



CORPORATE SERVICES DEPARTMENT
3rd Floor, City Hall
500 Donald Street East
Thunder Bay, ON P7E 5V3

City Solicitor's Office

Tel: (807) 625-2405
Fax: (807) 623-2256

December 13, 2007

Submitted by Electronic Mail, followed by
Regular Mail

Ontario Energy Board
2300 Yonge Street
Suite 700
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Notice of Application for Approval of the Integrated Power System Plan
And Procurement Process
File Number EB-2007-0707**

The Corporation of the City of Thunder Bay (the "City") is an Intervenor in the above-noted proceedings. Please consider this the City's notice, as required by paragraph 1 of Procedural Order No. 1, that it intends to make oral submissions at the Issues Proceeding.

This letter has the additional purpose of ensuring compliance with your letter of December 3, 2007 to Miriam Heinz at the Ontario Power Authority (the "OPA"), and copied to all Intervenors, including the City.

At the time that the City submitted its request to become an Intervenor, its issues were clearly stated. The City reserves the right, at the proceedings in January, to make oral submissions on any of the proposed issues from any party that touch upon the broader issues addressed in

The City's interest relates to the Board's determination of whether the Integrated Power System Plan (the "IPSP") is economically prudent and cost effective. The City wishes to submit evidence and make representations on that point. As pointed out in the Notice of Intervention, one of the elements of the IPSP is the closure of Ontario's coal-fired energy plants. The power plant in Thunder Bay is a major employer in Northwestern Ontario. Energy supply plays an important role in the Region's ability to remain economically competitive. For these and other reasons, the City has a significant interest in the IPSP.

Further, it is the City's position that Northwestern Ontario has characteristics that distinguish it from other parts of the Province, and these characteristics have not been adequately considered, assessed or addressed, either for their own merit, or as they relate to the characteristics of the balance of the Province, in the IPSP. As far as its impact on Northwestern Ontario, the IPSP is neither economically prudent nor cost effective.

With particular reference to the draft issues list posted on the Ontario Energy Board's website, the City submits the following comments:

1. In order for the Board to determine whether or not the IPSP is responsive to the Supply-Mix Directive (the "Directive") issued on June 13, 2006, that Directive must be clearly understood.

It is the City's position that paragraph 5 of the Directive requires clarification – and in clarifying that paragraph, the City submits:

- (a) that the term "coal-fired generation in Ontario" means coal-fired generation utilizing the methods which were being utilized on June 13, 2006;
- (b) that the term "cleaner sources" includes coal utilized in a manner that is cleaner than the manner it was utilized in on June 13, 2006.

With those two clarifications, the City submits as an issue that the development of the IPSP is incomplete and flawed, because it did not consider the replacement of "coal-fired generation in Ontario" with the use of clean coal technology.

These things must be considered when addressing the fifth issue question in the OPA's draft issues list.

2. One of the issues on the OPA draft list (marked as paragraph 7) involves whether or not the IPSP complies with Ontario Regulation 424/04. The Regulation has several requirements, some, but not all of which are addressed in paragraph 7 of the OPA draft issues list.
 - (a) The regulation requires consultation "with consumers...and other persons who have an interest in the electricity industry...in order to ensure that their priorities and views are considered in the development of the plan." It is the City's position that there has been inadequate consultation with the industrial base in Northwestern Ontario – which has a known and "critical interest in the electricity industry". The City submits that it is an issue that the IPSP was thus developed without ensuring that their "priorities and views" were considered.
 - (b) The regulation requires that the development of the IPSP was to "identify and develop innovative strategies to encourage and facilitate competitive market-based responses and options for meeting overall system needs". It is the City's position that in considering the "overall system", each economic region needs to be considered, and that insufficient consideration was given to Northwestern Ontario which has a different "competitive market" requiring different "responses and options". This issue needs to be canvassed by the Board in order to determine whether or not the requirements of the Regulation were met.

- (c) The Regulation requires that the OPA must “ensure...environmental sustainability” is “considered in ... the plan”. The term “environmental” is expressly defined to include “human life”. Statutory interpretations across many jurisdictions and many subject matters has concluded that the “environment” in these types of contexts includes the socio-economic human environment. Because implementation of the IPSP will have a devastating economic effect in Northwestern Ontario, the City submits as an issue that the “environment” was not properly considered in developing the IPSP.
3. Issue (2) on the OPA’s draft issues list is worded as “whether the decisions identified in Table 1 are economically prudent and cost effective”. The City submits that economic prudence and cost effectiveness must be assessed across Ontario by economic region. The decisions identified in Table 1, in the City’s submissions, are neither economically prudent nor cost effective in a Northwestern Ontario context. This is an issue that needs to be explored.
 4. The City was copied with a letter dated November 30, 2007, written to you from the Northwestern Ontario Common Voice Initiative (Northwestern Ontario Municipal Association Energy Task Force) and concurs that the questions raised in that letter are relevant for the issues list.

If clarification is required with respect to any of the above, please contact the undersigned.

Please be advised that the undersigned anticipates that external legal counsel will be retained for the proceedings in January. Notice of change of solicitors will be provided should that occur.

Yours very truly,

(Original signed by)

Rosalie A. Evans
City Solicitor