

# Elson Advocacy

August 23, 2022

## BY EMAIL AND RESS

**Nancy Marconi**  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700, P.O. Box 2319  
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

### **Re: EB-2022-0013 – Alectra Utilities 2023 EDR ICM Application**

I am writing to provide submissions on behalf of Environmental Defence regarding Alectra Utilities' ICM Application.

Alectra Utilities (“Alectra”) is seeking approval of ICM funding totalling \$52.3 million. Alectra submits that this funding is urgently needed to address deteriorated underground cables in 15 neighbourhoods throughout its distribution area. Alectra further submits that the increasing deterioration of these cables is impacting the reliability of the distribution system in these neighbourhoods. In response, Alectra proposes to either “rejuvenate” existing cables through silicone gel injection, where possible, or to replace severely deteriorated cables outright where rejuvenation is not possible.

Environmental Defence’s primary focus in this proceeding is whether the proposed spending is consistent with load growth associated with electrification that will occur before the relevant infrastructure reaches the end of its life. However, Environmental Defence is taking no position on this issue and the overall ICM request because Alectra is currently undergoing an electrification study. It appears to us that this broader issue is best addressed in the future, such as when Alectra files for rebasing and in the context of its next distribution system plan.

It is very important that ongoing utility spending be consistent with potential future load growth or load factor changes relating to electrification. If that is not the case, there is a significant risk that utilities will spend considerable sums on infrastructure that may need to be replaced before its end-of-life due to electrification-driven load growth. For instance, in relation to the specific proposed spending, Alectra anticipates that the end of useful life of the cables it proposes to replace in 2023 and 2024 is about 55 years.<sup>1</sup> Accordingly, these cables should not need replacement until approximately 2078 or 2079, which is well after 2050 when Canada is legally

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<sup>1</sup> Alectra\_IRR\_ED\_ICM\_20220802 – 3-ED-3, page 1.

required to achieve net-zero greenhouse gas emissions.<sup>2</sup> This 2050 target could involve the electrification of transportation, space heating, and some industrial processes, which could involve major demand increases. Whether assets being replaced now are consistent with this net-zero future is an important question because premature replacement of these assets is so expensive.

Environmental Defence is not probing this issue further in this proceeding because Alectra's electrification study is ongoing and the scope of spending at issue is small in comparison to Alectra's overall infrastructure spending. However, Environmental Defence specifically asked a number of questions in our interrogatories regarding whether the relevant infrastructure could accommodate increased load from electrification that it was not able to answer.<sup>3</sup> For instance, Alectra was unable to confirm whether the proposed infrastructure would need to be replaced before the end of its life in certain electrification scenarios.<sup>4</sup> Alectra noted that answering these questions would involve a number of uncertainties and variables. That is a fair response for current purposes as the topic is complex and this is exactly what an electrification study is meant to help utilities assess. But we urge Alectra to expedite its work in this area to ensure that these issues are properly accounted for going forward.

Yours truly,

A handwritten signature in cursive script, appearing to read "Amanda Montgomery".

Amanda Montgomery

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<sup>2</sup> [Canadian Net-Zero Emissions Accountability Act](#), S.C. 2021, c. 22.

<sup>3</sup> See for example 3-ED-3 and 3-ED-5.

<sup>4</sup> Alectra\_IRR\_ED\_ICM\_20220802 – 3-ED-4, pages 1-2.