

OEB Stakeholder Forum

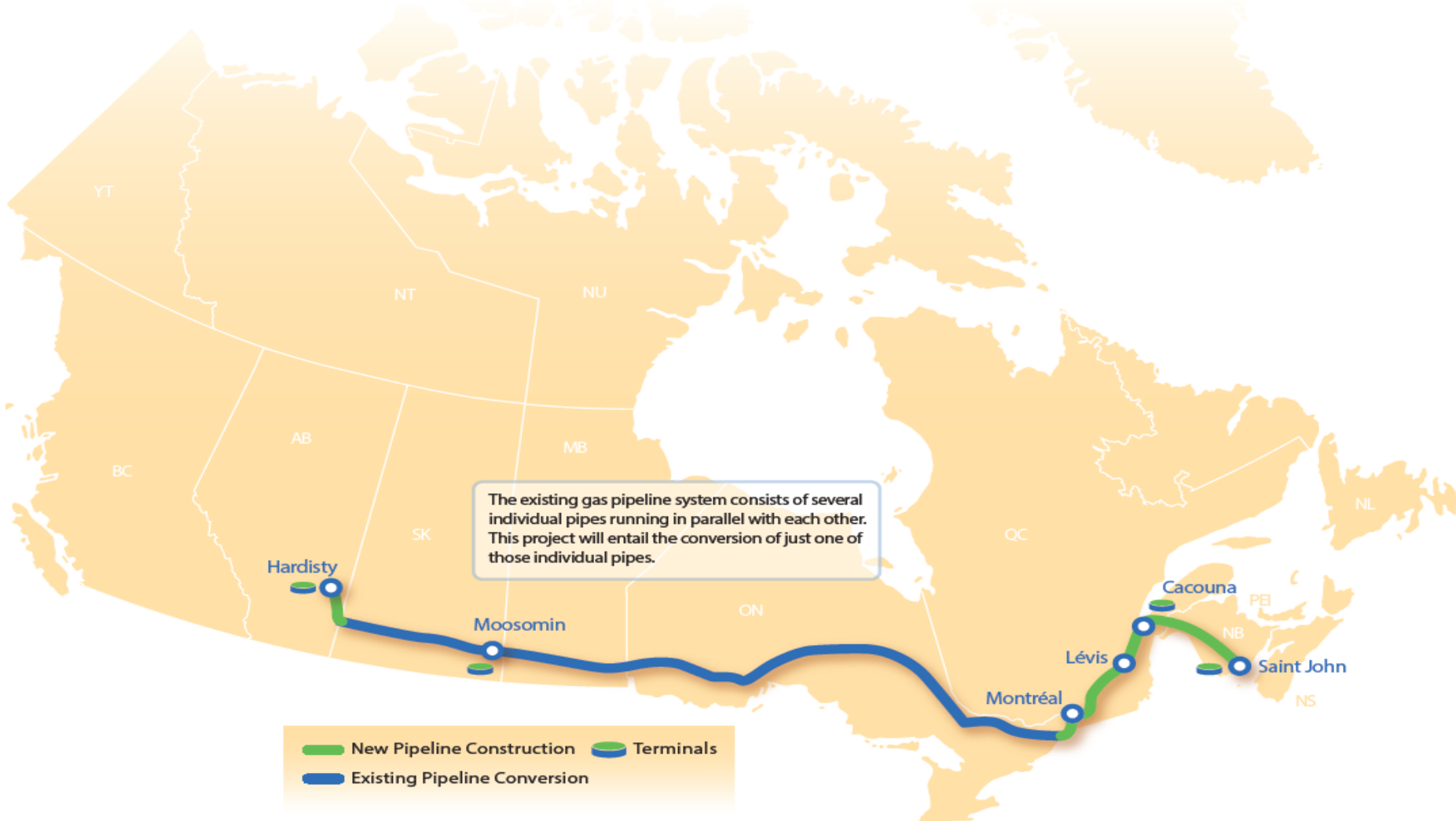
Energy East Consultation and Review
January 29 - 30, 2015



OEB Energy East Consultation and Review

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

TransCanada's Proposed Route in Canada



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TransCanada's Proposed Route in Ontario



— Energy East - Existing Pipeline Conversion
— Energy East - New Pipeline Construction
— Eastern Mainline (Natural Gas) - New Pipeline Construction



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Ontario Energy Board

- The Ontario Energy Board (OEB) has regulatory oversight of the Ontario natural gas and electricity sectors.
- The OEB is supported by expert staff in the areas of regulatory economics, finance, energy pricing, accounting, engineering, law, and environmental issues.
- In November 2013, Ontario's Minister of Energy asked the OEB to examine and report on TransCanada's proposed Energy East Pipeline from an Ontario perspective. The Board's report will be used to assist and inform the Ontario government in formulating a position on TransCanada's application.



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Impacts the OEB was asked to Consider

1. The impacts on Ontario **natural gas consumers** in terms of prices, reliability and access to supply, especially those consumers living in eastern and northern Ontario
2. The impacts on the **natural environment** and **pipeline safety 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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Six Principles the OEB was asked to Consider

1. Pipelines must meet the highest available technical standards for public safety and environmental protection;
2. Pipelines must have world leading contingency planning and emergency response programs;
3. Proponents and governments must fulfil their duty to consult obligations with Aboriginal communities;
4. Local communities must be consulted;
5. Projects should provide demonstrable economic benefits and opportunities to the people of Ontario, over both the short term and long term; and
6. Economic and environmental risks and responsibilities, including remediation, should be borne exclusively by the pipeline companies, who must also provide financial assurance demonstrating their capability to respond to leaks and spills.



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The OEB is Not the Decision Maker, The National Energy Board Is

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

- The National Energy Board is now in its hearing process.
- The National Energy Board will review the application and submit a report to the Federal Government (Cabinet) that sets out recommendations and conditions regarding the proposed Energy East Pipeline.



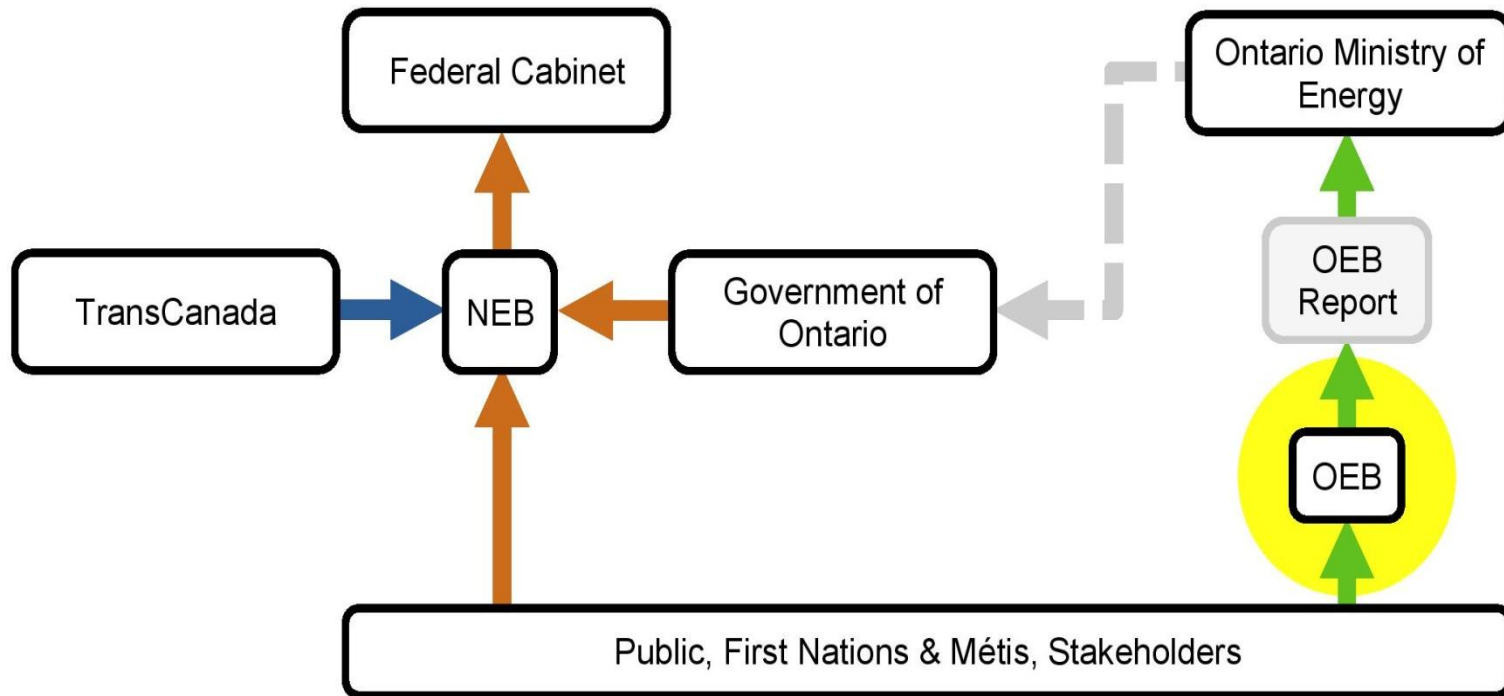
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NEB and OEB Processes

NEB Review Process

OEB Consultation Process



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OEB's Approach: A Two-Part Process

Part One – Impacts Important to Ontarians and Aboriginal Communities

- Public, First Nations & Métis, Stakeholders' input sought on impacts. Discussions took place March – April 2014.
- Technical Advisors generate background report to help OEB understand the impacts.

Part Two – OEB's Understanding of Impacts

- Technical Advisors share preliminary assessment of TransCanada's application in light of Part One feedback and Minister's six principles.
- Further feedback sought from Public, First Nations & Métis, and Stakeholders. Discussions took place January 2015.



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Locations of Community, and First Nation and Métis Discussions



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Key Observations from Part One – Community Discussions

- Adverse impacts on water and other environmental risks.
- The importance of jobs and other economic impacts.
- A range of confidence in pipeline safety.
- Interest in a new national energy strategy and concern about climate change.
- Impacts on access to supply and natural gas prices.
- Process concerns.



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Key Observations from Part One – First Nation and Métis

- Treaty and Aboriginal Rights (including Duty to Consult and Accommodate, and Traditional Land Use Practices).
- Pipeline safety and environmental protection.
- NEB timeline and impact on meaningful participation.
- Proximity of proposed route to wetlands and waterways.
- Limited short and long-term benefits.
- Revenue sharing opportunities.



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The OEB's Technical Advisors

The OEB has retained a number of Technical Advisors to assess TransCanada's application:

- Natural Gas Supply and Pricing – Elenchus
- Economic Impacts – Mowat Centre
- Climate Change – Navius Research
- Pipeline Safety and Integrity, and Natural Environment Considerations – DNV GL



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Work of OEB's Technical Advisors

- TransCanada filed its application on October 30, 2014 and additional technical materials will be filed with the NEB over the coming months.
- The OEB's Technical Advisors are reviewing the application to assess how it addresses the four areas of potential impacts identified by the Minister, as well as the potential impacts identified by local and Aboriginal communities.
- The Technical Advisors will also consider the Minister's six principles in assessing pipeline projects.
- The Technical Advisors have begun their work based on the information that is available to them, and today will share their preliminary assessment for discussion and feedback.



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Stakeholder Forum

Purpose:

- To provide an opportunity for Province-wide Stakeholder Group organizations and the public to discuss the impacts of TransCanada's proposed Energy East project.
- To help the OEB understand how TransCanada's application addresses the issues/concerns of Ontarians, identified in the data and analysis presented by the technical advisors and stakeholders, and through the discussion following the presentations.



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Stakeholder Forum (cont'd)

- The Forum will be moderated by two Board members and will focus on the key issues that are identified in the agenda.
- It is an opportunity for the Board to focus on these key issues by:
 - Listening to the preliminary assessments of the Board's technical advisors and presentations of members of the provincial stakeholder group.
 - Asking questions and encouraging discussions of these issues.
 - Hearing proposals by participants on what should be the key messages in the Board's report to the Minister.
- The presenters include our Technical Advisors and some stakeholders that have advised on this process.



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Next Steps

- TransCanada expected to file additional technical material. Technical Advisors need time to review new material.
- Deadline for Part Two written submissions will be moved from February 6, 2015. New deadline will allow opportunity to review Technical Advisors' Assessments.
- The OEB will Report to the Minister in Spring 2015.



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