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File: 5283

September 25, 2009

Ontario Energy Board
2300 Yonge Street, Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Board File No.: EB-2009-0077
Submissions of Northwatch
Revised Proposed Amendments to the Distribution System Code

W+SEL is pleased to provide these comments on behalf of Northwatch on the Board's Revised Proposed Amendments to the Distribution System Code (the "Revised Proposed Amendments") in the above noted matter.

Northwatch was founded in 1988 and is a regional coalition of community and district based environmental groups, naturalist clubs, social justice and development organizations, local peace groups, and Aboriginal support groups, as well as many individuals. Its membership base covers the land mass north of the French River, comprised of the districts of Nipissing, Sudbury, Algoma, Manitoulin, and Cochrane, Temiskaming, including the Hudson's Bay lowlands.

Northwatch's main objective is to represent the public interest with respect to environmental protection, social justice, and resource management matters in north-eastern Ontario. Its members are committed to promoting the health, well being and sustainability of the human and natural communities throughout the region.

IMPACT ON NORTHERN RESIDENTS

Northwatch repeats its concern that northern residents may bear an unfair burden in terms of rate impacts and adverse environmental effects.

In its June 5 2009 notice, the Board proposed that some or all of the investments that are proposed to be funded by a distributor may be eligible to be recovered from consumers



across the province. This suggests that the burdens associated with development of distribution systems in the north will be shared by all energy consumers, as they may provide energy to all of Ontario, and meet public policy goals of Ontarians.

However this proposal is not mentioned in the Revised Notice of September 11, 2009. Northwatch strongly supports the development of such a proposal.

In the absence of any clarity that may be brought by regulations as yet not developed under Section 79.1 of the *Green Energy and Green Economy Act*, Northwatch has a concern that some ratepayers may be burdened with the costs of construction, expansion or reinforcement associated with the connection of a renewable energy generation project for which the end users are located in a distribution system distant to the location of the generation facility. Such would be the case, for example, if supply generated within a particular area or region exceeded demand, with the surplus exported for use elsewhere.

DEFINITION OF “EXPANSIONS”

Northwatch provides these comments about the activities that are defined as expansions. We note that new lines and upgrades to new lines are both included as expansions. The potential adverse impacts of building a new line are likely more significant than the other activities listed.

The Board proposes that the cap would not apply where expansions are contained in a “Board-approved plan” or as otherwise mandated by the Board.

It is not clear how section 70(2.1) will operate, and how it will integrate with the suspended IPSP process.

Northwatch supports a process leading to a Board approved distribution plan which will include the siting of new lines. Without proper planning, siting decisions will be made in an ad hoc fashion and unintended social, environmental and economic impacts will result.

INCENTIVE FOR ABORIGINAL PARTNERSHIPS

Northwatch continues to support additional reductions in the connection cost responsibility for generators that are in majority partnership with Aboriginal or local community interests. Although there are programs proposed through the OPA that would support community and local partnerships, it is also the mandate of the OEB.

As a result of *Green Energy and Green Economy Act*, 2009 (GEGEA) revisions, the Board will have an objective to:

“promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely



expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation”

The Government of Ontario policy to encourage Aboriginal and community involvement in the development and establishment of renewable energy projects is evident through its directions to the OPA to develop programs to support the participation by Aboriginal peoples and involvement of local communities (GEGEA s. 25.35(2)a) and b)).

It is also clear that timely projects result from positive local community involvement and clear benefits and where such involvement and benefit are lacking projects can be bogged down and stalled. See for example, the attached excerpts from the Globe and Mail, September 18, 2009, “Harvesting Wind Energy’s Benefits” and “Community Engagement – Local involvement encouraged” which underscore the importance of local communities to the timely development of projects.

For the GEGEA to be successful, the entire framework that supports the GEGEA including the distribution of costs, must be consistent with, and support government policy objectives. In particular, the framework must be consistent with policy objectives related to environmental protection, public involvement in environmental and social decision-making, and sustainability.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Juli Abouchar', with a stylized, flowing script.

Juli Abouchar
Partner, W+SEL
Certified as a Specialist in Environmental Law
by the Law Society of Upper Canada

cc: Northwatch
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