

EB-2016-0152

Response to OPG submission of Ontario Power Generation's reply to draft issue responses from intervenors.

General Principles

"Regulatory Matters Unrelated To the Application Should be Addressed in a Separate Proceeding"

Sustainability-Journal does not agree with OPG's contention that it has "submitted evidence on all issues that are relevant". The OPG cost predictions (and hence the rates) assume that the costs of both the hydroelectric and the nuclear facilities will follow the path of the previous half century without regard for the facts that energy policies have fundamentally changed and that radical improvements in energy supply systems are now available that will make it possible for the hydro facilities to play a much bigger role in the future and that will also make it possible to phase out the nuclear facilities altogether.

If the OEB and OPG would prefer to consider these fundamental changes in a separate proceeding then the EB-2016-0152 proceeding should be deferred until after that separate proceeding has reached its conclusions. In the absence of such a deferral by the Board Sustainability-Journal contends that the predictions in the OPG submissions are grossly in error and should not be relied on in setting the payment rates.

An explanation of why the hydro potential is underestimated in the OPG projections and why the nuclear potential is overestimated requires the examination of alternatives that would be less expensive and technically superior to OPG's "solutions". OPG argues that the discussion any such alternatives should be ruled to be out of order irrespective of their potential to provide less expensive or better outcomes. In preparing its submission OPG chose not to explain why it made its choices and now it is asking the Board to block any such discussions. Some of the available alternatives may not be subject to OEB oversight but that is not a valid rationale for ignoring their potential or the possibility that they may simply displace the use of the OPG facilities.

Issue 4.6

OPG argues that the 2013 LTEP serves as its justification for proceeding with the Darlington Refurbishment Program. However, the 2013 LTEP was incomplete - it did not explain how the LTEP would meet the stated 2050 objectives, for example. Moreover, both the federal and provincial governments have undertaken to make sweeping changes in their energy programs and as recently as this week's throne speech the Ontario government stated its intent to adopt measures to flatten the demand curve and to implement other changes that will directly impact the OPG projections.

Issue 6.5

The OPG contends that the Ministry of Energy has endorsed Pickering extended operations. However the Ministry contends to the OEB is an independent body that reviews the programs under its jurisdiction independently of the government. There are good reasons to question the merits of extending the Pickering operations. Virtually everything in the OPG application relates to "system planning" so putting that label on the discussion does not provide a valid rationale for rejecting the issue.

Issue 11.2A

"Hydroelectric costs and revenues are not a consideration in the current proceeding". While OPG may well prefer that this proceeding should adopt a "business as usual" choice in justifying its hydro (and nuclear) payment rates, as noted above there are good reasons for questioning those rates so it is suggested that the Board should permit the examination of this issue.

Issue 11.6

OPG proposes that the phrase "in the public interest" be deleted. The OEB's mandate requires that the Board should consider the public interest in its deliberations so we would recommend that there should be no blanket exclusion of that requirement.

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