



Common Voice
Northwest

IESO
Northwest Regional Electricity
Forum

October 18, 2017

www.commonvoicenorthwest.com



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The View from Here:

**The Perspective of the
Energy Task Force**

Common Voice Northwest

- Born out of the forestry crisis
- N.W.O leadership came together
- Repair and enhance the economy
- Forging the Future

= Common Voice Northwest

The peoples of Northwestern Ontario, in order to make common cause and ensure a better future for our children in this land we call home, have come together in partnership to speak and act with one voice.”

Dr. Livio Di Matteo

Public Policy Research

- Municipal via NOMA
 - » Rainy River
 - » Kenora
 - » Thunder Bay
 - » City of Thunder Bay
- Business via Chambers of Commerce
 - » Large
 - » Small
- Labour
 - » Public
 - » Private
- Education
 - » College
 - » University
 - » School Boards
- Multicultural & Immigration
- Work Force Planning
- TWOMO
- Seats for PTO' s & Economic Development Org

Our Work To-date

- Tourism report led to creation of Tourism Northern Ontario
- Creation of the Northern Policy Institute
- Defined significant water crossings for National Energy Board
- First ever how to manual for training and adjustment boards
- Ongoing monitoring of Multi-modal transportation strategy
- Proposed inter-community bus service concept to MMTS

Our Work To-date

- **On Energy**
 - » Convinced OPA/IESO on needs of N.W.O.
 - » Intervened on:
 - IPSP 1 & 2
 - LTEP 1 & 2
 - Regulatory Framework for Regional Planning for Electricity Infrastructure
 - Defining and Measuring Performance of Transmitters and Distributors in Ontario
 - Proceeding to Designate a Transmitter for the East-West Tie Line
 - Renewed Regulatory Framework for Electricity

Our Work To-date

- **On Energy**
 - » Intervened on:
 - Policy Review of Micro-Embedded Generation Connection Issues
 - OPG Reliability Must Run Application – TBGS
 - Proposed Amendments to the OPA’s Licence based on the new regional planning process
 - Regional Planning and Cost Allocation Review
 - Alternative Approaches to Recover Costs of Expanding Natural Gas
 - Transmission Code Draft Review (current)



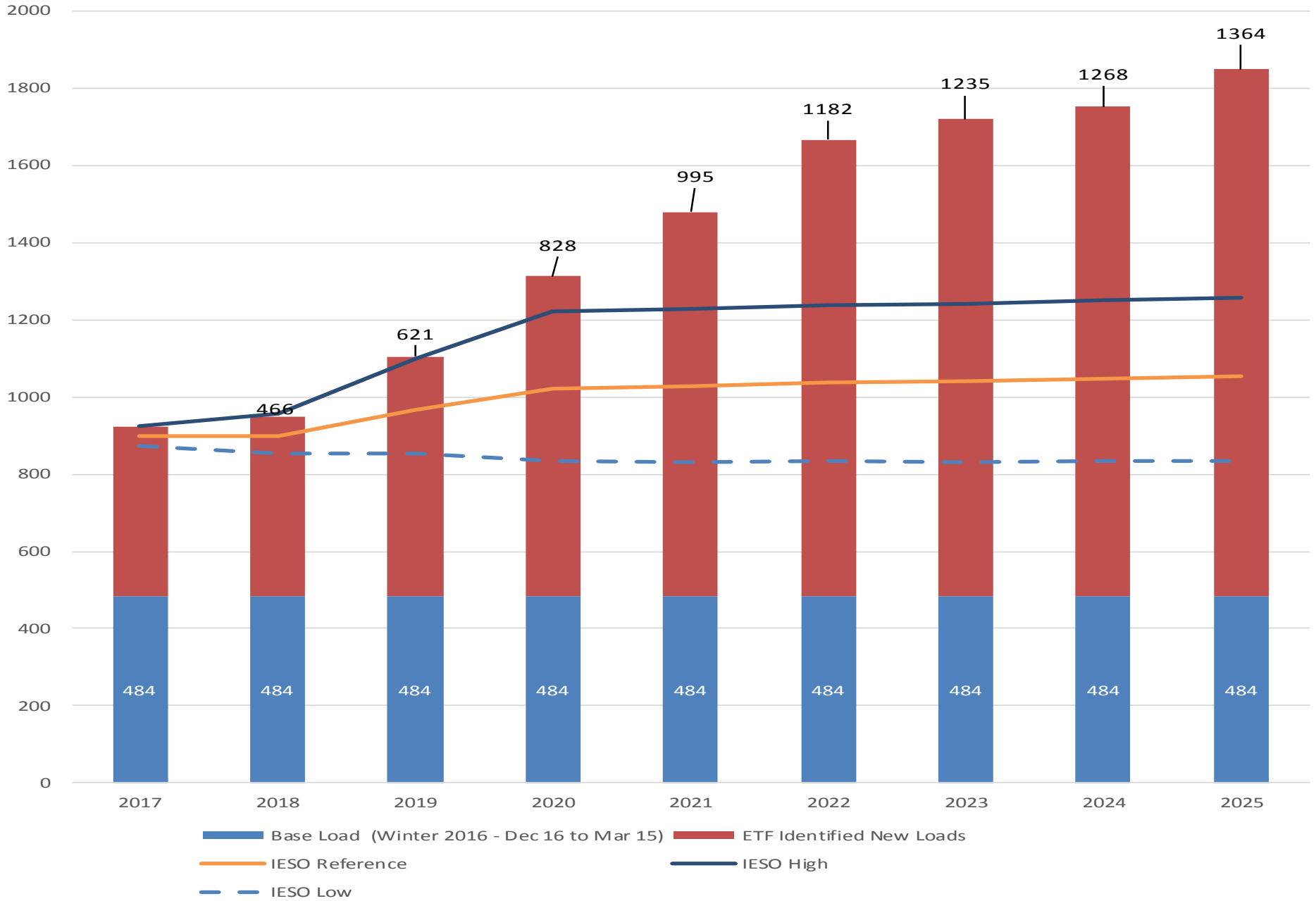
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**Projected
Electrical Loads
for
N.W.O.**

Electrical Loads

- Mining Company Filings
- Analysis by CEDC Project Manager, Mining Services – John Mason
- Economic Development Officers
- Info from IESO & other agencies
- Reviewed and analysed by CVNW Energy Task Force
- Shared widely, including with IESO

Load Projection Comparison IESO vs CVNW ETF



Key Elements

- Hydraulic – Drought conditions
- Thermal – Atikokan and Thunder Bay GS at maximum capacity
- Transmission
 - » Storm limited (Bulk) to 2020
 - » Phase I 2021
 - » Phase 2 2025
- No wind or solar
 - » Requires dispatchable source to replace

Load vs Supply Comparison

Drought and Storm Conditions

East-West Tie Not In Service



- AGS
- TBGS
- EW Tie Line (storm limited) summer to 2020 - Enhanced from 2021 onward
- NUGS
- Hydroelectric (Low Water)
- IESO Reference (2016)
- IESO High (2016)
- IESO Low (2016)



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Transmission Issues

IRRP North of Dryden

- “The IRRP proposes two initiatives to meet the near-term electricity needs north of Dryden:
 - » building a new 230 kV transmission line from the Dryden / Ignace area to Pickle Lake
 - » upgrading the existing transmission lines from Dryden to Ear Falls and from Ear Falls to Red Lake
- The estimated cost of these projects during the planning period is about \$124 million.

Together these projects increase the Pickle Lake subsystem's ability to meet demand from 24 MW to up to 160 MW, and more than double the Red Lake subsystem's ability to meet demand, taking it from 61 MW to 130 MW.”

Watay Power

Red Lake North

- Feds to contribute \$60.2 million
- 117-kilometre power line from Red Lake, Ont., to Pikangikum.
- Construction is expected to begin in the fall and is expected to finish in a year.
- Designated a priority project

ISSUE

- not enough power at Red Lake
- Line from Dryden to Pickle will not be in service in time to divert power back to Red Lake

Watay Power

Pickle Lake – South & North

- Leave to construct application to OEB
- Dispute over route
 - » Bush route
 - » Highway route
- AND
- Indigenous Territory
- Will take time

Red Lake– Ear Falls

- Upgrade was cancelled when Rubicon put their project on hold

Greenstone Transmission

- Greenstone Gold needs 46 MW of Power by 2019
- Working group established to find solution
- Working group terminated by Ministry without a solution
- Discussions being held by some parties

ISSUE

- Mine should not have to pay total cost
 - » Benefits to First Nation and Municipality
 - » Significant return to treasury

Transmission Code

- Amendment out for review by OEB
- NOACC Coalition intervening
- Principles of CVNW Energy Task Force (and NOMA & NOACC)

Transmission Code

- The position of CVNW ETF has always been that
 - » All changes should be paid for by the Transmission Company (ie Hydro One Networks)
 - » The above would apply to upgrading of existing lines or the creation of new lines.

Transmission Code

- However: we can't always get what we want so here is plan B:
- Where demand for an upgrade has been demonstrated for a number of years, or that the line has not met existing standards for a number of years
 - » 100% of the cost of replacing or upgrading to meet current load should be paid for by the Transmission Company.
- This will include those lines that have not, or do not currently, meet the acceptable standard for transmission lines serving a community, sub region or region.

Transmission Code

- Where the existing line requires upgrading or replacement to meet current standards but additional capacity is required, then the Transmission Code formula steps in.
- The formula should not be based on the distance of new wires to connect each customer but on % of total new load from each new customer.
- NOACC Coalition will be intervening
- Deadline extended to Nov 6

East West Tie

- Minister's letter re construction cost increase
 - » \$397 M to \$737 M (construction)
- Asked IESO to review to determine if need still exists
- Reps from ETF met with IESO Rep & NextBridge
- Letter drafted, circulated to key ETF members, CVNW & NOMA Boards & submitted (copies to Ministers etc)
- Endorsed by CVNW & NOMA
- To be distributed to all communities

East West Tie

- Reliability
- Cost effective supply
- Operational flexibility
- Reduction of congestion payments
- Remove a barrier to resource development
- **Equity Participation by First Nations**
- **Training Programs**
- **Environmental Impacts**

East West Tie

“The cost of this line has risen significantly, and so I asked them [IESO] to take another look at it.

We need to consider where our needs are going to be in seven to ten years, and that’s hard to estimate.

[That line] is going to have an impact on the electrical system, especially considering that we want a system that looks more east-west [than the current north-south].”

Minister Thibeault, Atikokan Progress, September 25,
2017



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Generation

Generating Stations

- Met with Minister of Energy
- He stressed the need and support for both GS to operate at full capacity in order to meet the needs of the Northwest
- Told he needed to:
 - » A) issue a directive to the IESO to require both plants to run at full capacity
 - » B) in turn IESO would license OPG to provide the required power for a minimum of 10 years
 - » C) OPG would then put out a call for suppliers of advanced biomass resulting in the creation of between 5 to 7 pellet manufacturing facilities in the Northwest

“Atikokan and Thunder Bay Generating Stations will play a different role, but a key role going forward”

Minister Thibeault, Atikokan Progress, September 25, 2017

Biomass Generation

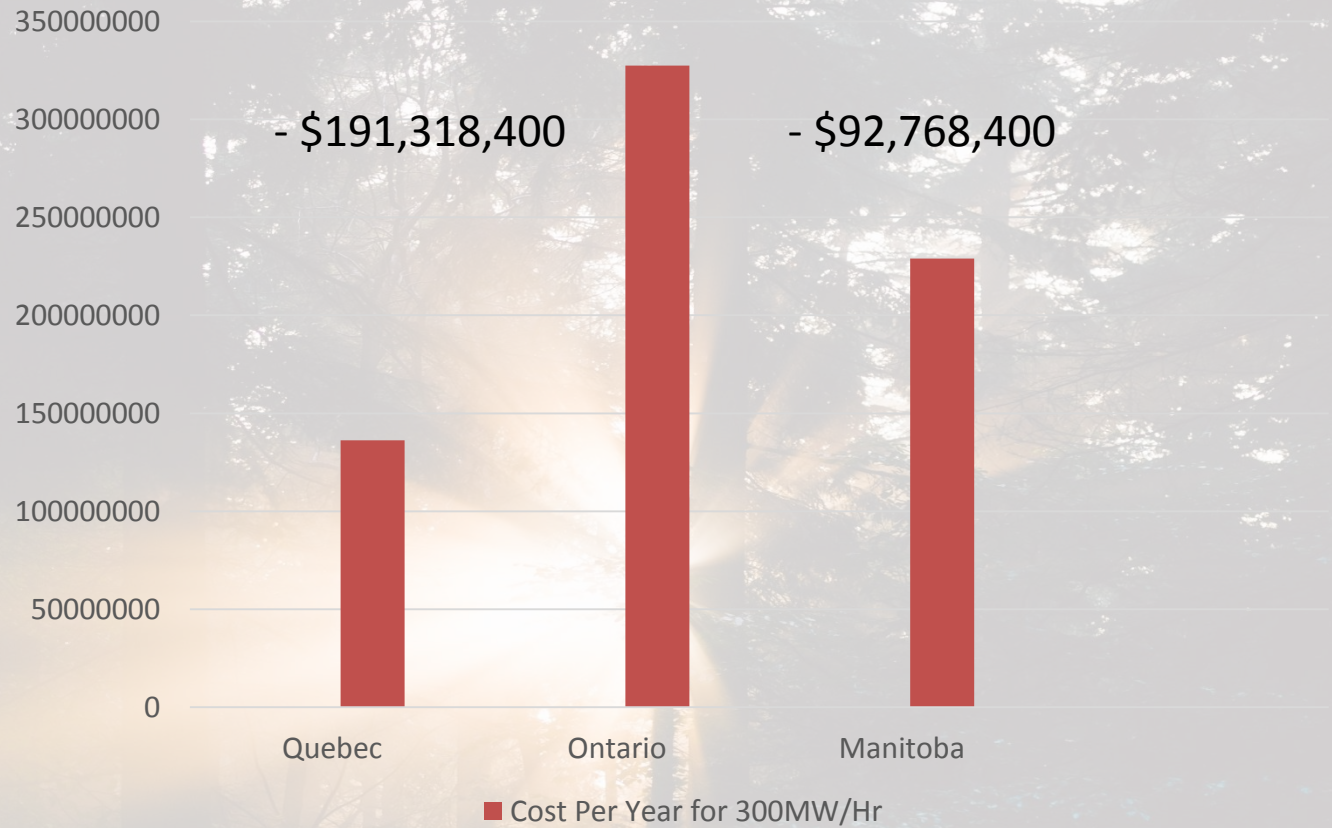
- Up to 500 MW of new supply needed
- Need to examine options for individual communities for Combined Heat and Power plants using forest resource
- Combined with district heating
- Option for communities
 - » without natural gas
 - » Remote and on diesel



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Cost of Electricity

Where Would You Invest in a Chromite Processor?





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Long Term Energy Plan

Long Term Energy Plan

- 20 year framework
- To be released soon
- Energy Task Force will monitor and respond to matters of relevance to Northwestern Ontario
- Must work for N.W.O.



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Questions & Comments

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