic action plans have been published so it is not known if these have been considered. Given that a portion of the Algoma Coalition – the Northeastern Superior Mayors Group has been working together on economic matters for 12 years, it would appear that this group has been overlooked.

Section 2.3 – A Growing and Diversified Economy

This section discusses the fact that it is important for Northern Ontario to develop a growing and diversified economy. For this project to facilitate this portion of the Plan, it will be very important for the proposed grid to be capable of off-loading and on-loading. Offloading to be used in manufacturing and other sectors and on-loading for the local production of electrical power – using many methods. Moreover, this is to be read in conjunction with the smaller communities show have been disenfranchised of development and not for the larger communities in Northern Ontario.

The section also discusses the renewable energy and services sector. Given that we already have a capacity issue access to the proposed grid will be needed in order for local opportunities to be taken advantage of.

Section 3 – People

The proposals reviewed do not provide any information with respect to how the people of the region can be trained, educated and used for the proposed project and how these jobs could remain in the area.

Should the necessary resources not be developed in the area through partnerships with the various educational institutions and proponents. This will drive a skilled and innovative population.

It is noted by the Coalition that at least two proponents have operation facilities in Northern Ontario. As such it is clear that such facilities are feasible and as such it is recommended by the Coalition that any proponent being considered detail an operations facility in Northern Ontario and that this be a weighted Decision Criteria.

Section 4 – Communities

This section discusses areas that serve as economic and service hubs across the north. While they are not named, it is clear that Wawa is one such hub. This section goes on to state; "They are also points of convergence for major infrastructure, including transportation, energy, information and communications technology and community infrastructure."

Section 4.2 – Long Range Planning

This section discusses the need for long range planning and for collaboration between communities in such matter. However, it should be suggested that consultation with these same communities should be sought by the proponents so that they understand what planning is ongoing across the area of the project. This will ensure that vital access points for local business to facilitate the Growth Plan are not missed thereby continuing the present access problems frustrating local business development.

Section 4.3 – Economic and Service Hubs

The MNM was to identify and develop economic and service hubs across the north. To date, there has been no movement on this matter. However, as discussed above these hubs are already well known and should be used in regards to this project. Section 4.3.4 quotes: "Economic and service hubs shall be focal areas for investment in regional transportation, energy, information and communications technology and community infrastructure."

Section 5 – Infrastructure

This section discusses energy generation and transmission infrastructure in Northern Ontario as being key to the growing economy and that such investments should be coordinated with collaboration and discussion with various level of government.

Section 8 – Implementation

The development of the north shall ensure that the population is engaged and informed and that their views shall be sought out and

that methods such as regional meetings shall be used for these purposes – this was absent from this project and should be required of all proponents prior to designating a transmitter. The results of this collaboration should be a weighted Decision Criteria.

The section also discusses coordinated and collaborative decision making and that municipalities shall be included in this way.

Decision Criteria

In light of the Growth Plan For Northern Ontario discussed above, the Algoma Coalition respectfully requests that the Ontario Energy Board (OEB), in this designation process, consider socioeconomic benefit for communities on and served by this East-West tie line corridor as a major Decision Criteria. As a major infrastructure project in Northern Ontario, the Coalition requests that in the designation process, the Board consider and prefer proponents who will use local labour and supplies both in construction and operation of the project. To comply with the above mentioned legislation, this project must benefit the communities through and near which it travels.

Additionally, requiring proponents to have a consultation plan with the municipalities located throughout the routing of the EWT line project, primarily for land use planning purposes, should be added to the decision criteria. The land use planning, social and economic issues that will affect all of the communities along the path of this new transmission project need to be fully developed and considered during the development phase. Only those local communities can provide that level of diligence.

The operation and maintenance plan for this asset is extremely important to the long term energy supply to the Northeast and Northwest regions. The reliability of the asset will be directly affected by maintenance planning and execution. As well, this could be a major economic benefit to the region if the designated transmitter proposes to have human resources located in the vicinity of the asset. Again, waiting until the asset has been constructed to try and have these discussions is unrealistic. The Board needs to address this issue during the designation process and the proponents need to be required to address this issue to the best of their ability during the second phase of this process. Similar to the cost of construction, it is not reasonable to expect a precise level of accuracy at this initial stage of development. However, the plan to deal with this issue can be established and the Board can then monitor a designated transmitter's performance against that plan.

Weighted Decision Criteria

With respect to the issue of rankings of the Decision Criteria, the Algoma Coalition submits that ranking the Decision Criteria will benefit the designation process. This will allow Applicants to focus on the

aspects of the proposals considered most critical by the Board. The Algoma Coalition suggests that a clear and weighted Decision Criteria metric should be struck by the OEB so that all proponents will know and understand the Decision Criteria that will be used by the Board in designating a proponent to construct the E-W Tie line.

The Algoma Coalition specifically requests that socioeconomic benefit to the stakeholder northern communities be specifically considered and strongly weighted in the designation process.

The recently released scoring process for FIT 2.0 from the OPA, specifically assigns points to a project's application for municipal support for said project. The Algoma Coalition submits that the Board should add a similar criteria to the Transmitter Designation Process.

Consultation Process

As indicated above, and to be clear, the Algoma Coalition notes that many groups are being consulted during the designation process but there is a notable absence of consultation with the many northern communities on or near the proposed project. As the E-W Tie line passes through the backyards of many northern communities, the Algoma Coalition requests that a consultation process be designed and mandated to allow affected communities to have input into items such as routing and access near or through their communities.

In addition to the Growth Plan For Northern Ontario, the Coalition refers the Board, as an example of the significance of consultation on projects such as the subject, to the consultation process laid out in the *Environmental Protection Act*, Regulation 359/09, sections 16 and 18.

It is clear that the Legislature has recognized the necessity and importance of consulting affected municipalities and stakeholder groups in renewable energy projects. The relevant sections of that regulation are attached hereto as **Appendix B**.

Transfer Capacity

The Algoma Coalition supports the IESO suggestion that reliability and transfer capacity be added as "must pass" criteria in this designation process. In fact, the Coalition believes that Transfer Capacity must be the primary consideration in this project. There are many energy opportunities for businesses and communities in Northern Ontario that are not proceeding only because the current line does not have sufficient transfer capacity to admit new generation to the Ontario grid.

When the designated transmitter completes the Leave to Construct process and proceeds with construction, the expected life of this transmission asset should be in the order of 70 years. Therefore,

maximizing transfer capacity at this stage of the process is extremely important.

The Growth Plan for Northern Ontario, 2011 Section 5.6 Energy, specifically deals with the need for infrastructure investments in Northern Ontario. This is a 25 year plan and that planning horizon should be the focus of any consultations resulting from the transmitter designation process.

As well, since the asset needs to operate for many decades reliability is another significant criteria that must be dealt with early on to mitigate the risk of an asset that is paid by the ratepayer but does not perform adequately for the needs of the area over its useful operating life.

Tracking the Performance of the Designated Transmitter

The Board should require the designated transmitter to file quarterly reports on its progress against the various performance criteria established by the Board through this process. This would allow the Board to track progress and provide an opportunity for the Board to intervene if acceptable progress is not being made by the designated transmitter.

Designating a Back-up

Instead of designating a "back-up" transmitter, the Algoma Coalition submits that at the end of Phase 2, all of the proponents should be listed in order of the Board's preference to proceed. The Board could then use that list to progressively select an alternate should the initially designated transmitter not be able to proceed. In preparing the list, the Board may elect to not include certain proponents if it is proven that a proponent has not established through their application the ability to complete the project in a meaningful fashion.

Oral Hearing

The Algoma Coalition recognizes that the E-W Tie project is a Northern Ontario infrastructure project traversing and servicing Northern Ontario. The Coalition strongly opposes a written hearing at the Board's Toronto office. As one of the most significant Northern Ontario infrastructure projects in the past number of decades, it is imperative that residents of Northern Ontario be involved and be able to see the process and particularly to participate in the designation process and later planning processes as this matter progresses. The Coalition strongly believes that an oral hearing is mandatory in this matter and specifically requests that the hearing should take place in Northern Ontario. The Coalition believes that Sault Ste. Marie is the most central Northern community and notes that it does have facilities to hold a hearing of the import and nature that this hearing will be. In

the alternative, the Coalition suggests that the hearing should be held in Thunder Bay.

Sault Ste. Marie is proximate to one or more of the possible proponents for construction of the E-W Tie line. It is central to the Northern Ontario region and is serviced by major airlines for ease of travel. Additionally, Sault Ste. Marie has facilities for a hearing of the Board at the Roberta Bondar building on Bay street in downtown Sault Ste. Marie.

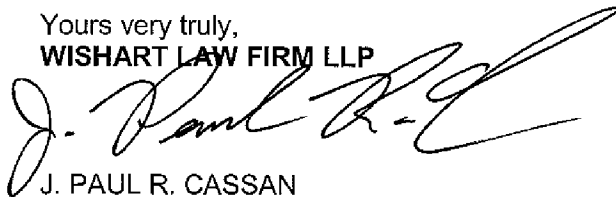
Inappropriate Time Line

The Algoma Coalition strongly objects to the Board's proposal that it will advise parties on the Friday before the hearing, presently scheduled for May 28th, 2012, whether or not an oral hearing will be held.

It is entirely impractical and unfair to advise stakeholders in Northern Ontario a mere 3 business hours before the hearing that they have to make travel and accommodation arrangements to attend in Toronto. This timeline will have the effect of prohibiting some members of the Coalition and the Northeast Region generally from attending the hearing because they will not be able to secure travel in the short time given. Additionally, this short timeline will also unnecessarily increase the travel costs for members of the Coalition and other residents of Northern Ontario because they are not able to take advantage of anything but last minute travel pricing. The Algoma Coalition states that this late timeline is actually a denial of natural justice to residents of Northern Ontario and respectfully requests that the Board give much more notice of whether the hearing will be oral and further where the hearing will take place. Again, it is imperative to realize that stakeholders in this project are located throughout Northern Ontario and they should be granted the opportunity to attend and participate in these hearings and must be given the opportunity to make meaningful input into this major infrastructure project.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Yours very truly,
WISHART LAW FIRM LLP



J. PAUL R. CASSAN
Telephone Ext.: 230
Email: pcassan@wishartlaw.com
Assistant: Linda Hurdle
Telephone Ext.: 224
Email: lhurdle@wishartlaw.com

JPRC:lh
Enclosures

cc: See Schedule Attached Containing List of Parties Served

SCHEDULE A - LIST OF PARTIES SERVED BY EMAIL

shelley.grice@rogers.com;
c.w.clark@sympatico.ca;
cbayne@bayniche-conservancy.ca;
Marion.Fraser@rogers.com;
tbrett@foglers.com;
nmelchio@wmnlaw.com;
jcyr@wmnlaw.com;
rwarren@weirfoulds.com;
jgirvan@uniserve.com;
EGDRegulatoryProceedings@Enbridge.com;
ryan.farquhar@enbridge.com;
pfaye@rogers.com;
DavidMacIntosh@nextcity.com;
csmith@torys.com;
mzajdeman@brookfield.com;
kfriedman@davis.ca;
GGazankas@glp.com;
regulatory@hydroone.com;
gnettleton@osler.com;
regulatory@HydroOne.com;
paula.lukan@ieso.ca;
action@fsarc.ca;
jason@jtmlaw.ca;
pmanning@manningenvironmentallaw.com;
douglassmcunningham@gmail.com;
northwatch@onlink.ca;
jabouchar@willmsshier.com;
cgodby@harrisonpensa.com;
nancy.marconi@powerauthority.on.ca;
Miriam.Heinz@powerauthority.on.ca;
jkwik@elenchus.ca;
richard.stephenson@paliareroland.com;
jay.shepherd@canadianenergylawyers.com;
mark.rubenstein@canadianenergylawyers.com;
rod_taylor@sympatico.ca;
mrodger@blg.com;
steve.hodgkinson@altalink.ca;
doug.bradbury@cnpower.com;
scott.hawkes@fortisontario.com;
ckeizer@torys.com;
amcpee@glp.ca;
psierra@isoluxcorsan.com;
gzacher@stikeman.com;
cory.blair@res-americas.com;
Helen.newland@fmc-law.com;

**CONTINUED - SCHEDULE A - LIST OF PARTIES SERVED BY
EMAIL**

gvegh@mccarthy.ca;
tom_patterson@transcanada.com;
oliver.romaniuk@nexteraenergy.com;
ian.mondrow@gowlings.com;
pthompson@blg.com

Wishart
LAW FIRM LLP

390 Bay Street, Suite 500
Sault Ste. Marie, Ontario
Canada P6A 1X2
Tel. 705.949.6700
Fax 705.949.2465

www.wishartlaw.com