

# Engaging Local Communities in Ontario's Electricity Planning Continuum

## Enhancing Regional Electricity Planning and Siting

Report Prepared for the Minister of Energy  
By the Ontario Power Authority and the  
Independent Electricity System Operator  
August 1, 2013





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August 1, 2013

The Honourable Bob Chiarelli  
Minister of Energy  
900 Bay Street, 4<sup>th</sup> Floor  
Toronto, ON  
M7A 2E1

Dear Minister:

In response to your May 6, 2013 letter, attached are joint recommendations for an enhanced integrated regional energy planning process with a focus on improving how large energy infrastructure projects are sited in Ontario, including transparent mechanisms for public engagement.

Robust electricity planning and siting has an important role to play in identifying cost-effective and locally-appropriate solutions to maintaining reliability and contributing to sustainability. We both appreciated and welcomed the opportunity to undertake this work.

After carefully considering the feedback from more than 1,250 Ontarians, including at meetings held across the province, we have developed recommendations that:

- Strengthen processes for early and sustained engagement with local governments and the public;
- Provide local governments and communities with greater voice and responsibility in planning and siting; and
- Support inter-ministerial coordination.

These core recommendations reflect what we heard most consistently from people across Ontario as well as our own observations about how we can improve integrated regional planning. We also heard that while many parts of the planning and siting process are working well, there are areas warranting important improvements. The recommendations in this report are designed to achieve the following objectives:

- Bring communities to the table;
- Link local and provincial planning;
- Reinforce the planning/siting continuum; and
- Enhance electricity awareness and improve access to information.



The feedback and our research reinforce a fundamental observation: for siting to be successful, it must be accompanied by robust planning. In fact they are a continuum, and should be seen as integral parts of the same process.

Consistent with our proposals for more opportunities for feedback, we believe that the recommendations would benefit from further review and comment by other Ministries, agencies, associations and other stakeholders. Therefore, we propose that we undertake such a review and report back to you in September with more detailed implementation proposals.

In addition to the discussions held with First Nations and Métis, municipalities, communities, and the public at large, the OPA and IESO also conducted research into the planning and site selection practices of other jurisdictions, which is summarized in the full report. The full report, copies of written submissions, results of our online survey, and a detailed summary of the face-to-face feedback received through regional meetings across Ontario will be provided shortly.

We have especially appreciated the time and contribution of the many Ontarians who provided advice and suggestions that inform our recommendations – this report would not be possible without their valued input.

Sincerely,



Colin Andersen  
Chief Executive Officer  
Ontario Power Authority



Bruce Campbell  
President and Chief Executive Officer  
Independent Electricity System Operator

## 2.0 Executive Summary

**On May 6, 2013, the Honourable Bob Chiarelli, Minister of Energy, asked the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) to develop recommendations for a new integrated regional energy planning process that would focus on improving how large energy infrastructure projects are sited in Ontario. In making this request, the Minister encouraged stakeholder involvement to ensure that the objectives he outlined for the review would be met.**

Accordingly, for much of June and July, the OPA and the IESO held a two-way dialogue with First Nations and Métis and other community leaders, municipalities, local electricity distribution companies, energy stakeholders and the general public, aimed at developing concrete proposals that would address the Minister's objectives, namely:

- Detail an approach to regional energy plans, including setting out procedures for development of such plans;
- Feature transparent mechanisms for seeking input from municipalities, Aboriginal communities, and other stakeholders in the development of regional energy plans;
- Include processes for ensuring that municipalities are engaged in the siting of large energy infrastructure projects; and
- Reflect any recommendations with respect to siting large energy infrastructure projects made by the Standing Committee on Justice Policy.

Several common themes emerged from these discussions, including the need to provide for greater local voice and responsibility, enable early and sustained engagement, and improve the link between planning and siting. A fundamental observation was reinforced: robust planning leads to successful siting – planning and siting are a continuum, part of one connected process.

For the purposes of this report, “regional energy planning” refers to regional electricity planning rather than energy generally. The participants were, by and large, comfortable that the OPA's evolving regional electricity planning process could provide an appropriate bridge from broader planning through to siting of necessary facilities. Their concerns were more to do with confusion around linkages to provincial plans, integration with local planning, and ensuring meaningful participation, especially around those issues important to their community.

In short, the OPA's current regional electricity planning process provides a sound foundation for meeting the Minister's – and the communities' – objectives. The discussions throughout June and July have driven recommendations that build on and strengthen that foundation.

After carefully considering all the feedback, research and our observations, we identified three core recommendations:

### **1. Strengthen processes for early and sustained engagement with local governments and the public**

Engagement, collaboration, transparency and accountability are important principles that should guide the development of Ontario's electricity system. The OPA and the IESO will ensure early and sustained engagement with stakeholders in our work, building on existing processes.

## 2. Provide local governments and communities with greater voice and responsibility in planning and siting

The OPA and the IESO, Ontario Energy Board (OEB) and the Ministry of Energy should explore mechanisms that would provide flexibility to municipalities and First Nations and Métis communities who prefer a specific solution to meet the needs of their local areas. With choice comes responsibility; therefore, such mechanisms should explore issues such as cost responsibility and reliability of service resulting from these specific preferences. Also, since it is ultimately for the province and OEB to determine cost allocation, the regional electricity planning process should reflect an analysis of local preferences and cost implications.

## 3. Support inter-ministerial coordination

The province should develop an inter-ministerial action team consisting of senior staff from ministries, including the Ministries of the Environment, Transportation, Infrastructure, Health and Long-Term Care, Municipal Affairs and Housing, Aboriginal Affairs and Energy, to coordinate provincial policy development and to clarify decision-making and accountability in the planning and siting of large electricity infrastructure.

These core recommendations reflect both stakeholders' input and reinforce our own observations about how we can improve our planning and siting processes.

Together with the remaining recommendations in this report, they are designed to achieve the following objectives:

- Bringing communities to the table;
- Linking local and provincial planning;
- Reinforcing the planning/siting continuum; and
- Enhancing electricity awareness and improving access to information.

## Bringing Communities to the Table

Virtually all participants in the engagement sessions and feedback meetings said they want to be engaged early and often in the planning, procurement and siting processes. Local communities want a seat at the regional electricity planning table to ensure their interests are included. First Nations and Métis communities also want to be engaged early and in person, regardless of the Duty to Consult. Their interests can differ from those of local governments. They stressed the importance of getting an early buy-in to ensure that projects are not held up later in the process. They also expressed the need to clearly determine when the Duty to Consult is triggered.

Participants also expressed an interest in greater transparency for the planning, procurement and siting processes. They want a better understanding of who makes which decisions.

A clearer link between the planning and siting processes was recommended by many participants. They also want the OPA to take an active role in communicating the electricity needs to local communities prior to any procurement and siting processes. Some past engagements were seen as being too developer-led.

Finally, participants in the input process also recognized that it can be very difficult to engage communities early in the process, and they suggested that terms-of-reference templates would be useful to many communities.

The recommendations for bringing communities to the table are as follows:

- Foster ongoing relationships with First Nations and Métis and recognize the Duty to Consult (recommendation 4);
- Create regional electricity planning Advisory Committees (recommendation 5);

- Invite local representatives to participate in the regional electricity technical planning working group (recommendation 6); and
- Develop stakeholder engagement strategies and plans with Advisory Committee input (recommendation 7).

### Linking Local and Provincial Planning

The engagement and feedback sessions repeatedly raised the importance of better integration with local planning processes. This leads to better alignment between electricity planning and municipal planning, allowing all parties to take advantage of new opportunities as well as existing engagement processes. Local governments identified the need for capability building and resources to enable better consideration of energy needs in local plans.

Many participants identified opportunities for increasing the focus on energy in both the Provincial Policy Statement and growth plans.

Planning and electricity generation procurement processes should also reflect broad values and goals, both provincial and local, including social, environmental, health, safety, and economic factors, participants said. They recommended going beyond least-cost planning and procurement. If a local community's preferences result in a more expensive solution, many felt that the community should bear the incremental cost; where the benefit is provincial, most felt that the cost could be socialized.

Recommendations relating to linking local and provincial planning are as follows:

- Integrate electricity needs into relevant municipal plans (recommendation 8);
- Integrate relevant municipal information into regional electricity plans (recommendation 9);
- Promote community energy planning (recommendation 10); and
- Recognize broader provincial and local interests in electricity system planning (recommendation 11).

### Reinforcing the Planning/Siting Continuum

Many municipalities and First Nations and Métis communities and stakeholders do not have the resources to be engaged in all stages of regional electricity planning. Therefore, the links between regional planning outcomes and the procurement and siting process need to be reinforced at the outset of each procurement, participants said. Increased and first-time stakeholder interest is common at the procurement stage.

Siting decisions also need to give sufficient weight to other factors that are important to communities, such as social, health, environmental considerations, and economic development. Many participants were confused about the linkages between provincial and regional planning processes and local electricity generation siting, and these need to be better explained.

Finally, there is a need for a formal opportunity to review the conclusions reached through the planning and siting processes. Many participants want increased accountability, and would prefer to work with existing bodies such as the OEB rather than have a new organization created.

Recommendations pertaining to reinforcing the planning/siting continuum are as follows:

- Facilitate a seamless transition from regional electricity planning to generation infrastructure siting (recommendation 12);
- Consider broader criteria in the electricity generation procurement process, such as local priorities (recommendation 13);
- Strengthen review processes (recommendation 14); and
- Review mechanisms for planning and procurement (recommendation 15).

## Enhancing Electricity Awareness and Improving Access to Information

A common theme that emerged from the feedback received from the engagement sessions and face-to-face meetings was the need for a major education effort about Ontario's electricity needs, including a better understanding of the electricity planning and siting processes. This would help municipalities, First Nations and Métis communities, stakeholders, and the general public to become involved early and participate effectively in decision-making.

In support of this, there should be a focus on improving the transparency of electricity information by publishing relevant information and data on a timely basis in a format that is accessible to all users.

Recommendations are:

- Increase awareness of electricity needs and how these needs can be met (recommendation 16); and
- Increase transparency of, and access to, useable data and information (recommendation 17).

## Implementing the Recommendations

The final recommendation of the OPA and the IESO to the Minister of Energy is on the need for both organizations to move forward in implementing the recommendations in this report.

In some cases, the OPA and the IESO intend to immediately begin to implement recommendations within our respective mandates. In other cases, implementation of the recommendations requires a more detailed discussion with those organizations that are implementers, or affected by the recommendations – ministries, agencies, associations and other stakeholders.

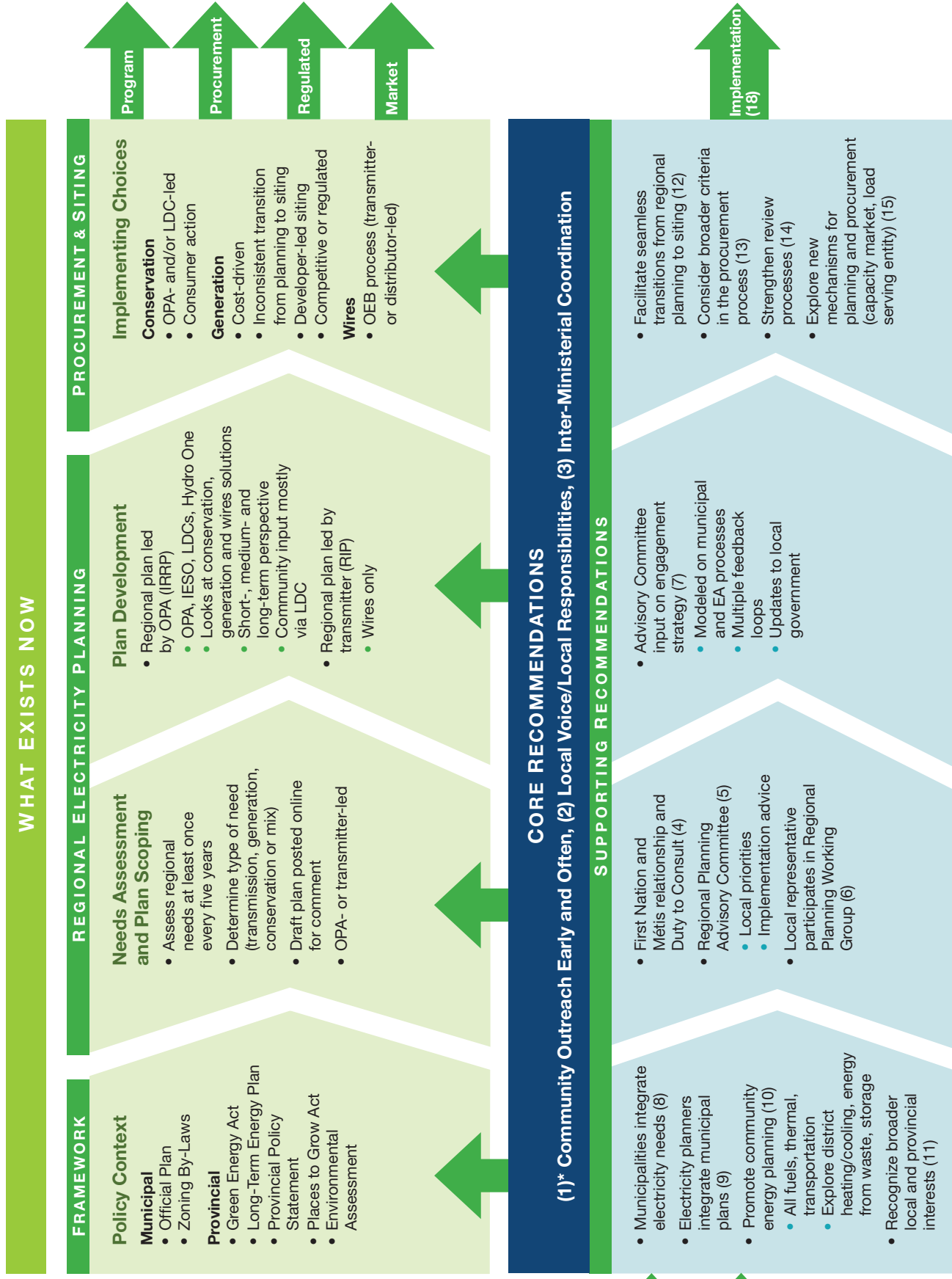
Therefore, we recommend that:

- The IESO and the OPA, in conjunction with the Ministry of Energy, should develop a detailed implementation strategy to outline legislative, regulatory, consultation and resource implications of implementing the recommendations in this report (recommendation 18).

All of the above recommendations are discussed in more detail in section 3.

The graphic that follows illustrates how the existing processes for regional electricity planning and the siting of large electricity infrastructure (set out across the top of the graphic) operate now, and how they would be enhanced by the adoption of the recommendations provided in this report (summarized across the bottom of the graphic).

# Engaging Local Communities in Ontario's Electricity Planning Continuum



\*Numbers correspond to report recommendations.



## 3.0 Recommendations

The discussions held by the OPA and the IESO during June and July 2013 have driven recommendations that build on and strengthen the current regional electricity planning and siting process.

After carefully considering all the feedback, research and our observations, we identified three core recommendations:

### 1. Strengthen processes for early and sustained engagement with local governments and the public

- Engagement, transparency and accountability are important principles that should guide the development of Ontario's electricity system. The OPA and the IESO will ensure early and sustained engagement with stakeholders in our work, building on existing processes.

### 2. Provide local governments and communities with greater voice and responsibility in planning and siting

- The OPA and the IESO, Ontario Energy Board (OEB) and the Ministry of Energy should explore mechanisms that would provide flexibility to municipalities and First Nations and Métis communities who prefer a specific solution to meet the needs of their local areas. With choice comes responsibility; therefore, such mechanisms should explore issues such as cost responsibility and reliability of service resulting from these specific preferences. Also, since it is ultimately for the province and OEB to determine cost allocation, the regional electricity planning process should reflect an analysis of local preferences and cost implications.

**“Local communities need to have a voice and to know how this voice has been or cannot be accommodated.”**

Association of Municipalities of Ontario

### 3. Support inter-ministerial coordination

- The province should develop an inter-ministerial action team consisting of senior staff from ministries, including the Ministries of the Environment, Transportation, Infrastructure, Health and Long-Term Care, Municipal Affairs and Housing, Aboriginal Affairs and Energy, to coordinate provincial policy development and to clarify decision-making and accountability in the planning and siting of large electricity infrastructure.

These core recommendations reflect what we heard most consistently from people from across Ontario – and reinforce our own observations about how we can improve our planning and siting processes.

They inform the recommendations in this report that are organized to achieve the following objectives:

- Bringing communities to the table;
- Linking local and provincial planning;
- Reinforcing the planning/siting continuum; and
- Enhancing electricity awareness and improving access to information.

## Bringing Communities to the Table

### What we found/heard:

We heard from municipal governments, First Nations and Métis communities and stakeholders that they want to be engaged early and often in the planning, procurement and siting process. Local communities would like a formal seat at the regional electricity planning table to ensure that their interests are included in the process. The local electricity distribution company voice does not always fully reflect the community voice.

We also heard an interest in greater transparency in the planning, procurement and siting processes, and a better understanding of who makes which decisions. A clearer link between the planning and siting process was recommended, as was the OPA taking an active role in communicating the needs to local communities prior to any procurement and siting processes. Some past engagements were seen as being too developer-led. Participants in the process also recognized that it can be very difficult to engage communities early in the process and suggested that terms of reference templates would be useful to many communities.

First Nations and Métis communities want to be engaged early and in person, irrespective of the Duty to Consult. Their interests can differ from those of local governments. They also vary in their capacity and readiness to deal with planners or project proponents. They stressed the importance of getting early buy-in to ensure that projects are not held up later in the process. They also expressed the need to determine clearly when the Duty to Consult is triggered.

**“Any community engagement must respect community protocols and principles, understand that our people have Aboriginal and treaty rights and inherent rights [and be] “ground up” community consultation from start to finish.”**

Wataynikaneyap Power

### 4. Foster ongoing relationships with First Nations and Métis and recognize the Duty to Consult

- The OPA should continue in its efforts to build capacity and foster ongoing relationships with First Nations and Métis communities. The OPA should explore additional capacity-building mechanisms, such as workshops, in addition to its application-based funding.
- The OPA will engage with First Nations and Métis communities early in any regional planning and siting process for electricity infrastructure occurring in their traditional territory and carry out any role with respect to the Duty to Consult that is delegated to it by the Crown.
- The Crown's Duty to Consult First Nations and Métis communities may be triggered where regional electricity planning or siting of large electricity infrastructure may have an adverse impact on Aboriginal rights and/or treaty rights. The Crown should provide clear guidance as to when that duty is triggered.
- The Crown should initiate, participate in, oversee, and monitor the consultation process.



**5. Create regional electricity planning Advisory Committees**

- An Advisory Committee should be convened as part of each regional electricity planning process. Members of the Advisory Committee should include elected officials, elected First Nations and Métis community representatives, economic development officers, and other community/business representatives. Communities should identify representatives, taking into account expertise required in the process. The OPA could provide guidance upon request.
- The OPA, the IESO, transmitters and distributors involved in the regional electricity planning process should meet with the Advisory Committee on a regular basis to share information, update the committee on progress and results, and obtain input and direction from the committee throughout the planning process.
- The Advisory Committee should be consulted regarding local priorities to be considered in the planning process when assessing alternative solutions for meeting the region's electricity needs. The committee should be informed of the costs and benefits of alternative solutions.

**“...communication is critical and can best be exemplified through meaningful consultation. The opportunity to dialogue on regional planning and siting of large infrastructure provides a good foundation for the future.”**

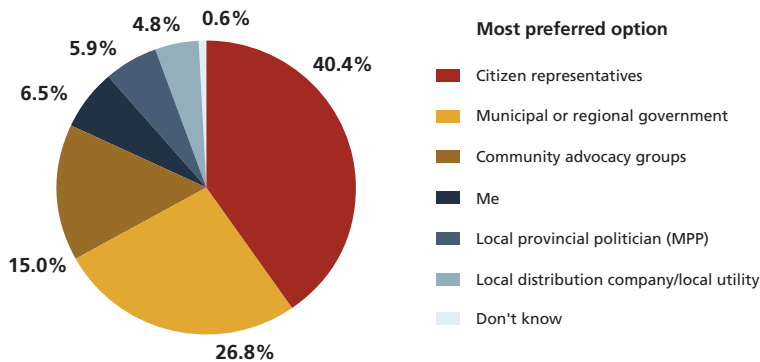
Municipality of Grey Highlands

- The Advisory Committee should continue to meet between formal regional electricity planning cycles, should be regularly updated on plan status, and should provide information and advice on local energy plans and priorities such as local energy self-sufficiency, growth plans, and plan implementation.

**6. Invite participation of local representatives in the regional electricity technical planning working group**

- The Advisory Committee should be invited to identify a representative with relevant expertise (for example, planning or economic development) to participate in technical planning. Currently, the OPA, local electricity distribution companies in the region, and the IESO are responsible for conducting the technical planning work.

**Who should represent your community in regional electricity planning?**



Respondents are clearly looking for grassroots representation in regional electricity planning issues. 61 percent of respondents chose citizen representatives as one of their top two options; while 53 percent chose community advocates as one of their two preferred options.

**“There are no easy answers or quick solutions. Community involvement is essential as we are left to live with the results of key decisions.”**

Comment from online survey

### 7. Develop stakeholder engagement strategies and plans with Advisory Committee input

- To develop the engagement strategy, the OPA, in partnership with local electricity distribution companies, will involve the Advisory Committee in the design of the engagement plan, including posting the draft engagement plan for comment prior to finalizing the approach.
- The engagement process should, to the extent possible, be based on best practices, including municipal and individual environmental assessment processes.
- The engagement strategy should adopt a phased approach, with multiple feedback loops throughout the planning and implementation phases, so that as community and First Nations/Métis input is incorporated into the plan, there are meaningful opportunities for them to comment on how their input is being reflected. Regional electricity plans should take this feedback into consideration.
- The engagement process should include reports to the local governments and First Nations and Métis communities.

### Linking Local and Provincial Planning

#### What we found/heard:

We heard repeatedly the value of better integration with local planning processes to ensure better alignment, take advantage of new opportunities and leverage existing engagement processes. Many participants identified opportunities for increasing the focus on energy in both the Provincial Policy Statement and growth plans.

Local governments identified the need for capability building and resources to enable better consideration of energy needs in local plans.

Electricity assets are essential infrastructure. As municipalities need to plan to meet their water, waste and growth needs they should likewise be required to plan for their electricity needs

Many participants suggested that the planning and procurement processes should reflect broader values and goals, both provincial and local, including social, environmental, health, safety and economic factors. Many participants recommended going beyond least-cost planning and procurement. Where meeting a local community's preferences is more expensive than the standard solution, many felt that the community should bear the incremental cost. When the entire province benefits from an investment, most felt that the cost should be socialized.

### 8. Integrate electricity needs into relevant municipal plans

- The Provincial Policy Statement (2005) provides guidance to municipalities as they prepare or review their Official Plans and should be modified to include a more explicit requirement for municipalities to consider electricity needs in relevant municipal plans – see Appendix A for proposed amendments to the provincial policy documents, such as the Provincial Policy Statement and related regulations.

**“As you review alternative approaches for integration, consideration should be given to including a directive for energy and energy generation in the Ontario Provincial Policy Statement. It could serve as a model for defining the roles of the province, regional and local authorities and would enable municipalities to consider energy in their planning processes for energy generation as well as water, wastewater treatment and transportation.”**

Oakville Mayor Rob Burton

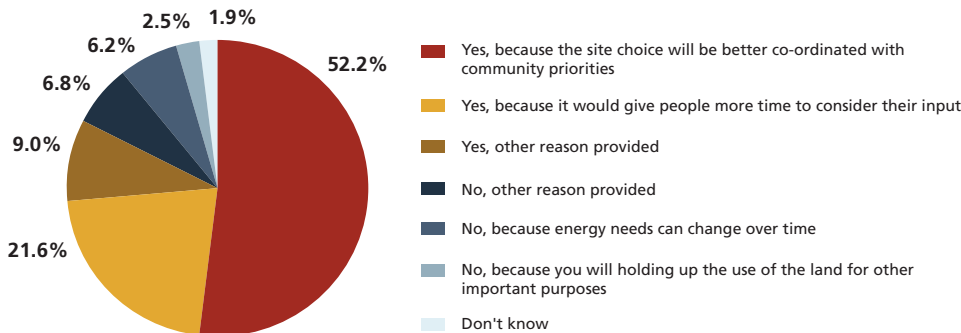
- The OPA and the IESO should explore developing generic policy language for municipalities to consider for inclusion in Official Plans and zoning by-laws to support future electricity infrastructure.
- The OPA, the IESO and the Ministry of Municipal Affairs and Housing should explore methods of ensuring that current and potential land-owners are aware of proximity to either existing, or potential, sites for electricity infrastructure.
- The Ministry of the Environment, with other appropriate ministries, should explore the development of siting criteria to provide clarity for the process of siting electricity generation infrastructure, and potentially minimum distance separation guidelines to sensitive land uses, much like the Ministry of the Environment's D2, D4 and D6 Guidelines, that would be applicable to generating facilities to which the *Planning Act* applies.
- The OPA and the IESO should work with the Ministry of Infrastructure to ensure that electricity needs are effectively integrated into provincial plans, such as the plans developed under the *Places to Grow Act*, the Greenbelt Plan, and the Big Move.

**9. Integrate relevant municipal information into regional electricity plans**

- There should be a requirement for regional electricity plans (Integrated Regional Resource Plans and Regional Infrastructure Plans) to include a description of how municipal priorities, including community energy plans, were considered in the regional plan. This requirement will help to ensure alignment and consistency (where appropriate) between regional electricity plans and municipal plans.
- There should also be a requirement for regional plans to include information related to Aboriginal and/or Treaty rights, claims and assertions, as well as a description of how First Nations and Métis priorities, including Aboriginal community energy plans, were considered in the regional plan.

**“Communities/municipalities need to be engaged at the needs identification stage.”**  
Participant at Sudbury regional session

**In advance of the need for new supplies of energy, should a municipality identify the possible locations for energy infrastructure?**



More than 80 percent of respondents feel that municipalities should play an active role in identifying the future locations of large energy infrastructure.

**“As part of the open and transparent process, data related to energy mapping, infrastructure capacity, energy needs, etc. should be provided to the community as it becomes available.”**

City of Burlington

## 10. Promote community energy planning

- The Ministry of Energy and the OPA should enhance supports for community energy planning. Comprehensive energy planning includes consideration of electricity as well as other needs such as natural gas, district energy and transportation. Enhanced support could include increasing awareness of, and building support for, existing programs such as the province's Municipal Energy Plan funds and the OPA's Aboriginal Community Energy Plan funds, energy and land use mapping and the Quality Urban Energy Systems of Tomorrow Community Energy Plan primer. New opportunities to support community energy planning efforts could include broader provision of consumption data for energy mapping, providing funding for community energy managers, and inter-ministerial support for solutions that can have broad-based community backing, such as district heating and cooling, energy from waste, and energy storage. In the longer term, this might include exploring a mandatory requirement to include energy targets in Official Plans, such as in British Columbia's *Bill 27*.

## 11. Recognize broader provincial and local interests in electricity system planning

- Electricity infrastructure can, and often does, play a role in meeting both local and system needs. Similarly, it can provide benefits beyond just meeting electricity needs – helping meet social, environmental and economic development goals, both local and province wide. The regional electricity planning process should

factor in broader considerations, beyond its current focus on technical and lowest-cost considerations. The inclusion of broader policy interests and goals raises cost-allocation questions in the planning process – between the ratepayer/taxpayer and also between the local/provincial electricity rate base. This is ultimately for the province and the OEB to determine.

## Reinforcing the Planning/Siting Continuum

### What we found/heard:

Many municipalities and First Nations and Métis communities and stakeholders don't have the resources to be engaged in all stages of regional planning, so the links between regional planning outcomes and procurement/siting need to be reinforced at the outset of each procurement. Increased and first-time stakeholder interest is common at the procurement stage.

Currently, siting decisions may not give sufficient weight to other factors that may be important to communities, such as social, health, environmental, or economic development considerations.

Many participants expressed confusion about the linkages between the provincial and regional planning processes and local siting initiatives.

We heard from many participants that there are insufficient formal regulatory or administrative opportunities to review decisions in the planning and siting process. Clearly defined processes are preferred by community members, developers, and the broader electricity community. Participants would like increased accountability mechanisms, and would prefer to work with existing mechanisms (such as the OEB) rather than create new ones.

**12. Facilitate a seamless transition from planning to siting**

- As the planning process moves into the procurement phase, the IESO and the OPA, together with the transmitter and local electricity distribution companies, should ensure that the affected communities are aware of the procurement and reinforce the linkages between the procurement and the planning phases. This could include written notification and/or an in-person information session with municipalities, First Nations and Métis communities, stakeholders, and the public.

**“We are not anti-gas power plant. We just want confidence that the process to approve and site them is robust, considers the entire scope of their impact, compares alternatives and represents the best available technology from health, safety, environmental impact and cost perspectives.”**

Citizens for Clean Air (C4CA)

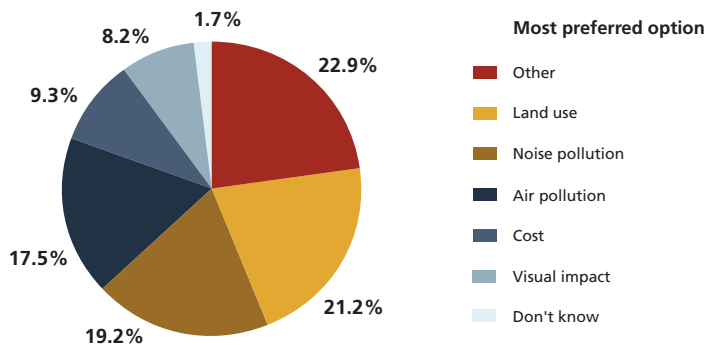
**13. Consider broader criteria in the generation procurement process, such as local priorities**

- Within the generation procurement process, the weighting of the various criteria used for assessment of proposals could be adjusted. In particular, more weight could be given to the efforts the proponent has taken, and is intending to take, to address concerns of the local community and to mitigate the risk of opposition to the proposed electricity generation facility in procuring required permits, approvals, and certificates. Greater weighting of such

criteria must take into account the challenges in evaluating subjective criteria and should recognize that even with effective engagement, complete community acceptance is unlikely to be achieved. Criteria could also reflect environmental assessment criteria.

- The Advisory Committee should be consulted regarding the local priorities to be reflected in the design of the procurement process, including evaluation criteria and weighting for assessing proponents.

**What factors should be evaluated when siting large infrastructure in a community?**



Looking at respondents' first and second choices, noise, land use and air quality are most top of mind.

#### 14. Strengthen review processes

- Implementing a regional plan will often require the OPA to procure generation resources that will be sited in that region. To provide further transparency about such procurements, consideration should be given to having the OEB approve generic generation procurement processes which would include requirements for appropriate siting consultation. These procurement processes would require that OPA procurements be consistent with government policy as articulated in the Long-Term Energy Plan (or similar policy document), and with any other criteria set out in the OEB-approved procurement process.
- OPA procurements arising from the regional plan would be required to follow the approved generic procurement process. Any party that thought a procurement resulting from a regional plan did not meet the requirements of the OEB-approved procurement process could have the matter reviewed by the OEB for an independent review as to whether the procurement process was properly followed. The OPA will work with the OEB to identify possible mechanisms to implement this recommendation within the current legislative framework.

**“RSMIN supports the use of individual environmental assessments and tools in the planning and development of large energy projects. Additional consideration towards a conflict resolution process would assist communities in planning processes and site selection where citizens or groups are opposed to project development or siting.”**

Red Sky Métis Independent Nation

#### 15. Review mechanisms for planning and procurement

- The current approach to planning and procurement of electricity infrastructure includes an Integrated Power System Plan (IPSP). With almost 10 years of experience, and in light of the recommendations to increase the local voice and responsibility as well as early engagement, it is appropriate to review the current planning and procurement processes. The IESO and the OPA should review options going forward for planning and procurement. This may include a review of:
  - the role of the IPSP going forward;
  - an outcomes-based supply mix directive;
  - increased reliance on market-based mechanisms such as a capacity market;
  - whether local electricity distribution companies should be permitted to own larger generation or contract to meet the needs of their service territories (load-serving entities); and
  - linkages between provincial electricity plans, regional electricity plans, local electricity distribution company plans and municipal plans.

#### Enhancing Electricity Awareness and Improving Access to Information

##### What we found/heard:

A common theme that emerged from the feedback received is the need for a major educational effort about electricity needs in the province, including a better understanding of the electricity planning and siting processes. Greater awareness about these processes is required so that municipalities, First Nations and Métis communities, stakeholders, and the general public can become involved early on and effectively participate in decision-making.

In support of improving awareness of electricity needs, there should be a focus on improving transparency of information by publishing relevant information and data on a timely basis in a format that lends itself to additional analysis.



**16. Increase awareness of electricity needs and how these needs can be met**

- The Ministry of Energy, with the support of the IESO, the OEB and the OPA, should develop and implement an electricity awareness strategy to increase understanding about electricity needs, options for addressing needs, and how to get involved in planning and siting. This would include increasing understanding about the linkages between provincial, regional and local plans.

**17. Increase transparency of, and access to, useable data and information**

- In addition to the information currently published, the OPA and the IESO should publish information and data on a timely basis, subject to privacy and confidentiality considerations, in an accessible format that provides for multiple uses. Potential users of the data could include consumers, industry to develop energy-related products, municipalities for planning purposes, and academics for research. Examples of data that could be made regularly available include load forecast and underlying assumptions, planning scenarios and underlying assumptions, resource costs, contract status, disaggregated global adjustment amounts, and time-of-use data.
- The OPA, transmitters, local electricity distribution companies and the IESO should establish coordinated and comprehensive web pages for each regional plan, that include key documents

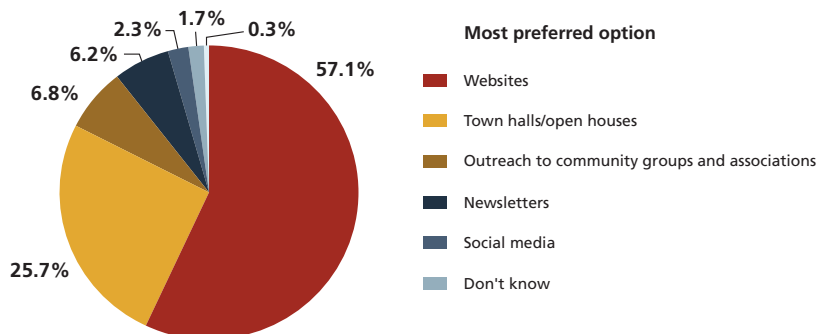
related to the planning process, a list of Working Group members, an outline of the current status of the plan (including any associated siting or procurements), and a description of next steps. The web pages would continue as a resource, tracking relevant information such as local electricity usage, embedded supply conditions, etc., and serve as a vehicle for providing ongoing feedback into the regional planning process.

- The OPA will work with Infrastructure Ontario and other public landholders to identify public lands that would be available for siting electricity infrastructure, including co-locating with other public infrastructure, Crown lands, and surplus provincial land.

**18. Implementing the recommendations**

- The IESO and the OPA, in conjunction with the Ministry of Energy, should develop a detailed implementation strategy to outline the legislative, regulatory, consultation and resource implications of implementing the recommendations in this report.
- In some cases, the IESO and the OPA intend to begin immediately implementing recommendations that are within our mandates. In other cases, implementation of the recommendations requires a more detailed discussion with those organizations that are implementers, or affected by the recommendations – ministries, agencies, associations and other stakeholders.

**Where would you look for information to help you better understand regional electricity system planning issues?**



While the majority of respondents look to websites as their first source of information, many respondents also look to town halls as their second most preferred option for information gathering.

## 4.0 Context

**As noted in the executive summary, this report responds to a May 6, 2013 letter from the Minister of Energy, the Honourable Bob Chiarelli, to Colin Andersen, Chief Executive Officer of the Ontario Power Authority (OPA), and Bruce Campbell, President and Chief Executive Officer of the Independent Electricity System Operator (IESO). The Minister requested that recommendations be provided by August 1, 2013. The Minister's letter is included in Appendix A of this report.**

### 4.1 Authors

This report has been submitted by the OPA and the IESO in response to the Minister's May 6, 2013 letter.

The **OPA** is responsible for three key functions in Ontario's electricity sector: coordination of province-wide conservation efforts, planning the electricity system for the long term, and contracting for electricity resources. It works closely with industry partners and a broad range of stakeholders across the province.

The **IESO** manages the ongoing reliability of Ontario's power grid. It works at the heart of the province's power system, balancing supply and demand through the electricity market. The agency is like a hub, working with a broad range of industry players including generators, transmitters, local distribution companies and consumers.

### 4.2 Scope

This report focuses on:

- regional electricity planning, including mechanisms for enhancing the engagement of municipalities, First Nations, Métis and electricity stakeholders in planning; and
- processes for ensuring that municipalities, First Nations, Métis and electricity stakeholders are engaged in the siting of large electricity generation infrastructure projects.

The report does not address electricity distribution system planning; the siting process for transmission; or the siting of small-scale, customer-based

generation or generation procured under the Feed-in Tariff (less than 500 kilowatts) or microFit programs which are dealt with elsewhere by the province or the OEB.

Input received on topics beyond the scope of this document have been, where appropriate, directed to other processes – for example, the Long-Term Energy Plan review, the Conservation First consultation, and the OPA process to design a new, competitive process for large renewable projects (greater than 500 kilowatts).

While the Standing Committee on Justice Policy has not made any recommendations to date, a number of witnesses have provided the committee with advice and observations on the planning and siting process. This input was considered when developing the report. This is not intended to be a comprehensive summary of testimony and committee deliberations to date. The committee process is continuing. The OPA and the IESO have proposed further review of the recommendations in this report which will provide an opportunity to reflect committee recommendations.

### 4.3 Methodology

The methodology used for developing recommendations for the Minister was as follows:

1. an examination of the current processes for regional electricity planning and large electricity generation infrastructure siting;
2. meetings with organizations with expertise in planning and siting;



3. research into how other jurisdictions conduct planning and siting;
4. discussion sessions with community members, municipalities, First Nations, Métis, electricity stakeholders and the general public, to get their input on the current processes and ways to increase engagement; and
5. feedback sessions with experts and session participants on draft recommendations.

#### 4.4 Rationale for Improving Engagement in Planning and Siting

A reliable, cost-effective and sustainable electricity grid is the backbone of Ontario's modern economy and essential to the well-being of its citizens. To keep the electricity system reliable, cost-effective and sustainable, investments in new infrastructure are often necessary. Comprehensive electricity planning processes at the provincial, regional and distribution levels help to optimize these investments. Regional electricity planning, a focus of this report, has an important role to play in identifying cost-effective and locally appropriate solutions to maintain reliability and contribute to sustainability.

The location of new electricity generation infrastructure is important – where it is sited has an impact on the reliability and cost of the system. If generation is located close to where the electricity is required, the need for additional electricity transmission can be minimized. Selecting a site for new generation facilities far from where the electricity is needed may add costs and reduce reliability, although it may also provide social, economic or environmental benefits.

Finding the best site for any large infrastructure project – electricity or otherwise – is challenging. Early, frequent and transparent public engagement processes are key to community awareness and acceptance; however, even with these, full public acceptance is difficult to achieve. In the end, the objective must be to listen to all involved, find the appropriate balance among the various interests, and make the decision that provides the best societal benefits.

Discussions with municipalities, First Nations and Métis communities, and electricity stakeholders have reinforced that planning and siting of large electricity generation infrastructure are part of a continuous process. Better integration of regional electricity planning with land use and other local planning should lead to better decision-making and public acceptance of new electricity generation facilities. Improved electricity planning and siting processes will better balance local needs and concerns with provincial electricity requirements. A more integrated planning approach can also lead to more effective outcomes, while giving local communities a stronger say in where facilities are located.

#### 4.5 Building On Our Experience

Since its inception in 2005, the OPA has successfully procured about 19,600 megawatts of clean electricity resources:

- 1,900 megawatts of conservation;
- 8,161 megawatts of renewable wind, solar and bio-energy;
- 852 megawatts of renewable hydroelectric power;
- 5,724 megawatts of natural gas, combined heat and power and energy from waste; and
- 3,000 megawatts of nuclear generating capacity.

These investments have been made through conservation programs, standard offer programs and competitive procurements.

Ontario now has adequate electricity resources to meet our current needs. This creates an opportunity to reflect on what we have achieved and lessons learned, and to evolve and enhance our regional electricity planning and siting processes going forward.

# 5.0 Regional Electricity Planning Process



This section briefly describes the structure of Ontario’s electricity sector, and how overall electricity system planning is conducted within the sector. It also examines the recently enhanced regional electricity planning process, including the opportunities for engagement.

## 5.1 The Structure of Ontario’s Electricity Sector

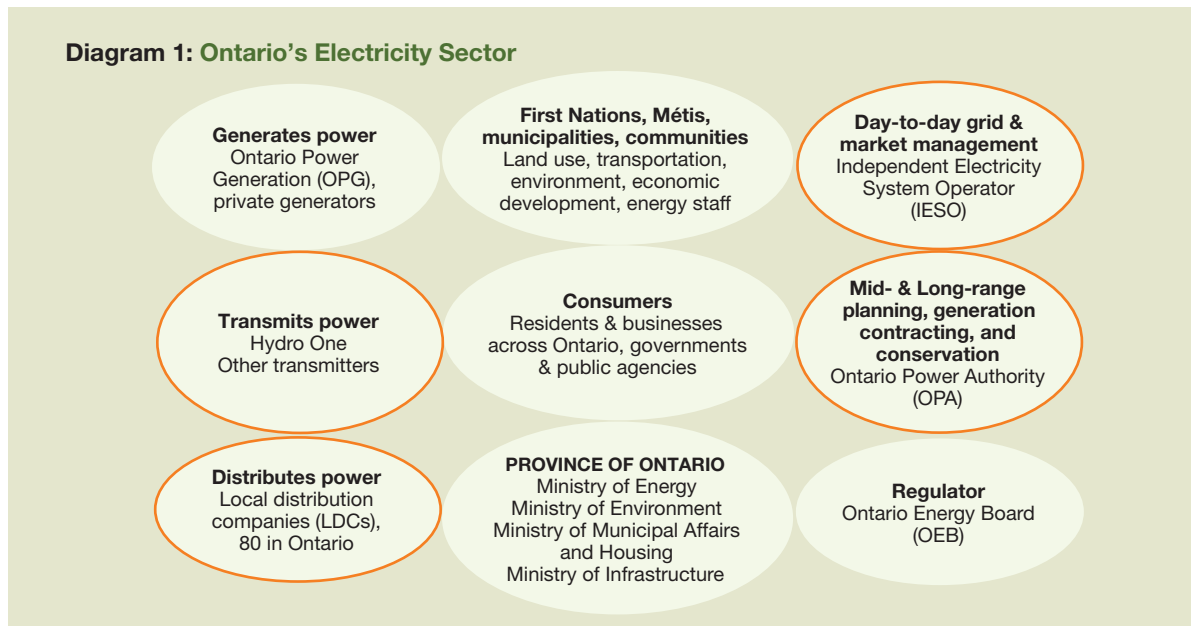
Diagram 1 presents a simplified picture of Ontario’s electricity sector:

Customers are at the heart of Ontario’s electricity sector. Ontario’s electricity supply underpins all sectors of the provincial economy and contributes to the quality of life of all residents. All customers benefit from Ontario’s reliable, cost-effective and sustainable electricity sector.

Policy direction for the province’s electricity sector is provided by the **Minister of Energy**. The Ministry is currently reviewing the Long-Term Energy Plan which provides the overarching direction to the sector.

**Municipal governments** have a significant impact on energy use and production within their boundaries. Local governments – through land use, water and transportation planning and policy development – can influence the amount of energy consumed in a community, achieving major efficiencies through effective, integrated community energy planning and management. Local governments have authority over zoning and land use to ensure that sufficient land is available for the development of needed energy infrastructure.

**First Nations and Métis** communities have interests in regional electricity planning and the siting of large electricity infrastructure that can differ from the interests of municipal and local governments. The Crown has a constitutional Duty to Consult and accommodate First Nations



Orange highlighted players participate in Regional Planning Working Groups.

and Métis communities where its decisions have the potential to adversely impact Aboriginal and/or Treaty rights. As such, First Nations and Métis communities hold significant interests over land and water within their traditional territories. It is important to begin engaging and consulting with First Nations and Métis communities early in the planning stages, where new electricity infrastructure may be contemplated, to manage, mitigate and accommodate potential impacts.

The **IESO** manages the day-to-day reliability of the power system and balances supply and demand through the electricity market. The **OPA** plans for the long term and contracts for clean electricity resources, both generation and conservation.

Electricity is generated by **Ontario Power Generation** as well as a number of **private electricity generators**, including **end-use customers**. Once generated, electricity is transmitted across the province by **Hydro One** and a number of **private electricity transmission companies**, where it enters local electricity distribution areas. In these urban or rural areas, the electricity is distributed to businesses and residential consumers by Ontario's **75 local electricity distribution companies**.

The **Ontario Energy Board (OEB)** oversees the province's electricity and natural gas sectors through effective, fair and transparent regulation and in accordance with the objectives set out in the governing statutory framework.

## 5.2 Electricity Planning in Ontario

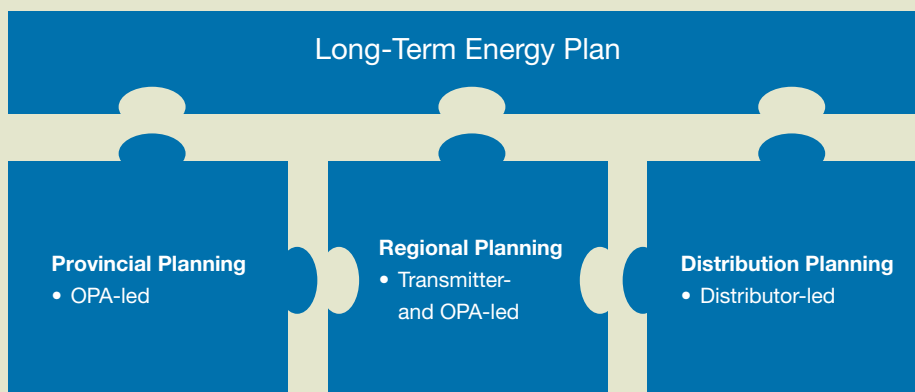
Electricity planning takes place at the provincial, regional, and local electricity distribution system levels, as is shown in Diagram 2.

The overall energy policy framework is set by the province's Long-Term Energy Plan. The Long-Term Energy Plan process is led by the Ministry of Energy. The current plan, released in November 2010, is now under review.

Within the framework of the Long-Term Energy Plan, specific plans are formed, as follows:

1. **Provincial electricity planning** is led by the OPA, to ensure that the province's long-term demand for electricity is met through conservation and demand management, as well as supply and transmission.

**Diagram 2: Provincial Electricity Planning**



2. **Regional electricity planning** is led by either the OPA, when an integrated resource plan (including conservation and demand management, generation and/or transmission and distribution solutions) is required; or by the lead electricity transmitter in a region, when a “wires only” solution is required to meet needs. The focus of regional electricity planning is on maintaining adequate and reliable supply to meet the region’s needs.
3. **Distribution planning** is conducted by Ontario’s local electricity distribution companies, and primarily comprises changes to an electricity distribution system in the local service area.

### 5.3 Regional Electricity Planning Process

Regional electricity planning has been conducted in Ontario for many years, both by transmitters and, since 2005, by the OPA.

The focus of regional planning is on maintaining adequate and reliable supply to meet a region’s needs. Regions for the purpose of regional planning are built around the electricity system. The OPA is currently working with local electricity distribution companies, the IESO and Hydro One in six areas of the province to develop regional electricity plans.

Currently, a regional electricity plan is developed by a working group brought together by the OPA that includes the local electricity distribution companies (who involve the local municipalities), electricity transmitters, and the IESO. The group takes an integrated approach, looking at conservation, generation and wires alternatives for meeting a region’s short-, medium- and long-term needs.

To the extent possible, plans are developed based on a consensus of the working group, although if consensus is not achieved, differing opinions would be published with the report. Decision-making authority for resource acquisition lies either with the OEB or the government: the OEB approves cost recovery of transmission and distribution infrastructure investments, and the government grants procurement authority for conservation and generation resources.

Cost allocation – sharing the investment costs of wires initiatives between local and provincial rate-payers and project proponents – is determined by the OEB’s Transmission System Code and Distribution System Code. Generation and conservation costs are currently recovered through the Global Adjustment Mechanism, which is the difference between market revenues and the total payments made to certain contracted or regulated generators and demand management projects.

The OEB initiated a process to formalize regional electricity infrastructure planning. Given the integrated nature of electricity planning, this entailed dovetailing the OPA’s existing regional planning work with the transmitters’ planning processes.

## Enhanced Regional Electricity Planning Process

In May 2013, a formalized regional electricity planning process was endorsed by the OEB. It is being implemented now.

The OEB initiated a stakeholder engagement process for a renewed regulatory framework for electricity in 2010. In October 2012, the OEB released its report, *A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach*. Following the release of the report, the OEB created a working group charged with developing a more structured regional electricity planning process. The working group was made up of members from major electricity users, generators, transmitters, electricity distribution companies, consumer organizations, the Association of Municipalities of Ontario, and the OPA.

In the new process, regional electricity planning is undertaken at a minimum of every five years in each of 21 identified electricity regions. The process can be triggered earlier if needed because of factors such as electricity demand growth or the retirement of a large generating station supplying the region.

The lead electricity transmitter for the region (usually Hydro One Networks) begins the process with a needs assessment. If it is determined that a plan is needed, the OPA initiates a “scoping” process with a regional planning working group (new or existing) to determine the type of regional electricity plan to be undertaken. The scoping report includes information from the lead electricity transmitter on the need for a regional electricity plan, the OPA's assessment of the type of plan to be undertaken, and a preliminary terms of reference for the study.

There are two types of regional electricity plans:

1. An Integrated Regional Resource Plan (IRRP) which considers a range of alternatives to meet regional needs; or
2. A Regional Infrastructure Plan (RIP) which involves only new electricity transmission or distribution facility options.

The IRRP is the more complex process to address the electricity needs of the region. It could involve conservation and demand management, generation or wires options (electricity transmission and/or distribution). The IRRP is led by the OPA, in collaboration with the local electricity distribution companies, the lead electricity transmitter, and the IESO. Together, these organizations constitute the regional planning working group and are responsible for developing an integrated plan for meeting the immediate and long-term electricity needs of the area.

While most plans are expected to be developed with the support of all regional working group members, where consensus cannot be reached on the preferred plan for an area, the IRRP will document both the recommended plan for the region, as well as any dissenting opinion(s). This plan will be used to inform and support electricity investment proposals (conservation, generation, wires) for a region.

An RIP involves a wires-only solution, which would be appropriate in some cases. Planning is led by the electricity transmitter, in collaboration with the OPA, local electricity distribution companies and the IESO.

Diagram 3 is a simplified diagram of the regional electricity planning process, showing both the IRRP and RIP options, and including the opportunities for engagement.

### Engagement Opportunities

Under the enhanced OEB process being implemented now, engagement opportunities occur at various stages in the new regional electricity planning process.

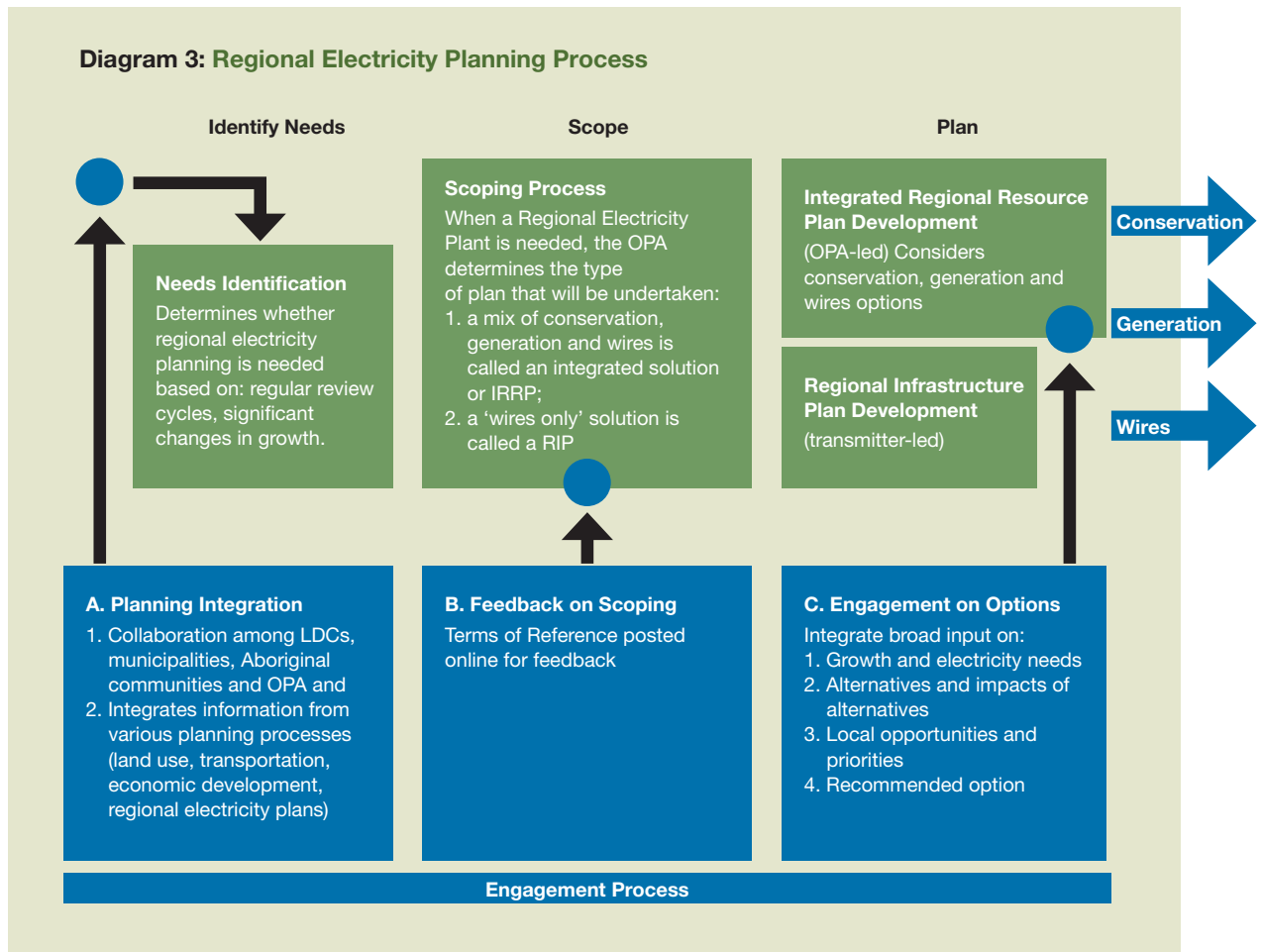
There are opportunities to foster a continuing collaboration among the local electricity distribution companies, municipalities, First Nations and Métis communities, the lead electricity transmitter for the region, and the OPA in understanding local priorities and drivers of electricity needs for the region. In addition, there are opportunities to integrate regional electricity plans with other planning processes such as those involving land use, water and transportation.

A stakeholder engagement opportunity occurs when the OPA posts a draft “Scoping Process Outcome Report” on its website for comment. The draft report details the proposed regional planning approach, scope and timing. The OPA, in collaboration with the regional planning working group,

takes this feedback into account when it finalizes the regional planning approach.

In the IRRP process, the regional planning working group invites municipal officials and community leaders, First Nations and Métis leaders, and electricity stakeholders to provide high-level input on the various options for meeting the region’s electricity needs. Discussion is focused on how to reliably supply the region’s electricity needs, including meeting future growth in electricity demand, the alternatives for meeting demand, the impacts of various alternatives on the local communities, and local opportunities and priorities.

This report looks at more formally integrating local municipal planning and community engagement into this process.





# 6.0 Process for Siting Large Electricity Infrastructure



This section describes the processes currently used for determining the siting of large electricity generating infrastructure, and examines opportunities for engagement under the current processes. Wires siting goes through the established OEB process and is not a focus of this report.

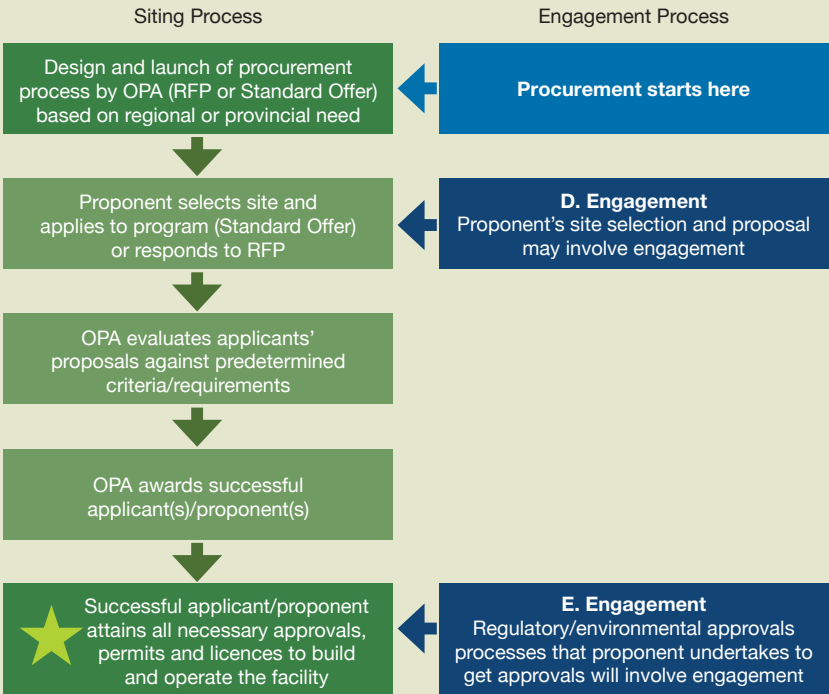
## 6.1 Electricity Generation Procurement Process

The starting point for the current electricity generation procurement process is the identification of a regional or provincial need for electricity resources. From a regional perspective, this need identification occurs during the IRRP process (see section 5.3), which also examines conservation, generation and wires alternatives for meeting that

need. Procurement of electricity generation can also be triggered by a ministerial directive.

Once an electricity need has been established, and if an electricity generation solution is chosen, the OPA conducts a procurement process, which then leads to the identification of a site and a chosen proponent. Diagram 4 shows a simplified picture of the electricity generation procurement process that has been used for the past several years.

**Diagram 4: Current Generation Procurement Process in Ontario**



The OPA designs and launches the procurement program, using either a Request for Proposals (RFP) process, or a Standard Offer process (in which the contract price and terms for electricity generation are set), to which proponents apply. The general region of the procurement, and in some cases the place where the facility connects to the electricity grid, can be specified by the OPA as part of the procurement process, based on the location and the nature of the local need. However, it is the proponent's responsibility to select the specific site for electricity generation in the proposal or application. Specific sites for electricity generation facilities developed over the past 10 years have generally been selected by the power plant developers, either before or during the procurement process.

When an RFP process is used to procure new electricity generation, the OPA evaluates proposals against mandatory requirements and rated criteria. These can include:

- Community outreach;
- Evidence that the proponent has addressed local concerns or has the formal support of the municipality;
- Compliance with municipal or regional plans or municipal zoning by-laws; and
- Technology that meets or improves upon existing regulatory standards.

The focus has generally been on technical or least-cost-to-the-ratepayer perspectives. The Minister may specify other considerations in granting authority to conduct a procurement.

When a standard offer is used for procurement, applications may be prioritized by project type, applicant type (e.g., participation of a municipal community group or a First Nations or Métis community), local municipal or First Nations and Métis support, 'shovel' readiness, or electricity-system benefit, depending on the procurement. Successful applicants are responsible for arranging financing, arranging suppliers and undertaking environmental and local approvals.

Depending on the fuel-type procurement, proponents may receive full points for completion of a large part of the environmental due diligence process, or they may have to wait until a contract is awarded to engage in the environmental due diligence process.

Following the evaluation of the applications or proposals to build new electricity generation, the OPA selects the successful applicant or proponent – or more than one if the need is large. It is then the responsibility of the successful applicant or proponent to attain all necessary approvals, permits and licences to build and operate the electricity generating facility.

### Required Environmental Assessments

Successful non-renewable energy applicants must attain an environmental assessment approval (EA) before a project can advance. *Ontario Regulation 116/01* under the *Environmental Assessment Act* sets out the process and requirements, depending on the technology type, fuel type and size. The majority of electricity generation projects follow an Environmental Screening process (e.g., natural gas plants). For very large projects or those with significant potential environmental effects, an Individual EA may be required. Renewable energy projects follow a Renewable Energy Approval process.

The **Environmental Screening Process** includes consultation with the public, First Nations and Métis (if appropriate based on location), and government agencies. It typically includes an assessment of site-specific environmental issues – such as noise and impacts on air, plants and animals – as well as proposed mitigation measures. Under the screening process, an assessment or comparison of alternative generating sites is not required. If the public or stakeholders believe that the screening process is inadequate to address their concerns, there is a provision for “elevating” the project review to an Environmental Review Report or an Individual EA, which is a decision of the Minister of the Environment.



The **Individual EA Process** is generally used for large, complex undertakings with the potential for significant environmental effects and major public interest. It involves extensive public consultation, including First Nations and Métis consultation where appropriate, an assessment/comparison of alternative sites, examination of specific issues, and a final approval by the Minister of the Environment.

The **Renewable Energy Approval (REA) Process** falls under *Ontario Regulation 359/09 (Environmental Protection Act, R.S.O. 1990)*. Under this legislation, most large, renewable energy projects such as wind farms, ground-mounted solar and bio-energy facilities must attain an REA before construction. It is a single approval that integrates environmental, health and safety consideration.

The REA process includes consultation with the public, First Nations and Métis communities, municipalities and government agencies. It also includes an assessment of site-specific issues (noise and environmental impacts on air, plants and animals) and mitigation of these effects during construction, operation and decommissioning of the generating station. In this process, there is no assessment or comparison of alternative sites.

An REA can be approved, approved with conditions, or denied by a Ministry of the Environment Director. The process is subject to appeal to the provincial Environmental Review Tribunal.

The Ontario government recently announced its intention to adjust the renewable energy procurement process to, among other things, give municipalities a stronger voice, more options and new tools. Going forward, large renewable energy projects will be procured through a competitive process, with the OPA providing recommendations to the Minister by September 1, 2013.

### Zoning Approvals

For non-renewable projects, proponents must secure all necessary municipal approvals.

Disputes regarding land use can be taken to the Ontario Municipal Board.

Renewable energy projects are exempt from local zoning considerations through the *Green Energy Act*.

### Engagement Opportunities in the Current Siting Process

Under the current process for siting large electricity generation infrastructure, as described above, there are various opportunities for engagement:

- At the planning level, when the OPA identifies a region for a generation initiative.
- When the proponent selects a site and applies to the program or submits a proposal. The proponent decides how to engage the local community, address any local concerns, and attempt to secure the formal support of the municipality. Many OPA procurement processes have encouraged engagement by offering more points under the rating system for those proponents who most fully engage the public.
- During the environmental due diligence process (whether through the REA, Environmental Screening Process, Class EA, or Individual EA), this involves mandatory consultations with municipalities, First Nations and Métis, and electricity stakeholders.

This report looks at strengthening the current engagement components and review processes of the planning and siting process.

## 7.0 Findings of Engagement Processes and Other Research

In developing recommendations to improve regional electricity planning and the siting of large electricity infrastructure, the OPA and the IESO sought the input of municipalities, First Nations and Métis, and electricity stakeholders including the general public, as well as organizations with expertise in these areas. The OPA and the IESO also considered comments made by witnesses during the Standing Committee on Justice Policy hearings between March 19 and May 30, 2013. The OPA and the IESO also reviewed electricity siting practices in other jurisdictions. The findings of this research are presented in this section.

### 7.1 Municipalities, First Nations and Métis, and Electricity Stakeholders Engagement

On June 17, 2013, the OPA and the IESO launched a province-wide initiative to encourage a dialogue on how to improve engagement processes, integrate municipal and electricity planning, and site large electricity generation infrastructure. To seek feedback from as many people as possible in a short period of time, a number of channels were used including a dedicated website, online survey, written submissions, webinars and face-to-face meetings.

In just under a six-week period, the IESO and the OPA heard from more than 1,250 Ontarians. About 250 people participated in webinars, nearly 600 people attended face-to-face meetings, and almost 100 individuals and groups submitted comments, including about 60 formal submissions attached to this report. Over 360 people completed the on-line survey, generating close to 2,650 comments.

#### Online Participation

To ensure all Ontarians were able to make their views known, the OPA and the IESO established a website ([www.onregional-planning-and-siting-dialogue.ca](http://www.onregional-planning-and-siting-dialogue.ca)). Visitors to this site were able to respond to specific questions in a survey, find background information including written and recorded presentations about regional electricity planning and siting issues, or provide more detailed submissions through the email address. The results of the survey are included in Appendix C.

#### Written Submissions

Written submissions from the public and all interested parties were encouraged by July 15, 2013. The submissions received are attached in their entirety to this report (Appendix D).

#### Webinars

To accommodate those who couldn't attend an in-person meeting, four webinars were also held. On June 19 and 20, the IESO and the OPA held information webinars to introduce the material that would be reviewed at the face-to-face session. On July 11, follow-up feedback sessions were held.

#### Face-to-Face Conversations

Key individuals and groups were invited to participate in meetings, including all Ontario First Nations chiefs, Métis leaders, mayors, chief administrative officers and local electricity distribution company CEOs. Municipal planners were also invited. To represent communities and the general public, regional chambers of commerce, boards of trade, business improvement associations, environmental groups and residential and rate-payer associations were invited to provide advice about regional electricity planning and electricity generation siting in Ontario. All Ontario members of provincial parliament (MPPs) were informed and invited to participate.

The OPA and the IESO had about 40 face-to-face meetings, including 18 regional meetings across Ontario.

Over 350 people were engaged at regional meetings held between June 24, 2013 and July 10, 2013 in the following locations:

- Sudbury – June 24, 2013
- Niagara – June 25, 2013
- Ottawa – June 26, 2013
- GTA North and West – June 27, 2013
- Guelph – June 27, 2013
- Windsor – July 8, 2013
- Oakville – July 9, 2013
- GTA East – July 9, 2013
- Thunder Bay – July 10, 2013

The OPA and the IESO also met with members from organizations that represent broad interests from across the province. These groups, who speak on behalf of municipalities, planners, electricity generators, electricity and gas distributors, developers, electricity transmitters, public citizens and other stakeholders, included:

- Advisory Council on Conservation of the OPA
- Association of Municipalities of Ontario – Energy Task Force
- Association of Municipalities of Ontario – CEO meeting
- Association of Power Producers in Ontario
- Biogas Association
- Canadian Solar Industry Association
- Canadian Wind Energy Association
- City of Mississauga
- Coalition of Homeowners for Intelligent Power
- Citizens for Clean Air (C4CA)
- Canadian Urban Institute
- Environmental Commissioner of Ontario
- Hydro One
- IESO Stakeholder Advisory Committee
- Ministry of Municipal Affairs and Housing
- Mississauga Residents' Associations Network
- Ontario Energy Association

- Ontario Energy Board
- OPA Advisory Council on Conservation
- Ontario Professional Planners Institute
- Ontario Sustainable Energy Association
- Ontario Waterpower Association
- Quality Urban Energy Systems of Tomorrow
- TransCanada
- Wind Concerns Ontario

The OPA also met with its recently reconstituted Aboriginal Advisory Committee.

The focus of discussion, professionally facilitated by the Canadian Urban Institute, was to share information and seek feedback on two critical areas:

- *Regional electricity planning* – transparent mechanisms for seeking input from First Nations and Métis communities, municipalities, and other stakeholders to identify regional electricity needs and develop plans to address them.
- *Siting of large electricity generation infrastructure* – processes for ensuring that municipalities are engaged in the siting of large electricity generation infrastructure projects which are needed to move from electricity plans to implementation.

The questions below guided discussion in the two areas.

#### **The Regional Electricity Planning Process:**

- Who needs to be engaged in regional electricity planning to represent municipal, First Nation and Métis, and community interests?
- What is needed to ensure that municipal and community information is integrated at each stage of regional electricity planning?
- If a community prefers a certain option, should that preference be paid for by the community or all Ontarians?

### Siting of Large Electricity Generation Infrastructure:

- What works well with the existing siting process? What doesn't work well?
- What advice do you have for the OPA and the IESO as they work to improve the siting process?
- If a large electricity generation infrastructure project is the preferred electricity source identified through the regional electricity planning process, and the local community objects to the siting of the project, then how should that community's needs be met?
- What are the pros and cons of the alternative approaches above?

Copies of the presentations and discussion guides used at these meetings are attached in Appendix C.

A draft summary of feedback gathered during the face-to-face meetings was shared with all attendees. A copy of the final Feedback Summary Report is attached (see Appendix C).

Sessions were held with various participants in late July to review draft recommendations.

### Common Themes Emerging from Feedback

A number of common themes emerged during the face-to-face sessions and in the written submissions. The OPA and the IESO repeatedly heard from First Nation and Métis communities, municipalities, energy stakeholders and the public at large that the following should inform the recommendations.

#### Early, frequent, meaningful engagement involving all:

- Engage the public early. The public has to be involved in an open process where they feel they can have an impact on the decision.
- The OPA should establish a standard engagement process that establishes a minimum threshold prior to bid submission.

- There was a strong interest in creating opportunities for bottom-up involvement in what is viewed as a top-down planning and procurement/siting system

### Integrate First Nations and Métis communities and municipalities into regional electricity planning and siting of energy infrastructure:

- Municipalities are very skilled at broad-based, inclusive engagement and they regularly convene processes that engage a broad range of stakeholders and resolve very complex issues involving land use, water and solid waste.
- First Nations and Métis interests are different than municipal interests; the engagement process for regional electricity planning cannot replace the Duty to Consult with First Nations and Métis communities.
- The best option is to couple an Advisory Committee with a technical committee that could communicate with the OPA and local electricity distribution companies at the start of the process.
- Consider creating a First Nations Advisory Council that is separate from other advisory councils.
- Municipal planning departments are understaffed; better information sharing between municipalities and local electricity distribution companies is needed.
- Regular reporting back to municipal council taps into existing relationships between community groups and the city and provides input into the planning process.
- It is important for the province to define a role for municipalities in electricity planning.

### Integrate municipal planning and regional electricity planning:

- Formalize municipal participation in the energy planning process by including language in the Provincial Policy Statement (PPS). Places to Grow should include consideration of energy and waste.

**There is a shared interest in the need for a major educational effort about electricity and energy in Ontario in the public, community and municipal sectors:**

- People and officials are interested in understanding the whole process, getting more involved, and effectively participating in decision-making.
- Educate the public and municipalities about the electricity system in Ontario and better communicate the province's electricity objectives. Elected officials and the municipality in general have to understand the link between their growth aspirations and their electricity infrastructure.

**There is a need for more inter-ministerial cooperation in the energy planning process so that the province can make decisions and communicate a clear, consistent message:**

- Energy and land-use planning issues do not fit neatly within any one ministerial or agency mandate; true horizontal government coordination will be required to address these issues.
- Ensure information sharing, transparency and accountability. There is a need to clarify accountability, especially for generation, and to establish a set of principles and standards for siting.
- It is important to make connections between ministries and a congruent provincial position on energy.

**Community Energy Plans:**

- The province should have a protocol for Community Energy Plans so that their recommendations will be seen by the OPA as credible inputs in the regional electricity planning process.
- The regional electricity planning process has to validate and reflect local information.

**Finally, the importance of bringing certainty to what is viewed as an unpredictable and arbitrary process.**

## 7.2 Standing Committee on Justice Policy

In his May 6 letter, Minister Chiarelli asked the OPA and the IESO to take into account relevant recommendations from the Standing Committee on Justice Policy when developing recommendations to improve the regional electricity planning and siting process. While to date, the committee has not made any recommendations, a number of witnesses provided the committee with advice and observations on planning and siting issues which is consistent with what the OPA and the IESO heard from stakeholders during the regional planning and siting consultations. In fact, a number of the witnesses also attended the OPA/ IESO consultation meetings. This input broadly falls into four areas:

1. Improving community engagement and increasing transparency
2. Incorporating municipal plans, approvals and local choice in electricity planning and siting
3. Developing siting guidelines for gas-fired generation that include environmental, health and safety criteria
4. Increasing coordination among government ministries.

### Improving Community Engagement and Increasing Transparency

Witnesses recommended early community engagement in advance of a procurement and site selection and that this should be a formal process that sets out clear rules and expectations for all parties and encourages feedback.

The committee also heard that there is a need for increased transparency and access to information from power plant developers. Suggestions were made to mandate online disclosure of pertinent documents such as the developer's environmental assessment report.

### **Incorporating Municipal Plans, Approvals and Local Choice**

Elected municipal officials identified the need for Official Plans, by-laws and local preferences such as distributed generation, to be formally incorporated into the electricity planning and siting process. It was also suggested that permitting and approvals be in place prior to contracting for generation projects and consideration be given to identifying willing host communities.

### **Developing Siting Guidelines**

The committee heard that a clear policy for natural gas-fired generation siting guidelines should be developed consistent with siting requirements for other types of large-scale infrastructure – wind farms, rail corridors and landfills. The guidelines should include environment, health and safety criteria. Air quality and a site's proximity to environmentally sensitive areas should be considered when determining siting. It was also suggested that the environmental assessment process guidelines for large power plants should be tightened and consideration given to requiring developers to complete an environmental assessment as part of a procurement process.

### **Increasing Coordination among Provincial Ministries**

Witnesses expressed support for increased coordination and sharing of information among ministries, particularly with respect to considering broader issues related to the environment and health.

This is not intended to be a comprehensive summary of testimony and committee deliberations to date. The committee process is continuing. The OPA and the IESO have proposed further review of the recommendations in this report which will provide an opportunity to reflect committee recommendations.

### **7.3 Research into Practices of Other Jurisdictions**

The OPA and the IESO conducted research on the processes used by other jurisdictions in North America and worldwide, as well as those used by other government entities in Ontario. Of particular interest were approaches that would enhance engagement. Examples of the related processes reviewed are described below.

Readers may also be interested in the more detailed jurisdictional comparison of planning processes included in the University of Toronto's Mowat Energy Centre report, "Getting the Green Light" (<http://www.mowatcentre.ca/research-topic-mowat.php?mowatResearchID=86>). The OPA and the IESO are funders of the Centre and our CEOs are on its steering committee.

#### **Siting Boards**

Many U.S. states, including New York, Vermont, California and Oregon, have established siting boards or commissions that are responsible for reviewing and permitting a specific electricity generation site and facility.

While each state's siting board mandate and composition is different, there are some commonalities. The siting board process seeks to streamline all the permitting and approvals processes. Decisions of a siting board can typically be appealed. The public consultation process associated with siting boards follows a structured, regulatory approach and can include funding of an intervenor's expenses.

Siting boards may include representatives from the municipality, local community, health department, as well as municipal staff from areas such as economic development, energy and law. Board members may serve for a specified period and be present at all hearings, or they may be appointed for a specific project hearing.



### Government Site Selection

Under this approach, the government or an agency evaluates alternatives, selects a specific site, and may conduct an environmental assessment (EA) either itself or through an independent consultant. It also may retain ownership of the site. Once the site is chosen, the government or agency oversees a separate procurement process for the building and operation of the facility. Government site selection is an example of a process focusing on which entity selects the site.

The siting of provincial transportation corridors by the Ontario Ministry of Transportation (MTO), is an example of government site selection. The MTO, through the EA process, evaluates alternatives and selects a recommended route, and once this is complete, finalizes the design of the facility, acquires the property and procures for the construction and maintenance of the road. It is notable that the Class EA process for provincial highways requires the evaluation of alternatives to the undertaking as well as alternative routing (or siting) options.

Another example of government site selection is the siting of electricity generation projects in Mexico. The Comision Federal de Electricidad (CFE) is a government-owned, vertically-integrated utility that places an international tender to build, own and operate combined-cycle gas generation projects at specific sites in Mexico. Independent, third-party power producers submit their bids in response to the proposal documents. The bid identifies two site options: the site identified and selected by the CFE and an alternative site which can be chosen by the independent power producer. For the sites selected by the CFE, the government provides the following:

- Title to the site, rights-of-way to transmission, water, roads, etc.;
- The commencement of the EA process and risk studies; and
- The municipal permits/licences required to use the land.

On winning the bid, the CFE will transfer title to the successful developer who then owns the land for the term of the contract (usually 25 years). The developer is then responsible for updating and completing the EA and permits as appropriate for their technology selection from the bid.

### Multi-Stage Competitive Procurement

Multi-stage competitive procurements are typically used for large, complex projects, breaking the procurement process into multiple stages, with each stage narrowing the total number of proponents being considered. This is the approach that is typically followed by Infrastructure Ontario. Multi-stage procurement is an example of how a procurement process may be structured and could have the following steps:

- The applicant submits a proposal that includes both the proposed site and a description of the infrastructure.
- An initial assessment of proposals does not include the proposed site, but focuses on factors such as cost, infrastructure type and size.
- A short list of proponents is selected to engage the communities on their proposed projects and sites.
- Selection of the winning proponent includes consideration of feedback received by the community on the different projects and sites.

### Individual EA for All Large Generation

Another example of a siting process is to require all large electricity generating stations to go through an individual EA. This would result in extensive public consultation, and require the proponent to address alternative solutions to meeting the regional electricity need.

This would be an approach that particularly focuses on site selection and permitting.

### Community Funds for Hosts

Several jurisdictions around the world (e.g., England and Denmark) either allow for, or require, local community recognition for their contribution to broader energy policies. Community funds for communities that host energy development have been used as a means to foster local support for wind, nuclear or thermal generating stations. Community funding for hosts is an example of a method of incenting and promoting communities.

Communities can be recognized through a number of benefits, such as:

- Funding for road enhancement projects or town beautification;
- Employment or apprenticeship programs;
- Development or recreational infrastructure; and
- Support for economic development programs.

Some jurisdictions also garner local support for large energy infrastructure by allowing, or requiring, local community investment. For example, Denmark's *Promotion of Renewable Energy Act* provides for a specific portion of equity ownership in each project to be reserved for those living near the facility or within the municipality where the facility is located.

### Other Large-Scale Energy Procurements

The OPA also looked at other jurisdictions to see how large-scale infrastructure was procured. In 2012, the US National Renewable Energy Laboratory produced a report on procurement options for new renewable electricity supply. Their findings indicated that Requests for Proposals (RFPs) are most effective at procuring least-cost utility-scale projects while also considering non-price factors. While they create some administration burden in issuing the RFP and evaluating the bids, they allow for tailoring of RFPs to suit local needs, compared to other options for procuring resources, such as using an auction-based approach which focuses only on cost measures. Their study found that competitive procurements are the most common way for load-serving entities to select renewable generation in the U.S.

In Canada, Nova Scotia recently procured 300 gigawatt-hours of large scale wind generation. They also chose an RFP approach, which was similar in style to Ontario's previous procurements. Their RFP provided weights for several non-cost criteria such as the status of the EA and community acceptance.



# Appendix A

# Background Information

August 1, 2013





**Ministry of Energy**

Office of the Minister

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MC-2013-1106

Mr. Colin Andersen  
Chief Executive Officer  
Ontario Power Authority  
1600–120 Adelaide Street West  
Toronto ON M5H 1T1

Mr. Bruce Campbell  
President and Chief Executive Officer  
Independent Electricity System Operator  
410–655 Bay Street  
Toronto ON M5G 2K4

Dear Mr. Andersen and Mr. Campbell:

Ontario's new government announced today that it intends to improve the way in which large energy projects are planned, sited, and built in Ontario.

To this end, I am writing to you to request that the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) work together to develop recommendations for a new integrated regional energy planning process that would focus on improving how large energy infrastructure projects are sited in Ontario.

The recommendations you develop should contain concrete proposals that:

- detail an approach to regional energy plans, including setting out procedures for development of such plans;
- feature transparent mechanisms for seeking input from municipalities, Aboriginal communities, and other stakeholders in the development of regional energy plans;
- include processes for ensuring that municipalities are engaged in the siting of large energy infrastructure projects; and
- reflect any recommendations with respect to siting large energy infrastructure projects made by the Standing Committee on Justice Policy.

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I encourage you to engage and involve any stakeholders necessary for ensuring that the recommendations you develop will achieve the objectives outlined above.

It is my expectation that the OPA and the IESO will provide a joint report back to me with recommendations by August 1, 2013. I also expect that this report back will contain details on how to implement regional energy plans, including: suggested consultations, required policy and regulatory changes, as well as implementation timelines.

Thank you.

Sincerely,



Bob Chiarelli  
Minister

c: James D. Hinds, Chair, OPA  
Tim O'Neill, Chair, IESO  
Serge Imbrogno, Deputy Minister of Energy  
Andrew Teliszewsky, Chief of Staff, Minister's Office

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# NEWS

Ministry of Energy

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## New Ontario Government Strengthens Energy Planning

*Communities Will Be Engaged in Regional Energy Plans*

May 6, 2013 3:20 p.m.

The new Ontario government is improving how the province plans and builds large energy infrastructure projects going forward.

To ensure that Ontario builds energy infrastructure in a process that respects communities, the government has asked two key agencies to develop a new regional energy planning process based on formal input from municipalities, communities and the energy sector.

Regional energy plans will rely on public consultations and municipal input to ensure that Ontario gets siting decisions right the first time - while recognizing that a strong electricity grid requires ongoing investments in clean, modern and reliable energy infrastructure.

The [Independent Electricity System Operator](#) and the [Ontario Power Authority](#) are expected to report back to the Minister of Energy with a joint implementation plan by August 1<sup>st</sup>, 2013. The plan will take into account recommendations on energy project siting made by the Legislative Assembly's Standing Committee on Justice Policy.

Through strong public consultation, regional energy plans will lead to better decision making - so that future electricity generation contracts place energy infrastructure in the right location from the beginning.

Engaging communities in the regional energy planning process is part of the new Ontario government's plan to build strong communities, powered by clean, reliable energy.

## QUOTES

" Since 2003, we've rebuilt a broken energy system into one of the most reliable, clean and technologically advanced grids in North America. Now it's time to improve how we plan, site, and build energy infrastructure in Ontario. By working with municipalities and the public to create regional energy plans, we'll make sure we get siting decisions right the first time."

- Bob Chiarelli  
Minister of Energy

" We applaud Premier Wynne and Minister Chiarelli for taking leadership on this issue and recognizing the importance of advancing generation projects while still balancing the needs of individual municipalities. We welcome the opportunity to work with the provincial government, and its agencies, to achieve balanced siting protocols that respect the needs of municipalities and consumers."

- Elise Herzig  
President and CEO, Ontario Energy Association

## QUICK FACTS

- Read the [Minister's letter to the OPA and the IESO](#).
- The government recently announced a six-month review of [Ontario's Long-Term Energy Plan](#), to determine the best energy supply mix for the province over the next 20 years. The review will be based on strong public consultations.
- Since 2003, Ontario has built or renewed over 7,500 km of transmission lines.
- Ontario has modernized or rebuilt over 11,500 MW of clean energy since 2003 - enough electricity to power over 2.8 million homes.

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**For media inquiries only call:** Beckie Codd-Downey,  
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[Disponible en Français](#)





## NEWS RELEASE

### Ontario municipalities and communities invited to help improve Ontario's energy planning and siting processes

*OPA and IESO call on public and over 1400 stakeholders to share their views*

**Toronto, ON, June 19, 2013** – The Ontario Power Authority (OPA) and Independent Electricity System Operator (IESO) invite Ontarians to join the conversation and share their views about Ontario's regional energy planning and siting processes.

On May 6, 2013, the Minister of Energy directed the OPA and IESO to work together to develop recommendations that will ensure municipalities and communities have a greater voice in meeting local energy needs and siting large energy infrastructure, such as natural gas plants. <http://news.ontario.ca/mei/en/2013/05/new-ontario-government-strengthens-energy-planning.html>.

Over the last decade, Ontario's power system has undergone a significant transformation. After a number of years of energy shortages, Ontarians today are benefitting from a robust supply of new, clean energy resources.

The OPA and IESO have invited over 1400 people to share their views, including Ontario chiefs, Métis leaders, mayors, planners, developers, consumer groups, chambers of commerce and boards of trade, business improvement associations, residential and ratepayer associations, and community groups.

“We are asking for input about how Ontario can improve its engagement process, integrate municipal and energy planning and site large electricity infrastructure,” explains Colin Andersen, CEO, Ontario Power Authority.

The two organizations will hold in-person engagement sessions across the province to gather insight and perspectives from the public. Online engagement tools will also be used to seek feedback from interested groups, including a series of webinars and a new consultation website. Input gathered from this engagement process will inform the recommendations presented to Energy Minister, Bob Chiarelli. The OPA and IESO have been asked to submit a joint report to the Minister on August 1, 2013.

“Strong public engagement in regional energy plans will lead to better decision-making so that future infrastructure is in place where and when it is needed,” added Bruce Campbell, President and CEO, Independent Electricity System Operator. “The feedback, research and current experience gathered in the public engagement process will be



essential to developing effective recommendations.”

The first webinar for the broader public takes place this week on Thursday, June 20 from

7 pm to 9 pm. To participate in the webinar by phone, please dial 1-866-212-9078. To connect on-line, please visit the following address any time during the webinar:

<http://event.on24.com/r.htm?e=644955&s=1&k=A7C7956A7C971AAB0AA870506E35FD14>

Ontarians are also invited to submit their views through a survey on the dedicated website: [www.ONregional-planning-and-siting-dialogue.ca](http://www.ONregional-planning-and-siting-dialogue.ca). Written submissions are welcome by July 15, 2013. The feedback received during the engagement process will be posted on this website for broader review.

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The Independent Electricity System Operator (IESO) manages the reliability of the provincial power grid and works at the heart of Ontario's power system, balancing supply and demand through the electricity market. For more information about the IESO visit [www.ieso.ca](http://www.ieso.ca).

The Ontario Power Authority (OPA) is responsible for ensuring a reliable, sustainable supply of electricity for Ontario. Its key areas of focus are coordinating province-wide conservation efforts, planning the electricity system for the long term, and contracting for clean electricity resources. For more information about the OPA visit [www.powerauthority.on.ca](http://www.powerauthority.on.ca).

#### **Media Contacts:**

Tim Butters, Ontario Power Authority: 416-969-6307 / Toll Free: 1-800-797-9604  
[media@powerauthority.on.ca](mailto:media@powerauthority.on.ca)

Martine Holmsen, Independent Electricity System Operator: 416-506-2837  
[media@ieso.ca](mailto:media@ieso.ca)

## Proposed Detailed Amendments to the Provincial Policy Statements and Related Regulations

The fundamental guiding principle that must be considered in making decisions about locating electrical facilities is that each household, community facility or business within a municipality requires electricity as part of its daily operational life. It must, therefore, be the responsibility of every municipality to provide some opportunity to generate and/or transmit electricity within their own boundaries to promote the sharing of both the benefits of this resource, as well as its impacts.

- The OPA and the IESO should be added to section 9 of *Ontario Regulation 543/06* under the *Planning Act*, along with Ontario Power Generation and Hydro One, as bodies to receive draft/proposed Official Plans and Official Plan Amendments.
- Notifications should be registered on the title of new lots, lots that abut, or lots that are in proximity to either existing, or potential, future electricity generation and/or transmission facilities. This should be a condition of approval of Subdivision/Condominium or Site Plans. These warning clauses could also be implemented even if the generation or transmission facility has not yet received approval through any formal *Planning Act* or *Environmental Assessment Act* process.

### Electricity Plans to be Integrated into Municipal Official Plans

There are a variety of policies within the Provincial Policy Statement (2005) that allude to the integration of land-use planning and planning for infrastructure, which, by definition, includes facilities for electricity generation and transmission. The following are some ideas about how to amend the existing Provincial Policy Statement (2005) to include additional specificity related to electricity planning:

#### Section 1.1.1:

**“Healthy, livable and safe communities are sustained by:”**

**Draft PPS:** “g) ensuring the necessary infrastructure is provided to support current and projected needs.”

**Proposed:** “g) ensuring the necessary infrastructure and public service facilities are or will be available to meet current and projected needs, where need is defined through a provincial plan or with respect to electricity infrastructure, an Electricity Plan.”

#### Section 1.2.1:

**“A coordinated, integrated and comprehensive approach should be used when dealing with planning matters within municipalities, or which cross lower, single and/or upper-tier municipal boundaries, including:”**

**Draft PPS:** “d) infrastructure, multi-modal transportation systems, public service facilities and waste management systems;”

**Proposed:** “d) sewage and water systems, septage systems, storm water management, waste management systems, electricity generation and transmission systems, communications/telecommunications systems, multi-modal transportation systems, oil and gas pipelines;”

**Section 1.3.1:****“Planning authorities shall promote economic development and competitiveness by:”**

**Draft PPS:** “d) ensuring the necessary infrastructure is provided to support current and projected needs.”

**Proposed:** “d) ensuring the necessary infrastructure is provided to support current and projected needs, where need is defined through a provincial plan or with respect to electricity infrastructure, an Electricity Plan.”

Similarly, Section 1.6.1 states:

**Draft PPS:** “Infrastructure and public service facilities shall be provided in a coordinated, efficient and cost effective manner that considers the impacts from climate change while accommodating projected needs.

Planning for infrastructure and public service facilities shall be integrated with land use planning so that they are financially viable over their life cycle and available to meet current and projected needs.”

**Proposed:** “Infrastructure, electrical generation and transmission facilities and public service facilities shall be provided in a coordinated, efficient and cost effective manner that considers the impacts from climate change while accommodating projected needs.

Planning for infrastructure, electrical generation and transmission facilities and public-service facilities shall be integrated with land-use planning so that they are financially viable over their life cycle and available to meet current and projected needs. Planning for growth and the need for infrastructure, electrical generation and transmission facilities and public service facilities shall be consistent with provincial plans and with respect to electricity infrastructure the applicable Electricity Plan.”

**Section 1.6.7**

**Draft PPS:** “Planning authorities shall plan for and protect corridors and rights-of-way for transportation transit and infrastructure facilities to meet current and projected needs.”

**Proposed:** “Planning authorities shall plan for and protect corridors and rights-of-way for transportation transit and infrastructure facilities, including electricity transmission and distribution systems, to meet current and projected needs.”

Similarly, a specific reference to “electricity transmission and distribution systems” should be inserted in DRAFT PPS 1.6.7.5.

It is suggested that Section 1.6.7 of the draft Provincial Policy Statement be amended with an additional policy, as follows:

“New or expanded electricity transmission and distribution systems shall be permitted in settlement areas, rural areas and prime agricultural areas in accordance with provincial and federal requirements. These systems shall be designed and constructed to avoid undue, adverse effects on adjacent sensitive land uses.”

**Section 1.6.10:**

**Draft PPS:** “Planning authorities should provide opportunities for the development of energy supply including electricity generation facilities, to accommodate current and projected needs, and promote renewable energy systems, where feasible.”

**Proposed:** “Planning authorities should provide opportunities for the development of energy supply, including electricity generation facilities, to accommodate current and projected needs, and promote renewable energy systems where feasible. These opportunities shall be integrated by planning authorities into local planning documents, consistent with provincial plans and/or with respect to electricity infrastructure, an Electricity Plan.”

It is also suggested that Section 1.6.10 of the Draft Provincial Policy Statement be amended with an additional policy, as follows:

**Proposed:** “New or expanded electricity generation systems shall be permitted in settlement areas, rural areas and prime agricultural areas in accordance with provincial and federal requirements. These systems shall be designed and constructed to avoid undue, adverse effects on adjacent sensitive land uses.”

#### **Include a definition for Electricity Plan:**

**Proposed:** “Electricity Plan – A Plan, including an Integrated Regional Resource Plan (Transmission System Code), a Regional Infrastructure Plan (Transmission System Code), an Integrated Power System Plan (Electricity Act, 1998), that identifies the need for electrical investments (e.g. conservation and demand management, generation, transmission facilities, and/or distribution facilities) on a province-wide or region-wide basis. An Electricity Plan may identify conceptually preferred locations for electricity infrastructure.”

#### **Section 4.10:**

**Draft PPS:** refers to the integration of planning process requirements under the *Planning Act* and the *Environmental Assessment Act*. It states that:

“In addition to land-use approvals under the *Planning Act*, infrastructure may also require approval under other legislation and regulations. An environmental assessment process may be applied to new infrastructure and modifications to existing infrastructure under applicable legislation. There may be circumstances where land-use approvals under the *Planning Act* may be integrated with approvals under other legislation; for example, integrating the planning processes and approvals under the *Environmental Assessment Act* and the *Planning Act*, provided the intent and requirements of both Acts are met.”

**Proposed:** “In addition to land use approvals under the *Planning Act*, infrastructure may also require approval under other legislation and regulations. An environmental assessment process may be applied to new infrastructure and modifications to existing infrastructure under applicable legislation. There may be circumstances where land use approvals under the *Planning Act* may be integrated with approvals under other legislation, for example, integrating the planning processes and approvals under the *Environmental Assessment Act* and the *Planning Act*, provided the intent and requirements of both Acts are met, including the requirement that the approval be consistent with the policies of the Provincial Policy Statement.”

#### **Ensuring that adverse effects are appropriately considered:**

Much of the public concern related to the siting and eventual development of new or expanded electrical generating and/or transmission facilities is related to a lack of required impact tests in any provincial or local approval process. The Draft Provincial Policy Statement does not include any tests, and in fact removes a test from Section 1.8.3 of the 2005 PPS that required electrical generation and/or transmission systems in rural areas and prime agricultural areas to be “designed and constructed to minimize impacts on agricultural operations”.

#### **Specify the Environmental Assessments must be consistent with the Provincial Policy Statement**

Section 4.10 of the Draft PPS identifies that infrastructure, including electrical generation and transmission facilities, may require approvals under other legislation and regulations, including the *Environmental Assessment Act*. To provide better consistency in approvals, it would be appropriate to link the EA process to the Provincial Policy Statement.