

## Province-Wide Stakeholder Meeting 1

Thursday, January 23<sup>rd</sup>, 2014

9:00am – 12:00pm

Southway Hotel, Capital-Sander Room

2431 Bank St., Ottawa

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### OVERVIEW

*On January 23<sup>rd</sup>, the Ontario Energy Board (OEB) hosted a province-wide stakeholder meeting as part of its Energy East Consultation process. This was the first of several stakeholder meetings that will take place over the course of the OEB Energy East Consultation process. The overall purpose of these stakeholder meetings is to provide a forum in which stakeholder organizations can provide their perspectives and advice to the OEB at key points during the consultation process.*

*The purpose of the first meeting was two-fold: first, to introduce and seek feedback on the consultation process and second, to introduce and seek feedback on areas of potential impact of TransCanada Pipelines Limited's proposed Energy East Pipeline project in Ontario (including areas such as natural gas rates, reliability and access to supply; pipeline safety; the natural environment; and the short and long term economic impacts). The first meeting was attended by representatives from a wide range of organizations (see attached participant list).*

*The meeting started with an overview briefing on the OEB Energy East Consultation process. This briefing was followed by a facilitated discussion (see attached meeting agenda).*

*This summary was written by Swerhun Facilitation, a third-party facilitation firm that the OEB has hired to provide independent facilitation services for stakeholder meetings. This report is not intended to provide a verbatim transcript of the meeting and instead provides a high level summary of the perspectives and advice provided by stakeholders during the facilitated discussion.*

*This summary was subject to participant review prior to being finalized.*

### FEEDBACK SUMMARY

*The summary of feedback below organizes stakeholder input from the facilitated discussion into perspectives and advice on the **consultation process** and the **areas of potential impact**. Under each of these headings, specific points are organized according to where stakeholders held similar perspectives, where stakeholders held different perspectives and other advice. Following each point, the stakeholder organization that expressed the perspective is noted in parentheses. If multiple stakeholders expressed a similar view, multiple organizations are included in parentheses.*

### Consultation Process

Similar perspectives on the consultation process:

**Many participants thought that it was important that the OEB is undertaking a consultation process on TransCanada's proposed Energy East Pipeline project.** Highlights from their remarks included:

- The OEB's Energy East Consultation process is particularly important in light of relatively recent restrictions on participation by individual members of the public in the National Energy Board's (NEB) hearing process (*Council of Canadians, Environmental Defence, Northwatch, Ontario Petroleum Institute, Pembina Institute*).

- The OEB's Energy East Consultation process provides a signal that the government of Ontario would be stepping up its participation and assuming a more active role in the NEB's hearing process (*Industrial Gas Users Association*).

**Many participants thought that stakeholders and the public should have the opportunity to provide input into the OEB's Energy East Consultation process after information on TransCanada's proposed pipeline project is filed with the NEB (i.e. after the Project Description and/or the Application has been filed with the NEB).** Highlights of their remarks included:

- It is important to provide time between when the Project Description is filed and when stakeholder and public meetings are subsequently held so that people have time to process the information (*Association of Power Producers of Ontario, Ecology Ottawa, Environmental Defence*).
- It is important to present factual information based on the Project Description and/or Application at stakeholder and public meetings (*Canadian Association of Petroleum Producers, Canadian Energy Pipeline Association, Ontario Petroleum Institute*).

**Many participants thought that the format of the public meetings needs to allow for a diversity of perspectives to be heard by all in attendance.** Highlights from their remarks included:

- Public meeting participants need to be able to identify themselves by interest, ask questions of the OEB, and speak their mind fully in a manner that allows them to be heard both by the OEB and by other people in attendance. The meeting format employed by TransCanada did not allow for this (*Council of Canadians, Ecology Ottawa, Northwatch*).

**A few participants were interested in knowing more about how the Province will use input from stakeholders and the public at the NEB's hearing process** (*Association of Power Producers of Ontario, Northwatch*).

Different perspectives on the consultation process:

**There were different perspectives on how closely the format of the public meetings should match that of a more formal hearing process.**

- It was suggested that a format like a formal hearing would allow people to speak their minds fully and ensure that they were heard both by the OEB and by other members of the public in attendance (*Ecology Ottawa*).
- Other participants expressed concern that the rigour of a hearing process would be imposed on the OEB's process (*Industrial Gas User Association*).

**There were different perspectives on the appropriate timing of the Gas User and Local Distribution Companies (LDCs) meeting.**

- It was suggested that there are many moving parts that may impact TransCanada's proposed Energy East Pipeline project and therefore the views of gas users and Local Distribution Companies (examples include: TransCanada's Settlement Agreement that has been filed with the NEB; the NEB's current abandonment hearings; and TransCanada's Energy East application which has yet to be filed with the NEB). For gas users and Local Distribution Companies to effectively participate in the OEB's process, it may be necessary to wait until more information is publicly available (*Association of Power Producers of Ontario*).
- It was also suggested that LDCs, gas producers and TransCanada are all working to achieve a resolution and coordinated position and that the OEB's meeting with Gas Users and LDCs could proceed (*Union Gas*).

### Other advice on the consultation process:

**One participant suggested that it could be made clearer that the OEB Energy East Consultation process will be seeking input on the positive aspects of the proposed pipeline project** (*Canadian Association of Petroleum Producers*).

**One participant suggested that the OEB should hold public meetings in both larger and smaller communities and that a diversity of media should be used to help get the word out at a regional, sub-regional and local level** (*Northwatch*).

## **Areas of Potential Impact**

### Similar perspectives on areas of potential impact:

**Many participants thought that it is very important that the proposed pipeline project not leave communities without access to natural gas or cause prices to increase.** Highlights from their remarks included:

- Around the North Bay Junction, TransCanada's Mainline is not underutilized, so there would be a need to replace these assets. Facility expansions / new construction should not burden existing gas users when it is related to future growth (*Enbridge, Industrial Gas Users Association*).
- There is concern that the transfer of assets from natural gas to oil use may be done at book value as opposed to fair market value and that this would impact natural gas rates (*Industrial Gas Users Association*).
- Eastern Ontario currently does not have adequate access to natural gas. The overall price of natural gas may be impacted by the price of Marcellus Shale gas, which is likely to rise as new environmental regulations are put in place (*Council of Canadians*).

**Many participants felt that pipeline safety was an important area of potential impact.** Highlights from their remarks included:

- It is important to understand the environmental impacts of pipeline failure, TransCanada's track record with pipeline failure, and TransCanada's record with meeting the requirements of Environmental Assessments, particularly with regard to pipeline control and access (*Northwatch*).
- Pipeline safety is critical when the pipeline crosses bodies of water. It is important to understand what the current status of these bodies of water is and what would happen if there was a spill. One particularly significant body of water that the pipeline crosses is the Provincially-designated Oxford Water Reserve just outside of Ottawa (*Council of Canadians*).
- It is important to recognize that the population and settlement patterns that now exist in proximity to the pipeline are different than those at the time the pipeline was constructed and that the pipeline therefore may not meet all current standards (*Canadian Environmental Law Association/Low Income Energy Network*).

### Different perspectives on areas of potential impact:

**There were different perspectives on how diluted bitumen may impact pipeline safety.**

- Some participants commented that diluted bitumen acts differently than standard crude oil when released into a body of water, sinking below rather than floating on top or near the surface. These participants referenced pipeline leaks in Kalamazoo, Michigan and Arkansas and a federal report on how diluted bitumen acts in water (*Council of Canadians, Environmental Defence*).
- Another participant disagreed with the above comment and noted that the reference from the federal report that bitumen could sink was held in a very narrow context and not an accurate characterization of the overall federal report findings (*Canadian Association of Petroleum Producers*).

**There were different perspectives on the short and long term economic impacts of the proposed pipeline.**

- It was suggested that Ontario would see economic benefits from the proposed pipeline project both generally as Canada's GDP increases and specifically from Ontario-based companies that are part of the supply chain engaged in the oil sands (*Canadian Association of Petroleum Producers*).
- It was also suggested that repurposing the underutilized portions of TransCanada's Mainline would be good for the economy as it would mean that the pipeline would continue to be used as opposed to written down (*Canadian Association of Petroleum Producers, Industrial Gas Users Association*).
- The extent of the economic benefits of the proposed pipeline project were questioned, suggesting that the capacity of oil refineries in Canada is limited and that the proposed pipeline project would merely facilitate the shipment of unrefined oil to international markets (*Council of Canadians*).
- If the economic benefits being considered are not specifically tied to Ontario, then the environmental impacts not specifically tied to Ontario should also be considered (*Pembina Institute*).

**There were different perspectives on whether the OEB Energy East Consultation should consider upstream impacts of the oil sands, including climate change.**

- Some suggested that the OEB Energy East Consultation should include consideration of the upstream impacts of the oil sands (*Canadian Association of Physicians for the Environment, Council of Canadians, Ecology Ottawa, Environmental Defence, Pembina Institute*).
- Others thought that the upstream impacts of the oil sands do not fall within the four areas of potential impact identified in the letter from Ontario's Minister of Energy that initiated the OEB's Energy East Consultation process. They also felt that it is important to understand that the National Energy Board does not consider upstream impacts when it reviews proposed pipeline projects (*Canadian Energy Pipeline Association, Ontario Energy Association*).
- Still others suggested that upstream impacts could be considered under long term economic impacts in terms of the price of carbon and carbon emissions (*Mowat Centre*).
- One participant thought that TransCanada's Energy East proposal would speed up oil sands production. This participant thought that this increased oil sands production would negate Ontario's greenhouse gas emission reductions achieved through the shuttering of coal power plants (*Canadian Association of Physicians for the Environment*).
- Another participant thought that TransCanada's Energy East proposal would not play a significant role in determining the pace of oil sands production as it is only one of many options for transporting oil to markets (*Ontario Energy Association*).

Other advice on areas of potential impact:

**One participant suggested that TransCanada's Energy East proposal should be considered in the context of how the Ontario Government could move towards resiliency and greater energy autonomy so that it would be less open to shocks in price or supply** (*Association of Municipalities of Ontario*).

## NEXT STEPS

The meeting wrapped up with representatives from the Ontario Energy Board thanking participants for their input and acknowledging that their advice and perspectives would be reflected upon as the consultation process moves forward. They also reminded participants that:

- The OEB's Energy East Consultation process is ultimately guided by the letter from Ontario's Minister of Energy
- The OEB's process is not the only place for people to participate
- One of the main purposes of the OEB's process is to provide a place for the general public to have a voice

### Province-Wide Stakeholder Meeting 1 Invited and Participating Organizations

The following is a list of organizations that were invited to the first Province-wide Stakeholder meeting. Representatives of the National Chief's Office on behalf of Assembly of First Nations and the Metis Nation of Ontario were invited to the meeting as well. **Those organizations that participated in the meeting are signified by bold text.**

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| <ol style="list-style-type: none"> <li>1. <b>Association of Municipalities of Ontario (AMO)</b></li> <li>2. <b>Association of Power Producers of Ontario (APPrO)</b></li> <li>3. Building Owners and Managers Association (BOMA)</li> <li>4. Canadian Association of Energy and Pipeline Landowner Associations (CAEPLA)</li> <li>5. <b>Canadian Association of Petroleum Producers (CAPP)</b></li> <li>6. <b>Canadian Association of Physicians for the Environment (CAPE)</b></li> <li>7. <b>Canadian Energy Pipeline Association (CEPA)</b></li> <li>8. <b>Canadian Environmental Law Association (CELA)/Low-Income Energy Network</b></li> <li>9. Canadian Federation of Independent Businesses (CFIB)</li> <li>10. Canadian Gas Association (CGA)</li> <li>11. <b>Canadian Manufacturers and Exporters (CME)</b></li> <li>12. Carleton University: Carleton Research Unit in Innovation, Science and Environment</li> <li>13. Consumer Council of Canada</li> <li>14. <b>Council of Canadians</b></li> <li>15. Democracy Watch</li> <li>16. <b>Ecology Ottawa</b></li> <li>17. Electricity Distributors Association (EDA)</li> <li>18. <b>Enbridge Inc.</b></li> <li>19. <b>Environmental Defence</b></li> <li>20. Greenpeace Canada</li> <li>21. <b>Hydro One</b></li> <li>22. <b>Industrial Gas Users Association (IGUA)</b></li> <li>23. Kitchener Utilities</li> <li>24. <b>Lake Ontario Waterkeeper</b></li> <li>25. Laurentian University: Energy, Renewables and Carbon Management</li> </ol> | <ol style="list-style-type: none"> <li>26. <b>Nature and Outdoor Tourism Ontario (NOTO)</b></li> <li>27. <b>Northwatch</b></li> <li>28. Northwestern Ontario Associated Chambers of Commerce</li> <li>29. Northwestern Ontario Municipal Association</li> <li>30. Ontario Chamber of Commerce (OCC)</li> <li>31. <b>Ontario Energy Association</b></li> <li>32. Ontario Federation of Agriculture (OFA)</li> <li>33. Ontario Federation of Anglers and Hunters (OFAH)</li> <li>34. Ontario Landowners Association</li> <li>35. <b>Ontario Mining Association (OMA)</b></li> <li>36. <b>Ontario Nature</b></li> <li>37. <b>Ontario Petroleum Institute</b></li> <li>38. <b>Ottawa Riverkeeper</b></li> <li>39. <b>Pembina Institute</b></li> <li>40. Provincial Building &amp; Construction Trades Council of Ontario</li> <li>41. Public Interest Advocacy Centre (PIAC) /Vulnerable Energy Consumers Coalition</li> <li>42. Retail Council of Ontario</li> <li>43. Rural Ontario Municipalities Association (ROMA)</li> <li>44. School Energy Coalition</li> <li>45. Sudbury Area Mining Supply and Services Association (SAMSSA)</li> <li>46. <b>Tourism Industry Association of Ontario</b></li> <li>47. <b>Union Gas</b></li> <li>48. <b>University of Toronto: Mowat Centre</b></li> <li>49. University of Waterloo: Waterloo Institute for Sustainable Energy</li> <li>50. University of Ottawa: Institute of the Environment</li> <li>51. Utilities Kingston</li> <li>52. York University: Sustainable Energy Initiative (SEI)</li> </ol> |
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### Province-Wide Stakeholder Meeting 1 Agenda

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| <b>9:00am</b> | <b>Light Breakfast</b>   |
| <b>9:30</b>   | <b>Welcome</b><br><i>Rosemarie T. Leclair, Chair &amp; CEO, Ontario Energy Board</i>   |
| <b>9:35</b>   | <b>Introductions &amp; Agenda Review</b><br><i>Nicole Swerhun, Swerhun Facilitation</i>  |
| <b>9:45</b>   | <b>Overview Briefing</b><br><i>Aleck Dadson, Ontario Energy Board</i>  |
|               | <b>Questions of Clarification</b>  |
| <b>10:45</b>  | <b>Discussion</b><br><u>Focus Questions</u><br>1. Is this a process that will allow for effective participation? If not, how can we improve it?<br>2. What three things do you see at stake for Ontario in this proposed pipeline project? |
| <b>11:55</b>  | <b>Next Steps</b><br><i>Aleck Dadson/Nicole Swerhun</i>  |
| <b>12:00</b>  | <b>Adjourn</b>   |