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July 11, 2016

Filed on RESS and Sent via Courier

Kirsten Walli
Board Secretary
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0004 – Generic Proceeding on Natural Gas Expansion

We are counsel to MoCreebec Eeyoud (**MoCreebec**) in the above-mentioned proceeding. Please find attached the reply submissions of MoCreebec, filed pursuant to Procedural Order No. 3 (May 30, 2016).

Should you have further questions on this matter, please do not hesitate to contact me.

Yours very truly,

Lisa (Elisabeth) DeMarco

Encl.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application under the Ontario Energy Board's own motion to consider potential alternative approaches to recover costs of expanding natural gas service to communities that are not currently served.

EB-2016-0004

MoCreebec

REPLY SUBMISSIONS

July 11, 2016

1. We are counsel to MoCreebec on this matter and these submissions are made predominantly in relation to Board Staff and Ontario Geothermal Association submissions.
2. While this hearing has been on expanded natural gas networks in rural, remote and First Nations communities, the vast majority of submissions and evidence delved into the details of how, and under what financial criteria expansion might occur. While MoCreebec agrees that rational financial criteria must be applied to determine natural gas expansion feasibility, the broader First Nations energy poverty context must not be lost in the debate.
3. MoCreebec believes that the primary issue and most pressing issue for its community is the provision of inexpensive energy in rural, remote and First Nations communities. MoCreebec understands the limitations of the Board's issues in this proceeding, but urges the Board to examine the feasibility, methods, environmental impact and costs of providing all forms of inexpensive energy (not only natural gas expansion), particularly to remote First Nations communities that do not and will not pass a Board-stipulated profitability index (**PI**). Simply put, the lives and well-being of MoCreebec's community members cannot be reduced to a PI.
4. Energy poverty goes beyond natural gas expansion as the sole option and includes all methods of providing inexpensive energy, including those that have the least greenhouse gas (**GHG**) emissions. Natural gas and liquefied natural gas (**LNG**) are predominantly non-renewable sources of energy and other things being equal, including energy costs, First Nations will most likely choose the least GHG-emitting source.
5. The cost of resistive electrical heating, the primary source of residential heating in the MoCreebec semi-remote community, is the single biggest issue that the community faces

and it contributes to the widely-publicized social concerns. The cost is staggering and families are having to choose between food, rent and heat. This issue has recently become headline news across the province.

6. MoCreebec is aware that it is unlikely that natural gas will be extended to Moosonee / Moose Factory, particularly if the costs of the Red Lake expansion are reviewed. MoCreebec is now determining if LNG and/or geothermal are cost effective and reliable options, but there are currently no precedents for such an approach to heating in semi-remote communities in Canada.
7. These hearings neglected the potential feasibility of geothermal energy and this option is currently being evaluated, given the sources of electricity in Ontario and the low GHG emissions, which is consistent with MoCreebec's respect for the environment.
8. MoCreebec agrees with Board staff that the OEB has the role to provide a “rational” means of expanding gas service and facilitating competition and agrees that, as part of the Ontario Government’s five-year Climate Change Action Plan released on June 8, 2016, the Province will offer incentives to move people away from higher-emission energy intensive heating and cooling sources like old gas boilers, inefficient electric baseboard heaters and oil furnaces to lower-carbon technologies like solar, air-source heat pumps, geothermal systems, vehicle-to-grid energy systems, and energy storage systems. Communities with low PIs, like MoCreebec, hope to take advantage of such programs and pursue alternative technologies that provide benefits similar to natural gas. For First Nations to benefit from these programs, Ontario must explicitly design these programs to attend to First Nation realities, not simply the realities of Greater Toronto Area constituencies and interests. Any subsidy, or universal

service fund (**USF**), should start first with understanding energy poverty particularly in First Nations communities.

9. While resource-agnostic subsidies may be outside the OEB's mandate, MoCreebec trusts that the Board's findings will highlight need for enhanced federal and provincial government coordination to alleviate energy poverty in First Nations communities. MoCreebec also supports the OEB in providing for the dissemination of information on First Nations energy poverty from this proceeding into its related proceedings on Ontario's cap and trade system.
10. The Submission by Anwaatin of June 20, 2016, on behalf of MoCreebec recommended a USF. Board Staff propose lowering the individual project PI from 0.8 to 0.7 together with up to a 40-year expansion surcharge, an Investment Portfolio guideline to a minimum target PI of 1.0 and the provision that if a specific project causes or brings forward additional reinforcement of an upstream pipeline system, the project should be responsible for the reinforcement costs. MoCreebec agrees with the Board Staff position that this may level the playing field for new entrants and other alternate energy services providers, and negate the need for a USF, provided that the framework established in this proceeding is reviewed after a certain number of years, with First Nation consultation, to ensure that the framework has provided the desired results and to determine whether there might be a need to address changes in the marketplace or the gas industry as a result of factors such as market forces or public policy. MoCreebec also agrees with Board Staff that the OEB should conduct a full review of the alternative framework established in this proceeding in 2024 or earlier, prior to the utilities filing their rebasing application.

11. Finally, Anwaatin requested that the Board commit to examining, and reporting on a regular basis, on the state of First Nation energy poverty in Ontario. MoCreebec is a very energy-poor community and strongly requests that the Board undertake the analysis suggested by Anwaatin.

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS

11th day of July, 2016



Lisa (Elisabeth) DeMarco
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Counsel for GreenField