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MGP File: 17-2666

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Ministry of Energy and Electrification
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Toronto, ON M7A 2C1

via email: phydime.bysshe@ontario.ca and Kirby.calvert@ontario.ca

**RE: ERO File No. 019-9284 – Integrated Energy Resource Plan
Proposed Amendments to the Ontario Energy Board Act and Ontario Energy Act
Comments on behalf of the Brooklin North Landowners Group Inc.**

Malone Given Parsons Ltd. (“MGP”) is the Group Manager for the Brooklin North Landowners Group (“BNLG”), which represents the participating owners in the northern part of the Brooklin Community Secondary Plan area in the Town of Whitby. BNLG is comprised of 13 umbrella development companies and owns the majority of landholdings within North Brooklin, a new community area that is expected to accommodate 14,000 dwelling units, schools, commercial and retail areas, and other uses expected for full build-out by 2041, in accordance with the Brooklin Community Secondary Plan and the Brooklin Comprehensive Block Plan.

MGP has reviewed ERO File No. 019-9284, *Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998, and the Energy Consumer Protection Act, 2010, to enable an affordable energy future* on behalf of the BNLG and is pleased to provide the following comments for the Minister’s consideration.

BNLG commends the Province in its efforts to modernize the Electricity Act of 1998, and the Ontario Energy Board Act of 1998. These changes are crucial to addressing the challenges of energizing and building homes in today’s housing crisis. While the proposed changes generally aim to promote efficient planning for the delivery of electricity and to mitigate unfair burdens on First Movers, the BNLG believes it can offer additional insights and propose further direction that can assist in achieving the Province’s goal of building 1.5 million homes by 2031. We are pleased to provide additional comments on the proposed amendments in the following sections of this letter.

1.0 Integrated Energy Resource Planning Amendments

Prioritize Master Planning to Meet Municipal Housing Pledges

We appreciate the province’s commitment to integrated planning consultations through the proposed Integrated Energy Resource Plan. Having stakeholders and other community members meet to contribute to a predictable planning cycle every five years is a step in the right direction to ensuring sufficient infrastructure and capacity is available for new communities and future development.

We remain concerned, however that this does not go far enough to ensure that LDCs construct and reserve sufficient capacity for future growth.

BNLG has been working with Elexicon Energy since 2019 to bring electricity service to North Brooklin. Like many other Local Distribution Companies (LDCs), Elexicon and Whitby Hydro (Elexicon's predecessor) did not anticipate the need for additional service in North Brooklin and had not undertaken pre-planning to ensure service would be designed to meet forecasted growth in Brooklin.

BNLG anticipated energizing first home construction as early as 2019, but due to unanticipated delays and lack of planning, energization for first homes is now anticipated for 2026-2027. As of October 2024, BNLG has been working towards alternative solutions to bring power to Brooklin, and anticipates through a Memorandum of Understanding with Elexicon Energy that power will be brought to North Brooklin through two phases; the first with enough capacity to power between 5,000 and 5,833 residential units, commercial uses, and institutional uses by 2027, and the second with enough capacity to power the remainder of North Brooklin (between 8,167 and 9,000 residential units, plus commercial and institutional uses) by 2032. This second phase includes the construction of a new GTA East Municipal Transformer Station (MTS), which, along with a new 44kv feeder line, will provide the remaining capacity needed to power North Brooklin and other communities.

The New MTS is yet to be approved and constructed, and as a part of the transmission system needs approvals and regional system planning prior to being able to proceed.

Elexicon's previous lack of planning and coordination with various municipalities (Whitby and Durham Region) and failure to commit to municipal and provincial growth targets has contributed to the lack of available hydroelectric infrastructure sufficient to support levels of residential and commercial development that has been planned for within municipal Official Plans since 2013.

Similar situations exist throughout many of the higher-growth areas in Ontario and will become the major and increasingly the only impediment to delivering much-needed housing and jobs.

As such, we strongly recommend that the Province consider regulatory and legislative amendments to require the OEB and LDCs to prepare 5-year integrated energy plans that:

- 1. Must be updated every 5 years to plan to implement Provincial and municipal planning forecasts.**
- 2. Establish transmission and supply requirements to ensure that overall system planning anticipates and provides inputs into regional planning for generation and transmission requirements.**
- 3. Require LDCs to complete local distribution design planning to accommodate growth in Large and Fast Growing Municipalities and any other municipalities that have signed a housing pledge with the Province.**

Expedite and Fund Critical Transmission Infrastructure to achieve the Province's 2031 Housing Targets.

As of November 2024, BNLG has advanced numerous development applications, including seven draft-approved plans of subdivision, which total over 3,673 residential units, commercial/retail uses, and schools. Together, with other development applications that are in the process of being advanced by participating landowners, they represent over 11,000 new housing units to be constructed in North Brooklin.

This represents over half of the Town of Whitby's housing pledge to the provincial government to deliver 18,000 new homes by 2031. The Town of Whitby and the Province of Ontario are counting on the delivery of these new units in order to deliver on its housing requirements and address the ongoing affordability crisis. However, the majority of this growth CANNOT begin until 2032 unless both the LDC distribution assets and transmission system components are provided in an expedited manner.

While it is imperative to fix the overall coordination of planning energy, aligned with Provincial and municipal growth forecasting, it is also urgently needed to triage and immediately fund critical transmission infrastructure that is currently a constraint to delivering housing in faster-growing municipalities. Failure to do so will predictably result in the Province failing to meet its housing targets, solely from the lack of electricity supply required to energize these homes.

In Elexicon's case, the core transmission infrastructure that is needed to deliver power to North Brooklin is not planned to be delivered until 2032, meaning that there is insufficient electricity supply available to achieve Whitby's housing pledge for 2031.

We ask that the Province expedite integrated energy resource planning in Housing Pledge municipalities by:

- 1. Expediting the approval and funding of critical transmission infrastructure that is required to achieve the 2031 housing targets.**
- 2. In Whitby, immediately approving and funding the GTA East MTS in order to enable the Town to meet Whitby's 2031 Housing Pledge.**

2.0 Electricity Connections to Support Growth

Current Practice Places an Unfair Burden on First Movers

In new growth areas, first movers play a critical role in establishing the necessary services and infrastructure to support development in new community areas, often shouldering substantial upfront costs to do so.

Under current practice in a user-pay energy system, first movers are obligated to fund new infrastructure that is required for entire new communities. This is well beyond individual developer or subdivision needs, meaning that first movers are put in an unfair and often economically unviable position to deliver the first homes or jobs in new communities.

Given that electricity capacity cannot be reserved, nor can first movers collect back the capital costs from either the LDCs or other future users, the current system is also unfair as it would provide a financial benefit to LDCs and other developers on the backs of the first movers in a community.

This financial burden on first movers is also disproportionate to their individual energy needs as it places a responsibility on them to pay for the construction of services, such as hydroelectric infrastructure that will serve the wider community.

This practice fails to recognize the principle of fairness, where those who benefit from such infrastructure should be expected to contribute their fair share of these costs.

In the case of North Brooklin, the BNLG is expected to share in the costs of upwards of \$28,000,000 to establish Phases 1 and 2 to bring power to North Brooklin, whereas only a subset of the developers and areas in this community will be able to go first but must bear the cost of extending power to the entire community.

The BNLG believes that it is unfair to be expected to pay for and receive little or no recovery for a new energy system for an entire community that is not directly related to the development of individual subdivisions. The current system only works if energy is essentially at the 'doorstep' of individual development lands, which is not the case in most new growth areas. Moreover, LDCs will not pre-construct infrastructure to be development-ready as they are constrained by the current system to not incur risk, particularly to the existing rate base.

We ask that the province consider changes to the legislative and regulatory system and take actions to expedite energy delivery in a fair way to new community areas by:

- 1. Requiring and enabling LDCs to deliver infrastructure to the doorsteps of new community areas in time to support the initial growth with Provincial financial guarantees to eliminate the risk to return and existing rate-payers should growth take longer than expected.**
- 2. Providing financial incentives and fairness for first-movers that are required to fund capital works to bring energy to the doorstep of their developments, such as:**
 - a. Allowing such funding to be a financial partnership with LDCs, including the potential for ownership in the LDCs commensurate with the investment in building a portion of their system;**
 - b. Allowing developers/groups to reserve the capacity created from such investments and require new users to pay a fair share of indexed costs so that the cost of such infrastructure is shared proportionately and recovered by first-movers;**
 - c. Ensuring that first-movers can recover the full capital costs with indexing from LDCs through modifications to the distribution system code and economic analysis calculations.**

3.0 Conclusion

We thank you for the opportunity to provide comments on potential changes proposed to the *Ontario Energy Act, 1998*, and the *Ontario Energy Board Act, 1998*. We have limited our suggestions in this letter to address our most notable concerns and would like to continue to provide input throughout the consultation process.

Please add us to the list of any future consultation opportunities.

If you have any questions or wish to discuss our comments further, please do not hesitate to contact the undersigned at any time.

Yours very truly,

Malone Given Parsons Ltd.



Matthew Cory, MCIP, RPP, PLE, PMP

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cc. Brooklin North Landowners Group Inc.
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