



Representing the Districts of Kenora, Rainy River and Thunder Bay

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Presentation to Ontario Energy Board re: Energy East Project

The Northwestern Ontario Municipal Association (also called NOMA) welcomes the opportunity to provide the Ontario Energy Board with the municipal perspective on the proposed conversion of one of the existing TransCanada Pipeline's natural gas lines to crude oil.

NOMA represents the interests of 37 municipalities from Kenora and Rainy River in the west to Hornepayne and Dubreuilville in the east. We represent the Districts of Kenora, Rainy River and Thunder Bay and the City of Thunder Bay. It provides leadership in advocating regional interests to all orders of government and other organizations. NOMA approaches the conversion issue from two perspectives:

1. What is the alternative, and
2. The protection of the natural environment

There are 28 NOMA member communities located immediately adjacent to or are divided by CN and CP rail lines here in the Northwest. There is a total population of 165,294 people who live in those communities. Over and above those numbers are the people who live in a number of First Nation Reserves and in the townships without municipal organization along the tracks.

The vast majority of the population of the Northwest are exposed on a daily basis to the hundreds of rail cars carrying some form of fossil fuel beside their homes and businesses. As we all have seen in the last year, rail accidents involving a cargo of fossil fuel can have devastating results – with significant loss of life. As municipal leaders, it is our responsibility to do what we can to minimize the dangers to our residents.

Shipping crude oil by pipeline is a much safer way of transporting such a commodity than by rail car or truck. At the same time the current use of rail for this commodity and we know that the quantity is growing, means that there is less capacity for other essential commodities such as grain and forest products. In addition, at least one of our member community has found that the emergency road by-pass they constructed in order to get around stopped trains with their emergency services – fire, police and ambulance, is no longer usable because of the new length of the trains. For that reason NOMA supports the conversion of the natural gas line to transport crude oil.

Let me now turn to the actual conversion itself.

NOMA has been pleased to confirm from TransCanada Pipelines that 100% of the existing natural gas pipeline is located below grade – that it is buried. The only above ground pipe will be within the pump station sites, valve station sites, metering facilities and tank facilities. From our perspective that situation significantly reduces the threat to the environment, either through the failure of the pipe or through external activities. It would be our preference that the design of those stations maximize the underground nature of the connection to the pipeline rather than automatically bringing the pipeline to the surface where an accident or breakage could more readily occur.

We are also pleased to learn that TransCanada is committed to the following improvements:

TransCanada utilizes a state-of-the-art leak detection system which can isolate any section of pipe by remotely closing valves and shutting down pump stations.

- These valves will be installed on both sides of significant water crossings to immediately isolate the section of pipe in the unlikely event of a leak.
- This system and the highly trained staff that monitor it 24 hours a day ensure that the pipeline will be shut down at the first sign of a potential problem.
- Frequent visual inspection of the pipeline route by TransCanada personnel
- Aerial inspections by TransCanada and industry partners

NOMA believes that these aforementioned improvements need verification as the planning and implementation process proceeds. We encourage the OEB to recommend to the National Energy Board key strategies for the confirmation and monitoring of these commitments by TransCanada Pipelines.

In addition, we ask that you recommend that, irrespective of the role of the National Energy Board, TransCanada Pipeline conduct a consultation with the communities in the Northwest to assist them in defining what they mean by a “significant water crossing” so that when they do seek final approval from the National Energy Board it is done with a comfort level here in the Northwest.

Finally, it is imperative that TransCanada Pipeline be required to ensure that all staff involved in the monitoring of the line actually have toured the line by air and land so that they can fully comprehend the neighbourhood through which the pipeline travels. At the same time, detailed water flow information should be incorporated into all of the monitoring equipment so that in the event of a spill, and even with the quick cut-off at a particular crossing, the implications and the response can be quickly identified and implemented.

We would like to raise one issue related to the Energy East Conversion which is specifically in the jurisdiction of the Ontario Energy Board.

This project, once approved by the National Energy Board, will require upwards of 110 MW of electrical power. The 11 pumping stations – located about 100 km apart – will require a connection to the grid. That's 110 MW of power that we do not have here in the Northwest today. That 110 MW is on top of the new demand of the growing mining industry in the region in the range of 634 MW, plus forestry growth and First Nations finally being connected to the grid.

This is all occurring at the same time as the two thermal generating stations in Thunder Bay and Atikokan are being taken off coal and converted to a form of biomass at 2% of their licenced capacity. So instead of 506 MW of generating capacity, in reality they will have the ability to provide the grid with 10 MW on a continuous basis. Even with the currently planned enhanced east-west tie in place no earlier than 2018, there will not be enough power in this region to meet our needs.

NOMA's request directly to the Ontario Energy Board is to ensure that when applications for generation or transmission are submitted to you for consideration they be expedited. Given the time required to go from concept to construction to powering up, delays are unacceptable. The first of these new mines is scheduled to come on line in April of 2015 – and there is not enough power available to them.

Thank you for this opportunity to provide our input on behalf of our constituents throughout the Northwest.

