



TO: Markham Council

FROM: Graham Seaman, Senior Manager, Sustainability

DATE: July 4, 2013

SUBJECT: Ontario Power Authority – Stakeholder Engagement:
Regional Planning and Siting in Ontario

Purpose:

The purpose of this memo is to apprise Markham Council of the Ontario Power Authority's (OPA) and Independent Electrical System Operator (IESO) stakeholder engagement process for regional energy planning and electrical infrastructure siting being conducted this summer.

Background:

Based on direction from the Minister of Energy (Appendix 1), the OPA and IESO are collaborating to engage local stakeholders (municipalities, community and aboriginal groups) to understand how they would like to participate in regional energy planning and electrical infrastructure siting in their communities. The Minister requested the OPA and IESO to report back by August 1, 2013, therefore the stakeholder engagement process closes on July 15, 2013.

Options/Discussion

The attached presentation entitled "Stakeholder Engagement: Regional Planning and Siting in Ontario, An Introduction" (Appendix 2) was received by the Senior Manager of Sustainability at the Association of Municipalities of Ontario Energy Task Force meeting on June 24, 2013.

The attached discussion guide (Appendix 3) offers a more narrative discussion than the presentation.

Both documents outline the purpose of this process, current parallel consultations on the Long Term Energy Plan, who currently is engaged in energy planning, why and how it is important to Ontario, the regional energy planning process and possible approaches to local engagement. They also discuss the current electricity infrastructure siting process and possible approaches for local engagement. The presentation goes on to encourage dialogue by attending a variety of stakeholder meetings.

Finally the invitation to participate (Appendix 4) is attached for your reference, it lists the various meeting dates and the web page through which input can also be given (www.onregional-planning-and-siting-dialogue.ca). The closest meeting to Markham is on July 9, 2013 from 12 to 4pm at 559 Bloor St. W in Oshawa.

App # 1

Ministry of Energy
Office of the Minister
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Toronto ON M7A 2E1
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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.

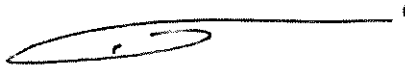
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I encourage you to engage and involve any stakeholders necessary for ensuring that the recommendations you develop will achieve the objectives outlined above.

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

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 1st, 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.

For media inquiries only call: Beckie Codd-Downey, Minister's Office
beckie.codd-downey@ontario.ca
416-327-6747
For public inquiries call: 1-888-668-4636
TTY: 1-800-239-4224

Available Online
Disponible en Français

*Kristin Jenkins OPA
VP Comm
Main Contact
Bronwin.*

App #2
24/06/2013

Stakeholder Engagement: Regional Planning and Siting in Ontario An Introduction



Purpose of consulting municipalities

- Seek your views on how to improve public engagement in the processes for planning and siting large energy infrastructure in Ontario
- This process is launched at the request of the Minister of Energy in a letter dated May 6
- Discussion is focused on two topics:
 - transparent mechanisms for seeking input from municipalities, Aboriginal communities and other stakeholders in the development of regional energy plans; and
 - processes for ensuring that municipalities are engaged in the siting of large energy infrastructure projects



Consultation cont'd

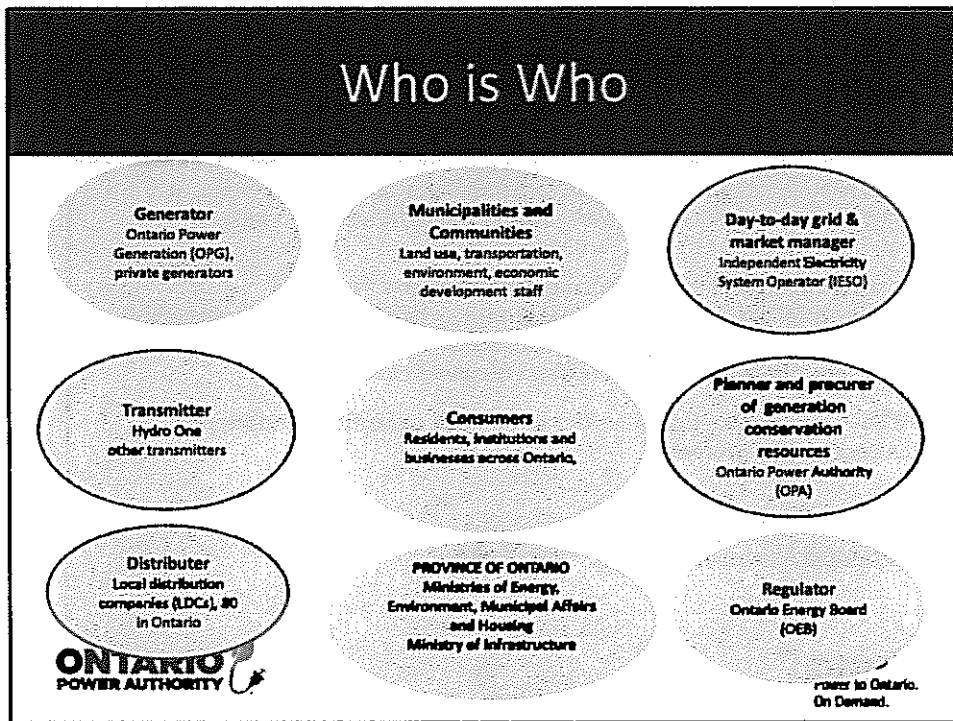
- We believe that there is high value in having municipalities and aboriginal communities more directly involved in electricity planning:
 - Identify ways to integrate local planning and electricity planning, including conservation, generation and wires solutions
 - Integration with municipal land-use, transportation, water, etc planning
- Siting of electricity infrastructure evolves out of the planning process:
 - Planning process identifies the need and location for conservation, transmission, and generation
- We need your input and expertise to make recommendations on increasing municipal and aboriginal involvement in planning and siting



Parallel Consultations

- This engagement is parallel to the broader work being done to reach out to all Ontarians on the future direction of the province's power system, including consultations on
 - Review of the Long Term Energy Plan (LTEP) led by the Ministry of Energy see <http://www.energy.gov.on.ca/en/ltep/>
 - Increasing municipal tools around renewable power led by Ministry of Energy
 - New procurement process for large renewable projects led by the OPA
 - Next generation conservation framework led by the Ministry of Energy





Why this matters

- A strong electricity grid requires ongoing investments in clean, modern, and reliable infrastructure
 - location of the infrastructure has an impact on reliability and cost
- An integrated approach to electricity planning & infrastructure siting in communities can deliver greenhouse gas (GHG) reductions, build a sustainable energy future and create a strong economy
 - A well planned electricity system can contribute to vibrant, green and healthy communities
 - The province, municipalities and Aboriginal communities all have an interest in, and responsibility for, our electricity system
- Strong public engagement in regional electricity plans will lead to better process and outcomes

ONTARIO POWER AUTHORITY

ieso
Power to Ontario. On Demand.

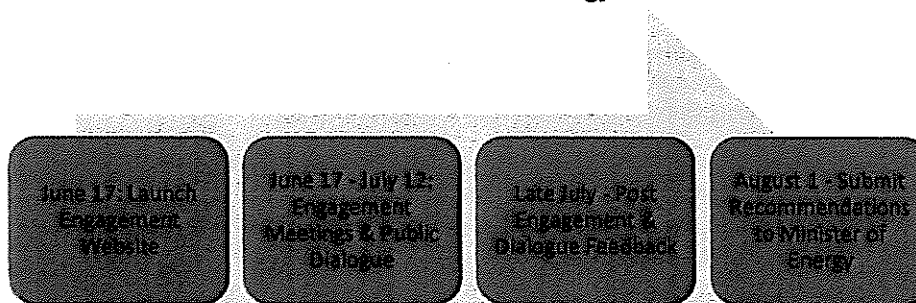
Who we are speaking with

- Effective engagement of the public, municipalities, Aboriginal groups, and electricity sector stakeholders will improve the outcome of the process
- We are speaking with the public, municipalities, Association of Municipalities of Ontario, Aboriginal groups, urban planners, infrastructure developers, Ministries and other organizations and stakeholders to ensure that we get a breadth of insight, experience and knowledge
- We have retained the Canadian Urban Institute to facilitate and support this engagement process
- Online feedback at:
www.onregional-planning-and-siting-dialogue.ca



What we will do with your input

We will use what we hear in this process to develop recommendations for the Minister of Energy.



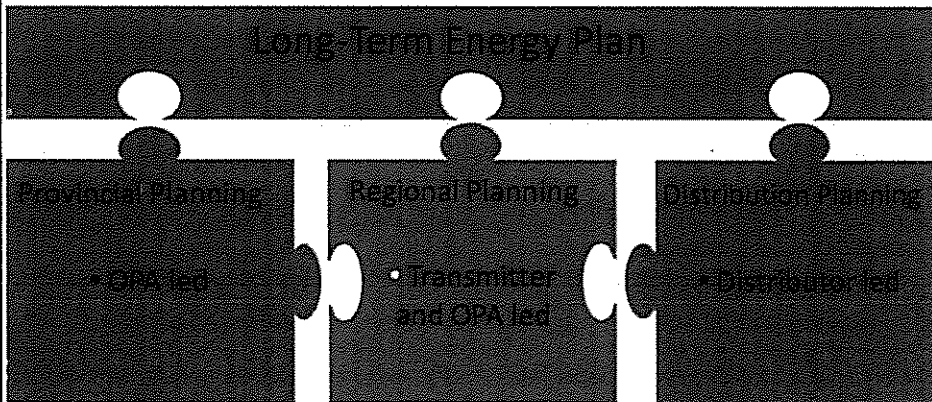
Integrating Electricity & Municipal Planning

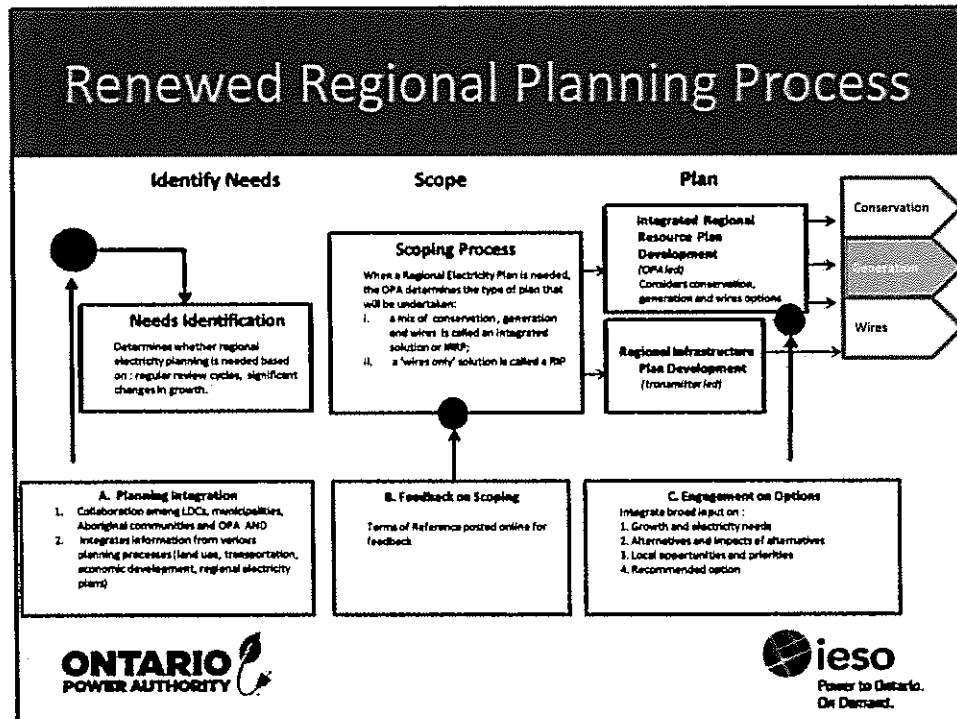
- An integrated approach to land use, energy, transportation, and water planning can:
 - Create understanding of community needs and the value of various electricity sector resources;
 - Build a sustainable energy future and reduce environmental impact; and
 - Create a strong economy
- Municipalities have direct influence over infrastructure
 - Through zoning by-laws and reserving corridors for transmission and distribution lines
 - As a project developer and/or enabler
- Many communities have already begun to consider energy by
 - Developing energy and/or sustainability plans,
 - Incorporating energy targets in Official Plans,
 - Undertaking energy efficiency retrofits.



Provincial Electricity Planning Overview

Long-Term Energy Plan





Possible Additional Approaches to Engagement in the Regional Planning Process (not mutually exclusive)

- **Advisory Committee – an approach for collaboration**
 - create an advisory committee to the planning process that includes municipal and Aboriginal community representatives to provide input on local priorities, identify local opportunities and share information
- **Municipal Councils – an approach for accountability**
 - planning working group provides regular updates to and seeks feedback on local priorities and opportunities from municipal councils, staff and Aboriginal communities
- **Integration of Municipal Planning into Electricity Planning – an approach for integration**
 - LDCs and electricity agencies demonstrate that municipal planning documents have been considered in the regional electricity plans
- **Integration of Electricity in Municipal Planning - an approach for integration**
 - municipalities and aboriginal communities include energy considerations, including outputs of the regional electricity plans, in their planning processes

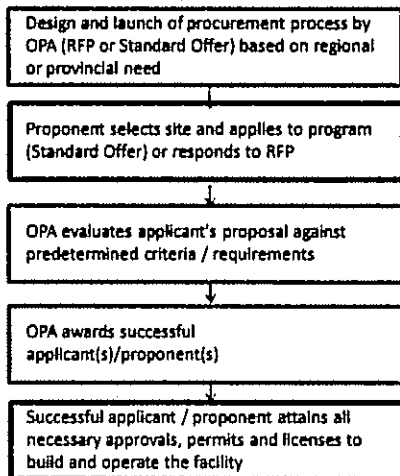
Siting

- The need for electricity infrastructure is identified through the planning process:
 - Type of infrastructure, e.g. conservation, generation, distribution or transmission
 - Geographic area or connection points
- Specific sites for generation facilities developed over last 10 years have generally been selected by the power plant developers before or during the procurement process
- We have an opportunity to review and evolve the process based on input from municipalities, Aboriginal communities and the public.

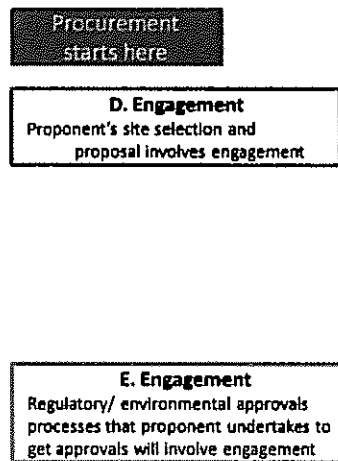


Existing Siting Process

Siting Process



Engagement Process



Possible Approaches to Siting (not mutually exclusive)

- **Siting Boards – an approach to who makes the decision**
 - a siting board is a regulatory process to review infrastructure sites which can include representatives from the municipality, community and other stakeholders on the board and intervenors in the process.
- **Government site selection – an approach to who selects the site and how**
 - a government or agency evaluates alternatives, selects a specific site, and might conduct the EA, then procures for building & operation of the facility on this site
- **Multi-Stage Competitive Procurement – an approach to how the procurement is structured**
 - the procurement is broken down into multiple stages, each stage reduces the number of proponents; only those on the short list would engage communities on site options
- **Individual EA for all large generation – an approach to site selection and permitting**
 - Require all large generation to go through an individual Environmental Assessment which addresses alternative solutions to meet the need.
- **Community Funds for Hosts – an approach to incenting and supporting communities**
 - communities that contribute to broader energy policies by hosting large energy infrastructure projects receive benefits for local enhancement, recreation projects, economic development programs etc.



Join the Conversation

- **Regional engagement meetings are being held in**
 - Windsor
 - Niagara
 - GTA
 - Guelph
 - Thunder Bay
 - Sudbury
 - Ottawa
- **Engagement webinar 7 pm July 11**
- **On-line survey <http://www.onregional-planning-and-siting-dialogue.ca/>**



Thank You



App A3

DISCUSSION GUIDE

Regional Energy Planning and Siting in Ontario June/July 2013

Consultation Schedule

SUDBURY
June 24, 2013

NIAGARA
June 25, 2013

OTTAWA
June 26, 2013

**GTA
North & West**
June 27, 2013

GUELPH
June 27, 2013

WINDSOR
July 8, 2013

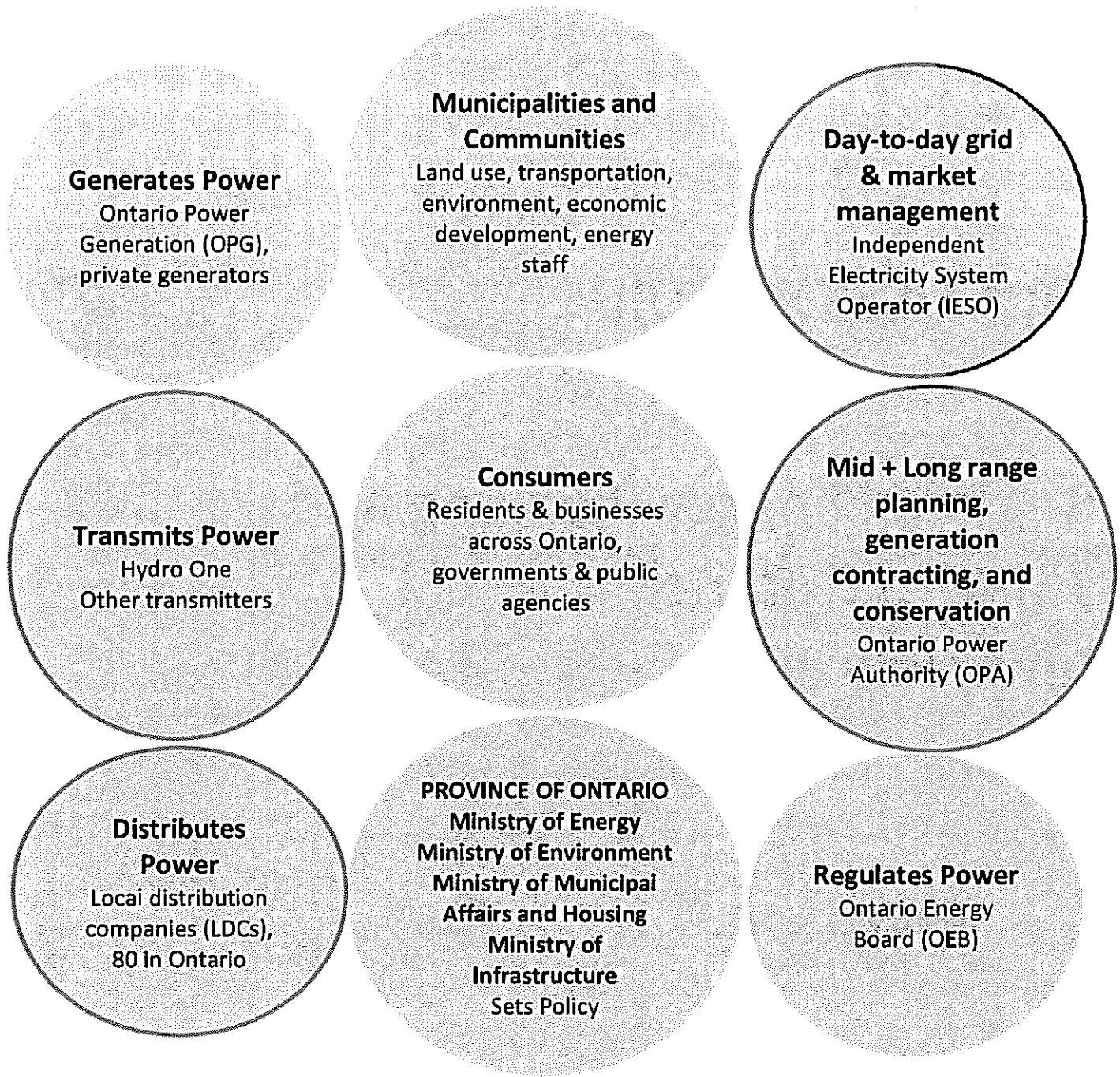
OAKVILLE
July 9, 2013

GTA EAST
July 9, 2013

THUNDER BAY
July 10, 2013



Key Players in the Electricity Sector



Orange highlighted players participate in **Regional Planning Working Groups**

A Discussion about Energy Planning and Infrastructure Siting in Ontario

When our communities grow and change, so do their electricity needs. There are a number of different standards that guide the provision of electricity in Ontario – for example, safety and reliability standards are designed to ensure Ontarians receive the quality of electricity service they need to support their daily lives, and to support economic development across the province.

When there is a gap between electricity needs and electricity supply, there are many ways to fill that gap – electricity conservation, local electricity generation, and increasing the amount of electricity transmitted from other areas are all options to consider. Municipalities can also consider adjusting their growth to avoid additional infrastructure. Decisions about electricity ultimately link back to local energy use and local planning processes – which is why it is so important that updates to our regional electricity planning and large energy infrastructure siting efforts be informed and shaped by the insights, experience, and priorities of municipalities, Aboriginal communities the public and other key stakeholders.

The Ontario Minister of Energy has asked the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) to recommend a new integrated regional energy planning process that would focus on improving the way large energy projects, such as natural gas power plants, are sited in Ontario. Recommendations are due August 1, 2013.

OPA and IESO are leading the design and delivery of a province-wide engagement process in June/July 2013 to share information and seek feedback in two key areas:

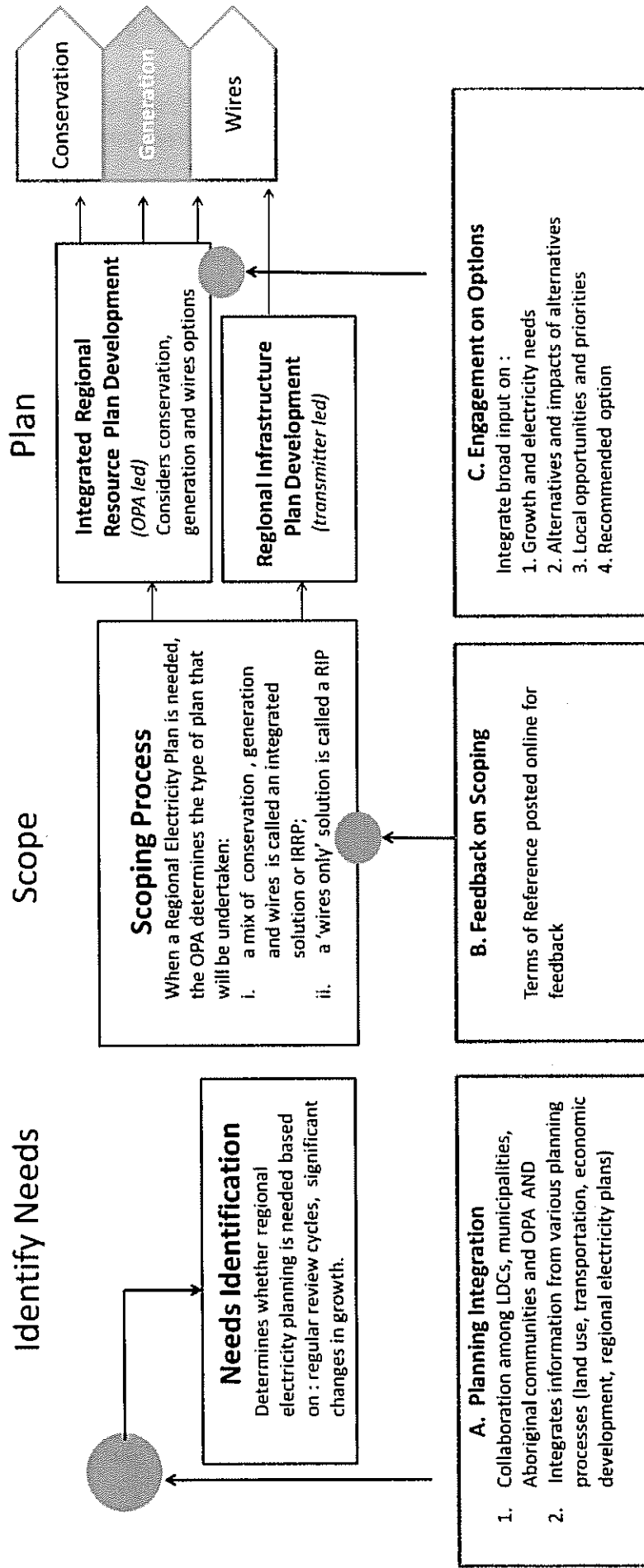
- I. **REGIONAL ELECTRICITY PLANNING (Identifying electricity needs and developing plans to address them)** – What are your thoughts on transparent mechanisms for seeking input from municipalities, Aboriginal communities and other stakeholders in the development of regional energy plans?
- II. **SITING OF LARGE ENERGY INFRASTRUCTURE (Moving from an electricity plan to implementation)** – What are your thoughts on the current siting process and what ideas do you have on how to improve it (including thoughts on ensuring a greater role for municipalities)?

This Discussion Guide provides an overview of the consultation process, including the topics covered and the feedback being sought. More detail will be shared online and in person at public meetings across the province. Please provide any additional comments online at www.onregional-planning-and-siting-dialogue.ca by Monday, July 15, 2013. A summary of the consultation results will be available and posted online by August 1, 2013.

Timeline



Regional Electricity Planning Process



The Regional Electricity Planning Process

The OPA and IESO are seeking input on how to develop transparent mechanisms for engaging stakeholders in the development of regional electricity plans.

- Since 2005 the OPA has been carrying out integrated regional plans looking at conservation, generation, transmission and distribution to address regional electricity needs in cooperation with IESO, electricity transmitters and local distributors.
- To date, this process has been carried out on an as-needed basis.
- The Ontario Energy Board recently endorsed a more structured regional electricity planning process.

Our task is to give advice on how to more formally integrate municipalities, Aboriginal communities and the public into the regional electricity planning process. A, B and C in the graphic on the previous page indicate where engagement occurs.

Possible approaches to enhance engagement in the regional electricity planning process and to improve integration of municipal planning and regional electricity planning

(not mutually exclusive)

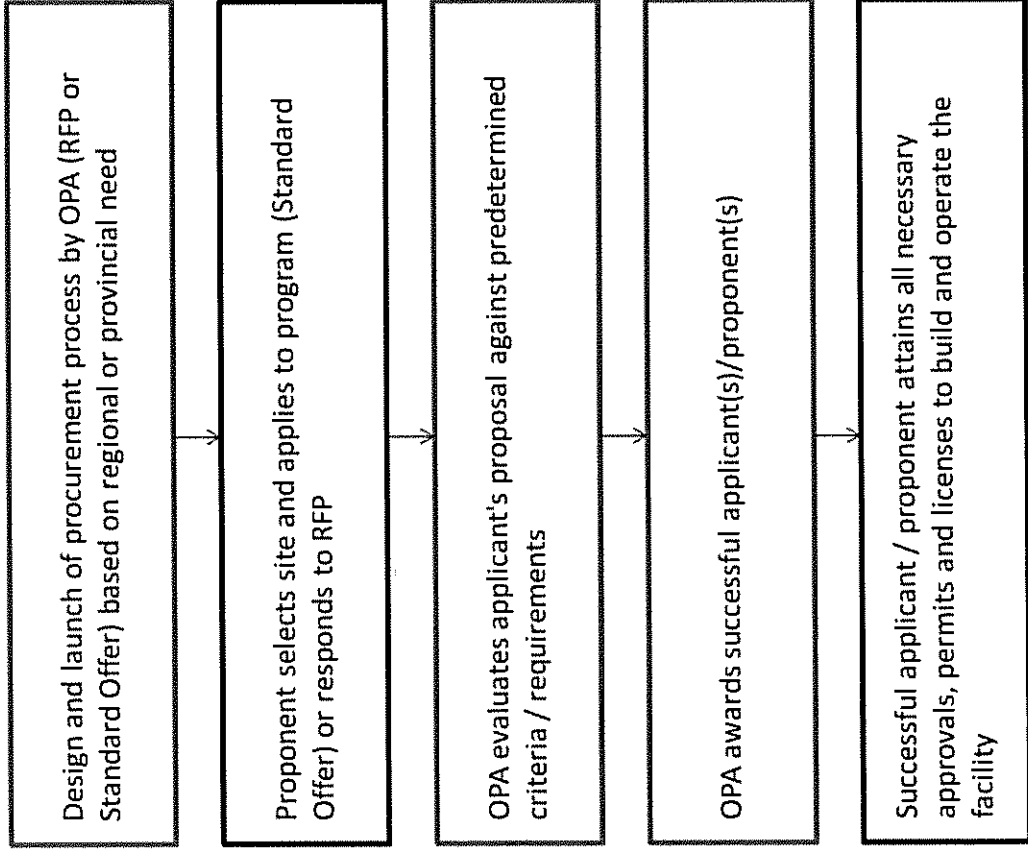
1. *Advisory Committee* – create an advisory committee to the regional electricity planning process that includes municipal and Aboriginal community representatives to provide direction on local priorities, to identify local opportunities and to ensure that the community is informed
2. *Municipal Councils* – require the regional electricity planning working group to provide regular updates to and seek feedback on local priorities and opportunities from municipal councils, staff and Aboriginal communities representatives
3. *Integration of Municipal Planning into Electricity Planning* – LDCs and electricity agencies to demonstrate that municipal planning documents have been considered in the regional electricity plans and are in alignment
4. *Integration of Electricity in Municipal Planning* – municipalities and Aboriginal communities to include energy considerations, including outputs of the regional electricity plans, in their planning processes

Questions to Guide Discussion

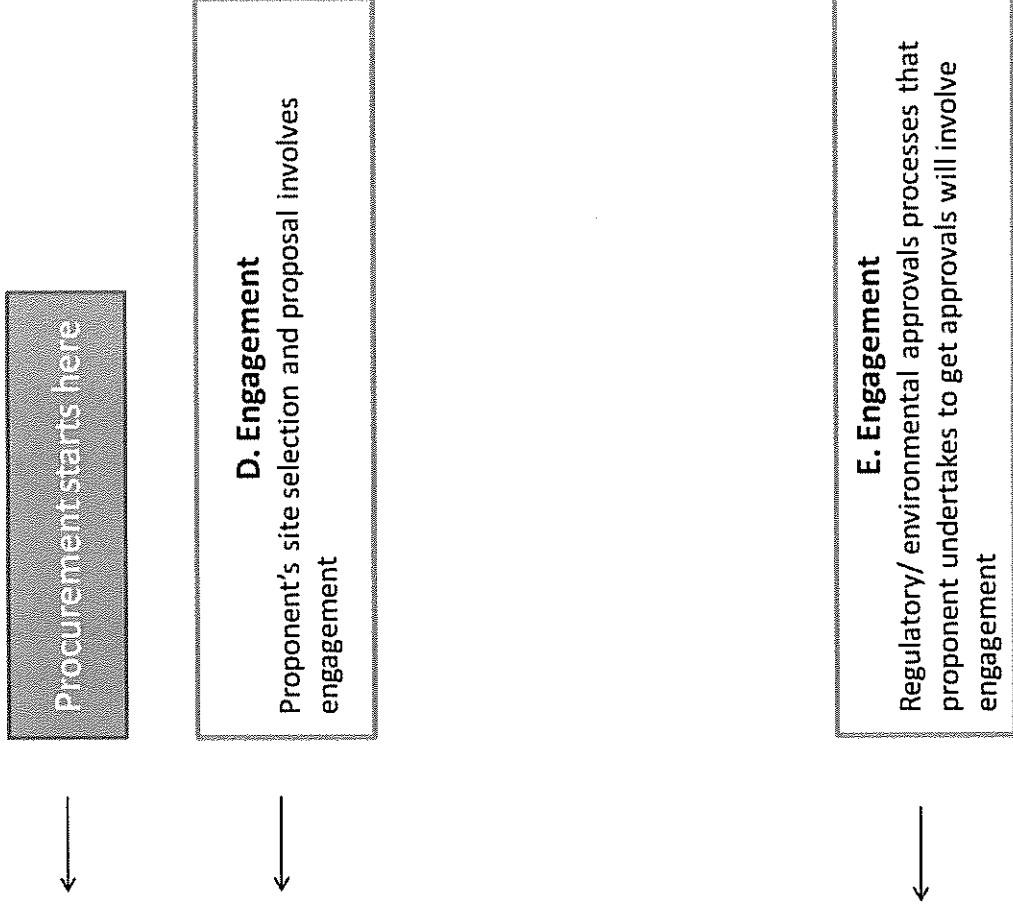
1. Who needs to be engaged in regional electricity planning to represent municipal, Aboriginal, and community interests?
2. What is needed to ensure that municipal and community information is integrated at each stage of regional electricity planning?
3. If a community prefers a certain option should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

Siting Process

Siting Process



Engagement Process



Siting of Large Energy Infrastructure – allocating responsibilities and costs

The OPA and IESO are seeking input for processes to ensure that municipalities are engaged in the siting of large energy infrastructure projects.

In the current siting process, proponents who develop large energy infrastructure projects are responsible for identifying potential sites and collecting community feedback about siting prior to project approval. In some cases, accommodating local priorities can increase the cost of a generation project. The OPA and IESO are considering different ideas for siting projects that would consider local priorities and allocate costs.

Our task is to give advice on how to better engage municipalities and communities in siting large energy infrastructure.

Possible Approaches to Siting Large Energy Infrastructure (*not mutually exclusive*)

- *Siting Boards* – an alternate approach to who makes the decision – a siting board can include representatives from the municipality, community and other stakeholders; reviews specific generation sites; may provide intervenor funding; and contains an appeals process
- *Government site selection* – alternative approach to who selects the site - a government agency evaluates alternatives, selects a specific site, and might conduct the EA, then procures for building & operation of the facility on this site; may retain ownership of site, similar to process used for provincial transportation corridors
- *Multi-Stage Competitive Procurement* – alternative approach to how the process is structured, the process is broken down into multiple stages, each stage reduces the number of proponents; only those on the short list would engage communities on site options
- *Individual EA for all large generation* – an approach to site selection and permitting; require all large generation to go through an individual Environmental Assessment which addresses alternative solutions to meet the need.
- *Community Funds for Hosts* – an approach to incenting and supporting communities - communities that contribute to broader energy policies by hosting large energy infrastructure projects receive benefits for local enhancement, recreation projects, economic development programs etc.

Questions to Guide Discussion

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

Information resources and feedback at

www.onregional-planning-and-siting-dialogue.ca

REGIONAL ENERGY PLANNING AND SITING IN ONTARIO

Please Join the Conversation

Working to more effectively integrate public input into regional energy plans and large energy infrastructure siting decisions.

The Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) invite you to share your views about energy planning and infrastructure siting in Ontario.

The Ontario Minister of Energy has asked the OPA and the IESO to recommend a new integrated regional energy planning process that would focus on improving the way large energy projects, such as natural gas power plants, are sited in Ontario. Recommendations are due August 1, 2013. A copy of the Minister's letter, along with the government's accompanying announcement is attached for your reference.

Please join us for a conversation about:

- Ontario's current energy planning and engagement processes
- How other jurisdictions plan for and site infrastructure projects
- How Ontario can improve its engagement processes
- How and when Aboriginal communities, municipalities and communities at large should be engaged
- How to more closely align municipal and energy planning processes

Representatives from the OPA and the IESO will be meeting face-to-face with First Nation and Métis, municipal, community and energy stakeholders in the next few weeks, in eight regions across the province. Times and locations are listed below. Please indicate which event you would like to attend and RSVP to ONenergyplanningRSVP@powerauthority.on.ca by 5pm, June 21, 2013.

We will also be holding an information webinar on **Wednesday, June 19, 2013** from 1:30pm to 3:30pm. We will provide an overview of the material we will be discussing in more detail at the face-to-face meetings.

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=644912&s=1&k=75208400F33F71D65DA8650610F3DAA3>

A second follow-up webinar will be held to provide you with an additional opportunity to provide feedback, on **Thursday, July 11, 2013**, from 1:30pm to 3:30 pm.

To participate 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=645007&s=1&k=D1277B7BBF0D2AC0325FDBA0382F4C5B>

On June 17, 2013 we will also be launching a dedicated web-site. The general public will be invited to join the conversation by visiting www.ONregional-planning-and-siting-dialogue.ca where they can learn more about the engagement and provide their input.

We welcome submissions from those interested in providing written feedback by July 15, 2013. Please visit the website to submit your comments.

Thank you for your interest in Ontario's regional energy planning activities.



Colin Andersen
CEO
Ontario Power Authority



Bruce Campbell
President and CEO
Independent Electricity System Operator

Attachments

(Minister's May 6, 2013 Letter and Announcement, Event Schedule)

Regional Energy Planning In-Person Consultations

June 24, 2013 12:00 – 4:00 pm	Sudbury	Howard Johnson Sudbury Conference Lounge Ballroom 50 Brady Street, Sudbury, Ontario P3E 1C8
June 25, 2013 12:00 – 4:00 pm	Niagara	Marriot Gateway on the Falls Oakes North Ballroom 6755 Fallsview Blvd. Niagara Falls, Ontario L2G 3W7
June 26, 2013 8:00 am – 12:00 pm	Ottawa	Ottawa Conference and Event Centre Room 106 EFG 200 Coventry Road, Ottawa, Ontario, K1K 4S3
June 27, 2013 12:00 – 4:00 pm	GTA Northwest	Holiday Inn Toronto Airport East Centennial Ballroom 600 Dixon Road, Toronto, Ontario, M9W 1J1
June 27, 2013 12:00 – 4:00 pm	Guelph	Cutten Fields Cutten Hall 190 College Avenue East, Guelph, Ontario N1H 6L3
July 8, 2013 12:00 – 4:00 pm	Windsor	Windsor Ambassador Holiday Inn Ambassador Ballroom 1855 Huron Church Road, Windsor, Ontario, N9C 2L6
July 9, 2013 12:00 – 4:00 pm	GTA East	Octaviens Banquet Hall West Hall 559 Bloor Street W, Oshawa, Ontario, L1H 5Y6
July 10, 2013 12:00 – 4:00 pm	Thunder Bay	Best Western Thunder Bay Kaministiquia Room 2080 Highway 62, Thunder Bay, Ontario, P7J 1B8