

FRONT PORCH PERSPECTIVE: Energy

Large Energy Infrastructure Projects: Pt. 1

By Stephen Somerville

There has been a series of public consultations that have been taking place across Ontario this summer that have really gone under the radar.

The Minister of Energy tasked the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) back in mid-June with leading public consultations into the siting of large energy infrastructure projects in Ontario.

The OPA and the IESO are to make recommendations to the Minister by August 1.

You may recall that the Liberals have been taking it on the chin over the \$585 million in payouts associated with the two gas plant contracts that were terminated. The Liberals also lost some seats in rural Ontario during the 2011 election because - in part - issues with siting of wind projects.

The Liberals are determined to get out ahead of this issue before the next election. Although there is a surplus of power at the moment, this province will need additional power at some point in the future, so it is a good idea to undertake the consultations. I attended two of the sessions held in Guelph a few weeks back. The first session was for industry stakeholders and the evening session was for the public. Neither of the two sessions was that well attended, but some very good discussion and debate was generated.

There were two central topics and four associated questions for each topic that were used to guide the discussion.

The first hour dealt with the Regional Electricity Planning Process and some of the questions included 'Who needs to be engaged in regional energy planning to represent municipal, Aboriginal, and community interests?' Another very important question was 'If a community prefers a certain option should that preference be paid for by the community or all Ontarians?'

The main feedback from the room was that the OPA and the Ministry of Energy needed to do a much better job in engaging and educating the public about the need, costs and benefits associated with the various energy options.

It was also felt that it was important to have the municipalities involved.

As one delegate said, 'Lack of municipal involvement at the beginning of the process usually leads to a lot of political involvement at the end of the process?.'

The group also thought that if a community takes on the burden of generation to meet a system-wide need and not to meet a local reliability need, then that community should receive some type of benefit like reduced energy bills for residents or the community should be provided with a community vibrancy/benefits fund.

The other central topic was the actual siting of large energy infrastructure and allocating responsibilities and costs.

Some of the discussion guide questions included 'What works well with the existing siting process? What doesn't work well?' And, '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 the project, then how should that communities' needs be met?'

My own comments to the room were mostly restricted to the first two questions.

I said that the existing two stage Request for Qualification/Request for Proposal system that incorporates a weighted scoring mechanism that has been utilized in previous gas fired generation solicitations could work well if modifications are made to this procurement process.

Each generation solicitation presents a unique situation (local reliability or system wide need) and therefore may require some project specific rated criteria.

Rated criteria will drive power project developers' behavior. I asserted that a re-balancing of the existing evaluating scoring criteria to reflect project maturity, increased community engagement and municipal outreach/approval need to be the focal point of any generation procurement evaluation criteria going forward.

Greater points should be awarded for Aboriginal engagement, completion of an Environmental Assessment and issuance of the Environmental Statement of Completion, compliance/approval to the Official Plan/local Zoning, obtaining local site plan approval as well as for meaningful community outreach, as opposed to just the lowest cost of the project.

Points should be allocated from highest to lowest based on the degree to which the energy project developer has obtained/achieved various milestones associated with the above criteria.

Instituting the above changes may assist in lessening local opposition to large energy infrastructure projects as power project developers will need to undertake much more and much earlier consultation/engagement in a community. While the OPA/IESO

consultation process itself was interesting and very worthwhile, in the end the most important part will be what the actual recommendations look like.

Next column: I will explore some of the likely recommendations and what this may mean for us here in Aurora and for our local politicians.

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