

April 18, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4
Fax: (416) 440-7656
Email: BoardSec@ontarioenergyboard.ca

Dear Ms. Walli:

**Re: Request for Intervenor Status by Environmental Defence
EB-2013-0053 – Hydro One Networks Inc. (“Hydro One”)
Guelph Area Transmission Line Project (“Project”)**

We are writing on behalf of Environmental Defence to request intervenor status, costs eligibility, and an oral hearing in this matter.

Environmental Defence seeks intervenor status and costs eligibility as a leading environmental organization that represents both the public interest in environmental protection and the interests of consumers whose energy bills can be reduced through conservation and other cost-effective alternatives to supply-side transmission system upgrades.

As detailed below, Environmental Defence requests that an oral hearing be held because the issues at stake are highly important, oral hearing procedures are necessary to address these important issues, and these issues have not been addressed in other proceedings related to this project.

Grounds for Intervention and Costs Eligibility

Description of Environmental Defence and Some of Its Achievements

Founded in 1984, Environmental Defence is a registered charity with a large base of supporters. As discussed below, Environmental Defence is a leading advocate on energy and environmental issues in Canada.

Environmental Defence has been highly successful in its public interest advocacy on energy issues. For example, Environmental Defence was instrumental in the passage of

Ontario's *Green Energy and Green Economy Act, 2009*, which established new and important statutory objectives for the Ontario Energy Board (the "Board") relating to conservation and renewable generation. The *Act* has also led to a large expansion of renewable energy in Ontario. Building on this success, Environmental Defence continues to advocate for improvements to the feed-in tariff created by the *Act*.

Environmental Defence's environmental work, on issues ranging from toxic chemicals to clean beaches, has led to concrete improvements in the lives of Canadians. For example, the dangerous chemical Bisphenol A ("BPA") is now banned in baby bottles in Canada due to concerns first raised by Environmental Defence in 2007. For many years, Environmental Defence has participated in the federal government's Chemicals Management Plan. Environmental Defence is also the coordinator of Blue Flag Canada, which certifies beaches so that Ontario families can enjoy this public resource. Environmental Defence recently co-founded Blue Green Canada with the United Steelworkers, which promotes green energy initiatives that have positive employment and economic impacts.

The Honourary Board of Directors of Environmental Defence includes prominent Canadians such as Robert Bateman, Ray Civello, Farley Mowat, David Suzuki, John Swaigen, and Donald Wright. Environmental Defence also works with and is supported by major organizations such as Sears Canada, Xerox Canada, and the Toronto Dominion Bank's environmental foundation.

Furthermore, Environmental Defence publishes reports and guides in the area of energy conservation, efficiency, and policy. For example, it has created an interactive online tool to help energy consumers reduce their bills through energy efficiency initiatives. Some further recent publication titles include:

- *Building Ontario's Green Economy: A Road Map*;
- *Ontario Feed-In Tariff: 2011 Review*;
- *The Global Clean Energy Jobs Race: Ontario's Opportunity*;
- *Blowing Smoke: Correcting Anti-Wind Myths in Ontario*;
- *Faces of Transformation: Jobs, economic renewal and cleaner air from Year One of Ontario's Green Energy Act*;
- *Falling Behind: Canada's Lost Clean Energy Jobs*; and
- *Greening Canada's Building: Report Card*.¹

Finally, Environmental Defence includes an economic perspective in its energy work, including in terms of savings for homeowners and consumers, as well as overall economic impacts. This fits well with the Board's role as an economic regulator mandated to protect the interests of consumers.

¹ See <http://environmentaldefence.ca/issues/clean-energy/reports>

Avoiding Duplication and Respecting Board Processes

Environmental Defence was granted intervenor status and recently participated in EB-2012-0064 (Toronto Hydro 2012-2014 Rates) and EB-2012-0337 (Union Gas 2012-2014 Large Volume DSM Plan). In both proceedings, Environmental Defence participated responsibly and raised important issues that were not duplicative of the work of others.

Environmental Defence has retained an expert consultant, Jack Gibbons of the Ontario Clean Air Alliance, and experienced legal counsel in the law firm of Klippensteins, Barristers and Solicitors. Mr. Gibbons and Klippensteins have a demonstrated track record of effective representation at the Board in raising new and important environmental and energy issues in a way that respects the Board processes and is not duplicative of the work of others.

Intended Participation and Interest in Proceeding

Environmental Defence wishes to file interrogatories, participate in the hearing, review and test the evidence, make submissions, and seek a cost award. Environmental Defence may also file expert evidence in this proceeding.

Environmental Defence's interest in this proceeding is in reducing consumers' bills while also promoting renewable energy and lowering greenhouse gas emissions. Environmental Defence intends to focus on whether Hydro One has provided sufficient evidence to establish that the Guelph Area Transmission Line Project is necessary and the most cost-effective method of meeting consumers' needs. In particular, Environmental Defence will address whether Hydro One has adequately considered alternatives to the transmission line such as conservation programs, renewable energy sources, and distributed generation. These alternatives could potentially result in lower costs for consumers, the promotion of renewable energy, and more reliable supply.

Environmental Defence also wishes to raise concerns regarding the unprofitable nature of this project. According to Hydro One, "the transmission refurbishment project will have a negative net present value of \$68.5 million with a profitability index ("PI") of 0.2."²

Conclusion re Grounds for Intervenor Status and Costs Eligibility

Based on its long and successful track record in promoting the public interest on energy and environmental issues, its intended focused approach to this hearing, and the importance of the issue it wishes to raise, Environmental Defence asks that it be granted intervenor status and costs eligibility in the above proceeding.

Request for Oral Hearing

Environmental Defence requests that an oral hearing be held as the issues at stake are highly important, oral hearing procedures are necessary to address these important issues,

² Project Economics, Exhibit B, Tab 4, Schedule 3, p. 1.

and these issues have not been addressed by other planning proceedings such as the environmental assessment or the Hydro One 2013-2014 rates case (EB-2012-0031).

Important Issues at Stake

An oral hearing is warranted as the issues at stake are highly important. First, the cost and impact on consumers is very significant. The new transmission line and the associated system upgrades will cost between \$95 and \$105 million.³

Second, the Project may undermine the City of Guelph's Community Energy Plan recently. Guelph's plan includes a target that *all* growth in residential, commercial, and industrial electricity demand be met through increased efficiency.⁴ It also sets a target of *reducing* peak electricity demand "to avoid the need for investment in new electrical infrastructure to serve the growth of the city."⁵ The Guelph Transmission Line Project proposes instead to meet increased demand with increased outside generation and increased transmission capacity and it is therefore inconsistent with the Community Energy Plan.

Third, the Project may ultimately be a waste of taxpayer and consumer dollars if its objectives can be achieved more cost-effectively through increased conservation and local generation. Benefits from increased conservation and local generation can include:

1. Decreased rates by avoiding more costly transmission and distribution upgrades;
2. Decreased rates by avoiding more costly electricity generation (e.g. in comparison to gas "peaker" plants);
3. Decreased overall bills (as conservation lowers electricity usage);
4. Decreased greenhouse gas emissions (from conservation or renewable generation);
5. Increased diversity and reliability of supply; and
6. Increased reliance on clean, renewable sources of electricity.

These potential benefits will be lost if the project is approved without considering conservation and local generation as an alternative.

The high cost of the project (\$95-\$105 million), the inconsistencies with the Guelph Community Energy Plan, and the possibility of adopting a more expensive and sub-

³ OPA, *Kitchener-Waterloo-Cambridge-Guelph Area*, March 8, 2013, Exhibit B, Tab 1, Schedule 5, p. 28; Hydro One, *Project Costs*, March 8, 2013, Exhibit B, Tab 4, Schedule 2, p. 2.

⁴ Community Energy Plan – City of Guelph, http://guelph.ca/wp-content/uploads/report_communityEnergyInitiative.pdf, p. 14.

⁵ *Ibid.* pp. 16 and 103.

optimal solution to meeting consumer needs are sufficiently important issues to merit an oral hearing.

Need for Oral Hearing Procedures

An oral hearing is warranted to ensure that adequate procedures are in place to adequately test and assess Hydro One's application. For example, Environmental Defence wishes to cross-examine witnesses from Hydro One and the Ontario Power Authority to determine exactly what analysis was done to determine whether all or part of the Project could be avoided or deferred through conservation and local generation.

Issues have not been Addressed Elsewhere

An oral hearing is warranted because the issues that Environmental Defence wishes to raise have not been addressed elsewhere. The environmental assessment for the Project did not consider whether conservation and/or local generation were possible alternatives for the project.⁶ Nor did the most recent Hydro One 2013-2014 rates case (EB-2012-0031). In that case, Hydro One advised the parties that this section 92 application would be the proper venue to assess the merits and need for the Project.⁷

In sum, Environmental Defence requests that an oral hearing be held as the issues at stake are highly important, oral hearing procedures are necessary to address these important issues, and these issues have not been addressed elsewhere.

Requests for Evidence and Addresses of Representative and Party

Environmental Defence requests two copies of the pre-filed evidence/materials. Please deliver one copy to Murray Klippenstein and myself as counsel for Environmental Defence at the law firm address above (e-mail addresses: kent.elson@klippensteins.ca and murray.klippenstein@klippensteins.ca). Please deliver the other to Environmental Defence's consultant, Jack Gibbons of the Ontario Clean Air Alliance. Please forward a hard copy of the evidence to Mr. Gibbons. An electronic copy is sufficient for legal counsel.

We also request that counsel (Mr. Klippenstein and Mr. Elson) and Mr. Gibbons be listed on the intervenors' list under Environmental Defence. Mr. Gibbons is located at:

Ontario Clean Air Alliance
160 John Street, Suite 300
Toronto, Ontario M5V 2E5
Tel: (416) 260-2080 ext. 2
Fax: (416) 598-9520

⁶ Guelph Area Transmission Refurbishment, Class Environmental Assessment Environmental Study Report October 2012, <http://www.hydroone.com/Projects/Guelph/Documents/ESRFinal/GATR%20Final%20ESR%20Oct%202012.pdf>, p. 14.

⁷ EB-2012-0031, Technical Conference Transcript, October 12, 2012, p. 54, ln 19 to p. 55, ln. 2, and p. 50, ln. 28 to p. 51, ln. 5.

E-mail: jack@cleanairalliance.org

Environmental Defence's full name and address is:

Environmental Defence Canada Inc.
116 Spadina Avenue, Suite 300
Toronto, Ontario M5V 2K6
Tel: (416) 323-9521
Fax: (416) 323-9301

Please send correspondence and any other materials to both Jack Gibbons and to counsel as the authorized representatives.

Service on other Parties

Environmental Defence requests the Board's directions as to whether this letter should be served on any other parties.

Please do not hesitate to contact me if anything further is required.

Yours truly,



Kent Elson

cc: Applicant