

FREQUENTLY ASKED QUESTIONS

“Giving a Voice to Ontarians on Energy East”: The Report of the Ontario Energy Board’s Consultation and Review

1. Why did the government ask the OEB to consult on a National Energy Board (NEB) issue?

The Minister of Energy asked the OEB to undertake this review to make sure the views of Ontarians are heard on this very important national project when the Ontario government intervenes at the NEB hearings.

2. Why didn’t the Ontario Government conduct the consultation?

The Ontario Energy Board is a regulatory agency that has oversight of the Ontario natural gas and electricity sectors. It not only has established expertise in the areas of economics, energy pricing, engineering, and environmental issues, but it also has a well-established reputation of independence, fairness and transparency.

3. Does the Ontario Energy Board have the power to approve or reject the proposed Energy East Pipeline?

No. The sole jurisdiction over the proposed Energy East pipeline lies with the federal government. The National Energy Board reviews proposals to convert or construct pipelines. The federal cabinet has the final say over the construction of new pipelines

4. Given your review of Energy East, do you think it should be approved?

We were not asked to advise on whether it should be approved. We were asked by the government to consult and provide advice on Energy East from an Ontario perspective, looking at a number of potential impacts.

5. How long did the consultation take?

We divided the Energy East Consultation into two parts: Part One of the consultation began in January of 2014. We invited people to share their views on Energy East. We also invited local organizations to make presentations to inform the discussions.

The Part Two meetings began in January of 2015. We went back to the communities, and shared the preliminary assessments of our technical advisors.

6. How did the OEB design the consultation review process?

We wanted to be sure that the views of Ontarians and Aboriginal communities were heard, so we established two important principles for our consultation. First, we decided that people would not have to come to Toronto to make their views known; we would instead go out into communities and listen to people along the route of the pipeline. Second, we felt it was important to return to the communities and share the work of our technical advisors, providing participants with an opportunity to ask questions.

7. How many people participated?

Close to 2,300 people participated in the Part One process by attending meetings, signing up for email alerts or submitting written proposals. More than 10,700 people participated in Part Two.

8. Why did you hold a second round of community meetings? Did you expect to hear anything different?

We spoke to Ontarians to understand what they felt would be the important local impacts and benefits for their communities. We felt it was important to hold a second round of community meetings to give those same communities a preliminary idea of our consultation's conclusions, and how their views were incorporated.

9. How did you choose the communities you visited?

We chose communities of varying sizes that are along the proposed route of the pipeline. The meetings were in areas where new construction is proposed, and areas with an existing pipeline is proposed to be converted.

10. How did the OEB choose its technical experts?

The individuals that acted as technical advisors during the consultation and review are well regarded as experts in their respective fields. They provided technical and background information for consideration by the Board, members of the public, stakeholders and First Nations and Métis communities. The Board then used their technical analyses, as well as the community response to help formulate its advice to the government.

11. Why didn't you just ask for written submissions?

The Board wanted to ensure that people who wanted to be involved in the process could be. Holding local interactive meetings meant that Ontarians did not need to travel to Toronto to be heard.

12. Why did the consultation take so long?

For one thing, we had to wait for TransCanada to file its application. That took some time. Also the government asked us to undertake a broad and transparent consultation, engaging directly with local, First Nation and Métis communities, giving them time to make oral and written presentations. This was the most comprehensive review the OEB has ever undertaken.

We visited seven towns and cities along the route of the pipeline in northwestern, Northern and eastern Ontario, meeting with local residents, as well as the First Nations and Métis, to get their views.

13. Where can I find background materials on the consultation?

We created a special website, www.ontarioenergyboard.ca/oebenergyeast, for our review. On this website we posted information about the community and Aboriginal meetings, summaries of what we heard at these meetings, and the reports of our technical advisors.

14. What are the most important concerns that people had about the Energy East project?

The most important concerns are about pipeline safety, and the impact that Energy East could have on local lakes, rivers, and drinking water if there is a spill.

Secondly, residents and utilities in eastern Ontario are worried that by converting on of the pipelines currently serving eastern Ontario to carrying crude oil, Energy East could result in a decrease in supply and an increase in price of natural gas.

Members of First Nation and Métis communities are concerned their traditional and treaty rights are not being respected.

Finally, residents near the pipeline want to be involved and informed on a continuing basis, about the construction and operation of the pipeline. On-going consultation needs to be part of the life-cycle approach to operating Energy East.

15. In your report, you say the risks outweigh the benefits. Why?

There are a number of risks that we are concerned about. We are of course concerned about the damage that could be done to the province's rivers and lakes in the event of a spill. The damage would be much more profound because the pipeline would be carrying crude oil instead of natural gas.

We are still waiting for TransCanada to file more information in its application to see whether it will meet the government's requirements that Energy East have the

highest available technical standards for public safety and environmental protection.

We are also concerned that by converting one of TransCanada's current pipelines from carrying natural gas to carrying crude oil, there will likely be a reduction in the supply of and an increase in the price of natural gas that is needed to meet the demand in eastern Ontario.

As for benefits, the economic benefits are likely to be modest, but that is not unusual for pipeline projects. The big beneficiaries for pipelines are those jurisdictions that put the product into the pipeline and those that take it out.

16. If there needs to be a better balance, where should the benefits be increased?

That's something for the government and TransCanada to consider. We did a consultation and review of the application and considered the issues the Minister asked. That review found that the economic benefits to Ontario are likely to be modest.

17. Which communities spoke in favour of the project during your consultations?

Participants at many of the Community Discussions – as well as participants who provided written submissions – felt that the construction of pump stations and supporting infrastructure along the proposed pipeline would generate near-term local jobs and that the ongoing maintenance of the pipeline would provide longer-term local jobs.

For example, the jobs that would be created in converting the pipeline and building the pump stations were mentioned at the community meetings in Cornwall, Thunder Bay, and Timmins. Several organizations that provided written submissions (including representatives of the petroleum industry, construction and manufacturing organizations, representatives from a regional chamber of commerce and some of the municipal governments along the route of the proposed pipeline) felt that Energy East would provide economic benefits.

18. TransCanada has not filed a full application yet. How could you make these recommendations when you haven't even seen a full application?

We believe our report sets out a foundation that government can use for any further review of the Project. We have recommended a number of actions that we believe TransCanada should take. That advice stands, regardless of where TransCanada is in the NEB process.

19. Are you going to take another look at Energy East when TransCanada files a full application, to see if it meets the highest available technical standards?

We were asked to consult with Ontarians on the issues that they think are important to help inform the Ontario government participation in the NEB process. Our review and consultation has done that. The report gives the government advice that it can use when it appears before the National Energy Board.

20. But shouldn't you be looking at this project from a Canadian perspective? Isn't this inconsistent with the principles of the recently announced Canadian Energy Strategy?

The NEB will be looking at this from a national perspective. The government asked us to look at this project from the Ontario perspective. We have done this to ensure that the government is aware of what Ontarians are saying about this project as they prepare their intervention at the NEB hearing.