

ONTARIO ENERGY ASSOCIATION

OEA SUBMISSION

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PARKWAY BELT WEST PLAN

DECEMBER 20, 2022

To shape our energy future for a stronger Ontario.



Ontario Energy Association

ABOUT

The Ontario Energy Association (OEA) is the credible and trusted voice of the energy sector. We earn our reputation by being an integral and influential part of energy policy development and decision making in Ontario. We represent Ontario's energy leaders that span the full diversity of the energy industry.

OEA takes a grassroots approach to policy development by combining thorough evidence based research with executive interviews and member polling. This unique approach ensures our policies are not only grounded in rigorous research, but represent the views of the majority of our members. This sound policy foundation allows us to advocate directly with government decision makers to tackle issues of strategic importance to our members.

Together, we are working to build a stronger energy future for Ontario.

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INTRODUCTION

The Ontario Energy Association (OEA) appreciates the opportunity to submit feedback on the proposed revocation of the Parkway West Belt Plan (PBWP) under the *Ontario Planning and Development Act, 1994*. The OEA supports the government's objectives to remove obstacles to infrastructure and its objectives to get more homes built to Ontario's housing supply challenges.

The PBWP, when developed in the 1970s, identified potential future encumbrances and developments and put in place a process for lands to ensure future growth and the infrastructure required to enable that growth are not constrained or blocked. This process is similar to the process the Government currently uses to identify, protect, and develop the proposed GTA West Highway Corridor and the associated proposed Hydro One Transmission (HONI) corridor. The forward-thinking planning of the PBWP is just as valid now as it was when developed.

Within the PBWP, OEA members have distribution and transmission assets that supply a significant portion of Ontario's energy needs. Therefore, it is imperative that while the Government studies the impacts of the proposed revocation of the PBWP, it considers the safety, environmental, energy transition, compatibility, accessibility, permitting, financial, and regulatory implications of the revocation on the public, who would be located in close vicinity to high-pressure pipelines, and Ontario's energy supplies.

The OEA believes that the existing process for releasing lands from the PBWP is consistent and ensures engagement from all stakeholders that may be impacted and would recommend updating the existing process to a more streamlined and expedited process rather than revoking the PBWP. However, if the Government moves forward with the proposed revocation of the PBWP, below is a summary of the OEA's recommendations to mitigate potential impacts.

- *Ensuring all developments' property lines have a standard minimum setback distance of 30m from the center of existing pipelines and other assets in the PBWP lands and the utility corridor and keeping pipeline easements as open spaces to maintain access and clearance for operational, maintenance, and expansion activities.*
- *Setting a minimum standard setback of 50m from all complex infrastructure, highway, and river crossings developments to provide enough space to execute work safely.*
- *Mandating that contractors follow safe ground disturbance practices around vital energy infrastructure and that infrastructure companies are afforded the ability to provide onsite inspection during excavation and construction activities that may impact their infrastructure.*
- *Reserving lands for future linear facilities and unanticipated activities requiring high accessibility and substantial land areas.*
- *Considering the Technical Standards and Safety Authority's (TSSA) recommendation that buildings and institutions where rapid evacuation may be difficult have a minimum setback distance of 200m from existing pipelines.*
- *Reserving access points to pipelines in the PBWP lands and utility corridor through any released PBWP lands.*
- *Maintaining the permitting accountabilities for assets in the PBWP lands and utility corridor to ensure the permitting processes' consistency, certainty, and clarity.*

- *Exempting PBWP projects from or modifying the standard OEB leave to construct (LTC) process to minimize total time requirements and regulatory costs should the revocation create the need for a large number of new infrastructure projects.*
- *Reducing red tape by increasing the LTC process's cost threshold to at least \$10M and pipe size to 16" for smaller pipeline construction projects to connect more communities and businesses faster.*
- *Ensuring the completion of any required energy infrastructure projects prior to any development works in close vicinity to energy infrastructure in the PBWP lands.*
- *Affording pipeline operators the ability to recover their costs from developers for engineering assessments, onsite inspection, and relocating and upgrading assets.*

More detailed background for these recommendations follows in the report.

For the purposes of this report, the “energy infrastructure” we refer to includes high-pressure pipelines, high-voltage transmission lines, and other associated high-intensity energy infrastructure which requires careful consideration.

SAFETY

The proposed revocation of the PBWP has significant safety implications for the public that would be located within the PBWP lands and in close vicinity to the utility corridor due to the increased risk of damaging the existing utilities through development and construction activities. In addition, changing land use adjacent to a high-pressure pipeline comes with risks related to having energy infrastructure in close vicinity to population centers. This may require changing the class location designation of the existing pipelines, resulting in, without limitation:

- pressure modifications, which would impact the ability to meet customer demands on the gas and liquid pipeline systems;
- the need to replace the pipelines with heavier walled pipes;
- restricted access to the pipelines in the event of an emergency; and
- the need to access the pipelines through developed lands for operation, maintenance, and expansion purposes.

In addition, the replacement of pipelines would require:

- new easements, given that the existing easements are not wide enough for additional pipelines; and
- federal and provincial regulatory approvals for the liquid and natural gas pipeline systems, which could take 1-2 years at a minimum; thus, challenging OEA members' ability to continue meeting customers' demands in the area and beyond.

Moreover, increasing the building density in the vicinity of vital high-pressure pipelines and facility infrastructures would require more intensive pipeline patrols, creating potential operational challenges and potentially resulting in increased costs to operate and maintain existing energy infrastructure, which, for gas pipeline systems, would be passed onto residents in the form of increased rates.

In addition, having high-pressure pipelines in close proximity to and incorporated into residential properties creates the risk of encroachments on top of the pipeline and damages during construction activities, given that residential homeowners may not be informed of pipeline easements during the transition of ownership.

To mitigate these impacts and risks on residents in the vicinity, the OEA recommends that the Government ensures all developments' property lines have a standard minimum setback distance of 30m from the center of existing pipelines and other assets in the PBWP lands and the utility corridor and keeping pipeline easements as open spaces to maintain access and clearance for operational, maintenance, and expansion activities.

The OEA also recommends that the Government sets a minimum standard setback of 50m from all complex infrastructure, highway, and river crossings developments to provide enough space to execute work safely.

Moreover, high-pressure pipelines are put at risk when construction occurs in close proximity to buried facilities and constructors fail to follow safe ground disturbance practices. The increased development and construction activity will also increase the request for utility field locates, impacting staff resources. Therefore, the OEA recommends that the Government mandates that contractors follow safe ground disturbance practices around vital high-pressure pipelines and that

pipeline companies are afforded the ability to provide onsite inspection during excavation and construction activities that may impact their infrastructure. Federally regulated pipelines will continue to require onsite inspection during excavation and construction activity within 30m of a pipeline.

ENVIRONMENT

The proposed revocation of the PBWP also has the potential to result in significant environmental impacts, particularly regarding noise levels and water crossings. New developments in the existing pipelines and infrastructure vicinity may result in subsequent changes to the applicable noise level requirements in the area, necessitating replacement or significant upgrades to the assets in the utility corridor.

In addition, increased urban development causes increased flow in the existing water courses leading to erosion over existing buried pipelines. As a result, replacing pipelines at water crossings is becoming more common to address erosion concerns. However, such replacement of pipelines would require new easement rights and space for the construction activities and a larger setback to develop water course crossings safely.

ECONOMIC DEVELOPMENT

OEA members are thrilled to support the Ministry of Economic Development, Job Creation and Trade's efforts to build Ontario's green economy. Many companies such as LG/Stellantis, Algoma Steel and Umicore chose Ontario to host their new investments because of our low emissions energy infrastructure. As more companies establish themselves here, we will need to efficiently and expeditiously build or expand energy infrastructure. The Environmental Assessment Act Exemption Order OHK-11 identifies several transmission lines and stations within the Parkway Belt which do not require an environmental assessment to plan, design, construct, operate or maintain its infrastructure. For unbuilt assets, this flexibility can save years in the development process and ratepayers millions of dollars in planning costs.

ENERGY TRANSITION

The OEA and its members are committed to helping accelerate Ontario's transition to a cleaner energy future. They are assisting with the expansion of Ontario's electricity system and advancing new low-carbon energy technologies—including hydrogen, renewable natural gas (RNG), and carbon capture and storage (CCS)—to help meet Ontario's energy needs while reducing the carbon footprint of the energy we deliver cost-effectively and achieve net zero emissions by 2050.

On December 15, the Independent Electricity System Operator (IESO) published the Pathways to Decarbonization Report, which found that attaining a decarbonized electricity sector by 2050, alongside aggressive electrification targets, would require an electricity system more than double the size it is today. The transmission needs to support electrification and decarbonization are extensive. The Report also noted that additional bulk transmission system infrastructure would be

required in the City of Toronto, York Region, east of the Greater Toronto Area, west of Barrie (Essa) and in both northwestern and northeastern Ontario. The Report notes that the estimated land requirements to support the future supply and transmission needs in Ontario, is almost 14 times the size of Toronto. Given the critical need for new energy infrastructure to support economic growth and emissions reductions objectives in Ontario, we strongly recommend that the government keep the Parkway Belt West Plan.

The PBWP provides a land reserve for future linear projects. Such future projects could include low-carbon energy infrastructure projects that meet the growth in energy demands and accelerate Ontario's transition to a clean energy future cost-effectively.

Therefore, OEA recommends that the Government reserves lands for future linear facilities and unanticipated activities requiring high accessibility and substantial land areas.

COMPATABILITY

OEA member energy infrastructure is constructed with consideration for and operate in accordance with TSSA recommendations, which include maintaining a minimum setback distance of 200m from the centerline of the pipe to institutions where rapid evacuation may be difficult, such as hospitals, nursing homes, or other institutions where occupants may have mobility challenges.

OEA recommends that the Government consider the TSSA's recommendation that buildings and institutions where rapid evacuation may be difficult have a minimum setback distance of 200m from existing pipelines.

INCREASED COSTS TO MAINTAIN INFRASTRUCTURE

The Ontario government has been steadfast in ensuring the long-term reliability and affordability of the province's clean energy supply. The IESO's Pathways to Decarbonization Report stated that they are embarking on a regional planning study for the City of Toronto, but fully anticipate that new transmission lines will be required to meet the growing electricity demand. At present, the Parkway Belt provides OEA members easy access to maintain current and build new infrastructure. Intensifying development in proximity to vital corridors will pose operational obstacles (ex: encroachment management, trespassing, accommodation for adjacent uses, etc.) that will add costs to rate payers. Further, acquiring additional property to build new lines is a challenging process that would be significantly more expensive and time-consuming than protecting the integrity of the Parkway Belt West Plan.

Based on prior experience, adjacent landowners often have concerns about the noise related to certain types of energy infrastructure. While we always strive to be a good neighbour by using noise mitigation tactics, it can be costly. Placing homes in near proximity to critical infrastructure often requires infrastructure owners to add these capital costs to existing and future stations. We would advise the government to add conditions to the municipal site plan approval process to protect Ontario energy ratepayers from these unforeseen costs.

ACCESSIBILITY

With the Greater Toronto and Hamilton Area (GTHA) growth and associated infrastructure development along the PBWP, accessing the utility corridor and pipelines within the PBWP has become more challenging due to road overpasses and interchanges.

Therefore, in addition to the recommended setbacks, OEA recommends that the Government reserves access points to pipelines in the PBWP lands and the utility corridor through any released PBWP lands.

PERMITTING

OEA members operating assets in the PBWP lands and the utility corridor apply for various permits regarding the operation and expansion of their assets, which pass through various municipalities within the area and beyond. The PBWP and, in some cases, the Minister's Zoning Orders (MZO) ensure consistency regarding the different permitting processes for any works in the PBWP lands and the utility corridor.

The revocation of the PBWP means that some permitting accountabilities for operating and expanding assets in the PBWP lands and the utility corridor, and the access points to the utility corridor, will be transferred from the province to the various municipalities in the area. Such transfer of accountability would hinder the permitting processes' consistency, certainty, and clarity. It may also negatively impact the operations and expansion of assets in the PBWP lands and utility corridor that serve the area and beyond. Therefore, OEA recommends that the Government maintains the permitting accountabilities for assets in the PBWP lands and utility corridor to ensure the permitting processes' consistency, certainty, and clarity.

REGULATORY IMPLICATIONS

The proposed revocation of the PBWP could create the need for several energy infrastructure projects due to the need to relocate existing infrastructure. The Canada Energy Regulator (CER) or Ontario Energy Board's (OEB) approval may be needed for many of these construction projects. Energy infrastructure construction projects in the PBWP area subject to CER jurisdiction will likely trigger a combination of Operations and Maintenance Notifications to full applications under section 214 of the CER Act (which could include an oral hearing depending on potential opposition).

In addition, any construction or ground disturbance activities associated with the development of the PBWP lands and within areas prescribed by the CER Act (ex., within 30 m on either side of the pipeline) will be subject to the prohibitions and requirements set out in the CER Act and relevant regulations, including protection of the pipeline and public safety, pipeline owner consent prior to any activities as well as other technical requirements for any activities within the prescribed area.

When considering the revocation of the PBWP, the Government should consider the time and cost consequences of pipeline construction projects created by the revocation. The OEB's LTC process and the CER's application process can take up to 12 months or more from initiation of the regulatory process to approval. These regulatory processing time periods do not include the time

required for project development in advance of the initiation of the regulatory process nor the time needed for construction following approval by the regulator— both of which can vary depending on project size and complexity.

OEA recommends that the Government exempts PBWP projects from or modifies the standard OEB LTC process to minimize total time requirements and regulatory costs should the revocation create the need for a large number of pipeline construction projects.

In addition, although many of the pipeline construction projects in the PBWP lands and utility corridor would require higher cost and pipeline thresholds, OEA recommends reducing red tape by increasing the LTC process's cost threshold to at least \$10M and pipe size to 16" for smaller pipeline construction projects to connect more communities and businesses faster.

If the revocation also requires pipeline construction projects subject to CER and OEB jurisdiction, then OEA recommends the Government ensures the completion of any required pipeline construction projects prior to any development works in close vicinity to pipelines in the PBWP lands.

FINANCIAL IMPLICATIONS

The revocations of the PBWP could have significant financial implications on the companies operating in the PBWP land and utility corridor, particularly regarding relocating assets and reviewing, approving, and inspecting construction activities. Such added costs for the gas pipeline systems would be part of future adjustments to the rate base and borne by ratepayers.

The relocation of assets, resulting from changing the class location designation of the existing pipelines, would entail cost recovery allocation and advanced notices for appropriate planning.

In addition, reviewing, approving, and providing inspection for construction activities in developed areas is labour-intensive. Therefore, pipeline companies often require support from external consultants to meet quick turnaround times.

Therefore, OEA recommends that the Government afford pipeline operators the ability to recover their costs from developers for engineering assessments, onsite inspection, and relocating and upgrading assets. Otherwise, the increased costs to relocate and operate the gas pipeline systems would eventually fall to the rate base and be passed onto ratepayers.

CONCLUSION

OEA appreciates the opportunity to provide feedback and recommendations to help guide the consultation on the proposed revocation of the Parkway Belt West Plan. We appreciate the government's efforts to drive Ontario's economy and support families and business. OEA does not support the proposed revocation of the PBWP and believes the current process should be considered for each property independently. The OEA firmly believes that for the government to realize its goals of growing a strong, green economy, the PBWP should remain in effect.

However, if the revocation of the PBWP is carried forward, OEA requests consideration of the stipulations identified in this document and welcome the opportunity to meet with you to discuss the consultation and recommendations in further detail. If you have any questions or require additional information, please do not hesitate to contact Nameer Rahman, Director of Policy (nameer@energyontario.ca).

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