
NEEDS FOR AND ALTERNATIVES TO (NFAT)

Reference: April 25 GAC Pre-Asks of Manitoba Hydro – Question 5

Reference: March 27, 2014 Transcript, pp. 4298-4309. Discussion with Mr. Brandon and Mr. Wojcynski regarding COSDI and early participation in resource planning.

Given the uncertainties and changing circumstances around Manitoba Hydro's Preferred Development Plan and various alternatives and the potential energy burden of rising rates on vulnerable persons, is Manitoba Hydro prepared to engage in early stakeholder consultation, such as recommended by COSDI and found at SeattleCity Light, BC Hydro and other utilities, on topics like the following?

- a. Strategic planning and reanalysis of future resource options, including generation, transmission and DSM.
- b. Rate design that incents conservation with mitigation options for customers with a high energy burden. [Note that both the PUB and MH have urged the adoption of conservation rates over the years but have failed to find mutually agreed upon mitigation measures for lower-income electric heating customers.]
- c. Natural gas analysis and strategies with respect to both gas generation and gas heating that optimize commitments to global and local reduction of GHGs.
- d. Other areas that may be identified.

Question 5 – Willingness of MH to consult in the exploration of strategic questions.

Importance

GAC believes there is ample evidence from the last-minute scramble and inadequate attention to alternatives within the rigid timeline of the formal NFAT review to demonstrate that earlier exploration of considerations and alternatives from informed stakeholders in the course of integrated resource planning would have been preferable. There is an opportunity to rectify that situation with respect to future multi-factoral issues and planning by following participation models from Manitoba and elsewhere. No extensive analysis from MH is required. Only a signal that they are willing to sit down and scope out issues, such as those listed, where informed consultation could be fruitful.

Response:

Manitoba Hydro undertakes very extensive consultation on the environmental and socio-economic impacts of its generation projects both with local communities and others. For example, consultations and associated studies on Keeyask commenced in the late 1990's and lasted for at least 15 years. Manitoba Hydro has also undertaken some discussions with stakeholders on the Development Plan and DSM but acknowledges there were not full consultations as envisaged by the question from GAC.

Mr. Kuczek on behalf of Manitoba Hydro has already committed to undertake consultations regarding the energy conservation rates during his testimony at NFAT and has reached out to GAC and CAC seeking their input on potential participants.

While past consultations with interested stakeholders have occurred to varying degrees on individual components of Manitoba Hydro's resource planning and DSM initiatives, Manitoba Hydro is open to expanding the discussion arrangements concerning the Corporation's resource planning including DSM, supply technologies and options and how they might fit into resource plans.