

IN THE MATTER OF sections 70 and 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF a Board-initiated proceeding to designate an electricity transmitter to undertake development work for a new electricity transmission line between Northeast and Northwest Ontario: the East-West Tie Line.

SUBMISSION OF NORTHWATCH PHASE II OF PROCEEDING TO DESIGNATE TRANSMITTER FOR EAST-WEST TIE LINE

Northwatch seeks to improve the sustainability of, and well being of residents in, northeastern Ontario. Northwatch evaluates the East-West Tie line project, and each of the applicants' proposals through this lens.

Northwatch supports electricity planning to bring northeastern Ontario closer to a) regional self-sufficiency, b) sustainable use of renewable resources, c) conservation of non-renewable resources, and d) reduction of the environmental footprint on northeastern Ontario, to the extent possible ("Northwatch Criteria"). These criteria are the interests of Northwatch's constituent consumers of electricity in northeastern Ontario.

I. PROPOSED ROADMAP FOR REVIEW OF THE APPLICATIONS

In this review process, Northwatch seeks applicants' proposals that aim to fulfill the Northwatch Criteria, should the East-West Tie project move forward to the Leave to Construct stage.

Northwatch is aware that environmental impacts resulting from development of the East-West Tie line project will be the subject of an Environmental Assessment, and that the discussion of "need" will be fully addressed during the Leave to Construct phase.

Pursuant to section 96 of the *Ontario Energy Board Act, 1998*¹, the Board will have to decide, in the Leave to Construct application, whether the construction of the East-West Tie line is in the public interest. When the Board assesses whether the applicant meets the public interest test, the Board considers (1) the interests of consumers with respect to prices and the reliability and quality of electricity service, and (2) consistency with the policies of Ontario, the promotion of the use of renewable energy sources.

In order for the Board to designate the most capable applicant in this proceeding, the Board should bear in mind that the applicant whose proposal meets the public interest test has the best chance at a successful Leave to Construct application.

A good place to start with assessment of public interest is the applicant's consistency with government energy plans and policies, and the interests of consumers.

A. CONSISTENCY OF APPLICANTS' PROPOSALS WITH GOVERNMENT ENERGY PLANS AND POLICIES

Government energy policy describes the need for the East-West Tie line.

In 2008, in Ontario's Integrated Power System Plan, the Ontario Power Authority (OPA) indicated a need to bring power from northern Ontario to southern Ontario from renewable generation.²

In 2010, OPA's Long Term Energy Plan (LTEP)³ identified the Ring of Fire as a future need of power.⁴ The LTEP also identified the East-West Tie line as a priority transmission project, needed to "[m]aintain system reliability, allow more renewable, [and] accommodate electricity requirements of new mineral processing projects."⁵

¹ S.O. 1998, c. 15, Sch. B.

² Updated version filed with the Board on August 29, 2008. EB-2007-0707, Exhibit B, Tab 1, Schedule 1, pp. 15 to 17.

³ Issued November 23, 2010.

⁴ LTEP at p. 21.

⁵ LTEP at p. 46.

However, since the IPSP and LTEP, the need for East-West Tie line does not appear greater than as presented in the IPSP and LTEP.⁶ If anything, the East-West Tie line may now be less necessary.

In the OPA's report "Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Project" dated June 30, 2011, the OPA gives its preliminary assessment of the need for the East-West Tie line project.

The OPA identifies four sources of demand for electricity in northwestern Ontario: (1) pulp and paper (which, as the OPA suggests, has declined and continues to decline), (2) traditional mining (including the Lac Des Iles palladium mine and existing and new gold mines in Red Lake and Pickle Lake), (3) Ring of Fire, and (4) possible connection of remote communities north of Pickle Lake.⁷

Of these sources, one may continue to decline (pulp and paper), while others may fail to materialize (Ring of Fire and connection to remote communities north of Pickle Lake).

The OPA states that the real need for enhancing supply to northwestern Ontario through the East-West Tie line project is "not driven by increased demand or near term adequacy, but is primarily to maintain reliable, cost effective supply over the long term in the Northwest reflecting changes to the region's supply mix, including the phase-out of generation from coal."⁸

The OPA also suggests that the East-West Tie line project may allow for additional renewable electricity generation in northwestern Ontario, as the East-West Tie line project would reduce the congestion and constraint on the existing

⁶ For one, development of the Ring of Fire has slowed, and is still in the feasibility stage. See Financial Post (Heather Scofield, Canadian Press), *Environmental reviews of Ring of Fire mine running into trouble*, March 25, 2013, online: <<http://business.financialpost.com/2013/03/25/environmental-reviews-of-ring-of-fire-mine-running-into-trouble/>>.

⁷ "Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Project" dated June 30, 2011 at p. 5.

⁸ "Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Project" dated June 30, 2011 at p. 15.

The Thunder Bay and Atikokan coal-fired generation stations (that supply approximately 1/3 of the northwest system) are to cease operation by end of 2014 under regulation. The OPA identifies this and other expected changes in the energy/electricity supply mix in the Northwest in the years to come.

system and allow power to transfer from the northwest to southern Ontario. This may allow for reduced costs to ratepayers.⁹

Northwatch supports renewable energy generation in northwestern Ontario and throughout Ontario, as well as reduction in costs to northern Ontario ratepayers. However, Northwatch notes that the OPA does not include any detailed analysis of the likelihood that an increase in renewables in northwestern Ontario will create significant demand for the East-West Tie line project.

For the reasons above, Northwatch supports Board Staff's submission of April 8, 2013, in so far as Board Staff asks the OPA to provide an updated assessment of the need for the East-West Tie line project, well before the Leave to Construct process begins, with continuing updates on a regular basis up to and during the Leave to Construct proceeding.¹⁰

B. INTEREST OF CONSUMERS

Northwatch's constituents support electricity planning to bring northeastern Ontario closer to a) regional self-sufficiency, b) sustainable use of renewable resources, c) conservation of non-renewable resources, and d) reduction of the environmental footprint on northeastern Ontario, to the extent possible.

The Board is clear that the parties may assess the applicant transmitters' abilities and experience in measuring and mitigating environmental impacts in this phase of the proceeding, and the ability of the applicants to successfully complete regulatory processes similar to Ontario's Environmental Assessment process.¹¹

The East-West Tie line project can be expected to have significant impacts on the environment and the local communities in northeastern and northwestern Ontario, including human and natural communities (such impacts include economic, social, recreational impacts and impacts to community values).

As discussed in Northwatch's oral submissions, northern Ontario is particularly vulnerable to environmental and socioeconomic impacts given that (1) the natural

⁹ "Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Project" dated June 30, 2011 at p. 15.

¹⁰ Board Staff Submission dated April 8, 2013 at pp. 7 and 8.

¹¹ Phase I Decision and Order dated July 12, 2012 at p. 6.

environment is particularly fragile, and (2) northern Ontario residents and communities are also vulnerable.¹²

II. COMPARATIVE ANALYSIS OF THE APPLICANTS' PROPOSALS

Northwatch has chosen not to designate a specific transmitter to undertake development work for the East-West Tie line project. Instead, Northwatch brings to the Board's attention specific components of the applicants' proposals (including applications, interrogatory responses and arguments-in-chief) that Northwatch determines may improve the sustainability of, and well being of residents in, northeastern Ontario, as well as those components of the applications that may not.

A. PROPOSED DESIGN/ENVIRONMENTAL FOOTPRINT

East-West Tie Line Route

The applicants all refer to and we presume meet the requirements under Board's *Minimum Technical Requirements for the Reference Option of the E-W Tie Line* dated November 9, 2011 for line routing. However, significant variation in approaches and routes exist between the applicants.

Northwatch generally supports a route that follows existing rights-of-way as much as possible. In general, following an existing right-of-way concentrates environmental effects in areas which are already disturbed and should be preferred.

There may be exceptions to this general preference, for example:

- ♦ Building a second parallel line across a small First Nation reserve could take a significant portion of the First Nation's available land relative to rerouting around the First Nation land (or even re-routing both the old and new lines around the land).¹³
- ♦ Even if two lines in the same place might be better for the environment than two lines in different places once they are in service, the avoidance of construction near the first line may have environmental benefits, relative to routing the new line through a less sensitive area. Even if an existing line is present, under certain circumstances, one might not want to do the

¹² See further submissions on this at Transcript of Oral Sessions on May 2, 2013, Brennain Lloyd's Submission, page 33 at line 3 to page 34 at line 8.

¹³ See, for example, RES Canada Transmission LP's Argument-In-Chief at pp. 6 to 8.

construction, marshaling, temporary road building, and other potentially damaging activities to build the new line next to the existing line.

- ◆ Following the same right of way can also have reliability implications that may need to be traded off against environmental considerations. With two lines in parallel, common mode failures of both lines (where a single event takes both out of service) can become more likely than if they are separated. Some might be mitigated with siting (e.g., a wider right-of-way, which itself may have environmental effects) to prevent the two lines to collapse on each other under wind or ice loading, causing a cascading failure, so a parallel line may require a wider right-of-way. Other common mode failures (such as forest fires) may be more readily mitigated by separation.
- ◆ Reduced spacing in a right-of-way may hinder helicopter construction methods and increase the need for road development.

AltaLink Ontario, L.P. (AltaLink) and Upper Canada Transmission, Inc. (UCT) propose a route adjacent to the existing transmission line for the entire line length, but are willing to modify this route based on detailed design, Environmental Assessment and stakeholder input, including agreement or consultation with the Pays Plat First Nation and Michipicoten First Nation, the First Nations directly impacted by the existing line route.¹⁴ Northwatch generally agrees with this approach, but is wary that AltaLink does not provide much detail as to how its proposed route will have less environmental and socioeconomic impact than alternative routes. UCT provides a chart at Appendix 20 detailing some environmental impact differences between the existing route chosen and a route with approximately 47 kilometres of variants. The chart shows that, overall, aside from the existing route crossing Pukaskwa National Park and First Nation lands, the route with the proposed variants around Pukaskwa and First Nation lands appears to cross more wetlands and more Forest Management Units.

Canadian Niagara Power Inc. (CNPI) considered a route adjacent to the existing transmission line, but after completing a flyover, has proposed alternate routes from both Lakehead to Marathon and Marathon to Wawa, with deviations from the existing route of a few kilometres and 25 kilometres, respectively.¹⁵

RES Canada Transmission LP proposes a route around the Pays Plat First Nation, the Michipicoten First Nation, and Pukaskwa National Park, for a total

¹⁴ AltaLink's Application at pp. A-21, A-26 and A-27; UCT's Application at p. 15.

¹⁵ CNPI's Application at pp. 10, 137 and 138, and Response to Interrogatory to CNPI #7.

separation from the existing corridor of 130 kilometres.¹⁶ Northwatch notes that this is a considerable variation away from the existing right of way.

EWT LP and Iccon Transmission, Inc./TransCanada Power Transmission (Ontario) L.P. (Iccon/TPT) have not presented a favoured route. EWT LP and Iccon/TPT have undertaken a study of potential routes.¹⁷

Notwithstanding Northwatch's preference to have the designated transmitter make use of as much of the existing corridor (except where the environmental, Aboriginal and community impacts are decreased by variations in the route), EWT LP presents a number of routes that appear to make use of other existing corridors, other than the existing East-West Tie line.¹⁸ Northwatch agrees with this approach to the extent that environmental, Aboriginal and community impacts are less than those created by using the existing East-West Tie line.

Iccon/TPT provides a comprehensive routing analysis by Golder Associates, but provide fewer details about how the proposed four route options will ensure environmental, Aboriginal and community impacts are mitigated.

Northwatch acknowledges that much of the assessment of the line route will take place during the Environmental Assessment. However, to the extent that the Board is able to review the applicants' proposals and weigh the pros and cons of following the existing right-of-way(s) versus finding alternative routes where necessary, Northwatch asks the Board to consider as a priority the environmental impact of the proposed route(s).

Innovative Design and Installation of Lines and Circuits

Generally, Northwatch supports those applicants that propose innovative designs of lines and circuits and related equipment where such innovation may result in improved environmental performance.

In particular, Northwatch notes that the reference plan is a double-circuit 230 kV line, but while all applicants have proposed to use the reference design as one alternative, four of the applicants have proposed different approaches:

¹⁶ RES' Argument-In-Chief at pp. 6 to 8 and Application at Exhibit B, Tab 1, Sch. 1, p. 12.

¹⁷ EWT LP's Application at section 9.4; Iccon/TPT's Application at Appendix A to section 9.4.

¹⁸ EWT LP's Application at section 9.4.1.2.

- ◆ RES proposes a single-circuit design¹⁹
- ◆ EWT LP proposes to examine three alternatives – two different single-circuit designs and a double-circuit design that places towers farther apart than the reference design, reducing environmental impacts²⁰
- ◆ UCT proposes to use a Guyed-Y transmission structure with a double-circuit design, which also may reduce the environmental footprint by reducing the number of towers²¹
- ◆ Iacon/TPT proposes to address complex terrain and environmentally sensitive conditions with steel lattice towers designed to handle such conditions.²²

Northwatch recognizes that certain designs may increase environmental performance, but decrease reliability. For example, a single circuit line is generally less expensive, has a faster construction time, and may require a narrower right-of-way than a double-circuit line. However, double circuit lines generally improve reliability. The question that is not addressed by the applicants is whether the reliability improvement from the double circuit is worth the additional environmental impact and cost.

Northwatch submits that where a single circuit line can be designed with the same or similar capacity and reliability (and with the possibility of being scaled up in voltage if more power is required), such a design may be preferable. We also look favorably on options that might reduce the width of the right-of-way, reduce the number of towers, or otherwise reduce environmental footprints.

Northwatch encourages the Board to be skeptical of the applicants' engineers who place paramount importance on reliability and do not balance it with the full costs, including environmental costs.

Nearly all of the applicants have criticized other applicants for proposing creative designs.²³ Northwatch does not find those criticisms well taken at this

¹⁹ RES Argument-in-Chief at pp. 22 to 25.

²⁰ EWT LP Argument-in-Chief at pp. 35 to 36 and EWT LP Application, Appendix 9D.

²¹ UCT Argument-in-Chief at p. 18. On the other hand, guyed transmission structures may increase impacts on wildlife resources, which would need to be evaluated carefully in the Environmental Assessment stage (see RES Argument-in-Chief at pp. 35-36).

²² Iacon/TPT's Application at section 4.5.2.

²³ See, for example, CNPI's Argument-in-Chief at pp. 36-37, AltaLink's Argument-in-Chief at p. 18, UCT's Argument-in-Chief at pp. 12-14, Iacon/TPT's Argument-in-Chief at pp. 22-24, and EWT LP's Argument-in-Chief at p. 44.

preliminary stage of project development and would urge the Board to ignore them.

The selected party should be encouraged to exercise creativity in design (single-circuit vs. double-circuit and looking at tower alternatives) to meet the goals of less environmental impact, a more rapid potential schedule, and lower costs as it goes through its own development efforts.

We also encourage the Board to be skeptical of the Independent Electricity System Operator (IESO) and OPA claims that reliability could be impinged by creative designs with less environmental footprint and lower costs, because they may be overstating their cases.²⁴

We encourage the designated transmitter, Board Staff and intervenors to look at single-circuit and other alternatives in the Environmental Assessment process and the Leave to Construct application.

Land Use

Northwatch is concerned that the East-West Tie line project as proposed by the applicants will require significant land use and alteration. The yards proposed by the applicants for tower assembly, and the road networks necessary to expand or cut new corridors and construct the new line will be vast and intrusive, regardless of the measures used to mitigate the impacts.

Northwatch is concerned that the new corridors proposed by the applicants that branch off the existing corridor, new roads, and assembly yards will result in increased forest disturbance, loss of forest cover and natural values, and increase forest fragmentation; these disturbances could impact sensitive flora and fauna like woodland caribou, sensitive reptiles and amphibians.

All six applicants suggest that they will consider at least some form of measure(s) to mitigate environmental impact during tower and line assembly, transport

²⁴ See IESO's "An assessment of the westward transfer capability of various options for reinforcing the East-West Tie", dated August 18, 2011, and OPA's "Long Term Electricity Outlook for the Northwest and Context for the East-West Tie Project" dated June 30, 2011 for general discussions of the need for reliability of the proposed system. Northwatch acknowledges that the East-West Tie line must meet IESO's reliability and NERC system standards, but where creative designs meet and exceed these reliability standards, such designs should be considered by the Board with less environmental footprint and lower costs.

and/or installation, but much of the consideration will take place at the development/Environmental Assessment stage.

Northwatch agrees with the general approach of the applicants to maintain flexibility in their proposals to allow for development and implementation of such measures during the development/ Environmental Assessment stage. However, Northwatch notes particular proposals from some of the applicants identifying specific measures to decrease the amount of land necessary and, either explicitly or implicitly, the environmental footprint of assembly, transport and/or installation of towers and lines:

- ♦ UCT proposes to, as part of its Guyed-Y tower design, use mobile drill equipment and helicopters for transporting equipment to remote areas along the proposed route, and that its variant to the reference route may take advantage of an existing transmission line corridor and areas of active timber harvesting where logging roads would be available for transport of equipment to the right-of-way²⁵
- ♦ UCT proposes to make use of existing access roads and winter roads wherever possible and in particular in the remote region between Wawa and Marathon. UCT proposes to avoid wetland habitat whenever possible and place a 100 m buffer between structures and wetlands where possible. UCT proposes to minimize new access in Caribou Management zones²⁶
- ♦ Iccon/TPT, EWT LP, and RES identify use of helicopters as an alternative method for transporting equipment, materials and workers where access roads are too cost prohibitive or not desirable due to environmental concerns²⁷, and Iccon/TPT proposes to restore, replace or recreate wetlands disturbed during construction²⁸
- ♦ AltaLink proposes to use a combination of screw pile foundations (to reduce surface disturbance), pre-assembly yards, and helicopter tower installation to reduce the environmental footprint of the project and costs. AltaLink also proposes to construct, where appropriate under frozen ground conditions to minimize impact to grasslands and other habitat.²⁹

Northwatch notes that none of the applicants explain the extent or locations of the tower assembly yards needed to assemble and then transport (in some cases by helicopter) towers to the right-of-way.

²⁵ UCT's Application at pp. 92, 109, 136 and 137.

²⁶ UCT's Application at pp. 145 and 146.

²⁷ Iccon/TPT's Application at section 4.5.1; EWT LP's Application at Ex. 6, Appendix 6D (CRS Report) at p. 9; RES' Application at Ex. N, Tab 5, Sch. 1, p. 1.

²⁸ Iccon/TPT's Application at section 4.5.2.

²⁹ AltaLink's Application at paras. 237 and 238.

Northwatch is also concerned with the impacts that the vegetation management measures necessary to keep the corridor clear may have on the environment. Use of herbicides or growth regulators may have serious ecological and adverse effects on what is already a sensitive ecosystem.

Northwatch notes that the following applicants present specific vegetation management plans:

- ◆ CNPI proposes to create a Vegetation Management System on a GIS platform to manage information about tree removals, quantity of herbicides used, landowner information and sensitive areas. Details about this system and its implementation are not provided³⁰
- ◆ UCT proposes to use chemical herbicide sprays only in vegetation clearing activities on project land during operation³¹
- ◆ UCT also proposes a vegetation management plan, including stakeholder consultation, possible restriction of use of herbicides as a result of consultation, and employing manual brush control strategies where possible.³²

Of the applicants' vegetation management plans, UCT's appears the most comprehensive and robust.

Site Remediation Costs

Northwatch compiled the applicants' estimates of site remediation costs – a measure of environmental degradation caused by the construction process – below.³³

EWT LP	RES	CNPI	AltaLink	Iccon/TPT	UCT
Included in other construction	4.3	17.6	5.8	1.6	9.7

EWT LP has not provided site remediation costs separately from other construction costs, but of those who provide the costs separately, CNPI proposes the largest amount (\$17.6 million or 3.2% of its total construction budget), while UCT proposes \$10 million (2.3% of its construction budget). The other three

³⁰ CNPI's Application at p. 70.
³¹ UCT's Application at p. 35.
³² UCT's Application at p.
³³ Provided by the applicants in response to the Board's Interrogatory 26.

parties reporting site remediation costs comprise 1% or less of their respective construction budgets.

B. LANDOWNER AND COMMUNITY CONSULTATION

Northwatch has focused on landowner and community consultation plans proposed by the applicants, and purposely does not comment on the applicants' plans for Aboriginal consultation, engagement, and accommodation. Aboriginal consultation, engagement, and accommodation are high priorities for Northwatch, but Northwatch defers to the First Nation participants in this proceeding to comment on these issues.

As a regional (northeastern Ontario) representative of the public, Northwatch places significant weight on the landowner and community consultation programs proposed by the applicants in determining which applicants will best offer transparent information to residents affected by the East-West Tie line project, and best able to listen to the concerns and inputs of residents affected.

Many of the applicants' consultation proposals seem to meet the general requirements of public consultation required under Ontario's *Environmental Assessment Act*. Specifically, the Act requires the applicants, when preparing the Environmental Assessment, to consult with "such persons as may be interested" (s. 5.1).

The applicants' consultation plans are largely dependent on the routes chosen for the line expansion. Given that some of the applicants have not chosen a single route for the line expansion, but instead proposed possible variants of the route, depending on feedback from communities, stakeholders and the Environmental Assessment process. To varying extents, each applicant has retained the right to later modify its route. Thus, the geographic areas to be consulted are not confirmed by any of the applicants, making it difficult to compare and contrast the consultation plans of the applicants.

However, each of the applicants offers a guide as to how each would carry out community and landowner consultation. In particular, Northwatch found the consultation proposals by EWT LP and RES most comprehensive:

- ♦ EWT LP is looking for a “social license”, achieved by comprehensive plans for landowner consultation, municipal and community consultation and compensation, five rounds of public open houses for public attendance in multiple locations, radio advertisements, community meetings, newsletters and other media events. Northwatch notes that EWT LP has the strongest tie to the northern Ontario community through EWT LP’s partner, Bamkushwada LP and its First Nation partners³⁴
- ♦ RES proposes to consult landowners on and within 50 m of the proposed right of way, through letters and newsletters, setting up public information centres, a website, a hotline, and through agency consultation.³⁵

The applications are largely silent on how the line expansion will boost the local economy. The applicants for the most part do not identify how many of the total jobs created will be awarded to local employees, or how said employees will be trained. The applications do not fully describe how secondary services and jobs will be affected.

Northwatch notes that AltaLink prepared draft terms of reference for its Environmental Assessment as part of its application, before seeking Aboriginal and community inputs. Northwatch is wary that this may indicate that full consultation to inform AltaLink’s terms of reference may not be achieved.

C. SCHEDULING

Northwatch is concerned with Board Staff’s proposal that the Board hold the designated transmitter to its initially proposed development schedule:³⁶

Board staff submits that just as the Board does not intend to adjust most aspects of the proposals from the applicants, it should not adjust the schedule proposed by the designated transmitter in its application. The schedule is a criterion by which the Board will compare applications. Staff presumes that the Board will not select a transmitter for designation if the schedule proposed by that transmitter is unacceptable.

The theory behind Board Staff’s position is understandable; the Board does not want to designate a transmitter and then negotiate with that transmitter to change the proposal upon which the Board based its designation.

³⁴ EWT LP’s Application at sections 9.1 and 9.2.

³⁵ RES’ Application at Tab M-1-1 (pp. 1 to 3) and Tab M-2-1 (pp.

³⁶ Board Staff Submission dated April 8, 2013 at pp. 4 and 5.

Nevertheless, this theoretical benefit runs directly against the flexible and potentially time-consuming nature of Aboriginal, community and environmental consultation and assessment. For example, a seasonal biological study can become critical path and slow a project by as much as a year. A fixed schedule and budget could lead to corner-cutting and resistance if consultation and Environmental Assessment is more costly than planned or takes longer than planned (so that the Board then penalizes the transmitter for breaching its agreement). An artificially shortened or cost-constrained consultation and assessment process could lead to a more contentious, lengthy, and difficult Leave to Construct proceeding and could even lead to an environmentally non-optimal route.

Therefore, the Board should recognize Board staff's concern that the designated transmitter should be held to its proposal, but the Board must also balance that concern against the strong public interest of complete environmental consultation and assessment and Aboriginal and community consultation. While the development schedule is a relevant consideration in making a choice, holding the developer rigidly to that schedule regardless of the need to complete environmental consultation and assessment and Aboriginal and community consultation could be a recipe for both contention and error.

If the Board decides to strictly enforce the designated transmitter's proposed development schedule, Northwatch submits that those transmitters with the longest proposed development schedules may be best equipped to fulfill their proposed consultation plans.

Northwatch notes that EWT LP has the longest proposed development schedule of two years and 9 months (prior to filing for Leave to Construct). CNPI and RES propose two year development schedules. Iccon/TPT proposes approximately 19 months, while AltaLink and UCT propose approximately 15 month schedules.³⁷

³⁷ Iccon/TPT's Argument-in-Chief, Figure 4, page 25.

D. COSTS

Effect on Northern Ratepayers

In making its decisions Northwatch requests that the Board ensure that at no review stage are decisions made that will or could result in costs from the development of the East-West Tie line project being transferred to northern Ontario ratepayers. Whether the project is for the benefit of industry development further north or urban development further south, ratepayers in the project area should be protected from assignment of costs to them through rates or other means.

Comparison of Consultation and Environmental Costs between Applicants

For ease of reference, Northwatch compiled the data provided by the applicants in response to the Board's Interrogatory 26, to show, in one place, how the applicants' proposed costs for consultation, permitting and environmental approvals in each of the development and construction phases, and those phases combined.

COSTS OF CONSULTATION, PERMITTING AND ENVIRONMENTAL APPROVALS IN DEVELOPMENT AND CONSTRUCTION PHASES

Consultation, Permitting, and Environmental Costs in Development (Reference Case)

	EWT LP	RES	CNPI *	AltaLink	Iccon/TPT	UCT **
Permitting & Licensing (Non-environmental and Non-regulatory)	0.56	-	-	0.20	0.30	0.47
Environmental Regulatory Approvals	5.15	1.56	4.00	3.76	4.25	3.59
Land Rights	3.31	2.78	1.99	0.51	1.86	1.99
First Nations & Métis Participation	-	0.29	1.01	0.51	9.02	-
First Nations & Métis Consultation	1.71	0.76	2.00	1.64	11.03	1.72
Other Consultation	2.43	0.86	3.76	0.51	0.80	0.50
Subtotal First Nations & Métis	1.71	1.05	3.01	2.15	20.05	1.72
Subtotal Consultation	4.14	1.62	5.76	2.15	11.83	2.22
Subtotal all but Land Rights	9.85	3.47	10.76	6.61	25.40	6.28
Total Environmental, Permitting, Consultation, and Aboriginal Participation	13.16	6.25	12.75	7.12	27.26	8.27

Consultation, Permitting, and Environmental Costs in Construction (Reference Case)

	EWT LP	RES	CNPI *	AltaLink	Iccon/TPT	UCT **
Permitting & Licensing (Non-environmental and Non-regulatory)	2.0	0.5	1.4	0.2	-	0.2
Environmental Regulatory Approvals	6.0	5.7	3.2	1.8	2.0	3.0
Land Rights	8.0	13.0	18.0	12.0	10.7	17.1
First Nations & Métis Participation	-	0.0	0.8	1.0	2.9	-
First Nations & Métis Consultation	2.0	0.1	1.0	0.7	3.1	5.5
Other Consultation	2.0	0.7	1.0	0.4	-	0.8
Subtotal First Nations & Métis	2.00	0.10	1.70	1.72	5.98	5.53
Subtotal Consultation	4.00	0.74	1.90	1.07	3.13	6.37
Subtotal all but Land Rights	12.00	6.95	7.26	4.08	7.98	9.59
Total Environmental, Permitting, Consultation, and Aboriginal Participation	20.00	19.97	25.26	16.05	18.68	26.72

Total Consultation in Development Plus Construction

	EWT LP	RES	CNPI *	AltaLink	Iccon/TPT	UCT **
Permitting & Licensing (Non-environmental and Non-regulatory)	2.56	0.47	1.41	0.40	0.30	0.66
Environmental Regulatory Approvals	11.15	7.26	7.20	5.57	6.25	6.62
Land Rights	11.31	15.80	19.99	12.48	12.56	19.13
First Nations & Métis Participation	-	0.33	1.76	1.51	11.88	-
First Nations & Métis Consultation	3.71	0.82	2.95	2.36	14.16	7.25
Other Consultation	4.43	1.54	4.71	0.86	0.80	1.34
Subtotal First Nations & Métis	3.71	1.15	4.71	3.87	26.03	7.25
Subtotal Consultation	8.14	2.36	7.66	3.22	14.96	8.59
Subtotal all but Land Rights	21.85	10.42	18.03	10.69	33.38	15.87
Total Environmental, Permitting, Consultation, and Aboriginal Participation	33.16	26.22	38.02	23.17	45.94	35.00

Source: Responses of each utility to Board Interrogatory 26

NOTE*: CNPI figures for land rights, participation, and consultation pro-rated from broad categories to sub-categories in reference case costs based on the percentages in each specific cost in non-reference case.

NOTE**: UCT states that there will be costs for First Nations & Métis Participation in the development stage but included them with construction.

Northwatch offers the following observations:

- ◆ Iccon/TPT proposes to invest a significant amount of money into First Nation and Métis consultation which we think may be because Iccon/TPT does not plan to offer Aboriginal equity participation³⁸
- ◆ Consultation budgets for AltaLink, RES, and UCT are comparably low
- ◆ EWT LP and CNPI propose to spend considerably more on consultation with parties other than Aboriginal groups
- ◆ UCT proposes to spend most of its consultation budget (74%) during the construction stage, when many environmental decisions will have already been made (during the development stage).

E. ORGANIZATION

The six applicants present six distinctly different organizational structures and corporate personalities, ranging from an applicant with a high level of project-area based participants within the partnership arrangement to applicants with no prior presence or relationship within or with the project area or the broader region.

In addition to the Northwatch Criteria, the following measures should be applied:

- ◆ residence in project area of some or all partners
- ◆ residents in region (i.e. northern Ontario) of some or all partners
- ◆ direct participation role in project for residents of project area
- ◆ direct participation role in project for residents in region (i.e. northern Ontario)
- ◆ tangible evidence of decision-making role for residents in project area
- ◆ tangible evidence of decision-making role for residents in region (i.e. northern Ontario).

When applied to the six applicants in this proceeding, the following ranking emerges:

- ◆ EWT LP most closely meets above outlined measures
- ◆ RES partially meets above outlined measures
- ◆ Despite some notable commitment to public consultation, the remaining applicants do not meet the above outlined measures.

³⁸ Iccon/TPT Response to Board Interrogatories 8 to 10.

III. RECOMMENDATIONS TO THE BOARD

1 Northwatch recommends that the Board permit the applicants to modify their proposals through their reply submissions. This will allow the applicants to directly address any gaps in their proposals that may be identified in intervenor and Board Staff submissions.

2 Northwatch supports Board Staff's request that the OPA provide an updated assessment of the need for the East-West Tie line project, well before the Leave to Construct process begins, with continuing updates on a regular basis up to and during the Leave to Construct proceeding.

3 In order for the Board to designate the most capable applicant, Northwatch recommends that the Board assess the need for the project, including all of the impacts it will have on northern Ontario. Northwatch respectfully submits that the Board review the applicants' proposals with the overall need for the project and the public interest test in mind.

All of which is respectfully submitted to the Board.

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