

Ministry
of the
Environment

2 St. Clair Ave. West
Toronto ON M4V 1L5

Ministère
de
l'Environnement

2, avenue St. Clair Ouest
Toronto ON M4V 1L5



ENV1283MC-2006-3559

August 31, 2006

Ms. Adriana Mugnatto-Hamu, Secretary
Ms. Karen Buck, Research Chair
Toronto Energy Coalition
18 Victor Avenue
Toronto ON M4K 1A8

Dear Ms. Mugnatto-Hamu and Ms. Buck:

Thank you for your August 15, 2006 letter to the Minister of the Environment about the Portlands Energy Centre (PEC). I am pleased to reply on behalf of the Minister.

The McGuinty government is committed to clean and renewable energy sources and encourages electricity conservation. Additional information about energy conservation can be found at the Ministry of Energy's website <http://www.energy.gov.on.ca>.

In order to meet the energy demands of the province, new energy facilities are being developed. Electricity projects like PEC are subject to the requirements of Ontario Regulation 116/01, made under the *Environmental Assessment Act* (EAA).

TransCanada Energy Limited and Ontario Power Generation Inc. (the proponents) propose to construct and operate a 550 megawatt natural gas-fired facility in the Toronto Portlands, known as the PEC. The proponents had to fulfill the environmental assessment requirements established by Ontario Regulation 116/01. Specifically they were required to complete the Environmental Screening Process (ESP) as set out in the *Guide to Environmental Assessment Requirements for Electricity Projects, March 2001*. The ESP required the proponents to identify environmental effects, describe mitigation measures and consult with affected stakeholders. The health assessment completed as part of the ESP examined the potential impacts of the PEC. The proponents also completed a socio-economic assessment that concluded that the PEC was compatible with the waterfront revitalization plans.



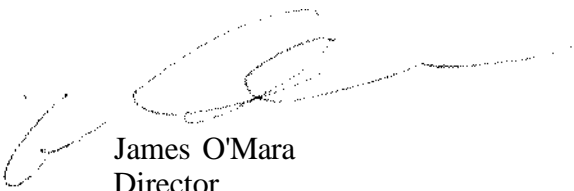
Upon completing the ESP, the proponents published a Notice of Completion and there was a 30-day public and agency comment period. During the comment period the ministry received numerous requests to elevate the project to an individual environmental assessment. The Director and the Minister of the Environment both denied the requests for elevation, as the ministry was satisfied that the commitments made in the ESP were sufficient to protect the environment and human health. There are no provisions under the EAA or Ontario Regulation 116/01 to allow the Minister to reconsider her decision to deny an elevation request or to require the proponents to complete an individual EA for this undertaking. In April 2005, the proponents submitted their Statement of Completion indicating that they had completed the ESP in accordance with the Guide.

As part of the approval process, the PEC is also subject to the *Environmental Protection Act* (EPA) and the *Ontario Water Resources Act* (OWRA). The EPA and OWRA set out regulations and guidelines to protect air and water quality. The proponents have demonstrated that the PEC can meet ministry standards for air emissions and industrial sewage systems. The PEC has received approval under the EPA and OWRA to operate. As a condition of operation, the PEC facility will be equipped with continuous emission monitoring equipment for nitrogen oxides in addition to carbon monoxide.

The ministry is satisfied that the commitments made during the ESP and the conditions and requirements set out in the EPA and OWRA approvals are sufficient to protect the environment and human health.

Should you have any further questions about the environmental assessment process for the PEC please contact Hayley Berlin, Project Officer at the Environmental Assessment and Approvals Branch at 416-314-7106.

Yours sincerely,



James O'Mara
Director
Environmental Assessment & Approvals Branch