

Ontario Energy Board Energy East Consultation

Stakeholder Meeting
Presentation
January 23, 2014



OEB Energy East Consultation

Ontario Energy Board
Commission de l'énergie de l'Ontario

Presentation

1. Why We're Here, including Background & Context
2. Ontario Energy Board Consultation Process
3. Early Thinking about Key Issues
4. Next Steps



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The Ontario Energy Board

- The Ontario Energy Board (OEB) has regulatory oversight of the Ontario natural gas and electricity sectors
- Work of the Board is supported by expert staff in the areas of regulatory economics, finance, energy pricing, accounting, engineering, law, and environmental issues



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Ontario's Minister of Energy and the OEB

- Ontario's Minister of Energy can require the Board "to examine, report and advise on any question respecting energy" per *Ontario Energy Board Act*, section 35
- In November 2013, Ontario's Minister of Energy made such a request, asking the OEB to examine and report on the proposed Energy East Pipeline project from an Ontario perspective



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TransCanada's Proposed Pipeline Project

TransCanada Pipelines Limited initiated the Energy East Pipeline project proposal in 2013:

- \$11.3B project to transport crude oil from Western Canada to Eastern Canada (New Brunswick & Québec)
- Conversion of approximately 3,000 km of natural gas pipeline
- Construction of approximately 1,400 km of new pipeline
- Construction of new pump stations

Proposed Project in Ontario:

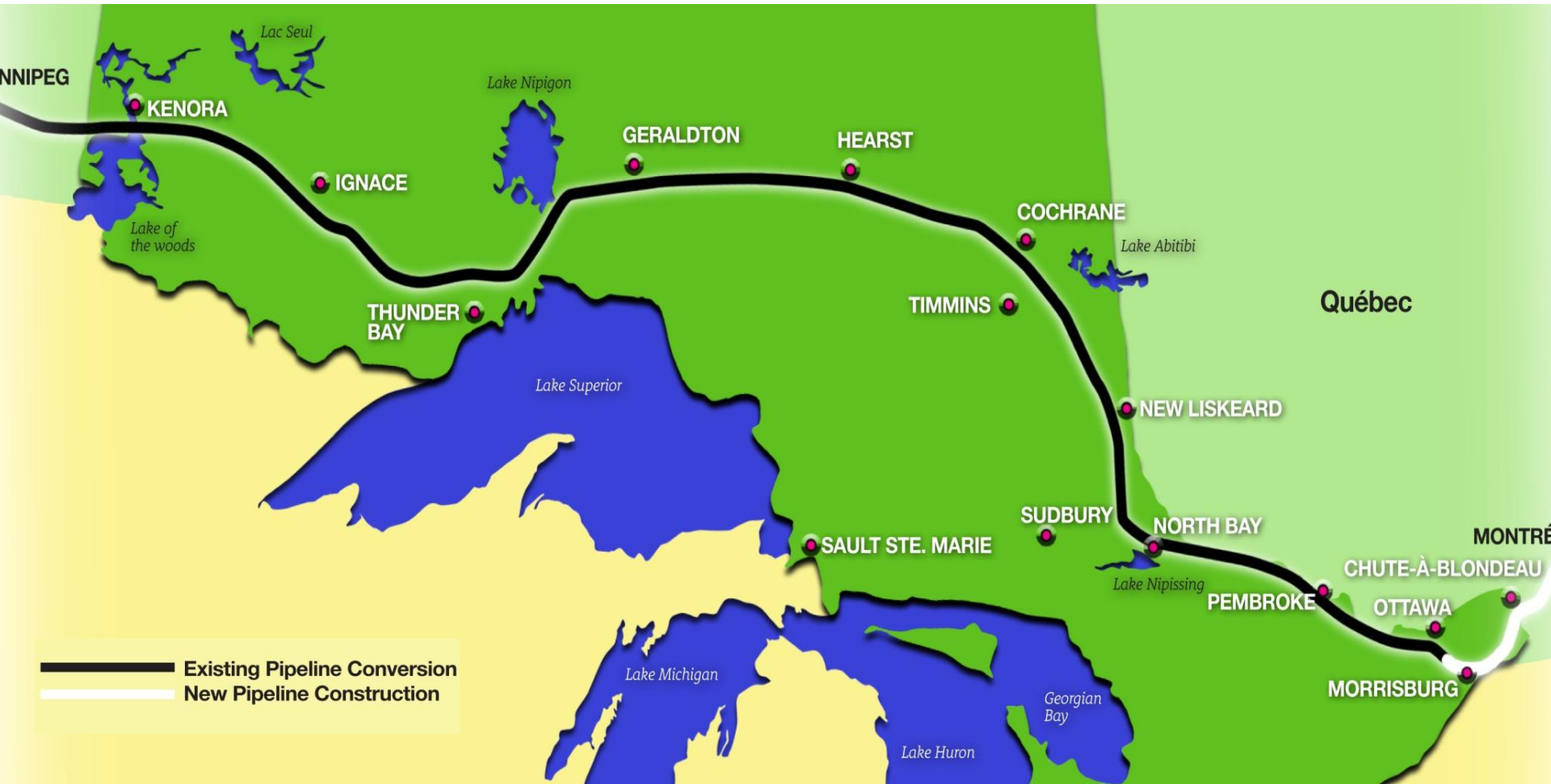
- Conversion of ~1900+ km of natural gas pipeline
- Construction of ~100+ km of new pipeline
- Construction of ~30 new pump stations



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The Proposed Route in Ontario



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The OEB Does Not Decide The National Energy Board Decides

The federal government makes the final decision about whether the Energy East Pipeline project can go ahead

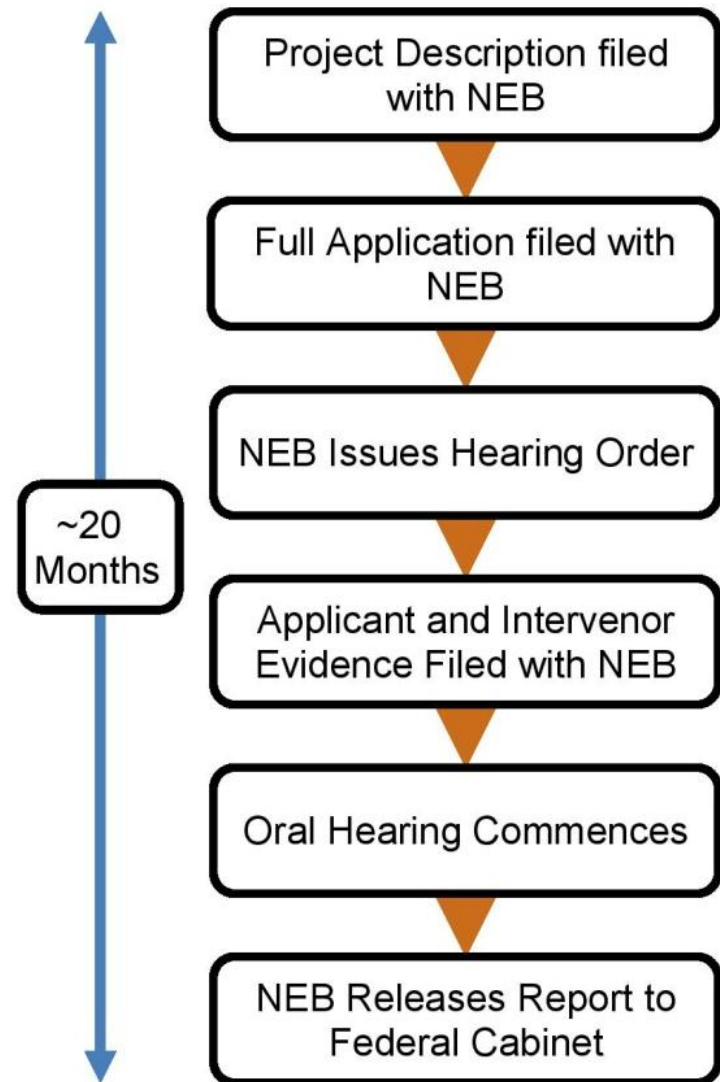
- TransCanada will file an application with the National Energy Board (NEB) to move forward with Energy East Pipeline project
- NEB makes recommendations to the federal government (Cabinet)



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NEB Process



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What's Ontario's Role?

- **The Government of Ontario intends to intervene in the NEB's review of the proposed Energy East Pipeline project**
- Ontario's Minister of Energy asked the OEB to examine and report on TransCanada's proposed Energy East Pipeline project from an Ontario perspective
- Ontario's Minister of Energy will use the OEB's report to help formulate the Ontario Government's position



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Four Areas of Potential Impact

There are four areas of potential impact that Ontario's Minister of Energy has asked the OEB to focus on:

1. The impacts on Ontario **natural gas consumers** in terms of rates, reliability and access to supply, especially those consumers living in eastern and northern Ontario
2. The impacts on **pipeline safety** and the **natural environment** in Ontario
3. The impacts on **local communities** and **Aboriginal communities** in Ontario
4. The **short and long term economic impacts** of the project in Ontario



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OEB Consultation Process

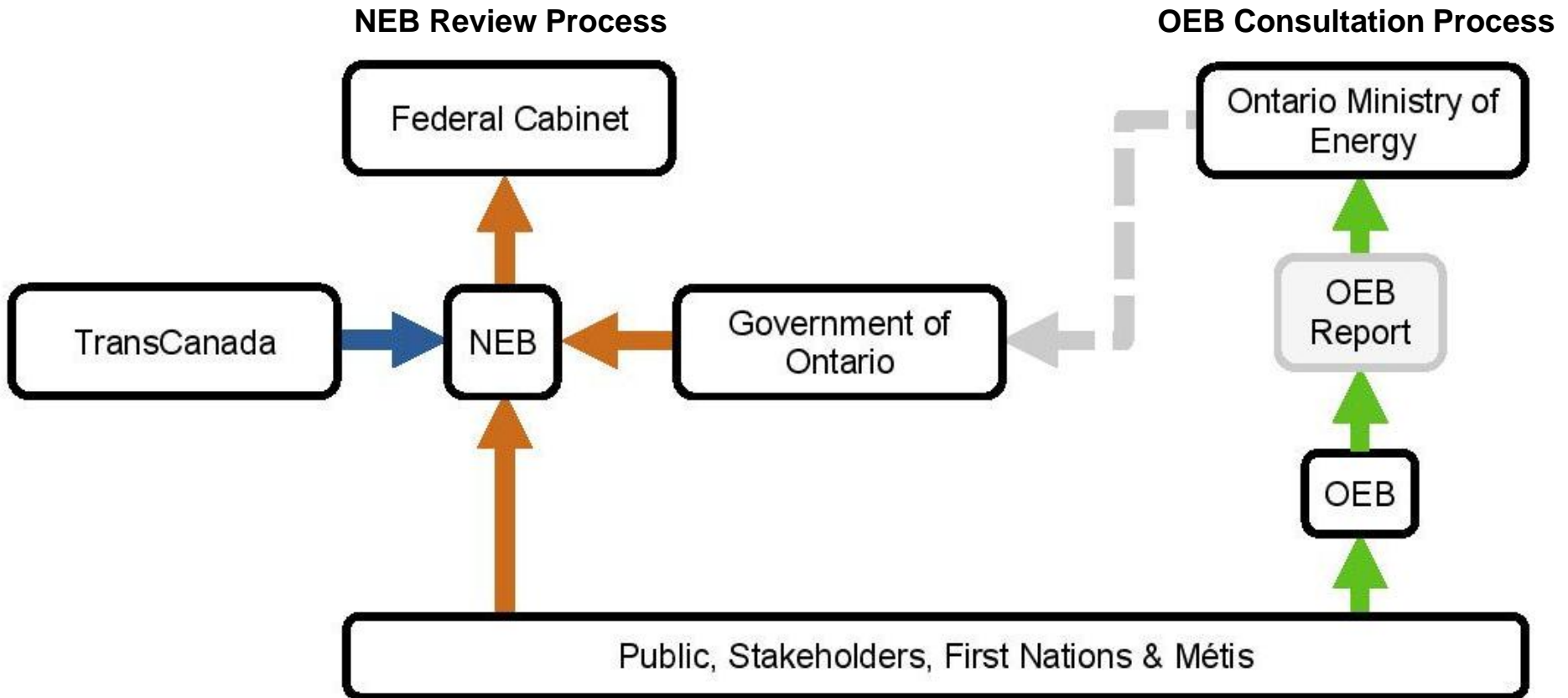
- To support the preparation of the report, the Ontario's Minister of Energy asked that the OEB undertake a consultation process
- Participation in the OEB consultation does not constitute participation in the NEB process and is not a substitute for any duty to consult with First Nations and Métis communities that may rest with TransCanada



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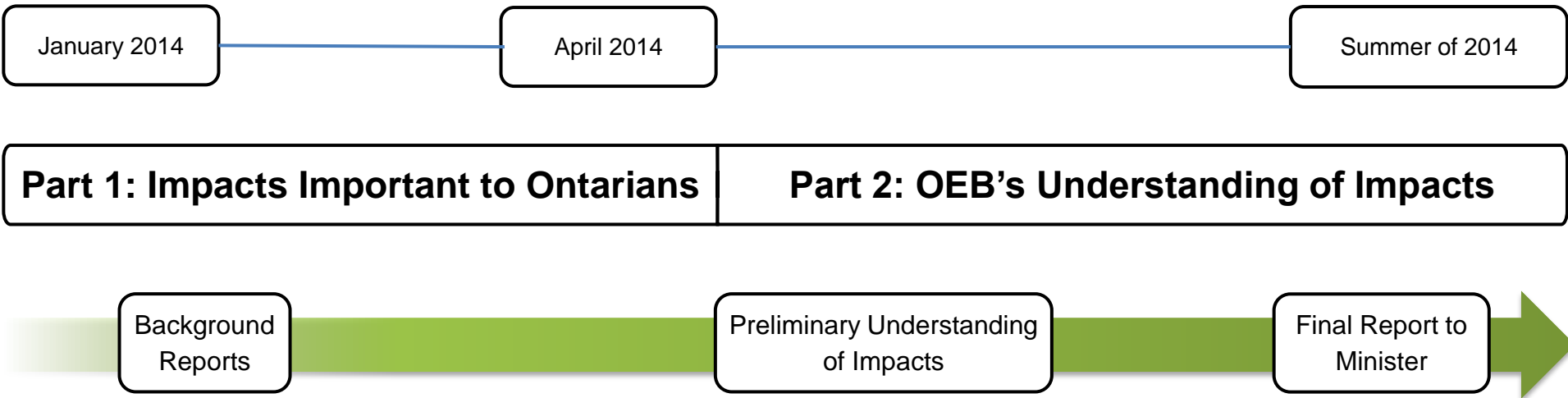
NEB and OEB Processes



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OEB's Two Part Process



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OEB's Key Audiences

January 2014

April 2014

Summer of 2014

Part 1: Impacts Important to Ontarians

Part 2: OEB's Understanding of Impacts

Public

First Nations and Métis

Gas Users and LDCs

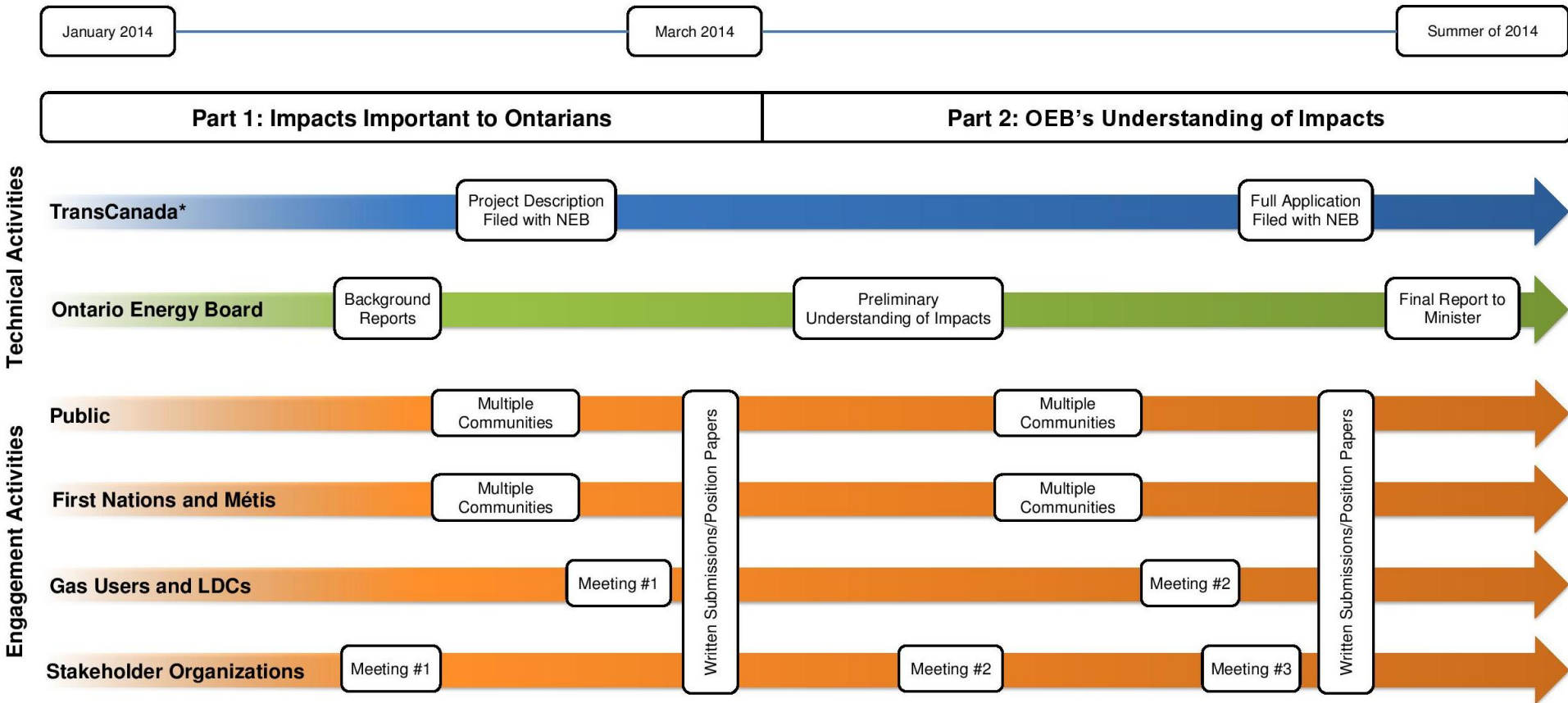
Stakeholder Organizations



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Many Different Ways to Participate



*The timing of TransCanada's Project Description and Full Application shown in this graphic is approximate. TransCanada may choose to time their filings differently.



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Province-Wide Stakeholder Group (PSG)

The PSG is a forum where stakeholders can provide the OEB Project Team with their perspectives and advice on:

- the consultation process
- the potential areas of impact of TransCanada's proposed Energy East Pipeline project



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First Nations and Métis

John Beaucage, a Principal of Counsel Public Affairs Inc. will be coordinating the efforts and leading discussions with First Nations and Métis communities. He is one of Canada's most respected First Nation leaders and was elected as Grand Council Chief of the 42-member First Nations of the Anishinabek Nation (Union of Ontario Indians) in 2004, after serving four consecutive terms as Chief of Wasauksing First Nation

These discussions will provide the OEB with an understanding of the potential impacts of TransCanada's proposed Energy East Pipeline project on Treaty and Aboriginal rights, land and resources, as well as possible benefits



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Information and Expertise

To better understand the four areas of potential impact, the OEB has hired technical advisors to provide advice on the following topics:

- P** Pipeline engineering, safety and integrity (DNV)
- E** Environmental and socio-economic considerations (TERA)
- N** Natural gas pricing & supply (Ziff Energy)



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Role of Technical Advisors



Jake Abes (DNV)



Dean Mutrie (TERA)



Edward Kallio (Ziff Energy)



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P

Pipeline Engineering, Safety & Integrity

Key considerations include:

- Pipeline integrity
- Leak detection
- Emergency Management
- Quality Management (design, manufacture and construction)



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Environmental & Socio-Economic Considerations

Key considerations include:

- Soil and soil productivity
- Vegetation (e.g. rare plants, old growth forests)
- Water quality and quantity
- Wetlands
- Fish, wildlife and habitat
- Air emissions and noise
- Traditional land and resource use
- Social and cultural well-being
- Human health
- Employment and economy
- Heritage resources



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Natural Gas Pricing & Supply

- An overview of the Ontario natural gas market in the context of the North American market
- A forecast of natural gas prices in Ontario that considers the potential impacts of the proposed Energy East Pipeline project



Ontario

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Other Pipeline Proposals

- The Energy East Pipeline project is just one of a number of pipeline projects that are currently being proposed across Canada
- These include the Line 9 reversal, the Northern Gateway, and the proposed Keystone XL and Trans Mountain pipelines
- The OEB will take account of the research and decisions made in these projects
- The consultation will also be informed by the concerns that surfaced in the community consultations for these projects



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OEB's Technical Analysis and Consultation Process

- OEB's technical advisors will assist the OEB's understanding of the impacts of the project
- Both the analysis of TransCanada's proposed project and input from all Part 1 meetings will inform OEB's Preliminary Understanding of Impacts
- In Part 2 of the OEB Energy East Consultation, input will be sought on this Preliminary Understanding of Impacts



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Next Steps in Part 1 of the Consultation Process

- Draft Summary report from today's meeting will be circulated to participants for review
- Help get the word out about upcoming public meetings
- Send written submission to the OEB
- **Deadline for Part 1 Feedback is April 15, 2014**



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