

COMMITTEE OF THE WHOLE – JUNE 20, 2005

ONTARIO POWER AUTHORITY ELECTRICITY SUPPLY TO YORK REGION STUDY YORK REGION ELECTRICITY SUPPLY MUNICIPAL COUNCIL REVIEW FORUM CITY REPRESENTATION

Recommendation

Mayor Michael Di Biase recommends:

That this report be received for information purposes; and

That Council approve the nomination of Mayor Michael Di Biase and Councillor Peter Meffe as the City of Vaughan's representatives on the Ontario Power Authority's York Region Electricity Supply Municipal Council Review Forum.

Economic Impact

There are no anticipated economic effects should Council nominate two members to serve on the Municipal Council Review Forum.

Purpose

The purpose of this report is to update Council on the York Region Electricity Supply Study and to respond to a request from the Ontario Power Authority (OPA) to nominate two elected representatives to the York Region Electricity Supply Municipal Council Review Forum. The purpose of the Review Forum is to provide an opportunity for elected officials to stay informed and to participate in the York Region Electricity Supply Study consultation process.

Background – Analysis and Options

Background to the York Region Electricity Supply Study

The Ontario Power Authority is currently in the early stages of a study of the electricity supply situation in York Region. The Ontario Power Authority (OPA) was formed in December 2004. Its purpose is to prepare plans for the generation, distribution and conservation of electricity in Ontario and in sub-areas like York Region.

The reason for the study is to ensure that there will be a secure power supply to the Newmarket, Aurora and Whitchurch-Stouffville area. Increasing demand, resulting from urban growth, is threatening the security of the power supply to these municipalities. Without system improvements, there is a risk of service interruptions. Originally Hydro One undertook a Class EA study to increase transmission capacity in a hydro corridor between Markham and Newmarket to improve service to the area. Residents adjacent to the corridor opposed the increase in voltage on this line over worries about Electro-Magnetic Field Effects and aesthetics. Due to the level of opposition, Hydro One abandoned this process early in 2005.

Resolution of the York Region power situation was delegated to the OPA. Unlike Hydro One, which is responsible for the transmission of power, the OPA can look at a range of solutions including conservation and new generating capacity, as well improving the transmission grid. Respecting the other alternatives, on May 2, the OPA issued Requests for Expression of Interest for new generation facilities and for the implementation of demand reduction measures in northeastern York Region.

The process for addressing the system deficiencies has three steps. The first step is for the Ontario Power Authority to prepare a plan to resolve the power situation in northeast York Region. The OPA will conduct technical analyses, public consultation and negotiate with service providers (e.g. for new sources of generation) to develop the plan. The second step is to submit this plan to the Ontario Energy Board for approval. The Energy Board will hold hearings on the plan and can approve or modify it. The plan cannot go into effect until Environmental Assessment approval has been obtained. The final step is to conduct the EA to examine the environmental effects (e.g. the natural, economic and social environments, including the health effects) of the project and identify any required mitigation measures. Should the EA be approved, the project would then be able to go ahead. It is noted that the OPA study will not look at the environmental effects, but will focus on the system and cost issues related to the plan.

The Consultation Process

The consultation process will have three elements. The first involves interaction with the general public. The second is a working group, which has more of a technical orientation. The final element is a Municipal Council Forum to allow for the participation of elected officials.

a) Consultation with the General Public

The study's first public consultation meeting took place on May 4 at the Sheraton Parkway in Richmond Hill and was very well attended. Press reports the next day placed attendance at approximately 800. The presenters provided an overview of the situation that necessitated the undertaking of the study, identified the role of the Ontario Power Authority and outlined the public consultation process and how it hoped to obtain public input.

The OPA is proposing a very fast turnaround time on the study. It wants to submit the plan to the Ontario Energy Board by September, with a hearing anticipated for Fall 2005. A total of three public meetings were proposed, including the start-up on May 4. Due to demands expressed at the meeting, a second public consultation start-up meeting was held in the Aurora-Newmarket area on May 26.

b) The Working Group

The purpose of the Working Group is to provide advice to the OPA on feasible options, the development of evaluation criteria, evaluating the options and arriving at recommendations. This would result in a summary consultation report, which would include all points of view.

The make up of the working group would include: A municipal representative from each of the potentially affected York Region municipalities; a resident from each of the municipalities, the school boards and an environmental interest group; business and development representatives; the York Region Planning Department; and various technical advisors including the local power companies (e.g. PowerStream) Hydro One and OPA's consultants.

The City Manager advises that the Manager of Corporate Policy will be attending the Working Group meetings on behalf of the City.

c) The York Region Electricity Supply Municipal Council Review Forum

By letter dated June 3, 2005, the Ontario Power Association advised that it is creating a Municipal Council Review Forum to provide an opportunity for elected officials to stay informed and to contribute to the York Region Electricity Supply consultation process. After the Working Group has concluded its work, but prior to the OPA developing its recommendations for the Energy Board, there will be **full day** Municipal Council Review Forum meeting on **Wednesday, August 17, 2005**. The OPA is requesting that each of the affected municipalities in York Region nominate two of its members to the Municipal Council Review Forum.

Analysis

Presently, there do not seem to be any imminent impacts on the City of Vaughan. Options under consideration would include the introduction of new generating capacity in northeast York Region, the upgrading of the transmission line between Markham and Newmarket, as proposed by Hydro One and demand management measures.

However, this could change as alternative solutions are developed and tested. In the original Hydro One EA, consideration was given to the construction of a line in northwest Vaughan as a potential solution. Therefore, the City's representative on the Working Group will need to monitor the situation and report back on potential impacts on the City. Similarly, sending two Council members to the Municipal Council Review Forum would enhance the level of oversight and provide another venue for the City to put forward its interests.

For these reasons, it is appropriate for Vaughan to provide the representation requested by the Ontario Power Authority on the Municipal Review Forum. Therefore, I am requesting Council's approval for Councillor Peter Meffe and myself to attend the Municipal Council Review Forum on behalf of the City. Councillor Meffe represents a ward (Ward 1) that may potentially be impacted if alternative solutions are considered and he also brings his valuable experience as the Chair of the Board of Directors of PowerStream. As Mayor I would bring a broader citywide perspective to the discussions.

Relationship to Vaughan Vision 2007

Section 5 under "Corporate Leadership" supports the strengthening of relations with other governmental authorities and agencies by ensuring that Vaughan has representation on inter-municipal committees and organizations.

Conclusion

Ensuring an uninterrupted electrical supply to all parts of York Region is important to the broader economy of the Region. Increasing the supply of electricity to any one area may result in impacts well beyond the destination area of the power. For this reason, the City will need to involve itself in processes such as this to ensure that it is an active player in decisions that may potentially affect Vaughan. Therefore, it is recommended that Council nominate Mayor Di Biase and Councillor Peter Meffe to serve as the Vaughan representatives on the Municipal Council Review Forum for the York Region Electricity Supply Study.

Attachments

N/A

Report prepared by:

Roy McQuillin, Manager of Corporate Services

Respectfully submitted,

Mayor Michael Di Biase