

THE PROVINCIAL COUNCIL OF WOMEN OF ONTARIO

(Established 1923)

Ms. Kirsten Walli, Secretary
Ontario Energy Board
2300 Yonge St. Suite 2701
Toronto, Ontario M4P 1E4
September 29th, 2006

Re: Board File No EB-2006-0207 Proposed Approach to Review of the Ontario Power Authority's (OPA's) Integrated Power System Plan (IPSP) and Procurement Processes

The Provincial Council of Women of Ontario (PCWO) has the following comments to make on selected issues regarding the Ontario Energy Board's (OEB's) September 8th Staff Discussion Paper on the Review of the Ontario Power Authority's (OPA's) Integrated Power System Plan and Procurement Processes (IPSP)

A. Board Mandate

We understand that the government rather than the Ontario Energy Board (OEB) is responsible for articulating the IPSP goals, some of which go beyond ensuring that supply meets demand e.g environmental concerns, and, that the task of the OEB is to ensure that OPA's IPSP" complies with the IPSP directives and is *"economically prudent and cost effective."* Nevertheless, it is PCWO's opinion that the Board's stress on economics and cost effectiveness in its interpretation of its mandate should be broadened to make a connection here with the IPSP Regulation noted on page 24 regarding health and safety i.e. *"Paragraph 7 of section 2(1) of the IPSP Regulation requires the OPA to ensure that safety, environmental protection and environmental sustainability are considered when developing the IPSP".* We suggest this, because the costs of not protecting the environment or public health when operating a nuclear power plant, for instance, can be substantive, thus making a project imprudent and cost ineffective. While this issue is addressed on page 24, within the requirements for *"Plan Preparation"*, in the case of this enormously significant undertaking by the OPA, we believe the connection to the Board's Mandate must be made.

B. The Supply Mix Directive

Achievement of conservation targets:

Again, given that the IPSP Regulation speaks to health and environmental requirements, these should be addressed when dealing with *" how costs of different types of conservation measures... are to be compared, in determining which portfolio of measures achieve the conservation target in an economically prudent and effective manner."*

It is also important that the OPA analysis be in depth, with research to document

programs that have been environmentally sound, economically prudent and cost effective to date e.g. The Ontario Green Communities program, which used home energy audits to alert home owners to ways they could conserve, and which resulted in an average of over \$1,700 per home in conservation investments. The resultant energy savings were then ongoing, not relying on a change in ownership, or personal energy consumption habits.

Achievement of renewable energy targets

These targets should also be linked to environmental and health costs, and while there are to be comparisons of different renewables, there should also be comparisons made between all energy sources.

Use of nuclear energy for base load

PCWO has several times urged the government of Ontario to conduct a full scale environmental assessment on the final Integrated Power System Plan. Our concerns are many as they relate to past experience of nuclear plants and the future plans to expand and build new ones, with regard to the environment, public health and safety, fiscal prudence and reliability. Since the 'Plan' as a whole will not be assessed in this manner, and individual nuclear plant expansions or new plants will be subject to the weak federal environmental assessments process under CNSC, in the absence to date of a comprehensive federal regulatory framework, **PCWO feels it is essential that the OEB IPSP Review be particularly stringent.**

Given that this nuclear track record is known to the OEB, we are surprised that on page 18 of this report, the Board merely defers to the OPA "*feasibility study*" and the federal EA process , noting "*to the extent that the results of these activities are known at the relevant time, it is expected that they will be considered by OPA in the development of the IPSP.*" **This is very weak language, which reflects the many uncertainties around the time frame for application and approvals, and speaks to the very great difficulty of developing a plan for the next 20 years , without the assurance that due diligence, prudence and cost effectiveness, and transparency are ensured.**

D. Economic Prudence and Cost Effectiveness

Again, PCWO asks that environment and health costs be included as they are particularly important when conducting a cost benefit analysis. We appreciate that "other risks" associated with IPSP initiatives will be considered as well as incremental benefits . Nevertheless, sometimes benefits are intangible, not lending themselves to a short term analysis. For example, when pollutants are prevented from entering the Great Lakes it takes years to measure the results. **The need for long term measurements of these intangibles should be taken into account and included in any analysis of costs and benefits of energy options.** And, overall,

environment and health should not be a *"trade-off."* **The IPSP should be neither the "least cost" . or the higher cost" solution , but the best cost for the people of Ontario and the environment.**

F. Facilitating Implementation of the IPSP: Regulatory Consistency and Streamlining

It is not clear to PCWO, that the Ontario Energy Board Act, 1988 requirement that the OEB *"facilitate the implementation of an approved IPSP,"* can be interpreted as being *"a driving force in favour of regulatory streamlining in relation to those of the Board's statutory duties that may overlap with matters considered by the board in its review of IPSP."* This interpretation by the OEB staff is particularly disturbing given the use of the rather weak word *"adequately"* to describe issues addressed in the *"context of the IPSP."* This could lead to a project a few years down the road, that might not have been foreseen by *"parties "* before the Board, being streamlined, with no chance for an in-depth review. In fact, the word *"adequate"* is certainly not rigorous enough for the purposes of this very important IPSP. **PCWO recommends that a "bump-up" clause be inserted in the IPSP, where significant, current information is brought forward that is not available at the time of the initial IPSP approval, so that a thorough review is conducted by the OEB.**

At this point in time in its development of the IPSP, OPA background materials are weak and sometimes inaccurate and incomplete; reports are not being issued on time; meetings are scheduled in a rather mixed up fashion; and the telephone and web conference calls are perfunctory and less than satisfactory to participants. The whole process is rushed to ensure that the nuclear component moves ahead, and given the importance of this 'plan' for Ontarians, it is not at all appropriate for short term projects to be *"adequately"* addressed, or later projects, to be *"facilitated"* much less *"streamed"*. **It is instead crucial, that the process be cautious, thorough, rigorous, transparent and precautionary.**

G. Implementation of IPSP Initiatives

PCWO agrees that it is wise to consider the use of regulatory tools to ensure that parties work diligently towards implementation of IPSP initiatives . **However, we would recommend that if there is a "potential material deviation from the IPSP," that not only must the Board be notified by the OPA, but also an update must be required.** Given the uncertainties for instance , of the load forecasts now being prepared by the OPA, there could well be substantive changes required. e.g. *" A robust economy, led by the auto sector "* has been predicted in the OPA's Load Forecast draft paper. In direct contrast, there are continuing auto plant restructuring and layoffs, and recent financial predictions in the Globe and Mail by leading financial institutions, have only one of four experts predicting that Canada will escape a US economic downturn of some magnitude.

We would also recommend regular, not "*periodic*, updates regarding IPSP implementation between triennial reviews of the IPSP".

111. IPSP Filing Guidelines

C. 3. Generation Resources c) Nuclear generation resources

Again, given the above mentioned uncertainties and the lack of satisfactory progress to date in the public process, as well as a lack of in depth information and analysis, PCWO cautions that **it is better to lengthen the time required for the Board to review the IPSP and ensure its short and long term strength, than to rush into this important decision. This is especially so in the absence of a complete Provincial Environmental Assessment.**

e) generation resources outside Ontario

PCWO recommends that all health, social and environmental costs of outside sources of energy be analyzed by OPA and compared with a range of alternatives from within Ontario.

C.4. Transmission Resources

The health, social and environmental costs of transmissions should be analyzed and factored into the plan.

F. Satisfying the Requirements of the IPSP Regulation

1. Plan Preparation

Given PCWO's experience with the public consultation to date, which has been less than satisfactory and certainly not user -friendly, we are pleased that OPA will be required to explain this process. However , as noted above, **we recommend that new and relevant information trigger a "bump-up" to allow for an OEB review.**

Regarding the whole issue of environmental and safety protection requirements, the OEB has provided little guidance, other than existing regulations and definitions . These sections need a great deal more detail; they are far too vague, leaving the OPA to interpret the requirement.

3. Environmental Issues

While this section of the Discussion Paper, elaborates somewhat, there is no explanation of the kind of "analysis" to be conducted in order to judge the "*impact on the environment*" of a project. Also, it is difficult to project what might be considered "reasonable."

Conclusion

On July 20th, 2006, PCWO objected to the exemption of OPA's IPSP from the Environmental Assessment Act, given that a project of this magnitude has such an enormous potential to negatively impact our health , safety and environment. In the absence of this line of defense, the Ontario Energy Board is responsible for the interests of Ontarians, now and in the very long term future. We urge you to ensure that the IPSP be developed, used and enforced in a transparent , precautionary manner, and that there be an ability for Ontarians to participate fully in the development of the IPSP and in future decisions .

Submitted by ,

Gracia Janes , PCWO VP Environment Box 1590 Niagara-on-the-Lake ON LOS IJO 905
468 2841

c.c. Miriam Heinz, Regulatory Affairs Coordinator, Ontario Power Authority

Milica Kovacevich, PCWO President