

**Ontario Energy Board
c/o Alex Heath
Swerhun Facilitation
720 Bathurst Street, Suite 500B
Toronto, ON M5S 2R4
By email: ah Heath@swerhun.com**

Re Ontario Energy Board Energy East Consultation

TransCanada has filed its project description as of March 2014. Our submission on today's date provides some preliminary comments in respect of this proposed project with respect to two of the issues included in the OEB's consultation:

- **The impacts on pipeline safety and the natural environment in Ontario**
- **The impacts on natural gas consumers in terms of rates, reliability and access to supply, especially those consumers in eastern and northern Ontario**

We provide these comments on behalf of the Canadian Environmental Law Association and on behalf of the Low Income Energy Network of which we are a founding and steering committee member.

A. Impacts on pipeline safety and the natural environment in Ontario.

Our primary concern in terms of pipeline safety relates to the proposed conversion of natural gas pipeline to oil pipeline. Corrosion, breakage, metal failure and other issues with the integrity of the pipe are of paramount concern. Even with newly constructed pipeline, there is precedent for oil pipeline failure and associated ecosystem impact. However, the pipeline in question was not constructed for crude oil, but for natural gas, and is not new. There is a question about whether pipeline inspections in this existing line have been sufficient to detect all areas of concern in terms of degradation and potential failure. Pipeline failures in the gas lines of the TransCanada mainline have been an unfortunate, recurring event over the past decade. The most recent was this past December in southern Manitoba. Upon reviewing the Transportation Safety Board reports for several of the recent failures, it is clear that the current maintenance and inspection practices are not capable of preventing all such failures.

A related issue is that of the impact of the new fuel on the integrity of the pipe, and on internal corrosion processes. There will be an entirely different internal pipe environment in terms of fluid flow, pressure, physical and chemical dynamics, and the

properties of the oil are entirely different as well. This results in the necessity of very extensive and thorough analysis and third party expert review of the potential for failure and whether mitigation is available to reduce these risks.

Arising from the concerns regarding pipeline integrity and the potential for failure is the issue of emergency planning and readiness. While TransCanada states that it has on-call staff available all across the length of the line, the fact is that the line crosses thousands of kilometers and the on-call staff will not always be able to be stationed in close proximity to every reach of the line. In addition, in the Ontario context in particular, much of the line is located in muskeg and bog and is difficult to access at many times of the year in the best of circumstances. It is evident that in the event of a line break there may be extensive timelines with oil being deposited into the natural environment before it can be contained and clean up attempted. Even if shut-off valve locations are provided at relatively frequent intervals, the possibility of significant amounts of oil discharging to the environment until the pressure is reduced enough to reduce the flow of oil remains. This also stresses the requirement for procedures and training that will ensure shut down of the line if there is any question whatsoever about its integrity. As demonstrated in some of the prior Canadian and U.S. accidents in both oil and gas contexts, there have sometimes been unfortunate circumstances where operators were not sure why there were seeing anomalous indications for example on line pressure gauges and did not take immediate action to isolate the line. In those instances, doing so would have alleviated extensive resulting damage. It is also essential to have necessary equipment ready to move quickly to all areas, and furthermore that it be practical at all times of the year to get such emergency response equipment and clean up equipment and materials into place. As earlier indicated, in Ontario, this will often be practically very challenging both as to distance and as to physical accessibility.

B. The impacts on natural gas consumers in terms of rates, reliability and access to supply, especially those consumers in eastern and northern Ontario

Natural gas is a very important component of Ontario's overall energy utilization. It is a preferred method of thermal energy in many contexts, especially in preference to electricity for that use. It is also important for alleviating peak electricity needs and for planning a flexible response to changes in Ontario's generation system going forward. In our Power for the Future report written a decade ago, we called for natural gas to play the role of transitional fuel as we move in Ontario to a fully renewable electricity system. In addition, we have often advocated for consideration of fuel switching for low income consumers for heating purposes so as to reduce some of the unaffordable burden of heating with electricity that some of those consumers face. As a policy matter we urge the OEB to consider the issues of whether there will be undue constraints on opportunities for future flexibility in Ontario's overall energy system if one of the

natural gas lines is permanently taken out of service. Similarly, we urge the OEB to undertake a thorough analysis of potential long term impacts on both electricity and natural gas prices as a result of this proposed removal of one of the mainlines from natural gas service. Furthermore, availability of natural gas is an important element of the infrastructure of northern Ontario and northeastern Ontario communities and all care must be taken to ensure that both residential and business users, who are the main employers in these communities, will not be adversely impacted by the conversion of the line.

We thank you for the opportunity to participate in the Energy East consultation and we will continue to follow its developments and the continued provision of materials by the proponent, as well as further engagement of the advisory group.

**Sincerely,
Canadian Environmental Law Association**



**Per
Theresa A. McClenaghan
Executive Director and Counsel**