

Thursday, June 21, 2018

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, ON, M4P 1E4

**Subject: File #EB-2018-0098 - Hydro One Networks Inc. - Kapuskasing Area Reinforcement Project**

Dear Ms. Walli,

Hydro One has submitted an application to the Ontario Energy Board (OEB) to upgrade a segment of an existing transmission line in the Kapuskasing area. The reasoning behind this upgrade is an assumed uncertainty of continued operations of the Calstock facility and subsequent grid operability issues that may arise.

The Board of Directors and staff of Nord-Aski Regional Economic Development Corporation, the regional Community Futures Development Corporation (CFDC) serving the Communities of Hornepayne, Hearst, Mattice-Val Côté and Constance Lake First Nation would like to underline the tremendous economic impact the eventual closure of the Calstock Plant would have on local communities and their businesses.

Increasing capacity of circuit H9K could lead to the closure of a facility that provides an essential service to the forestry sector by processing industrial wood waste generated by the area mills at a low-cost. Consequently, closure of the facility could lead to an increase in methane emissions due to wood waste no longer diverted from landfills to the Calstock facility while also limiting future opportunities to process wood waste material from remediation of legacy bark piles throughout the region. Moreover, such a decision would signal a departure from provincial climate change objectives currently supported by utilizing renewable biomass and waste heat generated from the compressors in the facility.

The proposed ratepayer funded project would replace an existing renewable energy facility that is currently contributing to the region's socio-economic sustainability 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. While consideration of uncertainty to the outcome of the auction may be warranted, so is consideration for the 20 direct jobs supported by the Calstock facility and the nearly \$5,000,000 injected annually into local businesses that directly support the region's economy. We feel that a proposal for transmission line work and related facilities that would cost ratepayers \$21.1 million simply to replace the grid operability that is currently being provided by the Calstock facility should include an environmental and socio-economic impact assessment of its closure.

We therefore respectfully request that OEB ensure that the full benefits of the Calstock facility be considered in this process and that the cost comparison of all alternatives be properly evaluated.



Gilles Matko - Executive Director (on behalf of Nord-Aski REDC's Board of Directors)

CC / The Township of Hornepayne, The Town of Hearst, Constance Lake First Nation, The Municipality of Mattice-Val Côté, Mr. Luc Brunelle (Plant Manager, Atlantic Power Corporation), Mr. Carlo Bin (Chair, Hornepayne Economic Development Corporation)

