

February 4, 2014

Honourable Kathleen Wynne
Premier of Ontario and Member of Provincial Parliament, Don Valley West
Minister of Intergovernmental Affairs and Minister of Agriculture and Food
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Dear Premier Wynne:

Re: Proposed Hydro-electric Generating Station at the Bala Falls

Summary

The Ontario government is replacing the renewable energy Feed-In Tariff program, which demonstrates that the FIT program has too many fundamental flaws to be otherwise fixed.

As detailed below, the major problems with the FIT program are also why the proposed Bala project has too many fundamental flaws and should not be approved.

Before more time and money is wasted on the proposed Bala project, please begin a dialogue with us on the best path forward for all parties involved.

Detail

As directed by the Minister of Energy, the Ontario Power Authority has cancelled the Feed-In Tariff program for renewable energy projects larger than 500 kW and is now planning a successor program called the Large Renewable Procurement.

The planning for the LRP appears to be very thorough, and shows the provincial government understands the need to address shortcomings of the FIT program.

These same changes should be required of the proposal to build a hydro-electric generating station at the Bala falls. For example, the new LRP process is likely to:

- 1) Require the **proponent to have employees**.
 - a) But for the proposed Bala project. the proponent, Swift River Energy Limited, has **no employees**, no operations, and no assets. Of the original principals of the company, only one (Ian Baines) had significant experience with hydro-electric generation, and he ceased both being a principal and involved with the proponent several years ago.
- 2) Require **meaningful community engagement**.
 - a) In the **eight years** since the proponent began pursuing this proposed project, they have held only **two public meetings** – and these on Wednesday evenings when it would not be possible for most seasonal residents to attend.

- b) Even worse is that at both of these public meetings the public was **given incorrect information** – that the proponent’s Option 1 proposal could be built solely on Crown land, when in fact it could not.
- c) Through this incorrect information as well as **intimidating** the previous municipal Councils and the public, the proponent **bullied** them into considering providing municipal land for the proposed project.
- d) The proponent was dismissive of and never seriously assessed the public’s suggestion to consider instead locating the proposed project in the Bala South Channel. **We tried working with the proponent**, but they would have none of it.
- e) Presentations to the public, and the proponent’s environmental screening report, assured us that the project would be the much safer run-of-river operation and be some distance from the recreational area at the base of the Bala north falls. But the proponent then changed to the much more dangerous cycling operation, and also relocated the proposed station to be directly adjacent to the in-water recreation. This was **never presented to the public** in a public meeting.
- f) “Adjacent landowner acceptance” is a goal of the LRP process. Not only does the Bala proponent not have this, they would be impinging on the riparian rights of these adjacent landowners as it would become unsafe to access the water or dock a boat at these properties. The proponent has not even discussed this with the adjacent landowners.

This is a major problem as Section 1.4.1 a) of the MNR’s *Waterpower Site Release – Crown Land* procedure PL 4.10.05 states that the **proponent must have “proof that the Applicant has an agreement** or some form of legal understanding with the riparian” [owner of the abutting lands].

- g) The proponent has **never stated what royalty** they would have offered for use of the municipal land, and they **completely ignored** the input from the Scenic Flow Committee for which they insisted on, and received full control over the agenda, members, and minutes.
- h) The proponent has **never approached the local volunteer fire department** or other emergency response organizations to determine what resources or training would be required.
- i) The proponent continues this arrogant behavior. For example, the proponent’s recent “We’re Listening” campaign was a complete farce, as they only allowed respondents a few **35-character inputs** for comments – and the survey forced respondents to rank only and all of the proponent’s suggestions. This shows the proponent does not care where a respondent may rank their own suggestions.

As detailed above, the proponent has shown only disrespect, deception, and hostility towards the community – **no meaningful community engagement**.

- 3) Require **projects not be located on land particularly economically valuable** for other purposes.

The FIT program did not permit ground-mounted solar projects to be located on “Prime Agricultural Land”. Certainly the land for the proposed Bala Falls project is particularly economically valuable – indeed crucial – to the area’s economy.

The proposed project should not be permitted on land so valuable and used for so long, for other purposes. Especially when this proposed project would create extreme dangers to the vacationing public. These dangers were never presented; neither to the

public at the Public Information Centres, nor to the Township Council which was coerced into considering providing municipal land.

4) Require projects to be **competitively-priced**.

The proposed Bala generating station would receive a subsidy of over \$100M over the 40-year term of the contract (details at <http://savethebalafalls.com/?p=3558>) – an unnecessary expense to the taxpayers of Ontario.

5) **Municipal preferences** for electricity generation are considered.

Muskoka already has many hydro-electric generating stations, likely all that can be constructed without major negative economic impacts.

However, Muskoka also has quarries and other non-productive land which would be very suitable for ground-mount solar generation. Indeed, the **Township of Muskoka Lakes recently voted to support the development of two 500 kW solar projects** within the Township.

6) Require projects to have “**full market exposure**”.

The proposed Bala project would generate electricity even when Ontario has a surplus, and it would generate the most power in the spring and fall when electricity demand is the lowest. The province would pay more than 17 ¢/kW•h on afternoons in the spring and fall, when the Ragged Rapids generating station just a few km downstream could generate electricity for 4 ¢/kW•h.

Summary

The proposed project to build a hydro-electric generating station in Bala does not meet most of the goals of the LRP. The proponent has no employees, assets, or operations. There is no agreement from abutting landowners, the proposed project would be located on land particularly valuable for other purposes, there has been no meaningful public engagement, the power would not be competitively-priced or dispatchable, and the municipality has shown a preference instead for solar generation.

The acknowledged flaws in the FIT program can be solved for the proposed Bala project by denying provincial approvals still required. Please respond with your plans to address this.

Sincerely,



Mitchell Shnier, on behalf of SaveTheBalaFalls.com

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