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June 28, 2013

The Public Utilities Board of Manitoba
Attention: Mr. Hollis Singh, Executive Director and Board Secretary
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Mr. Singh:

Thank you

CAC MB appreciates the grant of intervener status in this proceeding. It would like to thank the MKO, MMF, MIPUG and GAC for the opportunity to meet with them over the past two weeks in efforts to improve the overall efficiency of the proceeding.

CAC MB appreciates the effort over recent weeks of PUB legal counsel as well as MB Hydro legal counsel and staff to improve understanding of the issues related to the *in camera* proceedings.

Overview

By this letter, CAC MB responds to the direction of the PUB to:

- finalize its intentions as to which specific and approved issues it will address (either solely or in coalition with others) through its intended retainer of an expert consultant and witness;
- seek approval of a draft budget, based on the Terms of Reference.

Under separate cover, CAC MB will provide a discussion of a number of other matters including the definition of "Macro-Environmental impacts" and "Socio-economic impacts"¹. CAC MB anticipates filing a further letter regarding the DSM potential study and other matters early next week.

Maximizing Efficiency and Collaboration

In Board Order 67/13, the PUB encouraged interveners to discuss possible coalitions and the joint presentation of evidence on Order No. 67/13 specific issues.

¹ In terms of "Macro-Environmental impacts" and "Socio-economic impacts", CAC MB reserves the right to provide further comment upon the review of the submissions of Manitoba Hydro.

Over the past two weeks, the Executive Director of CAC MB and legal counsel have had an extensive series of discussions with MKO, MMF, MIPUG and GAC. CAC MB would like to highlight its understanding of its discussions with other interveners.² Additional commentary will be provided in the issues section of this letter.

GAC

Similar to their approach in the most recent Hydro GRA, CAC MB and GAC will jointly sponsor a witness on the subject of energy efficiency opportunities.

CAC MB is aware that GAC may be calling evidence addressing other renewable options such as geo-thermal and wind. It is also aware that GAC may be calling evidence addressing the implications of the fuel switching report. CAC MB is not intending to call evidence in these areas. CAC MB cross examination may be conducted on these witnesses.

MIPUG

As indicated in the MIPUG submission of June 28, 2013, it is essential for groups seeking to understand the financial and economic ramification of the plan and alternatives to have access to their own independent "generalist" experts. Notwithstanding this reality, CAC and MIPUG have had initial discussions about significant cooperation in two areas.

- First, in regard to Board Scope Item 1(d) (inputs and assumptions), MIPUG and CAC expect that there will not be a need for duplication. Coordination will be arranged to have only one party address the reasonableness of the major input areas. As an example, it is possible that CAC generalists (e.g., Harper) will lead evidence on the reasonableness of the load forecast (if required) while MIPUG witnesses (Bowman) will generally avoid such areas except as they relate to specific industrial issues. The specific list of topics will be developed later in the proceeding.
- In respect of the analysis and ultimate conclusions of the generalist witnesses, CAC and MIPUG have confirmed that the witnesses will seek to cooperate in helping ensure that the fullest understanding of the respective experts positions are made available to the Board on a cost effective basis. In past hearings, this type of coordination has occurred in joint discussions as part of preparing for each party's appearance before the Board. Additional measures may be possible to enhance this coordination (including in areas where differences of views may arise). Possible options for such cooperation may be discussed with all counsel closer to the hearing appearances. In the event there are efficiency opportunities, CAC MB is open to consideration of a joint panel on certain issues relating to financial, economic evaluations, risk assessment and rate implications.

CAC MB is aware that MIPUG is contemplating retaining a senior public administrator with

² CAC MB considers this to be an appropriate reflection of these conversation. It acknowledges that understandings can be imperfect given the time constraints parties were under.

particular expertise in the policy considerations relating to large scale hydro-electric development as well as policy consideration in British Columbia relating to the development of its hydro-electric system in a manner focused on domestic need. CAC MB also is aware that MIPUG is considering bringing a witness with expertise on the public finance implications of the Hydro plan. CAC MB is strongly supportive of the intention of MIPUG to bring such witnesses.

CAC MB is not intending to call evidence in these areas. CAC MB cross examination may be conducted on these witnesses.

MKO

CAC MB and MKO have had active discussions over the past two weeks. CAC MB, MKO and the MMF are contemplating the joint presentation of a community panel to discuss the implications of potential rate increases on those living in rural and remote communities as well as persons of modest means in Winnipeg.

In areas of mutual interest such as socio-economic impacts on Northern and Aboriginal communities, CAC MB and MKO are united in their belief that it is critical to bring a First Nation perspective. In the event that both parties identify witnesses with expertise in this area, the interveners will enter into discussions to eliminate duplicate witnesses.

MMF

CAC MB have had regular discussions with MMF over the past two weeks. CAC MB, MKO and the MMF are contemplating the joint presentation of a community panel to discuss the implications of potential rate increases on those living in rural and remote communities as well as persons of modest means in Winnipeg.

In areas of mutual interest such as socio-economic impacts on Northern and Aboriginal communities, CAC MB and MMF are united in their belief that it is critical to bring a Métis perspective. CAC MB will not bring evidence relating to the impacts on the Métis people.

Issues to be Addressed

The NFAT proceeding raises seminal issues for Manitoba Hydro, for ratepayers and for the Province. Given the magnitude of the Hydro plan and its potential implications for consumers and the province, it has never been more important for this Board to hear the informed perspectives of interveners.

CAC MB participated extensively in the Wuskwatim Need for and Alternatives proceeding. With the benefit of that experience, CAC MB has carefully tailored its intervention to canvass the key issues raised by this proceeding. It has put together an outstanding team carefully designed to bring good evidence to the PUB in a cost effective manner. The attached Schematic Overview provides a big picture overview of the CAC MB intervention. An

Overview of the CAC MB budget is also attached. CAC MB notes that it is presenting a total overview of the costs associated with its intervention even though costs related to Mr. Dunsky will be shared with GAC.

To ensure cost accountability, CAC MB monitors all hours incurred on a monthly basis. It would be pleased to provide the Board with monthly updates on how its team is performing as compared to target.

In Order 67/13, the Board noted:

the extensive list of issues that are within the scope of the NFAT Terms of Reference and which CAC seeks to address in the NFAT Review through expert witnesses and consultants. The Board acknowledges that CAC and its counsel will need to have adequate resources in place to ensure that the issues are properly developed, tested, and presented.

As the Board reviews the presentation which follows, CAC MB wishes to assure the PUB that it has freed up the necessary legal resources to present this impressive team of witnesses. The available time of senior counsel has been significantly increased from the earlier estimate of CAC MB. Junior counsel has been added to assist in the presentation of the CAC MB case in a manner that does not involve a duplication of resources (ie preparing closing submissions while the hearing proceeds).

In subsections A through G below, CAC MB outlines its intended participation in this proceeding. Detailed cost estimates are set out in Appendices A 2 through G. Recognizing that CAC MB has not had the opportunity to review the Hydro filing, CAC MB will reserve the right to seek permission to adjust its estimate as the hearing proceeds.

A. FINANCIAL, ECONOMIC EVALUATION, RISK ASSESSMENT AND IMPACT ON DOMESTIC RATES

Overview of the Issue

Employing the unique skill sets of a Canadian regulatory economist, a Canadian econometrician and the State Utility Forecast Group of Purdue University, this section will offer a key financial and economic prism for the evaluation of the Need For and Alternatives to the Project. It will be the primary tool by which CAC MB evaluates "the impact on domestic electricity rates over time" and the "financial and economic risks" of the Plan" and alternatives.

A schematic of how this issue fits within the overall intervention of CAC MB can be found in the attached Schematic Overview of the CAC MB Intervention. A detailed description of the overall issues covered in this section along with key topics, potential consultants and links to the Terms of Reference (TOR) can be found in Appendix A1 to this submission.

The CAC MB Team

Bill Harper (regulatory economist) (ECS)

Mr. Harper has over 30 years experience in the regulation of electricity utilities. While employed by Ontario Hydro, he has testified as an expert witness before the Ontario Energy Board from 1988 to 1995, and before the Ontario Environmental Assessment Board. He was responsible for the regulatory policy framework for Ontario municipal electric utilities and for the regulatory review of utility submissions from 1989 to 1995.

Mr. Harper also coordinated the participation of Ontario Hydro (and its successor company Ontario Hydro Services Company) in major public reviews involving Committees of the Ontario Legislature, the Ontario Energy Board and the Macdonald Committee.

Since joining ECS, Mr. Harper has provided consulting support for client interventions on energy issues before the Ontario Energy Board, Manitoba Public Utilities Board, Québec's Régie de l'énergie, British Columbia Utilities Commission and the Saskatchewan Rate Review Panel. He has also appeared before the Manitoba's Public Utilities Board, the Manitoba Clean Environment Commission, the Ontario Energy Board and Quebec's Régie de l'énergie. Mr. Harper provided expert evidence to the Manitoba Clean Environment Commission on the Need for and Alternatives to Wuskwatim.

Mr. Harper will be the primary CAC MB analyst in many areas of this section. He will continue to assist Mr. Williams in monitoring the overall intervention of CAC MB. A detailed cost estimate is provided in Appendix A2.

Dr. Wayne Simpson, Faculty of Economics University of Manitoba

Dr. Simpson is an expert in applied econometrics and applied micro-economics. He served as Head of the Department of Economics at the University of Manitoba from 1997 through 2008.

Dr. Simpson served as a consultant on probabilistic risk assessment during the 2011/12 Manitoba Hydro Rate Application. In that role, Dr. Simpson was instrumental in identifying challenges in the selected probability distributions and best fit analysis of the Independent Experts resulting in material revisions to their assessment of risk.

In proceedings relating to Manitoba Public Insurance and payday lending, Dr. Simpson has given expert evidence to the Manitoba Public Utilities Board on matters relating to probabilistic risk assessment, investment diversification and the quantitative evaluation of data.

Dr. Simpson also has offered evidence based policy and quantitative analysis services to a wide variety of agencies including the Economic Council of Canada, Statistics Canada, Human Resources Development Canada, Strategic Policy and Planning, Employment and Immigration Canada, Health and Welfare Canada and Labour Canada.

Dr. Simpson will focus on quantitative issues and risk assessment best practices. Among the issues he will consider are the assessment of the MB Hydro Domestic load forecasting approach and its treatment of uncertainty and the framework for risk assessment. His cost estimate is attached as Appendix A3.

Dr. Doug Gotham, State Utility Forecasting Group, Purdue University

Dr. Gotham holds a PhD in electrical engineering. He is an expert in utility and market operations, system planning and load forecasting. He has particular experience within the MISO marketplace. Dr. Gotham frequently serves as an instructor for Forecasting and Grid Schools at the Institute of Public Utilities, Michigan State University.

Dr. Gotham is the Director of the State Utility Forecasting Group (SUFG). SUFG is an independent research and analysis group, established by the Indiana General Assembly, funded by the state government through the Indiana Utility Regulatory Commission (IURC), and dedicated to providing forecasts of electricity consumption, production, and prices for eight utilities in the state.

Under its regulatory regime, the SUFG is obliged to assess the probable future growth of the use of electricity within Indiana and within this region of the nation. The state of Indiana is within the MISO region. Like the Province of Manitoba, Indiana experienced relatively stable prices until the middle part of the last decade. It has seen sharper price increases since then.

Dr. Gotham served as one of two Indiana delegates to the Eastern Interconnection States Planning Council (EISPC), an organization consisting of 39 states, the District of Columbia and various Canadian provinces. EISPC worked with various stakeholders to develop scenarios to be incorporated in long-term resource planning for the Eastern Interconnection. Additional EISPC responsibilities included serving as head of the Modeling Working Group, member of the Futures Working Group, and member of the EISPC President's Technical Team.

Dr. Gotham will address a number of issues relating to the MISO marketplace including the capability of US transmission and the outlook for US electricity prices as they may affect both opportunity and contract sales and prices. His cost estimate is provided in Appendix A4.

Opportunities for Collaboration or Coalition

As discussed above, CAC MB has had extensive discussions with MIPUG regarding possible opportunities for collaboration in this area. CAC MB has had some discussions with the MKO, MMF and GAC in this general area. It looks forward to further discussions.

Relevant elements of the Terms of Reference:

As documented in Appendix A1, this analysis is relevant to the following sections of the Terms of Reference:

TOR 1, 1 c), 1 d), 2 a), 2 c), 2 d) 2 e), 2 f), 2 h), 2 j).

B. ENERGY EFFICIENCY OPPORTUNITIES

Working in close collaboration with the Green Action Centre, CAC MB will discuss the potential impacts of good practice energy efficiency on load forecasting, alternatives and integrated resource planning.

Step 1) Define the DSM Resource. The first step involves defining both the extent and key characteristics of the province's achievable demand-side management savings. To the extent possible, this work will be built on the basis of the potential study that Manitoba Hydro is expected to release as part of its submission. Indeed, depending on the nature of the study and the information provided, we will employ one of several approaches to this task – these may include adjustments to the study itself, and/or bottom-up estimates for specific sectors or markets. In either case, we anticipate conducting a detailed, line-by-line review of the potential study, including both methodology and key assumptions. In the final analysis, this task will define a reasonable and reliable DSM resource, including specific energy and capacity savings and associated costs, over time (approx. 20 years). We note that depending on the information made available, we may produce more than one scenario in order to assist the PUB in addressing risk and uncertainty.

Step 2) Assess DSM Resource Impacts. The second step involves assessing the impact that would result were Manitoba Hydro to pursue the defined DSM resource(s). This work will notably assess the extent to which capital investments may be deferred, as well as both the direct cost (and risks) involved in doing so, and the impact on export opportunities. This work will further assess the impact on ratepayers – both in terms of rates and bill impacts. Finally, borrowing from other work, we will provide indications of both the likely environmental and macroeconomic impacts associated with the DSM resource(s).

A detailed 23 point description of the steps and links on all 23 steps to the terms of reference can be found in Appendix B to this submission.

The CAC/GAC Team

CAC/GAC are pleased to jointly sponsor Mr. Philippe Dunskey as a witness in this proceeding. Mr. Dunskey brings over twenty years of experience advising clients in the fields of energy efficiency, renewable energy and climate change tools and opportunities. He has extensive experience in the design and analysis of effective plans, policies, programs and opportunities, for clients ranging from electric and gas utilities to government agencies, private power

producers, non-profit organizations and energy efficiency firms.

Mr. Dunsky has been qualified as an expert witness on issues relating to energy efficiency best practice and low income energy efficiency before the Manitoba Public Utilities Board on two prior occasion. His most recent appearance was in January 2013. Comments regarding his evidence can be found in *Board Order 43/13*.

Mr. Dunsky specializes in areas such as:

DSM portfolio reviews and preparation of full-scale EE/RE plans for clients such as: Efficiency Maine Trust, N.J. Board of Public Utilities, Quebec Energy Efficiency Agency, NB Power, Manitoba Hydro, Efficiency Nova Scotia Corporation;

Program Design for clients such as: BC Hydro, Terasen Gas, NYSERDA, Saskatchewan Go Green Fund, City of Toronto, Hydro-Quebec, Quebec Bureau of Energy Efficiency & Innovation, Nova Scotia Power Inc.;

Best Practice Reviews: - Sample clients: Hydro-Quebec, Efficiency Maine Trust, Efficiency New Brunswick, Terasen Gas, Long Island Power Authority, Saskatchewan Go Green Fund;

Cost-Effectiveness and Market Potential: - Sample clients: Newfoundland and Labrador Hydro, Quebec Energy Efficiency Agency, Efficiency Maine Trust, New Jersey Board of Public Utilities, Hydro-Quebec, BC Hydro, Efficiency Nova Scotia, NB Power;

Next-Generation Strategies and Opportunities: - Sample clients: Northeast Energy Efficiency Partnerships (NEEP), Canada Mortgage and Housing Corp., B.C. Ministry of Energy and Mines, Efficiency Nova Scotia, Quebec Energy Efficiency Agency, Center for Energy Advancement through Technological Innovation; and,

Program Evaluation: - Sample clients: Canadian Office of Energy Efficiency, Northeast Energy Efficiency Partnerships, Hydro-Quebec, Efficiency Nova Scotia Corporation, Efficiency Maine Trust, Equiterre.

Opportunities for Collaboration or Coalition

Mr. Dunsky will be jointly retained by GAC and CAC MB. There is a possibility that his evidence will also address issues raised by the MKO. CAC MB has made the MMF and MIPUG aware of the intention of GAC and CAC to jointly retain Mr. Dunsky.

Relevant elements of the Terms of Reference:

As documented in Appendix B, this analysis is relevant to the following sections of the Terms of Reference:

TOR 1a), 1b), 1 c), 1 d), 2a), 2 b), 2 f), 2 g), 2 i) and 2 j).

C. The Impact of domestic rates increases on residential ratepayers including those on low and fixed incomes. Socio-Economic Impacts flowing from the Rate Impacts.

For the purpose of providing contextual insight into the impact on domestic electricity rates over time, socio-economic impacts and benefits to northern and aboriginal communities and socio-economic benefit to Manitobans, CAC MB will be conducting independent research into the rate impacts on residential consumers as well as working in collaboration with the MMF and the MKO. There are two essential elements of the CAC MB approach to this issue:

Step One

Using the skill set of former senior public servant and a leading expert in quantitative analysis, CAC MB will:

Provide contextual information on the Manitoba population including those persons on fixed and low incomes.

Provide a profile of the electricity consumption levels of Winnipeg (Manitoba) households across Winnipeg (Manitoba) neighbourhoods, according to the income level of the neighbourhood, over the last 10 years (2002 to 2011) and assess the impact of hydro rate increases over that time period on the consumption levels of households and on their disposable income.

Step Two

In collaboration with MMF and MKO, CAC MB will present a community panel outlining the impact of potential hydro rate increases on residential ratepayers including those in rural and remote communities as well as persons of modest means in Winnipeg.

A detailed 10 point description of Step 1 can be found in Appendix C to this submission.

Opportunities for Collaboration or Coalition

CAC MB expects to collaborate with the MKO and the MMF on Step 2 of this plan. It welcomes the collaboration of other parties on Step 1.

Relevant elements of the Terms of Reference:

TOR 2 f), 2 h), and 2 j).

D. Integrated Power Resource Planning Good Practice Review/Portfolio Planning

Overview of the Issue

During the Wuskwatim NFAT proceeding, the Clean Environment Commission identified the importance of developing a robust portfolio analysis for the purpose of considering the Alternatives to major projects. It stated that:

Improving technical and end use efficiency should also be considerations in the initial screening stage. Such considerations would give added emphasis and priority to the development of SSE, DSM and NUG options.³

It is noteworthy that none of the 7 alternative plans evaluated in Hydro's NFAT submission appear to present an alternative energy efficiency or DSM portfolio as part of their analysis.⁴ IRP is a process that identifies options for meeting customers' anticipated needs for electric service in a way that addresses multiple objectives that may be imposed by legislation, Public Utility Commissions, environmental concerns, or customer concerns. In theory, this process puts all options on the table, evaluates them equally against a set of certain objectives, and chooses a portfolio of resources that best meets those objectives. Again, in theory, all resources, from both the supply side and the demand-side, would receive comparable treatment in the IRP process.⁵

A critical evaluation will be conducted of whether Hydro's alternative analysis is consistent with modern good practice. The evaluation will consider:

If preferred and alternative resource and conservation evaluations are complete, accurate, thorough, reasonable and sound.

A very preliminary budget estimate can be found in Appendix D to this submission.

3 8.2 Alternatives To Wuskwatim In MANITOBA HYDRO AND NISICHAWAYASIIHK CREE NATION WUSKWATIM PROJECTS HEARING BEFORE THE MANITOBA CLEAN ENVIRONMENT COMMISSION REPORT ON REVIEW OF THE NEED FOR AND ALTERNATIVES TO THE PROPOSED PROJECTS ECONALYSIS CONSULTING SERVICES FEBRUARY 10, 2004

4 Hydro presentation to the Pre-hearing Conference, p 4.

5 Citing directly from Dave Lamont and John Gerhard, The Treatment of Energy Efficiency in Integrated Resource Plans: A Review of Six State Practices, January 2013.

The CAC MB Team

CAC MB has not formally committed to any consultant at this stage. However, CAC MB has had promising discussions with Mr. David Lamont. Mr. Lamont is an engineer and economist with a wealth of experience in the regulatory and policy side of the energy sector.

Mr. Lamont is the recent lead author for the Regulatory Assistance Project publication:

*The Treatment of Energy Efficiency in Integrated Resource Plans:
A Review of Six State Practices, January 2013.*

Beginning in 1979, Mr. Lamont served as an energy engineer for Vermont's Energy Office and was responsible for the direction and implementation of the state's renewable energy program with a focus on wood energy technologies.

After nine years in that position, he advanced through a series of positions at Vermont's Department of Public Service. Beginning as an energy policy and program analyst, Mr. Lamont provided technical input to power planning and forecasting efforts. As a power supply planner, he provided expert testimony and recommended cost approvals in rate cases. Mr. Lamont later served as senior energy policy analyst and provided guidance on Vermont's Integrated Resource Planning and technical analysis for Vermont's 20-Year Electric Plan.

Most recently, Mr. Lamont served as director of the Planning and Energy Efficiency Division. In that capacity he led efforts to develop Vermont's Comprehensive Energy Plan and public review process. He was also instrumental in creating Vermont's statewide energy efficiency utility and managing it through its evolution.

Opportunities for Collaboration or Coalition

CAC MB has discussed its proposal with GAC, MMF, MKO and MIPUG. It is open to possible collaboration on this subject matter.

Relevant elements of the Terms of Reference:

TOR 2 a)

E. Alignment with the Principles of Sustainable Development/Macro Environmental Impacts

To test whether the Hydro Plan and alternatives are aligned with the principles of sustainable development, CAC MB proposes to conduct a high level sustainability assessment of the Manitoba Hydro Plan and Alternatives.

The sustainability assessment framework developed by Dr. Bob Gibson is recognized and applied worldwide as a relevant approach to sustainability assessment⁶. In the Canadian

6 Pope et al. 2004.

context, it has been applied previously by proponents, experts and joint review panels⁷. The Ontario Power Authority has specifically embraced Gibson's framework⁸.

Properly done, sustainability assessment should:

focus on identifying the best option, achieved in part by comparative consideration of possibly reasonable alternatives.

Sustainability assessment involves evaluating key planning documents and activities to determine the degree to which they meet the following fundamental expectations⁹:

- socio-ecological system integrity;
- livelihood sufficiency and opportunity;
- intragenerational and intergenerational equity;
- cost-effectiveness, efficiency and resource maintenance;
- prudence, precaution, resilience and adaptive capacity;
- democratic governance; and
- immediate and long-term integration issues.

As set out in Appendix E1, CAC MB has considered whether the principles of the *Sustainable Development Act* mandate an integrated and comprehensive approach to sustainability assessment. It has concluded that:

- there is effectively complete overlap in the substantive requirements for sustainable development between Gibson's evaluative and decision criteria and the principles and guidelines as set forth in the Act;
- there is strong overlap in the procedural elements of Gibson's framework for sustainability assessment and the principles, guidelines and main body of the Act.

7 Please see the Mackenzie Valley Gas Project Review, Gibson 2006; Ontario Power Authority, 2006; Gibson et al. 2008.

8 Ontario Power Authority, *Sustainability Due Diligence Assessment Final Report*, Ontario Power Authority Sustainability Due Diligence Assessment Final Report.

9 Gibson *et al*, *An Analysis of the Ontario Power Authority's Consideration of Environmental Sustainability in Electricity System Planning*, 2008.

The CAC MB Team

Dr. Bob Gibson is recognized as one of the world's pre-eminent practitioners of sustainability assessment. He has authored or co-authored:

"Beyond the pillars: sustainability assessment as a framework for effective integration of social, economic and ecological considerations in significant decision-making,"
(2009)/2006)

Sustainability-based assessment criteria and associated frameworks for evaluations and decisions: theory, practice and implications for the Mackenzie Gas Project Review, a report commissioned by and prepared for the Joint Review Panel for the Mackenzie Gas Project (2006)

Sustainability Assessment: criteria and processes (London: Earthscan, (2005);

An Analysis of the Ontario Power Authority's Consideration of Environmental Sustainability in Electricity System Planning (2008).

Dr. Kyrke Gaudreau is an engineer with expertise in the sustainability assessment of energy systems and energy and environmental accounting.

An estimate for Dr. Gibson and Dr. Gaudreau is set out at Appendix E.

Opportunities for Collaboration or Coalition

CAC MB has discussed its proposal with GAC, MMF, MKO and MIPUG. It is open to possible collaboration on this subject matter.

Relevant elements of the Terms of Reference:

TOR 1 b) and 2 b) relating to the alignment of the plan alternatives to the Principles of Sustainable Development as outlined in The Sustainable Development Act, 2 h) socio-economic impacts and benefits of northern and aboriginal communities and 2 i) macro environmental impact 2 j) overall socio-economic benefit to Manitobans.

F. Alignment with the Clean Energy Strategy

Overview of the Issue

The NFAT Terms of Reference set out the scope of the MPUB Hearing, including review and balancing of various public interest issues such as alternatives, timing and costs and benefits to the Manitoba economy and Manitoba Hydro ratepayers.

The issues are complex and inter-related, as has been the case in prior NFATs. Providing high level policy analysis based on the expected massive supporting evidence and data will be critical to a sound Recommendation and Report of the Board.

Dr. Higgin has direct knowledge and experience in such matters as a regulator and senior public servant and will assist CAC MB in its intervention. He will provide useful inputs to assist the Board. He will conduct a high level policy assessment of the alignment of Hydro's Plans and Alternatives to Manitoba's Clean Energy Strategy and other regulatory guidance.

Manitoba's Clean Energy Strategy identifies a variety of objectives including:

- Building New Hydro;
- Leading Canada in Energy Efficiency;
- Keeping Rates Low;
- Growing Renewable Energy Alternatives; and
- Freedom from Fossil Fuels.

While MB Hydro is aggressively seeking to build new Hydro, concerns have been expressed that Hydro's preoccupation with building may be imperilling its ability to achieve other objectives such as keeping rates low, making advancements in energy efficiency and growing renewable energy alternatives.

The CAC MB Team

Principal Dr. Roger Higgin PhD, MBA, BSC, P.Eng.

- Served as Ontario Energy Board Member for two periods totalling 7 years - retired in 2000
- Senior Public Servant in Energy and Environment Policy and Program areas
- 12 years' experience as consultant to various Canadian Clients on both Gas and Electric Rate and Other cases, including Incentive Regulation Mechanisms and Conservation and Demand Side Management
- Has testified as Expert on several regulatory matters in Quebec, Alberta, and Manitoba
- Recent Consulting Assignments include Incentive Regulation Plans for Toronto Hydro, Hydro One Distribution and Hydro One Transmission. Earnings Sharing Mechanism cases for Union Gas Limited and Enbridge Gas Distribution Inc.

Expertise Relevant to Manitoba Hydro NFAT 2013

- Part of the CAC/MSOS team for the 2003 Wuskwatim NFAT
Testified/provided specific input on DSM, Renewables and Costs arising from First Nations Business Arrangements
- Has extensive expertise in Policy Development and Application including Conservation and Renewable Energy
- Has extensive experience as Energy Regulator- balancing public interest issues with rate setting requirements

A budget estimate is set out in Appendix F.

Opportunities for Collaboration or Coalition

CAC MB is aware that MIPUG is contemplating retaining a senior public administrator with particular expertise in the policy considerations relating to large scale hydro-electric development in British Columbia. CAC MB also is aware that MIPUG is considering bringing a witness with expertise in the public finance implications of the Hydro plan. CAC MB is strongly supportive of the intention of MIPUG to bring such witnesses.

CAC MB is not intending to call evidence in these areas. CAC MB cross examination may be conducted on these witnesses. CAC MB has discussed its proposal with GAC, MMF and MKO. It is open to possible collaboration on this subject matter.

Relevant elements of the Terms of Reference:

TOR 1 b) 2 b) 2 j).

G. Northern and Aboriginal Socio-Economic Impact

Overview of the Issue

Taking a community economic development perspective, Ms Heid Cook, Dr. Jerry Buckland and Dr. Melanie O'Gorman will conduct an evaluation of the socio-economic costs and benefits of the Keeyask and Conawapa Generating Stations for Northern Manitoba (largely Gillam and Thompson) and the surrounding First Nations communities.

The CAC MB Team

Ms Cook hails from Northern Manitoba and is completing a Master of Development Practice program. Dr. O'Gorman has expertise in quantitative and qualitative analysis, macroeconomics and Community Economic Development. Among her current and recent

research projects are:

Where's the Money?: The Right to Water in First Nations Communities;

Critical Conversations on First Nations and the Right to Water, University of Manitoba (March 2013);

Cherishing water, claiming health: a planning symposium on water as a holistic health right in the Pas (May 2012); and,

"Cultivating the Arctic's Most Valuable Resource: An Analysis of the Barriers to High School Completion Among Arctic Youth", joint with Manish Pandey

Dr. Buckland has expertise in quantitative and qualitative analysis, financial exclusion and Development Economics. He has given expert evidence to the PUB on matters relating to financial exclusion on three separate occasions.

A budget estimate can be found in Appendix G.

Opportunities for Collaboration or Coalition

A detailed discussion of this section is set out earlier in this submission.

Relevant elements of the Terms of Reference:

TOR 2 h) and 2 j).

Conclusion

Thank you for your consideration of these comments.

Yours truly,



BYRON WILLIAMS
DIRECTOR

Attachments

BW/sk

cc. CAC Manitoba
Interveners
Manitoba Hydro