

La Corporation de la
Ville de Hearst



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The Corporation of the
Town of Hearst

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attn: Ms. Kirsten Walli, Board Secretary
E-mail: Registrar@oeb.ca

RECEIVED

MAY 30 2018

ONTARIO ENERGY BOARD

Re: Board File No.: EB-2018-0098
Hydro One Networks Inc. – Kapuskasing Area Reinforcement Project

Comment Letter

Dear Ms. Walli:

Hydro One submitted the reference application to the Ontario Energy Board (OEB) to upgrade a segment of an existing transmission line in the Kapuskasing area. The rationale for this upgrade is an assumed uncertainty of continued operations of the Calstock facility and the grid operability issues that may be created should the facility close. If approved, the transmission line work and related facilities would cost ratepayers \$21.1 million per Hydro One's filing, simply to replace the grid operability benefits currently being provided by Calstock, but with none of the economic, social or environmental benefits Calstock offers.

The Calstock facility represents a significant and dependable contribution to the local economy. Its operation supports 20 direct and stable jobs and injects nearly \$5,000,000 annually in local businesses. In addition to those direct jobs, the Calstock facility supports the neighboring First Nation community via a contract with a First Nation-owned trucking company to haul wood waste from the Hearst mills to the power plant. The resource industry is constantly under threat to various government regulations that our communities cannot afford to lose more jobs and contracts. We know that Hydro One's proposal will not generate as many direct and sustainable jobs as the Calstock facility. The Calstock facility is also a great community partner as it supports a large number of groups in the Hearst, First Nation, and other area communities including schools, hospitals and sports organizations.

The Calstock facility is a key element of local industry that greatly benefits the environment. It actually serves as an outlet for the disposal of wood waste material from the remediation of legacy bark piles throughout the region as well as currently produced wood waste. Moreover, the power plant furthers provincial climate change objectives by utilizing renewable biomass and waste heat as fuel and by reducing methane emissions through the diversion of wood waste. Using forest biomass management improves fire hazards and reduces disease.

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The Calstock facility is also a low-cost and environmentally sound option for wood waste disposal for the local mills which are the major employers in the Hearst area. Not only this low-cost solution contributes to the economic vitality of the forest industry, it prevents the wood waste from ending up in landfills, which costs are generally borne by local taxpayers. Why would the Province shut down an existing facility that generates green energy, sustains direct and stable jobs, contributes to the viability of the local industry and benefits the environment to support a proposal that offers only temporary construction jobs, a cumulative environmental impact (forest clearing, resource consumption) and a cost that will be borne by ratepayers? This doesn't make sense.

Rather than promoting renewable energy, this ratepayer funded project would essentially serve to replace an existing dispatchable renewable energy facility, 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.

On behalf of Hearst Council, I am requesting that OEB ensure that the full benefits of Calstock are valued and considered in this process, this renewable energy source is properly valued for its promotion of the policies of the Government of Ontario including climate change mitigation, and the cost comparison of all alternatives are completely vetted.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roger Sigouin", with a stylized flourish at the end.

Roger Sigouin
Mayor