

February 11, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

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Dear Ms. Walli:

**Re: Environmental Defence – OPA Evidence
EB-2012-0064 – Toronto Hydro 2012-2014 Rates**

We are writing on behalf of Environmental Defence to respond to the correspondence from the Ontario Power Authority (“OPA”) dated February 8, 2013. Environmental Defence submits that evidence from an OPA witness would greatly assist the Board in this matter and asks that the Board grant the OPA’s request for intervenor status.

Relevance of OPA Evidence

Testimony from an OPA witness would be highly relevant to the issues in this proceeding and would be in keeping with the Board’s previous direction to utilities to follow an integrated approach and ensure that investment proposals are consistent with regional planning, as discussed below.

In our letter of January 17, 2013, we proposed that an OPA witness speak to the following two issues:

- (1) The conservation and demand management (“CDM”) and distributed generation (“DG”) opportunities that could be funded by the OPA in downtown Toronto in the future; and
- (2) The OPA’s forthcoming Toronto Regional Plan.

In our letter of January 17, 2013, we described the relevance of that evidence as follows:

Environmental Defence believes the OPA's participation in this hearing would greatly assist the Board in deciding whether Toronto Hydro-Electric System Ltd. ("THESL") has sufficiently justified its proposed Bremner Transformer Station Project (the "Bremner Project"), particularly in comparison with the alternatives of CDM and DG. There is significant evidence to suggest that the Bremner Project could be avoided or significantly delayed through CDM and DG, saving many millions of ratepayer dollars, and improving Toronto's local security of supply. An OPA witness could potentially assist the Board by providing a better picture of the potential for OPA-funded CDM and DG in downtown Toronto.

Furthermore, the Board likely would also benefit from further information relating to the forthcoming Toronto Regional Plan. According to the OPA's submissions on the Renewed Regulatory Framework for Electricity ("RRFE"), its regional plans will "consider and integrate all feasible options to meet local electricity needs, including conservation, generation, transmission and distribution options."¹ In its RRFE Report, the Board directed utilities to follow an integrated approach and ensure that investment proposals are consistent with regional planning.² In light of these directions, we believe it would assist the Board to hear from an OPA witness on these regional planning issues, particularly in relation to conservation and generation options vis-à-vis the Bremner Project.

For example, Colin Andersen, CEO of the OPA, recently stated in a public presentation to the Toronto Board of Trade that he would "like to see more supply in the downtown Toronto area."³ If the OPA is indeed moving in that direction in terms of regional planning, the Bremner Project is potentially a highly expensive and unjustified undertaking.

Although the OPA has not assessed whether the Bremner Project is needed, or whether such needs can be more cost effectively met through other alternatives, it has indicated that it can address the core issues identified by Environmental Defence. In particular, the OPA's letter of February 8, 2013 states that:

The OPA will be able to provide evidence on its approach to regional planning, the current status of the Toronto Regional Plan, and how the Toronto Regional Plan integrates THESL's distribution plans, including the Bremner Project. The OPA can also address achievements in CDM to date in Toronto and their associated cost; the potential for future OPA-funded CDM in the Toronto region, as allocated from provincial forecasts to a regional level; and, the status of OPA-funded DG.

¹ OPA, *The OPA's Regional Planning Process*, February 2012

² Ontario Energy Board, *Report of the Board Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*, October 18, 2012 39-40


³ *Powering Toronto's Electricity Future*, Remarks by Colin Andersen, CEO, Ontario Power Authority, to the Toronto Board of Trade, October 25, 2012 <<http://www.powerauthority.on.ca/sites/default/files/news/Andersen-Board-of-TradeOct-25-2012.pdf>>

The OPA's evidence regarding Toronto-based CDM and DG and the Toronto Regional Plan is relevant to the issues of whether the Bremner Station is needed, whether such needs can be more cost effectively met through other alternatives (i.e. CDM and DG), and whether the proposal is consistent with regional planning priorities.

OPA Participation as an Intervenor

Environmental Defence respectfully requests that the OPA be granted intervenor status and granted leave to file a summary of its evidence on February 14, 2013. Although Environmental Defence originally intended to call an OPA representative as a witness (and would still seek to do so if intervenor status is not granted), we submit that intervenor status would be the more appropriate avenue.

Yours truly,



Kent Elson

cc: Applicant and Intervenors