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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attn: Ms. Kirsten Walli, Board Secretary
E-mail: Registrar@oeb.ca

**Re: Board File No.: EB-2018-0098
Hydro One Networks Inc. – Kapuskasing Area Reinforcement Project**

Lecours Lumber Co. Limited - Comment Letter

Dear Ms. Walli:

Hydro One submitted the reference application to the Ontario Energy Board (OEB) to upgrade a segment of an existing transmission line in the Kapuskasing area. The rationale for this upgrade is an assumed uncertainty of continued operations of the Calstock facility and the grid operability issues that may be created should the facility close. If approved, the transmission line work and related facilities would cost ratepayers \$21.1 million per HydroOne's filing, simply to replace the grid operability benefits currently being provided by the Calstock facility but with none of the economic, social or environmental benefits the Calstock facility offers.

Lecours Lumber Co. Limited is a local sawmill, on Federal Land of Constance Lake First Nation "CLFN", in the proximity of the Calstock facility. Lecours Lumber Co. Limited provides multiple employment opportunities to CLFN member's. Over 70% of our sawmill labor and planer mill labor is occupied by CLFN member's. This application to the OEB is of significant interest to Lecours Lumber Co. Limited as it is the only facility that currently receives our woodwaste and provides opportunities to decrease our legacy landfill site. Twenty years ago, the Calstock facility was the solution to the industries environmental woodwaste challenges / problems and now that it is operational, Hydro One / OEB are considering turning the key to off? We urge that all economic, social or environment benefits be fully considered prior to even considering any reduction or closure of the Calstock facility, as this facility is an integral part of the forestry industry in our region.

The Calstock facility provides:

- significant contribution to the local economy. Its operation supports 20 direct jobs and injects nearly \$5,000,000 annually in local businesses;

- low-cost option for wood waste disposal, contributing to the economic vitality of the forest products industry which is a major employer in the area via three local mills (which includes Lecours Lumber Co. Ltd);
- forestry management benefits;
- economic development of First Nations via contract with a First Nation-owned trucking company to haul wood waste the short distance from the Hearst mills to the power plant and direct and indirect employment opportunities to CLFN members;
- support of a large number of groups in the Hearst, First Nation, and other area communities including schools, hospitals and sports organizations;
- furtherance of the provincial climate change objectives by utilizing renewable biomass and waste heat as fuel and by reducing methane emissions through the diversion of wood waste that could otherwise end up in landfills;
- grid operability benefits;
- outlet for the disposal of wood waste material from the remediation of legacy bark piles throughout the region.

Rather than promoting renewable energy, this ratepayer funded project would essentially serve to replace an existing dispatchable renewable energy facility, under the presumption of the outcome of the pending design of the Independent Electricity System Operator's (IESO's) planned Capacity Auction and other Market Renewal efforts.

On behalf of Lecours Lumber Co. Limited, we are requesting that OEB ensure that the full benefits of the Calstock facility are considered in this process, this renewable energy source is properly valued for its promotion of the policies of the Government of Ontario, and the cost comparison of all alternatives are properly vetted.

If additional information or clarifications are required, please do not hesitate to communicate with us directly.

Sincerely,



Eric Buteau
General Manager / Controller
Lecours Lumber Co. Limited