

NORTHWATCH

September 29, 2006

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re. Northwatch Comments on Ontario Energy Board Staff Discussion Paper on the Review of the Ontario Power Authority's Integrated Power System Plan and Procurement Processes
EB-2006-0207**

We have reviewed the above noted Ontario Energy Board staff discussion paper and wish to provide the following comments. Regrettably, the comment period had been very brief, and has not allowed us to do as thorough a review as such an important paper warrants. We note that the Ontario Power Authority has requested an extension of the comment period until October 6th; should the Board grant that extension, and the same extension be granted to all parties, we would seek to make additional comments prior to that date. In the interim, we have focused on a short list of key points.

Part I

Consideration of the Environment

Paragraph 7 of Section 2(1) of the IPSP Regulations requires the OPA to ensure that safety, environmental protection and environmental sustainability are considered in developing the IPSP. This is an important provision of the regulation, and should be reflected throughout the development of the IPSP and incorporated throughout the OEB's consideration of the plan that is proposed by the Ontario Power Authority.

Disappointingly, it seems to be treated more as an add-on than as an important element of the core approach of both the OPA in developing the plan and the OEB in reviewing the plan.

Further, the Board should provide clearer direction with respect to "consideration" and what is expected of the Ontario Power Authority in this area. At minimum, the Ontario Power Authority, in development, preparation and presentation of their plan, should demonstrate:

- ? how they considered the environment and its safety, protection and sustainability
- ? how they engaged stakeholders in this process of consideration
- ? how their views were affected by what they heard from others
- ? how their plan(s) was changed or affected as a result of their consideration of the environment and its safety, protection and sustainability
- ? how they can demonstrate that the effects and outcomes (of their plan's implementation) will be as predicted with respect to the environment
- ? what measures they are putting in place to monitor and measure the accuracy of their predictions

? what the response will be to unexpected results or outcomes, ie. what contingency measures will be implemented, additional mitigations undertaken, etc.

Clearly, the consideration of the environment must be done with a purposefulness, ie. it is not adequate or acceptable to simply “consider” the environment and then not make changes to proposed actions or plans as a result of that consideration.

Environment-related Definitions

The definitions of both environmental protection and environmental sustainability are quite weak.

Environmental protection is much more than mitigation, and requires a higher standard of care than simply meeting the letter of the law (ie “compliance with all applicable Ontario and federal laws and regulations related to environmental protection”) The environmental protection regimes in both Ontario and Canada include the noted laws and regulations, as well as a number of important policy pieces, such as Ontario’s Statement of Environmental Values, required under the Environmental Bill of Rights.

A more appropriate definition would be as follows:

Actions(which) prevent and, where possible, reverse environmental degradation. Includes conserving resources especially non-renewable ones, recycling old products, reducing the production of waste and disposing of it safely, developing cleaner technologies eg environment-friendly energy resources. It is usually supported by legislation¹

The proposed definition of environmental sustainability as “development that meets the needs of the present in a manner that seeks to minimize the impacts on the ability of future generations to meet their own needs” is unacceptable. At minimum, the definition should be equivalent in its standard of care to the now 20 year old Bruntland Commission Report² definition, which defined sustainable development as development which will “ensure that (we) meet the needs of future generations without compromising the ability of future generations to meet their own needs” The Bruntland Commission further stated “The concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities”.

Environmental sustainability need not be tied to development, although it frequently is. More appropriately, though, environmental sustainability would be defined as the ability of the environment to sustain itself, ie maintain its natural and biological processes, biological diversity, and functions and environmental services, and development activities would then be viewed through the lens environmental sustainability (verus the environment being viewed through the lens of sustained development)

A more appropriate definition of environmental sustainability would be “Long-term maintenance of ecosystem components and functions for future generations.”³

Regulatory Consistency and Streamlining (Section F)

While we appreciate the Board Staff's effort to implement Section 1(2) of the Ontario Energy Board Act, in our view the Board must act with extreme caution that it not usurp the powers and responsibilities of other tribunals, or limit the public's right to full and due process, including due process under the Environmental Assessment Act and Environmental Protection Act. Further, while it may be the intent to have issues only addressed once before the Board, the Ontario Power Authority appears to be facing significant challenges in the preparation of the IPSP, and it remains unclear how much detail their first Plan will be, or the degree to which the stakeholder engagement process will have effectively involved the public.

Implementation of IPSP Initiatives (Section G)

The Ontario Energy Board should elaborate on its definition of "potential material deviation" from the IPSP, and should set out clearly how that definition relates to Section F of the OEB staff paper.

Part III

The "if known" disclaimer with respect to the need to identify associated transmission investments for generation resources outside of Ontario (Part 3 (e)) seems inconsistent with the more general expectation that the OPA provide a plan which is clear, detailed and reliable.

Thank you for the opportunity to provide these preliminary comments. Please do not hesitate to contact us for any additional detail or clarification.

Sincerely,



Brennain Lloyd

Northwatch

1. www.mos.gov.pl/mos/publikac/Raporty_opracowania/manual/glosry_1.html
2. "Our Common Future", World Commission on the Environment and Development, Oxford University Press, 1987
3. www.entrix.com/resources/glossary.aspx