

Hydro One Networks Inc.

483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Joanne Richardson

Director, Major Projects and
Partnerships
C 416.902.4326
Joanne.Richardson@HydroOne.com

BY EMAIL AND RESS

January 22, 2024

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

Dear Ms. Marconi,

EB-2023-0198 – Hydro One Networks Inc. Leave to Construct Application – Waasigan Project – Responses to Additional Questions - Mr. Larry Richards's Interrogatories

In accordance with Procedural Order ("PO") No.3 issued January 16, 2024, please find attached updated Interrogatory responses provided by Hydro One to additional questions posed by Mr. Larry Richard in his email dated January 10, 2024.

An electronic copy of these responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Joanne Richardson

Cc: All registered parties
Gordon Nettleton and Reena Goyal, McCarthy Tétrault LLP, counsel for HONI

LARRY RICHARD INTERROGATORY - 01

Preamble:

Issues 2.1

In January 2023 Hydro One released a preliminary preferred Project route for the Waasigan Transmission Line. To our surprise, it did not include the decommissioned Steep Rock Mine brownfield corridor. Section 2.2 of the Environmental Assessment states the considerations used to develop the chosen route and evaluates several alternative route options. Despite evaluating alternatives in other areas along the proposed alignment, no alternative route was considered between Shabaqua and Atikokan. The Steep Rock Mine brownfield corridor is a decommissioned 30-metre-wide corridor that runs from Thunder Bay to Atikokan. Hydro One requires a 46-metre-wide swath to construct the 230 kV Waasigan corridor. As such an additional 16 metres of land is needed for the Waasigan Transmission Line alignment. The EA further states that crossovers cause reliability issues with the IESO, although there is no further explanation of how or to what extent crossovers cause reliability issues. Given that it costs much less to deforest a 16-metre-wide stretch of forest than it would to deforest a 46-metre-wide stretch of forest, the following questions are designed to demonstrate that the Steep Rock Mine corridor is the most cost-effective route for the Waasigan transmission line.

Interrogatory:

- a) It has been my understanding that considerations for using the Steep Rock Mine Corridor were abandoned earlier in the process because one of the affected traditional territories people demanded a 100-year ban on pesticide use. Please provide the documentation and emails to support this claim. Please provide the minutes of meetings, criteria comparison charts, or score sheets used to evaluate why the Steep Rock Mine brownfield corridor was not considered the most cost-effective route for the Waasigan Transmission Line project.

Response:

- a) The process completed to identify alternative routes to be evaluated, as contained within the Environmental Assessment ("EA")¹, is detailed in the Amended Terms of Reference approved by the Ministry of the Environment, Conservation and Parks.
- i. During the Terms of Reference process, consultation was conducted to inform the development of alternative routes. The issues the intervenor is raising in these

¹ Link to EA location:

www.hydroone.com/about/corporate-information/major-projects/waasigan/project-approvals .

proceedings, in what is referred to as the 'Steep Rock Mine Corridor' was not raised during the development of the Terms of Reference process, and thus, did not form one of the alternative routes for the Waasigan Transmission Line within the now approved Terms of Reference². For this reason, the Steep Rock Mine Corridor was neither designed nor engineered, and Hydro One cannot provide an opinion on whether there would be more or less crossovers, as the intervenor is requesting. The Steep Rock Mine Corridor, located east of Atikokan, was however identified and considered during the EA and was determined during that assessment to have more disadvantages, on balance (including cost), compared to the preferred route (see Section 2.2.5.3.3 of the EA³). If Hydro One were to conduct an evaluation of the entire Steep Rock Mine Corridor at this point in the Project's development lifecycle, as the intervenor is requesting, it would result in significant cost increases and delays to the Project, to a degree that would compromise Hydro One's ability to meet the required in-service date, as required by the IESO.

Of further note, and to respond to the Intervenor's questions regarding the 'pesticide statement', Hydro One has reviewed the intervenors claim regarding a 100-year ban on pesticide use and is not able to substantiate this claim. As such, this was not attributable to the reasons for why Hydro One did not consider or select the 'Steep Rock Mine Corridor'.

- ii. As the question refers to route evaluation and selection, these matters are addressed in Hydro One's EA. Please refer to Section 2.0 of the EA which presents detailed results of the route evaluation. While route evaluation and selection matters fall outside the scope of this proceeding, to be helpful, Hydro One provides the following additional comments addressing its consideration of what it understands to be the referenced "Steep Rock Mine brownfield corridor".

Hydro One understands this corridor refers to a decommissioned 115 kV right-of-way located in the Atikokan to Shebandowan Lake area. During the EA the intervenor made a request after the preferred route was selected, to consider a local refinement near the intervenor's property. This was subsequently investigated and, as documented in Section 2.2.5.3.1 of the final EA, it was determined that these refinements would introduce greater technical, cost and socio-economic disadvantages compared to the preferred route. Examples of these disadvantages include: physical constraints caused by the proximity of;

²www.hydroone.com/about/hydroone/CorporateInformation/majorprojects/Waasigan/Documents/final-ea-report/appendices/Appendix_1.0-A%20Terms%20of%20Reference.pdf

³ www.hydroone.com/about/corporate-information/major-projects/waasigan/project-approvals

1 Highway 11, Mud Lake, and adjacent gravel pits, along with other existing natural
2 and human made features.

3
4 In the Shebandowan Lake area, the use of the decommissioned corridor was
5 deemed less optimal given the need for crossovers that would be required for the
6 line to be operated and maintained amongst existing facilities. Crossovers are not
7 preferred approaches for transmission facility operations as they impose additional
8 reliability risks upon both the new and existing facilities. Where practicable,
9 crossover construction and operation approaches are avoided. Other reasons for
10 rejecting the Steep Rock Mine corridor in this area included limited space available
11 to construct a 230 kV line and physical constraints on the north side of the existing
12 transmission line. The remaining portions of the Steep Rock Mine corridor between
13 Atikokan to Shebandowan Lake area were also ruled out as being the preferred
14 alternative given that this route would not follow existing linear infrastructure,
15 thereby introducing natural environment disadvantages, such as habitat
16 fragmentation for wildlife, and would encounter physical constraints (i.e., an active
17 aggregate operation). The “brownfield” nature of this corridor was not considered
18 to be an advantage over the preferred route given the extent of re-vegetation along
19 this decommissioned corridor.

20
21 In light of these circumstances, the preferred route identified by Hydro One was
22 still considered preferred and detailed design and costing of these sections of the
23 Steep Rock Mine corridor were not carried out. At the time of the EA work, there
24 was sufficient evidence for Hydro One to determine that implementing these route
25 sections would increase the total cost of the Project due primarily to the complexity
26 of design, footing requirements, tower heights, span lengths and engineering effort
27 required for these sections. The above rationale has not changed as time has
28 progressed through to the submission and discovery phase of this hearing.

This page has been left blank intentionally.

LARRY RICHARD INTERROGATORY - 02

Preamble:

Issue 1.2 & 3.2

The [Ecosystem Services Toolkit](#) was developed to value the costs and impacts of projects that impact ecosystems. Hydro One used this process when developing the alignment from the Bruce Nuclear Generating system to the Milton Switching Station (p. 79 of the Ecosystem Services Toolkit).

Interrogatory:

a) Did Hydro One use the Ecosystem Services Tool Kit when assessing the costs of the Waasigan Transmission Line, and if not, why not?

Response:

a) No, the Ecosystem Services Toolkit (the 'Toolkit') was not used to assess the financial costs of the Waasigan Transmission Project.

The referenced Toolkit is typically used to inform public policy development through systematic approaches that consider human impacts to ecological systems. Ecosystem assessments derived from the Toolkit are intended to inform environmental management and environmental policy and decision-making. Hydro One also notes that the Toolkit was not used to establish route alignment for the Bruce to Milton Transmission Reinforcement Project as suggested in the Preamble to this Interrogatory.

In response to the intervenor's correspondence of January 10, 2024, Hydro One does not regard reforestation in isolation as the sole means of enhancing and offsetting habitat loss. Hydro One will aim to implement a robust biodiversity program that considers the ecological value of the effects of the Project.

The biodiversity program that Hydro One will undertake will explore a range of diverse local and/or regional opportunities proximate to the Project study area. As part of the program, Hydro One will invite, review, and evaluate proposals from communities and partnerships and select proposals that meet specified criteria to help address the effects of the Project. Budgetary considerations for the biodiversity program are designed to reflect the overall complexity of the Project before alternative routes are evaluated. Therefore, in Hydro One's view, no cost savings from a biodiversity perspective would have been achieved by utilizing the Steep Rock Mine corridor. For the Waasigan Project, the budget to fund initiatives that enhance habitat or offset

Filed: 2024-01-22

EB-2023-0198

Exhibit I

Tab 5

Schedule 2

Page 2 of 2

- 1 habitat loss or transition (long-term change) have been accounted for in the total cost
- 2 of the Project.

LARRY RICHARD INTERROGATORY - 03

Preamble:

Issue 1.2 & 3.2

The proposed Waasigan Transmission line travels through the Great Lakes Basin Ecosystem. The Ministry of Environment developed the document [Assessing the Economic Value of Protecting the Great Lakes Ecosystems | ontario.ca](#) as a guiding document for assessing the value of ecosystem services and the additional ancillary benefits and costs beyond the preliminary costs of establishing the site. The wetland at the end of Three Mile Bay on Lake Shebandowan is listed as unevaluated, however, given the size of this wetland (approximately 5 hectares), this wetland should be considered provincially significant. Further, the [Ontario Natural Heritage Manual](#) presents the province's recommended technical criteria and approaches in protecting natural heritage features and areas and natural heritage systems in Ontario.

Interrogatory:

- a) Did Hydro One follow the governing document above and provide a value of the ecosystem services provided in the Great Lakes Basin and identify how these values are affected by the proposed Waasigan Transmission line project. If not, why not? If yes, what was the value of ecosystem services given to this project?
- b) Did Hydro One evaluate the wetland at the end of Three Mile Bay or any of the other wetlands or waterways affected by the Waasigan project, and if not, why not?
- c) Did Hydro One use the Natural Heritage Manual when developing the Waasigan Project? If not, why not?
- d) Has Hydro One included the costs to rehabilitate/restore the wetland area should they cause damage by constructing the hydro corridor? If so, what are the estimated rehabilitation costs?

If not, why were these costs not considered?
- e) Has Hydro One included the costs of decreased property value based on shoreline aesthetics to the property owners affected by the Waasigan project in their valuations of alternative routes? If so, what is the estimated cost to property owners? If not, why was the loss of value for property owners not considered?

1 f) Has Hydro One included the costs of decreased property value based on the potential
2 to reduce property value due to loss of recreation from cyanobacteria blooms caused
3 by deforestation near the lake and shoreline wetlands? If so, what are the estimated
4 costs? If not, why were these costs not considered?

5
6 g) Has Hydro One included the costs required to respond to and address an increased
7 prevalence of cyanobacteria blooms due to deforestation of the riparian area,
8 particularly along the slope of Three Mile Bay on Lake Shebandowan? If so, what are
9 the estimated costs? If not, why were these costs not considered?

10
11 **Response:**

12 a) Natural heritage values are addressed in Section 6.0 of Hydro One's Environmental
13 Assessment ("EA"). Hydro One declines to respond to this Interrogatory request as
14 the requested information is not relevant to price, reliability and quality of electricity
15 service. The OEB's Procedural Order No. 1 issued to all parties participating in this
16 proceeding expressly states issues concerning environmental matters and Indigenous
17 consultation are not relevant to this proceeding unless demonstrated to relate to price,
18 reliability and quality of electricity service.

19
20 b) Please refer to part a), above.

21
22 c) Please refer to part a), above.

23
24 d) The total Project cost forecast includes amounts associated with rehabilitation and
25 restoration works for the Project. Rehabilitation costs are included as part of the
26 Engineering, Procurement and Construction fixed price contract, as a result explicit
27 rehabilitation costs are not available.

28
29 e) Effects to visual aesthetics are addressed in Section 7.4 of Hydro One's EA.
30 Landowners from whom Hydro One requires permanent property rights for the project
31 are compensated for any impacts to the remaining property value as a result of the
32 Project, as determined by an independent third-party appraiser. Further information on
33 compensation can be found in Hydro One's Land Acquisition Compensation
34 Principles¹. Matters of litigation costs that the intervenor raises, are matters that are
35 beyond the scope of this proceeding.

¹ Exhibit I, Tab 1, Schedule 15, Attachment 1.

1 f) Please refer to part a), above. Costs associated with implementation of mitigation
2 measures to address potential effects to the natural environment have been accounted
3 for in the total Project cost.

4
5 g) Please refer to part a), above. Costs associated with implementation of mitigation
6 measures to address potential effects to the natural environment have been accounted
7 for in the total Project cost.

8
9 In response to the intervenor's correspondence of January 10, 2024, the EPC
10 contractor will be responsible for implementing mitigation measures as specified in the
11 EA and for any rehabilitation required post construction of which costs are included in
12 the total Project costs. The biodiversity program, a program distinct and separate from
13 mitigation measures required during construction, as referenced in Exhibit I, Tab 5,
14 Schedule 2, is not part of the EPC scope of work contract to the EPC, and as such, is
15 not included as part of the EPC fixed-price contract. The biodiversity program will be
16 executed by Hydro One directly, and as outlined in Exhibit I, Tab 5, Schedule 2, the
17 costs of measures to offset any anticipated habitat loss and/or transition through the
18 biodiversity program are included as part of this Project's costs, as disclosed in Exhibit
19 B, Tab 7, Schedule 1.

This page has been left blank intentionally.