

## FRONT PORCH PERSPECTIVE: Power

Power projects - responsibilities and cost allocation

By Stephen Somerville

In my last two columns I dealt with the siting of large power projects in the province.

Loyal readers will recall that 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 were to make recommendations to the Minister by August 1.

The forty-five page OPA/IESO Report, entitled, ?Engaging Local Communities in Ontario's Electricity Planning Continuum? was made public on August 5.

All in all, not a bad effort as the OPA/IESO was under a short turnaround time and they had to balance the expectations of a large number of stakeholders with often competing electricity notions.

### **There are three core recommendations outlined in the Report**

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.

While the report did recommend giving local communities a seat at the regional electricity planning table to ensure that their interests are included, the OPA/IESO did not promise to provide them with an outright veto over the siting of new generation in their community.

This is a key point.

We are seeing a rural versus urban divide in the province regarding power projects. Most of the new electricity need is in the major load centers, like the GTA, while a bunch of generation projects (and especially wind) are in rural communities. A number of local governments in these rural communities are either trying to slow down or halt wind project development.

In some instances the opposition is due to NIMBY ? which stands for ?not in my backyard??while in other cases it is NOPE, which stands for ?not on planet earth.?

For some folks, it does not matter what type of generation technology is employed; they will always be against it, be it nuclear, wind, tidal, coal, natural gas, hydro, biomass, biogas, geothermal or solar.

Aside from NIMBY or NOPE, there are legitimate concerns associated with siting of power projects in communities and these concerns need to be addressed early in the planning and development stages.

What both NIMBY and NOPE reveal is the critical issue of balancing larger community interests vs. local interests ? that is the provincial government mandate of ensuring that the lights stay on vs. local governments right to say no to a particular power project.

It is a delicate balancing act.

Another issue is that of cost, and who should be responsible for the costs of new generation and transmission.

The group at the public consultation that I attended 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 Report issued by the OPA/IESO does not make a recommendation regarding cost responsibilities.

Instead, it just re-states what was heard at the public consultations.

Page six of the Report states, ?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 should be socialized.?

Hypothetically, if in the future a generation facility of a reasonable size could not be sited in close proximity to the current Aurora transmission line, who should pay if the ultimate decision is to go with an underground transmission line upgrade?

Should it be Aurora homeowners or York Region ratepayers or provincial taxpayers as a whole? Individual costs will be reduced the greater the area this concentric cost ring becomes.

The bottom line to me is that communities cannot and should not grow unless energy needs are part of the equation. Just as we would not allow homes to be built without adequate provisions for water, sewage, schools and roads, nor should we allow

development without a real plan for our power needs.

Further, in the future when a local electricity need is identified, the provincial government and its energy related agencies need to communicate early on to locally elected officials what the various energy options are (be it generation or transmission), the costs associated with the various alternatives and clearly communicate who is responsible for the cost under each of the scenarios.

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