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File 20741

VIA RESS FILING and COURIER

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli,

Re: Application for leave to upgrade a transmission line and associated station facilities between Spruce Falls Junction and Carmichael Falls Junction in the Kapuskasing area (EB-2018-0098)

Please accept the following as a letter of comment on behalf of the Power Workers' Union ("PWU").

As the Board is aware, the PWU is a trade union which represents workers of many of the companies in the electricity sector in Ontario, including Hydro One. The PWU also represents employees of Atlantic Power at its Calstock Facility.

The PWU has reviewed the application materials filed with the Board, including the materials filed by Atlantic Power. In the view of the PWU, Atlantic Power has made a strong case that the materials filed in support of the application reveal a complete lack of any attempt on the part of the IESO (or Hydro One) to meaningfully engage with Atlantic Power to explore whether an appropriate arrangement can be made to provide a generation based solution as an alternative to Hydro One's LTC Kapuskasing reinforcement.

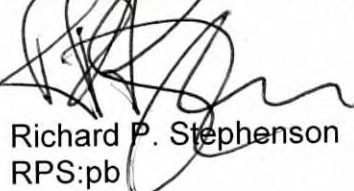
It is not apparent what, if any, consideration had been given by the IESO to a Calstock alternative prior to the commencement of this proceeding. Moreover, in Exhibit I, Tab 1, Schedule 3, OEB Staff IR #3, Hydro One reports that the IESO had completed "additional analysis", to consider (apparently for the first time) the cost effectiveness of a Calstock generation alternative. However, it does not appear that, even at that late date, the IESO had undertaken any discussion with Atlantic Power regarding this potential alternative. As the Board is aware, Atlantic Power has subsequently outlined a number of potential alternatives, and its willingness to discuss those alternatives with the IESO.

From the PWU's perspective, there is a strong public interest (including a strong local interest) in the continued utilization of existing facilities like the Calstock facility. Moreover, because the Calstock facility is a renewable generation resource, the Board is required (pursuant to s. 96(2) of the *OEB Act, 1998*) when deciding this case, to consider the promotion of renewable energy resources. Section 96 requires the Board to balance the promotion of renewable energy resources with the interests of consumers with respect to prices and reliability and quality of service. As a result, it is possible that the most "cost effective" solution (measured in purely economic terms) may not be the preferred solution, in a particular case.

In the circumstances, it is the PWU's view that the appropriate outcome is for the Board to (a) adjourn the application *sine die*; or (b) dismiss the application on a without prejudice basis. It should require Hydro One to file further evidence from the IESO reflecting the IESO's consultation with Atlantic Power regarding potential solutions utilizing the Calstock facility, and the outcome of those consultations. Fortified with this evidence, the Board will be in a position to discharge its statutory mandate on a proper basis.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



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