

Ms. Christine Long
OEB Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

November 11, 2021

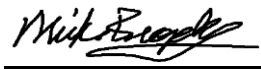
**Re: EB-2021-0107 – Hydro One Ansonville TS and Kirkland Lake TS A8K/A9K Leave to Construct
Pollution Probe Submission**

Dear Ms. Long:

In accordance with Procedural Order No. 1 for the above-noted proceeding, please find Pollution Probe's submission attached.

Please contact the undersigned should you have any questions.

Respectfully submitted on behalf of Pollution Probe.



Michael Brophy, P.Eng., M.Eng., MBA
Michael Brophy Consulting Inc.
Consultant to Pollution Probe
Email: Michael.brophy@rogers.com

cc: Eryn MacKinnon, Hydro One Networks Inc. (via email to regulatory@HydroOne.com)
Michael Engelberg, Hydro One Networks Inc. Counsel (via email)
All Parties (via email)
Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

**Hydro One Networks Inc.
Leave to Construct Application
Ansonville TS and Kirkland Lake TS A8K/A9K Refurbishment Project**

POLLUTION PROBE SUBMISSION

November 11, 2021

**Submitted by: Michael Brophy
Michael.brophy@rogers.com
Phone: 647-330-1217
28 Macnaughton Road
Toronto, Ontario M4G 3H4

Consultant for Pollution Probe**

Background

Hydro One Networks Inc. (Hydro One) applied to the Ontario Energy Board (OEB) on August 25, 2021 for an order granting leave to construct for approximately 180 kilometres of electricity transmission circuits between the Ansonville Transformer Station and the Kirkland Lake Transformer Station in the townships of Iroquois Falls, Black River-Matheson and Kirkland Lake. Hydro One has also applied to the OEB for approval of the form of land-use agreements it offers to landowners for the routing and construction of the project.

In accordance with Procedural Order No. 1, the following is the written submission of Pollution Probe.

Summary

Pollution Probe works with consumers, communities and policy makers across Ontario on energy issues including infrastructure planning and approvals in alignment with prudent integrated resource planning principles. Pollution Probe and its partners support effective integrated energy planning for Ontario's consumers and communities, particularly in alignment with community energy and emission plans. Supply of clean energy, including low carbon electricity is important to meet the future needs of Ontario and it is important to consider all options in a holistic manner rather than in the historical siloed manner typically used in energy infrastructure planning. The old approaches are not valid to meet Ontario's future energy needs or meet the OEB modernization objectives. OEB support through regulatory decisions such as Leave to Construct applications are an essential element to ensure that old practices that do not meet current regulatory and policy requirements are not supported.

In general, Pollution Probe supports the proposed project's ability to provide clean electricity in an increasing electrified Ontario. However, there are specific gaps and issues identified below that are not in alignment with current regulatory and policy direction. OEB direction will help ensure that those gaps are addressed for the numerous future projects that will require OEB review and approval.

Cost Estimate and Project Impacts

Cost and impacts related to the proposed project are directly linked to the potential environmental and socio-economic impacts that are assessed in the mandated environmental assessment. A copy of the environmental assessment was not filed with the application, but a link was provided in response to interrogatories. Hydro One

indicated it is currently assessing the project following the Full Class Environmental Assessment process as per the Class EA for Minor Transmission Facilities (Hydro One, 16 2016). The draft Environmental Study Report (ESR) has been released for a 30-day public review starting October 18, 2021¹. The Draft Environmental Report and related Appendices includes 532 pages of information on the proposed project and related environmental and socio-economic impacts². The Draft Environmental Report and related Appendices highlight a large range of environmental and socio-economic issues and also include proposed mitigation required to manage those impacts.

It is possible that additional changes or mitigation will be required once the Environmental Report is finalized based on public consultation and agency review currently underway. Cost for mitigation measures was estimated following Hydro One's standard estimating process. The estimated environmental and socio-economic mitigation cost for this project is approximately \$1M³. Based on the evidence provided in this proceeding, there is no way to validate that the mitigation costs are reasonable or in alignment with the environmental and socio-economic mitigation measures recommended in the Draft Environmental Study Report. Approval of the project as requested could be interpreted that the OEB supports the draft mitigation proposed and related cost estimate. If the project is approved, the OEB could include a condition of approval (often used in Leave to Construct projects) that Hydro One must adhere to the environmental and socio-economic mitigation recommendations included in the project Environmental Study Report.

Planning and Option Consideration

Hydro One filed IESO planning information that formed the basis of the application for the proposed project. Hydro One indicates that there are other options to meet (at least in part) the system requirement⁴. The assessment leading to the proposed project does not adequately consider or address non-wires alternatives. The burden ultimately rests with Hydro One as the applicant to bridge any gaps related to options and effective assessment of those options.

One of the concerns related to the project is that it would potentially strand more cost-effective local options (e.g. Distributed Energy Resources) and other potential system and ratepayer benefits. In Hydro One's supplemental response to OEB Staff Interrogatory #3 it indicated that the "Upgrade Option will not preclude additional

¹ Response to OEB Staff Interrogatory 5.

² [Transmission Line Refurbishment A8K/A9K Circuits \(hydroone.com\)](https://www.hydroone.com/en/Transmission-Line-Refurbishment-A8K-A9K-Circuits)

³ Response to OEB Staff Interrogatory 4.

⁴ Response to OEB Staff Interrogatory 3a.

investments to maximize rate payer value in the future”. It will be important to understand that statement in more detail and ensure that it is clearly integrated into Hydro One’s asset management plan. The OEB should clearly indicate the expectation that Hydro One consider non-wires alternatives including Distributed Energy Resources through future planning and project assessment. In many cases non-wires alternatives are more cost-effective than traditional wires options and in this case a thorough assessment of those options was not conducted.

The IESO planning (IRP/IRRP) approach has been maturing and IESO has acknowledged gaps in the process and has been slowly updating its approach to ensure more effective consideration of non-wires alternatives. It is likely that the current and next generation plans will include a more robust consideration of non-wires alternative. However, for this project IESO indicates that “the purpose of the project is not to enable DERs, nor does it directly enable the connection of DERs”⁵. Furthermore, IESO indicated that “the project (i.e., the Upgrade Option) does not address barriers to local DER solutions; the purpose of the project is to reliably supply the demand in the area in a cost-effective manner”⁶. It is not possible to ensure that the proposed option is the most-cost effective unless it is objectively compared to other reasonable alternatives⁷. IESO does acknowledge this gap and indicated that “as part of a separate initiative, the IESO is currently implementing recommendations, made as part of the Regional Planning Process Review engagement which was completed in May 2021, to address barriers to non-wires alternatives in regional planning”.

Demand Forecast

The sensitivity analysis provided confirms a large delta in load growth depending on actual development and changes to energy use⁸. Energy options are rapidly changing based on policy and technology, which will significantly change the energy required. Planning and load assumptions are largely based on historical data which does not necessarily reflect energy demand factors over the life of the proposed assets (including enhanced electrification, DERs, EVs, renewables, etc). Different factors can either significantly increase or decrease demand against the historical demand profile. For example, IESO did not consider increased electrification in Ontario beyond the industrial customer expansions and potential new mining development included in the forecast as this was not relevant to the study to inform the end-of-life replacement strategy for

⁵ Response to Pollution Probe Interrogatory 1a.

⁶ Response to Pollution Probe Interrogatory 1c.

⁷ Response to Pollution Probe Interrogatory 1c.

⁸ Response to OEB Staff Interrogatory 11a

circuits A8K/A9K⁹. Given that the proposed assets would be in service for decades and likely close to a century (based on the current infrastructure age), it is important that they are designed to meet those future needs.

⁹ Response to Pollution Probe Interrogatory 1c.