



December 15, 2023

Annamaria Cross  
Director  
Environmental Assessment Modernization Branch  
Ministry of Environment, Conservation and Parks

SUBJECT: Five (5) Year Review of the OWA Class EA

I am writing in relation to the satisfaction of the requirements of Section 8.3 of the OWA's Class Environmental Assessment for Waterpower Projects. The provision of the Section stipulate that:

- A review of the Class EA will be submitted by the end of the calendar year five calendar years after the year in which the Class EA is approved, and every five years thereafter;
- The review will consider the efficiency and effectiveness of the Class EA planning process, assess new legislative requirements and evaluate best practices of direct relevance to waterpower projects; and
- The OWA will provide, by letter, to the Director of the EAB the results of the review. This review will also include a summary of issues and amendments that arose during the comment period, and an account of how the issues and amendments that have been or will be addressed, for approval by the Director of the EAB.

As the OWA Class EA was initially approved in 2008 and our most recent five (5) year review was submitted in 2018, the next review is due by the end of 2023. Activity related to the Class EA during this period is summarized below:

Amendments proposed, made to and/or approved between 2018 and 2023

1. Minor amendment (2018) - Approved in 2018.

On October 31, 2017, the Ontario Waterpower Association submitted its request to the (then) Ministry of the Environment and Climate Change, Environmental Assessment and Permissions Branch. Additional minor amendments were also proposed by the Ministry of Natural Resources and Forestry and the (then) Ministry of the Environment and Climate Change. The Director determined that the accepted minor amendments, with and without modifications, would not substantially change the Class Environmental Assessment, did not compromise environmental protection, and would improve the implementation of the Class Environmental Assessment by providing additional clarity and guidance.

## 2. Class environmental assessment — Amendments approved in 2022.

In 2020, MECP began working to improve the environmental assessment program, as it applies to waterpower infrastructure, in a two-step process. For the first step of this process, the ministry consulted on amendments to the Ontario Waterpower Association Class EA. The amendments proposed by the Ontario Waterpower Association (OWA) were meant to better align EA requirements with the potential for environmental risk, eliminate duplication and streamline the process. Amendments to the Ontario Waterpower Association Class Environmental Assessment were also proposed by the ministry to incorporate the amendments that were made to the EAA in 2019 and 2020, to correct errors, update references and names, and to improve the clarity of the document.

A key feature of the OWA's proposed amendment was the creation of a screening process to exempt projects that are anticipated to be low impact from the full class environmental assessment process.

The proposed amendments focused on:

- aligning assessment requirements with environmental impact
- reducing duplication
- increasing efficiency of the assessments

MECP evaluated various proposed amendments to the Ontario Waterpower Association Class EA and considered the feedback heard from Indigenous communities, proponents, stakeholders and other agencies during the Summer 2020 consultation period.

The final amendments were approved through a Notice on the Environmental Registry of Ontario (ERO number 019-5083) dated February 24, 2022.

## 3. Regulatory alignment and housekeeping (2023/2024)

For the second step of modernization, MECP worked to develop a streamlined environmental assessment regulation for waterpower infrastructure (and other Class EA's) that builds on the amendments to the Ontario Waterpower Association Class Environmental Assessment. In March 2023, the MECP proposed regulations and related actions to move toward a project-list approach for projects that will require a comprehensive environmental assessment under the Environmental Assessment Act (ERO number 019-4219).

The OWA worked with MECP to align the Class EA for waterpower projects with the project-list approach to ensure consistency of terminology, interpretation and process. The OWA also collaborated with the Ministry of Culture and Multiculturalism (MCM) to develop an improved approach to the consideration of cultural heritage resources for projects eligible for the screening process approved in 2022.

The results of these efforts are a revised and updated draft OWA Class EA, currently under review by the Ministry.

Projects subject to the Class EA between 2018 and 2023

The province (through the Ministry of Energy) cancelled all existing renewable energy contracts (including six (6) waterpower projects) in 2018 and wound down the “Hydroelectric Contract Initiative” Program, through which existing non-rate regulated facilities were provided with opportunities to expand. Given these decisions, no new greenfield facilities or expansions of existing non-rate regulated facilities were proposed during the period between 2018 and 2023 and, hence, no new Class EA undertakings/projects were commenced during this period by non-Ontario Power Generation (OPG) proponents.

OPG did apply the Class EA to three (3) projects within the five (5) year period and a summary table is provided below:

Project	Class EA Categorization	Commencement	Completion
Calabogie GS	Redevelopment – Project at existing infrastructure	Notice of Commencement - 2017	Notice of Completion – December 2019  Statement of Completion – March 2020
Conniston GS	Redevelopment – Project at existing infrastructure	Notice of Commencement - 2019	Notice of Completion – January 2023
Kakabeka Falls	Expansion < 25% – Category A (i.e. exempt)	Determination of exemption 2022	

Applying the Class EA to future projects

While the five (5) year period covered by this review saw little activity in terms of projects applying the Class EA process, significant improvements were made through the OWA’s minor amendment and MECP’s leadership in collaborating with the OWA through its modernization of the *Environmental Assessment Act*.

As outlined in the IESO’s Pathways to Decarbonization Report (2022), OPG’s Northern Hydro Opportunities Report (2023) and the government’s response in “Powering Ontario’s Growth (2023), the province is facing an emergent and enduring need for additional non-emitting electricity supply and enabling transmission in the near and longer term. Given this, OWA anticipates that the updated Class EA for Waterpower Projects will play an integral and important role in advancing the decarbonization of the electricity system and the electrification of the broader economy.

Key indicators in this regard include:

- the finalization of a Program by IESO by December 2023, as directed by the Ministry of Energy, to recontract existing non-rate regulated “Small Hydro” facilities (<10MW) and the specific inclusion of provisions within the contracts to enable facility expansion and/or the addition of co-located storage;
- the expected direction from the Ministry of Energy to the IESO to recontract existing non-rate regulated facilities with an installed capacity of >10MW, presumably with similar provisions with respect to expansions and upgrades.
- the direction from the Minister of Energy to the IESO to Report back by February 28, 2024 on the proposed approach to potential subsequent procurements to be undertaken by IESO, including:
  - “A review of the role of existing assets and new non-emitting electricity resources that can be in-service by 2029 including wind, solar, hydroelectric, storage and bioenergy, or when IESO identifies future needs arising.”
  - “Considerations for a potential separate procurement for resources with long lead times and long lifespans, such as long-duration storage, and hydroelectric generation”
- the recognition of “Made in Ontario” waterpower opportunities in Powering Ontario’s Growth
  - “With over 100,000 kilometers of rivers and streams, Ontario has a significant potential for hydroelectric power generation, which can be developed by individuals, businesses, or communities.”
  - “Beginning the planning, siting and environmental assessment work needed for new nuclear, long duration storage and hydroelectric facilities, as well as transmission infrastructure, to allow for faster implementation.”
  - “The Minister of Energy directed OPG to report back with options for future hydroelectric power development in the province and now has asked OPG to further that plan by proposing options to optimize electricity generation from existing sites as well as engaging with Indigenous communities to understand how Indigenous communities could participate in and benefit from future hydroelectric generation projects.”
- OPG’s twenty (20) year capital investment plan to upgrade, expand or refurbish its hydroelectric fleet.

## Summary

In summary, while relatively few projects have applied the Class EA for Waterpower Projects during the period of this five (5) year review, considerable progress has been made in modernizing the Class EA to align with MECP-led improvements. The amendments proposed and approved over this timeframe will undoubtedly position the industry well to respond to the province’s growing demand for non-emitting, reliable and affordable electricity, while sustaining environmental protections.

The OWA would like to take this opportunity to express our appreciation for the expertise, guidance and professionalism of MECP staff in helping to improve and enhance the Class EA for Waterpower Projects over the last five (5) years and we look forward to continuing our positive and productive working relationship.

Sincerely;

A handwritten signature in black ink, appearing to read 'P. Norris', with a long horizontal flourish extending to the right.

Paul Norris  
President  
Ontario Waterpower Association

Copy: OWA Board of Directors

I would be pleased to discuss this submission with you at your convenience and look forward to receiving your confirmation that we have met the requirements for this five (5) year review.

Sincerely;

Paul Norris  
President  
Ontario Waterpower Association