



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA HYDRO 2025
INTEGRATED RESOURCE PLAN AND MAJOR NEW
FACILITY PUBLIC REVIEW
PUBLIC HEARING

Before Board Panel:

Robert Gabor, KC	- Board Chairperson
Marilyn Kapitany (by TEAMS)	- Board Vice Chair
Kurt Simonsen	- Board Member
Kim Sharman	- Board Member
Hugh Grant	- Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Ave.
Winnipeg Manitoba
September 4, 2026
Pages 6018 to 6203

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1 --- Upon commencing at 9:03 p.m.

2

3 THE CHAIRPERSON: Good morning,
4 everyone. The final day has arrived. Ms. Brown, can
5 you take us through today?

6 MS. AVRIL BROWN: Good morning. So,
7 today we will be finishing off closing submissions of
8 Interveners, beginning with Manitoba Industrial Power
9 Users Group, followed by Wa Ni Ska Tan. After the
10 lunch break, we'll have the GSS/GSM representative,
11 and then finally closing comments.

12 THE CHAIRPERSON: Thank you. Mr.
13 Hacault, if you could just pick a place around 10:30.

14 MR. ANTOINE HACAULT: Yes. I've --
15 Ms. Lawlor Forsyth and I are going to be sharing the
16 presentation. And I've asked her -- I think it'll be
17 during my presentation -- to give me a five (5) minute
18 warning before 10:30, so.

19 THE CHAIRPERSON: Okay. So --

20 MR. ANTOINE HACAULT: I will do that.

21 THE CHAIRPERSON: Okay. Thank you.
22 Please proceed.

23

24 CLOSING SUBMISSIONS BY MANITOBA INDUSTRIAL POWER USERS
25 GROUP:

1 MR. ANTOINE HACAULT: Some very
2 preliminary comments. We had forgot to mark the
3 Gerdau presentation as an exhibit. We're suggesting
4 it be marked as Exhibit 35, ChemTrade presentation as
5 Exhibit 36, and our final submission as Exhibit 34.

6

7 --- EXHIBIT NO. MIPUG-34: MIPUG's final submission

8

9 --- EXHIBIT NO. MIPUG-35: Gerdau presentation

10

11 --- EXHIBIT NO. MIPUG-36: ChemTrade presentation

12

13 MR. ANTOINE HACAULT: With that, I
14 wish to take this opportunity to thank all Board
15 staff, Board Counsel, Board advisors. I wish to thank
16 Manitoba Hydro Counsel, Manitoba Hydro Panel members,
17 Manitoba Hydro staff supporting the Panel members.

18 Manitoba Hydro has clearly put a lot of
19 effort in both the IRP and the MNF applications. I
20 also wish to thank my co-counsel and MIPUG advisors
21 for their support.

22 Finally, I wish to express gratitude to
23 the members of the Board on behalf of MIPUG and
24 Manitobans. In particular, it's my understanding that
25 the Chair and Vice Chair may be concluding their

1 terms. And I would be remiss if I didn't take the
2 opportunity to wish them well and to acknowledge their
3 enormous contributions by selflessly giving of their
4 time and expertise to serving the public on this
5 Board.

6 I also want to assure Manitoba Hydro
7 staff that my comments and the items in our submission
8 are not intended to be critical of their work in what
9 is their first IRP and what must have been challenging
10 circumstances.

11 I have some introductory remarks and
12 then we'll address the summary of conclusions and
13 recommendations. My colleague, Ms. Lawlor Forsyth,
14 will be covering some of the issues. If I have time
15 at the end, I'll be dealing with some discreet
16 comments structured around the items listed in the two
17 OICs, but our summary comments already do a lot of
18 that work.

19 I want to make some overall kind of
20 high-level comments. The first one is pivoting from
21 two (2) to three (3) turbines in the time frame of
22 about one (1) month. Let me explain myself.

23 As is shown on the record on March 28,
24 2025, the PUB issued a report with respect to Manitoba
25 Hydro Proxy Plan for two (2) turbines. According to

1 the CEO of Manitoba Hydro, the IRP was essentially
2 finalized and with the government in August of 2025.
3 During the 2026 GRA, the position of Hydro continued
4 to be that only two (2) turbines were required. This
5 continued to be the position even after the throne
6 speech announcing three (3) turbines would be built.

7 The announcement had come as a surprise
8 to the CFO who could not advise as of November 24,
9 2025 what the in-service date of the third turbine
10 might be.

11 Fast-forward a little bit more than a
12 month, February 2, 2026, the IRP is filed. This is
13 when Manitoba Hydro pivots in its position of needing
14 three (3) turbines all in 2030. Again, I'm not being
15 critical of Manitoba Hydro staff. The fact remains
16 that in about a month, Manitoba Hydro pivoted from two
17 (2) turbines to three (3) turbines without any, in my
18 view, new economic or load factors occurring to cause
19 this pivot.

20 In addition, the February 2 filing must
21 have been very close to finalizing a favorable
22 capacity resource, which on the record is shown to
23 have been signed on February 26, so that's about three
24 (3) weeks later, of 2026. It's the amendment of the
25 NSP Diversity Exchange which increased capacity by 150

1 megawatts from June 1, 2028, to May 31, 2030.

2 And by the April 29, 2026, filing,
3 Manitoba Hydro confirmed there were two (2) new
4 hundred-megawatt diversity capacity agreements
5 starting on June 1, 2030, and ending respectively on
6 May 31, 2035, and May 31, 2036.

7 These three (3) new contracts are good
8 news for Manitobans and highlight the extraordinary
9 work Manitoba Hydro is capable of notwithstanding the
10 challenging and changing MISO market.

11 My point is simple. I urge the PUB to
12 be cautious when evaluating Manitoba's (sic) Hydro's
13 continued position of needing three (3) turbines in
14 2030 in the face of these positive developments and
15 considering that Manitoba Hydro only pivoted after the
16 throne speech.

17 Another general observation. Both
18 Manitoba Hydro and Interveners are concerned about
19 reliable supply. You've heard that many times from
20 MIPUG. There has been a good debate on how to address
21 this reliable supply. One (1) thing is clear from the
22 record, though, none of the Interveners representing
23 ratepayers are recommending committing to three (3)
24 turbines.

25 All classes of ratepayers do not

1 support the recommended P5A plan, nor do they support
2 the alternative P3 plan, both of which contemplate
3 three (3) turbines in 2030. For the reasons
4 summarized in our written brief, MIPUG suggests that
5 the PUB recommend the IRP be rejected.

6 Now pivoting to the MNF, Manitoba --
7 MIPUG rather, suggests that the PUB reject an
8 investment in three (3) turbines in 2030. We suggest
9 the PUB request a one (1) time limited mandate to
10 review updated information prior to arriving at a
11 final recommendation on whether to proceed with one
12 (1) turbine or two (2) turbines. And we will deal
13 with this in more detail at the end of our
14 presentation and, if necessary, in additional
15 questions of this Board.

16 While I'm still on at things at a high
17 level, it is our view that Mr. Bowman put together
18 what we hope the PUB views as a thoughtful piece on
19 potential pathways to assess whether one (1), two (2),
20 or three (3) turbines should be acquired.

21 I continue to remind myself that
22 Manitoba Hydro has a monopoly on electricity in this
23 province and, by legislation, it is entitled to
24 recover its costs irrespective of whether the
25 investment is not used and useful when it is put into

1 service.

2 This is contrasted with other
3 jurisdictions where there is another safety net for
4 ratepayers whereby assets need to be used and useful
5 being put -- before being put into the rate base.
6 This reality puts an enormous weight on the shoulders
7 of decision makers.

8 In my respectful submission, a final
9 decision cannot and should not be made on billion-
10 dollar investments with an incomplete record of
11 critical information required to make a decision.

12 It is for this reason that I have been
13 losing sleep over the last week on what could be a
14 possible process and path for the PUB and government
15 to only make a final decision on committing to
16 billions of dollars when it has a final clear date on
17 need of new supply and dealing with, of course, the
18 practical realities of acquiring and putting new
19 resources into service.

20 Now, I was pleased to see in Manitoba
21 Hydro's final submissions, and for reference, it's a
22 transcript page 5,678, that there appears to be some
23 openness by Manitoba Hydro to have this Board make a
24 broader recommendation to government on how the Major
25 New Facilities proposal could and, if so inclined,

1 recommend the different pathways with the risks and
2 advantages of those pathways. I'm just quoting from
3 the record.

4 So, with these general comments, I will
5 now turn to presenting the eleven (11) pages of
6 summary of conclusions and recommendations. As you
7 will see, the summary is footnoted, but is further
8 supported on select issues by issue briefs. The
9 summary is structured around the Manitoba Hydro Act,
10 the terms of reference of the Orders in Council, and
11 then it deals with near-term activities. And finally,
12 the summary deals with the MNF review.

13 Now, I realize that it takes a bit of
14 time to talk about the statutory structure, but there
15 were some questions of some other presenters by this
16 Board, Well, how do we deal with policy. Well, the
17 issue is pretty simple. In 38.1, there is a specific
18 direction that the Integrated Resource Plan, which is
19 a general planning document, should take into account,
20 and this is (iii) 231. -- 38.1(2), the government's
21 published energy and environmental policies. That's
22 the Affordable Energy Plan.

23 That is not, and I repeat, not found in
24 the statutory requirements for an MNF review. Section
25 16(3) requires without these restrictions, that the

1 PUB review and make recommendations regarding the Need
2 For and Alternatives To the proposed development.

3 The French version makes it really
4 clear that there's two (2) roles, one making
5 recommendations with respect to the proposed
6 development, and the second role, proposing any
7 alternative solutions to the proposed development
8 that's in front of the Board.

9 From a legal perspective, the OIC
10 cannot change the PUB statutory jurisdiction. Now,
11 there is one (1) other mandate when doing an MNF, and
12 it's under 16(6). The legislature has required the
13 PUB to consider and provide advice on the potential
14 impact of the proposed facility on rates for power.

15 I say reading the act as a whole, the
16 advisory role of the PUB on rate impacts is to be
17 expected. As previously stated, once all or part of
18 the 750-megawatt project is approved by the lieutenant
19 governor in council, that investment, whatever its
20 ultimate cost will be, will be borne by ratepayers.

21 And the difference between the IRP and
22 MNF is any MNF needs to go in front of this Board with
23 its expertise. That is not the case for an IRP.

24 Now, moving to the submission itself on
25 page 1, point number 1 in the middle of the page, I

1 repeat the statement, and it's in bold:

2 "Hydro's 2025 IRP is not
3 sufficiently robust to be accepted
4 as the plan."

5 And I reference the statute and, in
6 particular, 38.1(2), which indicates that:

7 "This plan must be developed in
8 keeping with the purposes and
9 objects of this act -- and (b) --
10 in accordance with sound
11 principles of risk management and
12 economic and environmental
13 sustainability."

14 We say, and we list various reasons for
15 that:

16 "The IRP does not achieve this
17 standard. (i) It fails to be in
18 accordance with the act itself in
19 that the IRP proposes a plan that
20 anticipates the need for sustained
21 rate impacts in excess of 4
22 percent, which is contrary to the
23 Act."

24 And this is even before adverse drought
25 conditions. We say that the adoption of lower rate

1 increases, even at 4 percent, would lead to
2 detrimental effects on Hydro's economic sustainability
3 in terms of meeting long-term standing financial
4 targets.

5 Now, there's other pieces of
6 legislation that have received royal ascent. And I
7 just go quickly to page 17 of this document, Ms.
8 Paige, lines 10 to 24.

9 We note that there are currently two
10 (2) bills that have received royal ascent. Now,
11 there's kind of a technical legal thing. They haven't
12 been proclaimed yet, but they've gone through all the
13 readings, all the steps, including receiving royal
14 ascent, and they relate to cryptocurrency and to data
15 centers or AI centers.

16 These are more than just simple policy.
17 They're legislative documents that have gone up to
18 royal ascent and tell us that the government -- or the
19 government's position on these types of loads. We do
20 not see this reflected in the IRP.

21 Now, going back to page 2 of the
22 submission, we say, if you look at the alternatives,
23 that's the top of page 2, we do have some that have
24 rate pass less than 4 percent that would comply with
25 the legislation, but those are not being proposed as

1 the Preferred Plan or an Alternative Plan.

2 And unfortunately, we are of the view
3 that they were not fully modelled or explored in the
4 same manner from a financial modelling perspective,
5 (ii).

6 We say the IRP fails to include sound
7 principles of risk management by failing to provide
8 financial sensitivity modelling in support of the
9 Preferred Plan in relation to alternatives in terms of
10 the financial rate impacts under varying future
11 conditions, such as interest rates, export prices, and
12 natural gas prices. That was dealing broadly with
13 terms of reference Item number one.

14 Now I will pass it on to Ms. Lawlor
15 Forsyth to deal with item B(i) in our presentation,
16 which is IRP terms of reference item number 2.

17 MS. ERIN LAWLOR FORSYTH: Thank you.
18 So, the first term of reference that we're referring
19 to is, as Mr. Hacault said, item number 2.

20 And in MIPUG's submission, the plan
21 does not reflect industry best practice as it has been
22 applied in Manitoba in each previously publicly
23 reviewed Resource Plan, most notably as it fails to
24 identify or assess a dominant strategy inclusive of
25 potential new interjurisdictional transmission, such

1 as the 1990 resource plan in support of Conawapa and
2 new Ontario transmission or the 2013 NFAT in support
3 of Keeyask, Conawapa, and the new Minnesota
4 transmission at that time.

5 MIPUG has prepared an issue brief in
6 respect of the dominant strategy issue, which is at
7 PDF page 40 of MIPUG's submission from yesterday
8 evening. I won't review this in detail, but I will go
9 through it to some extent and highlight the key points
10 that MIPUG is making in respect of this issue.

11 So, the issue that MIPUG coined it as
12 was, has Manitoba Hydro adequately identified and
13 evaluated long-term resource strategies, or has the
14 2025 IRP placed excessive reliance on near-term
15 optimization at the expense of long-term planning?

16 I will go through the background and
17 the point points and support that MIPUG raises for
18 this issue, and then would return to the
19 recommendations at the end.

20 So, moving further down the page, the
21 first point that MIPUG makes is -- and this is
22 reviewed in some detail in Mr. Bowman's written
23 evidence. And he also spoke about during his oral
24 testimony. Manitoba Hydro has historically planned
25 around long-term strategies.

1 Mr. Bowman explained that Manitoba
2 Hydro's historical success was not based on
3 incremental optimization of short-term resource
4 additions, rather on establishing a long-term
5 strategic direction and then testing that strategy
6 under different future conditions.

7 In his evidence at page 58 surrounding
8 the dominant strategy issue, he says that the
9 successful approach that had been used by Manitoba
10 Hydro was to develop a dominant strategy which is
11 subjected to aggressive testing.

12 In the modern context, this testing can
13 now benefit from using these new advanced tools, but
14 the tools themselves do not provide the vision or the
15 strategy.

16 With respect to what was done in the
17 past, Mr. Bowman commented on the dominant strategy,
18 including the strategic usage of interconnections and
19 asset sequencing. He referenced in his written
20 evidence and oral testimony that there were two (2)
21 previously publicly reviewed Resource Plans prior to
22 the legislated IRP sections. They were not termed
23 IRPs, but they were overall Resource Plans for the
24 utility, each of which included long-term dominant
25 strategies, which included new interconnections.

1 And in 1990, it was to Ontario. And in
2 2013, with respect to the NFAT, it was to Minnesota
3 and other export arrangements, multi-decades of
4 developments, and with variable pathways and options.

5 With respect to the current IRP filed
6 by Manitoba Hydro, in MIPUG's submission, this IRP
7 does not compare alternative dominant strategies for
8 Manitoba's electricity future.

9 Mr. Bowman, when he was cross-examined
10 by Ms. Schofield, talked about how what he's
11 recommending would be different from the current
12 approach taken by Manitoba Hydro in this IRP. And he
13 said that -- and sorry, Ms. Paige, just moving down to
14 page 42 for reference. Mr. Bowman said to Ms.
15 Schofield that:

16 "The need to have a testing of the
17 dominant strategies by the model
18 is significant, but I think
19 definition of those strategies
20 needs to come from outside of
21 that. And then you run through
22 the model and you learn if you
23 need to go back and iterate."

24 The next point made by MIPUG in
25 connection with this is that the evidence on the

1 record demonstrates that annualization does not
2 capture the risk associated with replacing shorter
3 lived assets once the planning horizon ends.

4 And, again, this is a substantial
5 portion of Mr. Bowman's written evidence talking about
6 the benefits of the long-lived assets and how they're
7 not currently captured in the IRP.

8 During cross-examination, Mr. Bowman
9 explained that his concern was not with the
10 annualization mathematics itself. Rather, his concern
11 was that the model fails to recognize the financial
12 risk that arises when a short-lived resource must
13 eventually be replaced.

14 The distinction is important as, for
15 instance, a combustion turbine may have a useful life
16 of approximately thirty (30) years, while a
17 hydroelectric facility may have a useful life of more
18 than double that, of approximately seventy-two (72)
19 years.

20 So, while annualization spreads capital
21 costs over the life of each asset, the methodology
22 implicitly and incorrectly assumes in this IRP that
23 future replacement decisions occur in a known and
24 stable environment.

25 MIPUG also notes, moving down to page

1 43, that a long-term strategy is not the same thing as
2 a full horizon optimization. Manitoba Hydro has
3 argued in this hearing that there is less value in
4 developing a long-term roadmap beyond ten (10) years
5 and that there's less certainty farther into the
6 future.

7 To be clear, MIPUG is not proposing
8 that Manitoba Hydro rely on forecasts to 2050;
9 rather, MIPUG is submitting that strategic
10 alternatives should be explicitly tested. And looking
11 at future long-term strategies is important in making
12 near-term decisions, which the Utility will not come
13 to regret later on.

14 So, the question is not whether
15 assumptions become uncertain to the 2040s. We know
16 that's clear. The question is really thinking about
17 what -- what needs to come looking forward so that
18 you're not making mistakes today.

19 If no measures are taken to protect
20 long-term -- sorry, long-term strategies today, and
21 if, by way of example, it takes eighteen (18) years to
22 develop Conawapa, which we've seen on the record, and
23 each time nothing has been done to protect that long-
24 term strategy, then each IRP that we have
25 successively, the potential of Conawapa will

1 continually and indefinitely be deferred and it will
2 never be on a path to being built.

3 So, what needs to be done today then?
4 MIPUG's recommendation, moving to Page 44 of that
5 issue brief, is that the long lead resource options
6 require active preservation. In other words, Mr.
7 Bowman has said in his evidence that early steps need
8 to be taken now for a long-term strategy to play out.

9 And he's talked in more detail in his
10 evidence about Conawapa and how the message is that
11 absent early prioritization of planning activities as
12 an NTA coming out of the 2025 IRP, it's unclear how
13 any next round of IRP would be better informed or
14 amenable to analyzing anchor projects than the current
15 version.

16 So, the real takeaway is that in order
17 to preserve these long-lead resource options, there's
18 action required now in order to ensure that the
19 ultimate construction decision can be made later on.

20 And Mr. Bowman also talked in his oral
21 testimony about how preserving an option is not the
22 same thing as committing to a project today. He -- he
23 made clear that he was not saying, yes, Conawapa is
24 the answer. He said, I have no idea. Maybe it's
25 about the environmental issues that will shut it down.

1 Maybe you won't have partners that will come to the
2 table.

3 So, that's not the point. It's not a
4 specific resource, but that is a clear example
5 demonstrating that early actions need to be put in
6 place now in order to preserve those longer lead
7 options.

8 And this is something that Mr. Pelino
9 Colaiacovo also talked about in his testimony and was
10 cross-examined on. And he said as well that for major
11 long-lead assets, the only way to secure optionality
12 is to actively spend money on the development phase
13 now. We have that on pages 44 and 45 of that
14 submission.

15 So, what is important, again, is
16 ensuring future planning exercises will have
17 sufficient information to evaluate the option when
18 that decision point arrives.

19 As well, MIPUG makes the point that
20 strategic planning must include regional
21 opportunities. Mr. Bowman testified that Manitoba
22 Hydro's major developments have historically been
23 linked to transmission and regional coordination
24 opportunities. And he explained in his evidence at
25 page -- written evidence at page 20 that major

1 resource developments is a history of coordinating
2 major generation with major new transmission interties
3 and long-term trade in order to mitigate the financial
4 impact and optimize the timing for thermal implant.

5 In this proceeding, Manitoba Hydro, in
6 MIPUG's submission, failed to consider a proposed
7 2,000-megawatt Saskatchewan/Manitoba intertie in its
8 IRP analysis.

9 In connection with the possibility of
10 opening up opportunities for Manitoba Hydro, Mr.
11 Bowman emphasized the significance of that omission.
12 And he said in his testimony:

13 "It's not a small connection. I
14 think it would give a different
15 range of coordinated planning
16 opportunities that are not
17 currently being talked about."

18 So, what Mr. Bowman's statements really
19 were getting at were that Manitoba Hydro's approach
20 and ignoring that potential intertie ignores the
21 natural advantages that exist in neighbouring
22 jurisdictions and planning being done in that province
23 and other resources such as SMRs and wind in
24 Saskatchewan.

25 There could be further opportunities

1 for coordination on the natural gas generation as
2 well. And so, in Mr. Bowman's oral testimony, he
3 said:

4 "I think there's a lot of work
5 that can happen over the next
6 twelve (12) months on those
7 fronts. And that twelve (12)
8 month period would occur still
9 some time before the ink has to
10 dry on the page about exactly how
11 many turbines are purchased."

12 In Evolved Energy Research's -- yes.
13 Sorry. Moving down to page 46. Thank you, Ms. Paige.

14 In Evolved Energy Research's oral
15 testimony on cross-examination, Mr. Jamil Farbes also
16 agreed on this point. And he said -- Ms. -- Ms.
17 Paige, sorry, just moving down one (1) more page.
18 Yes. Mr. Farbes said that:

19 "I think it's a critical
20 consideration with respect to this
21 potential intertie for future
22 modelling moving forward.
23 Effectively, you'd need to
24 reconfigure the model to account
25 for the possibility of up to two

1 (2) additional gigawatts of
2 transmission capacity."

3 And he said that:

4 "This is a key piece of
5 understanding whether export
6 avenues or import avenues that
7 could influence the economics of
8 resources for Manitoba Hydro."

9 So, moving to MIPUG's last point on
10 this issue, and then the recommendation stated at the
11 front. The last point is that the Board has not, in
12 this IRP, been provided sufficient information on
13 long-term strategic choices.

14 And again, MIPUG is not advocating for
15 any specific long-term outcome. It's really looking
16 at the process that should be in place to ensure that
17 those long-term outcomes -- there's the necessary
18 information for them to be looked at at the time that
19 it's critical.

20 And Mr. Bowman said in one (1) of the
21 IRs on the subject, and this is at bottom of Page 47,
22 that:

23 "Without a comparison against a
24 scenario that adopts a dominant
25 strategy arranged around Conawapa,

1 to measure the incremental NPV of
2 maintaining the optionality to
3 pursue Conawapa, the PUB is
4 without sufficient information to
5 know if Conawapa can be ruled out
6 as the most reasonable long-term
7 resource."

8 And to say it once, twice, and then
9 three (3) times over, the issue before the Board is --
10 is whether the IRP has adequately tested alternative
11 strategic futures and whether sufficient planning
12 activity has been undertaken to preserve those futures
13 as viable outcomes.

14 So, again, in MIPUG's submission, it
15 has not. And that's why we have four (4)
16 recommendations set out at the outset of this issue
17 brief. Ms. Paige, if we could just return to page 40.

18 So, MIPUG has stated clearly at the
19 outset there, the recommendations in its submission
20 are, number 1, the future Integrated Resource Plans
21 should identify and evaluate long-term dominant
22 strategies rather than relying solely on capacity
23 expansion model outputs.

24 Secondly, the IRP framework --
25 framework should permit protection of options, as

1 discussed, to pursue economic major long-term
2 resources. Near term resources resource additions
3 should be optimized around the dominant strategies.

4 Thirdly, Manitoba Hydro should resume
5 targeted Conawapa pre-development activities
6 sufficient to preserve the project's viability as a
7 resource option for future planning cycles.

8 And lastly, and in connection with the
9 second and third points, future IRPs should
10 incorporate major interprovincial transmission
11 opportunities and coordinated planning with
12 neighbouring jurisdiction -- sorry, jurisdictions,
13 including consideration of the proposed
14 Saskatchewan/Manitoba Intertie expansion.

15 And I'll turn it back to Mr. Hacaault.
16 Thank you.

17 MR. ANTOINE HACAULT: Thank you. This
18 subject matter wasn't dealt with by other parties to a
19 lot -- into a lot of depth. And we thought it would
20 be important to bring it to this Board's attention
21 because we noted one (1) of the chairperson's
22 questions, Well, what's your long-term strategy? Are
23 you becoming a gas utility, because that's what
24 everything -- you know, all the additions are gas.
25 You just see a Conawapa maybe way down. Are you

1 abandoning what has worked well for you in -- for a
2 number of decades? So with that, I'll go back to page
3 2 of the submission and deal with other discrete
4 items.

5 So page 2, letter 'B', (ii). This
6 relates to terms of reference item number 2 on
7 consultation. The point being made there is we drew
8 in the evidence that, for a technical committee to
9 work properly, it needs access to input data, model
10 settings, and utility spreadsheets.

11 That was not provided in the technical
12 conferences. In that sense, the NOMER (phonetic)
13 Technical Conference was perhaps not the best chosen
14 title because there was really no technical analysis
15 by that committee to the level that we see being
16 recommended and done in some other jurisdictions.

17 Next point, skipping now to (iii), Term
18 of Reference item number 3, are the -- we say that the
19 estimates of demand for electrical power and
20 electrical energy in the IRP are unrealistic, in
21 particular with respect to Load Projection Number 3.

22 You may recall my cross-examination,
23 which brought Manitoba Hydro panel to Load Projection
24 Number 3. And basically under that load projection,
25 we'd be having to commit for several more turbines

1 today.

2 If anybody thought that that was a
3 realistic projection, they should be acting today.
4 It's clear that by Manitoba Hydro's actions, it's not
5 anything that is anything close to being realistic.

6 The issue with that is, by using Load
7 Projection Number 3, it skewed upwards the resources
8 chosen in the Least Regrets Analysis. And that's why
9 we had asked scenarios to be rerun without Load
10 Projection Number 3.

11 Again, continuing with Load Term of
12 Reference Number 3 -- this is at the bottom of page 2,
13 little 4:

14 "The estimates for power and
15 energy, in our view, are also
16 skewed upwards by failing to
17 properly incorporate both
18 Efficiency Manitoba requirements
19 to meet the 1.5 percent of load
20 under higher loads."

21 You will recall that the evidence keeps
22 the 1.5 percent constant, irrespective of whether the
23 load is increasing, and that skews results, quite
24 simply.

25 In our view, it also fails to properly

1 consider the near-term impact of currently approved
2 and pending codes and standards effects. This was
3 dealt with by Mr. Friesen and was further updated by
4 providing all the data related to the figure that he
5 had provided.

6 Ms. Paige, if we could go to page 46 of
7 the Board Book of Documents, Volume 1, Action 1.2.
8 The reason I'm bringing the Board back to the
9 Affordable Energy Plan is that, in that Affordable
10 Energy Plan under Action 1.2, there's a specific
11 indication that the Manitoba Government is committed
12 to adopting a higher tier of energy efficiency in the
13 building and energy codes.

14 So if you're going to follow policy,
15 and I brought that initially to the Board's attention
16 as being one of the Section 38.1 items, why did Hydro
17 not follow policy on a critical issue which lowers
18 load?

19 This issue is further dealt with in the
20 issue brief related to that subject, and that is the
21 load projection brief. So if we go to page 19, page
22 19 of this -- of our submission, you'll see that we
23 retake and repeat some of the evidence in front of
24 this board of the impact of enhanced codes and
25 standards. And I want to draw the Board's attention

1 to lines 13 and 14 on this brief.

2 As explained by Mr. Friesen, the
3 failure to recognize this is a material issue. These
4 additional codes and standard savings could provide
5 reductions of approximately 45 megawatts by 2029/'30
6 and 100 megawatts by 2035 or 2034/'35. So these --
7 this emission is a material one in the load
8 projections.

9 I'll move back to our written
10 submission to page 3. I'm at item (v) on the top of
11 that page. So I'm now going to deal with very
12 briefly, because we've dealt with some of this in Ms.
13 Lawlor Forsyth's presentation, IRP term of reference
14 item number 6.

15 The issue is whether supply side and
16 demand side resources have been appropriately
17 considered in terms of the type of resources included
18 in the plan. In our view, the answer to that question
19 is no.

20 Despite -- and I'm in the middle of
21 that paragraph -- prioritization of a new 2 gigawatt
22 transmission to Saskatchewan by the federal government
23 -- and we referred this Board to the press release on
24 that -- it's not even part of this IRP.

25 Our point is that such resources may

1 very well be part of a preferred dominant strategy
2 within the twenty (20) -- or ten (10) to twenty (20)
3 year -- twenty-five (25) year planning horizon that
4 may affect the preferred resources to be installed
5 within the first ten (10) years.

6 We point out, because we've also tried
7 to look at Board practice order directions, that item
8 3(1) asked Hydro to assess all feasible supply side
9 resource options. We say that direction was not
10 followed, at least with respect to this particular
11 point.

12 Next item, Roman numeral V, again, a
13 term of reference.

14 Item number 6, imports and diversity.
15 We say that these have not been sufficiently explored
16 in the planning period. If you look at Plan P5A, Plan
17 P3, there's absolutely nothing for imports.

18 We've heard Manitoba Hydro say, Well,
19 listen, if we haven't signed a document, it's
20 imprudent to include anything. Okay. What about the
21 fact that you extended 150 megawatts for two (2) more
22 years? And that we found that out in February. What
23 about the two (2) new contracts that you've done that
24 extend from 2030 up to 2035 and 2030 up to 2036?

25 I could understand the position of

1 putting nothing at all. If Ms. Sanclemente went to
2 the market in MISO and was told, Sorry, don't bother
3 talking to me, I am not interested, there's nothing we
4 can do, then I would've expected, okay, we'll put in
5 zero because we're being told by everybody, don't
6 bother me, don't waste my time. But to simply
7 discount and remove any possibility of further imports
8 or diversity, we say, is too conservative.

9 Also, I'm still struggling with why
10 Manitoba Hydro is not pursuing diversity and imports
11 concurrently. Ms. Sanclemente indicated in her
12 testimony -- and I'm paraphrasing, I could give the
13 exact reference -- was that she was concentrating on
14 diversity first. And once she had completed that,
15 then she would move to imports. Both provide
16 capacity. Why would you not, if you're concerned
17 about capacity, pursue both?

18 I'm now turning to item Roman numeral
19 number VII. We've now progressed to term of reference
20 item VII, and the issue is how the IRP plan responds
21 to changes in the underlying inputs and assumptions,
22 most notably the impacts on the plan if lower forecast
23 than LP2 arise after 750 megawatts of CTs have been
24 committed.

25 We don't have that. We had a little

1 snippet, and I went through it when I was comparing
2 Scenario 2A to Plan 3 and Plan 5A. But this is
3 contrasted to what we had maybe erroneously come to
4 expect and seen as the quilt in the NFAT.

5 We tested everything. What happens if
6 export price is high? If, you know, interest rates
7 are high? You know, how does the plan fare when it
8 does that? And let's -- okay, let's compare the
9 alternative. We didn't have that kind of analysis and
10 understanding of how the plans fare in this hearing.

11 I'm down to Roman numeral number 8, IRP
12 term of reference number 9. This was raised by the
13 Chairperson. Hey, what about wind? You know, that's
14 -- and we'll deal with that subject separately.

15 But this Board is asked to provide
16 advice to the government on what the least cost option
17 is. And in our view, 5A and 3 are not least cost
18 options. They all force wind. We know, based on the
19 record, that wind increases net costs. It does not --
20 does not reduce them the way they're set up.

21 And don't get me wrong, it's not we're
22 saying don't do wind, but when it's a fixed price,
23 must take -- we saw the graph by Mr. Elson, you know,
24 MEED. And just like we're seeing prices for wind,
25 except for little peaks, around three (3) cents.

1 We know that most of the wind's going
2 to be exported based on the responses. So what do you
3 do? Pay -- I don't know what the number is going to
4 be, seven (7) cents, and sell most of it at three (3)
5 cents?

6 There has to be something done with the
7 contract if you're going to proceed. I'm not saying
8 wind's bad, but is there any reason why the contract
9 can't be changed so that Manitoba ratepayers -- and
10 I'm distinguishing ratepayers and taxpayers -- are
11 protected from having to pay for this wind as
12 currently structured?

13 We say -- and I'm on the top of the
14 next page -- that Hydro has clearly not investigated
15 to -- ways to approach wind that reduce the net
16 impacts or risks to ratepayers.

17 Now, this issue of the wind is going to
18 be dealt with later in more detail by Ms. Lawlor
19 Forsyth on the -- and she will deal with the issue
20 brief on wind. So I'm going to leave that particular
21 subject for further elaboration by her.

22 I'm at IRP term of reference item 10.
23 We say the IRP fails to fully consider the potential
24 for added demand reduction from expansion of the
25 Curtailable Rates Program. You may recall that I took

1 a Hydro panel through previous Board Orders where we
2 actually had take-up in Curtailable Rates Program over
3 150, and then it being capped at Manitoba Hydro's
4 request at 150.

5 And then we see in all the projections
6 for the next twenty (20) years, the Curtailable Rates
7 Program is capped. It remains static.

8 You've heard presentations by
9 industrials saying, hey, come to talk to us
10 individually. It works in other jurisdictions and you
11 can do specific programs that take into account our
12 operations and your needs.

13 And it was explained that Manitoba
14 Hydro did make a presentation and they did make one
15 visit to Enbridge. But where's -- and again, I'm not
16 saying this critically -- the time and effort and
17 human resources and the fiscal effort being put into
18 seeing what can be done with that program instead of
19 keeping it at 150 and keeping it capped there? We
20 have a demand problem now. Let's deal with it.

21 Just for some background, and I'm not
22 intending to give evidence but, you know, when we had
23 Keeyask, everybody says, okay, now the capacity is
24 dealt with until we run out of capacity with Keeyask.
25 So maybe capacity wasn't as important when we had that

1 major resource come online, but we see definitely that
2 that metric has now changed, and that's a common
3 theme, and I think an undisputed fact in this hearing.

4 This brings me to item Roman numeral
5 number X, IRP term of reference item 12. We covered
6 the issue of whether the IRP estimate costs dealt with
7 transmission and distribution to support this load
8 growth. And we say that:

9 "The plan does not adequately
10 consider how the required
11 investment and resources will be
12 mobilized to mitigate the
13 substantial risks for execution
14 and CapEx, which create -- which
15 create a high likelihood and
16 impact for overstating projected
17 supply needs."

18 So Mr. Friesen went through this, said,
19 Listen, we've got these huge transmission and
20 distribution expenses. Are you realistically going to
21 be able to even put those all in place?

22 Now dealing with IRP methodological --
23 methodological issues, we say that there's some
24 methodological issues also. First one, 'A' on this
25 page, the issue that Ms. Lawlor Forsyth dealt with:

1 failing to account for the benefits of long-lived
2 inflation protection assets.

3 'B', in our view, properly valuing the
4 opportunity provided by plans with more near-term
5 optionality to respond to things like changing
6 forecasts is an issue. And this impacts, in our view,
7 the Least Regrets Analysis.

8 We've been focused on, well, what can
9 we do with the turbines? What's the contract? We
10 don't know whether it's a refundable deposit or not.
11 That's CSI. When do you have to make a final
12 decision? But how much discussion has there been on
13 other optionality in the filing?

14 A lot of people have brought up, Well,
15 let's use batteries, let's use this, let's take this
16 approach. That had to be kind of drawn out in this
17 hearing.

18 So we also see -- it's item 'C' -- that
19 there's an excessively narrow consideration of risks
20 in the Least Regrets Analysis by reflecting only the
21 load forecast as a risk. And item 'D', the misguided
22 application of a build-out target to exclude plans
23 that were manually developed by Hydro to be
24 sufficient.

25 Conclusion on the IRP. And next we're

1 going to be, after this conclusion, moving to the
2 Near-Term Actions.

3 What's the end conclusion? Focus on
4 the next IRP. Do not try to amend the 2025 IRP. And
5 this is a message not only given by MIPUG, but by
6 others. The 2025 IRP should not be accepted.

7 We as well as others have noted
8 weaknesses and the fact that the now -- the plan is
9 now significantly stale.

10 And to us, it means that efforts are
11 best aimed at preparing the next round of IRP at the
12 earliest practical opportunity -- we have assumed it
13 to be 2028 -- rather than attempting to revise a 2025
14 IRP to get it in a form where it could be reasonably
15 approved by Lieutenant Governor in Council under
16 Section 38.1(1) of the Manitoba Hydro Act.

17 Now, quickly going through -- and I
18 note that I'm a little bit over an hour into our
19 presentation and I'm about halfway through the five
20 (5) -- the ten (10) page summary, so I think we're on
21 track -- Near-Term Resource Acquisition Plan.

22 Our view, and this was stated by Mr.
23 Bowman, Hey, the IRP sets out a useful organization of
24 proposed Near-Term Actions which can be individually
25 assessed for reasonableness. And we comment on each

1 of those in the following pages.

2 We don't believe that the ones that are
3 listed as Near-Term Actions need to be assessed at a
4 resource -- or can be assessed at a resource planning
5 level. They don't need to be an acquisition-oriented
6 MNF or Needs For and Alternatives To assessment. In
7 fact, that would be contrary to the legislation when
8 we're looking at this. The only MNF we're looking at
9 is the three (3) turbines.

10 So what about Efficiency Manitoba? You
11 heard Efficiency Manitoba. Ms. Kuruluk is as
12 confident as a CEO can be that they can meet their
13 targets on energy. She's also, in her presentation,
14 emphasized the importance of legislative mandates.

15 And when Efficiency Manitoba was put in
16 place, the focus was on energy. Now the landscape has
17 changed. And we say and ask the Board to recommend to
18 the government that it update the Efficiency Manitoba
19 Act to include capacity targets and a mandate to
20 operate program focused on demand reduction, not
21 solely on energy.

22 There is also a recommendation with
23 respect to the filings that this Board asks. And we
24 say that it'd be tough to know how this is going to
25 happen, but we need to review an Efficiency Manitoba

1 three (3) year plan. It's just like has to happen.
2 It's been delayed for so many years now, we need to
3 get on with it. And there's always going to be one
4 reason not to do it, but we do need to get on with it.

5 Near-Term Action Number 2 I've dealt
6 with in part curtailable rates. We're suggesting that
7 Hydro -- or in your report, you should recommend that
8 Hydro be directed to include removing the Curtailable
9 Rate Program cap as part of the complying with
10 Directive 32 from Board Order number 43/'26 -- that's
11 a recent Order; that's the order requiring the CRP
12 update on a reference discount based on a P50 cost
13 estimate for dispatchable generation -- and that this
14 be part of the next reference discount application.
15 Moving on to the next page.

16 Oh, my pagination is slightly
17 different. Sorry. I'm still before Near-Term Action
18 Number 3, and dealing just before the heading
19 'Actions'.

20 We're suggesting that this Board
21 recommend that Hydro be required to bring specific
22 demand response rate proposals and that these be done
23 where possible -- and there's been evidence on that --
24 in advance of new advanced metering.

25 There appears, based on MIPUG

1 presentations, to be significant opportunity in demand
2 response. We've noted that one size does not fit all,
3 and we're confident that if Manitoba Hydro works
4 closely with industrials and classes that can provide
5 significant benefit in the demand response area, that
6 significant progress can be made. So that's action
7 number 2:

8 "Bring specific DR program rate
9 proposals that can be advanced
10 without new metering as part of
11 the next GRA or sooner, following
12 development in close consultation
13 with potential participating
14 customers."

15 I now turn it over to Ms. Lawlor
16 Forsyth to deal with Near-Term Action Number 3, wind
17 generation.

18 MS. ERIN LAWLOR FORSYTH: Thank you.
19 Ms. Paige, if we could turn to MIPUG submission from
20 yesterday evening, PDF page 28. This is the issue
21 brief that the MIPUG team has prepared, and the
22 recommendation in the recommendations outline that we
23 just looked at really is summarized in this issue
24 brief as well.

25 So the issue as phrased by MIPUG with

1 respect to wind is: Is it appropriate to include in
2 the first ten (10) years of the 2025 IRP 600 megawatts
3 of near-term wind generation? And what tests should
4 apply to future wind procurement where no demonstrated
5 energy or capacity need exists?

6 Ms. Paige, I'll go to -- I'll go past
7 the recommendations. I'll return to those later on.
8 If we could go to page 29 to look at the background
9 and the points in support of this issue that MIPUG has
10 raised.

11 So the first issue or sub-issue looked
12 at is the need for the 600 megawatts of wind. And
13 that's been a central question that MIPUG has been
14 examining throughout this proceeding.

15 Mr. Bowman submitted that the 600
16 megawatt target originates from sort of a circular
17 planning process rather than from a publicly tested
18 resource planning exercise. And he spoke about this
19 in his oral testimony, but additionally in his written
20 evidence. And looking and just citing pages 66 and 67
21 of his written evidence, he succinctly says there:

22 "Hydro considers that it now needs
23 to select 600 megawatts of wind
24 because the government directed it
25 to select 600 megawatts of wind

1 because Hydro told the government
2 it needed to select 600 megawatts
3 of wind."

4 So that's where the circularity comes from in his view
5 and in MIPUG's submission.

6 Mr. Bowen, of Manitoba Hydro, confirmed
7 when cross-examined by Mr. Hacault, that the quantity
8 of 600 megawatts originated from advice Manitoba Hydro
9 provided to the government during the development of
10 the Affordable Energy Plan. And that's cited in our
11 issue brief there.

12 So, in MIPUG's submission, the
13 province's mandate -- mandate was not a top-down
14 independent policy directive; rather, it was a no
15 regrets number provided to the government, by Manitoba
16 Hydro.

17 As noted by Mr. Bowman, for MIPUG, the
18 government direction from the Affordable Energy Plan
19 was framed really as an exploration of opportunities
20 for cost-effective wind development, rather than a
21 requirement to procure a fixed amount of wind
22 generation.

23 So, looking at the Affordable Energy
24 Plan itself, this is looked at on page 30 of MIPUG's
25 submission here, but the Affordable Energy Plan at

1 page 4, as indicated on that page, that's where the
2 guiding principles are looked at.

3 And the first one is that Manitoba's
4 energy must remain affordable and the shift to more
5 clean energy will keep rates affordable for
6 Manitobans.

7 And then, as cited on the MIPUG
8 submission as well, on page 8 of the Affordable Energy
9 Plan wind is looked at more particularly. And, again,
10 it said that it needs to keep it affordable for all
11 Manitobans.

12 So, in MIPUG's submission, these
13 references point to the fact that wind should be
14 pursued if it results in a lower energy cost. And it
15 was acknowledged during cross-examination that this
16 plan was prepared before the model runs for the IRP.

17 Therefore, in MIPUG's view, as it
18 relates to the IRP Analysis, the policy does not
19 require wind unless, or until, the energy is needed
20 and results in lower energy costs.

21 Moving to the second point raised by
22 MIPUG on the economic selection of wind. A related
23 issue is whether the timing and quantity of wind in
24 the Recommended Development Plan arose from economic
25 optimization. And the record demonstrates that wind

1 was not selected in the Recommended Development Plan
2 because it reduces costs of Plan P5A.

3 This is something that Daymark Energy
4 spoke about and they observed in one of their IRs,
5 thank you, as cited on page 31 of MIPUG's submission,
6 Daymark said:

7 "The selection and timing of wind
8 resources as part of the
9 Recommended Development Plan was
10 based on the Affordable Energy
11 Plan requirements, rather than
12 economic optimization."

13 And Mr. Jeffrey Bower, in his
14 testimony, agreed that the Recommended Development
15 Plan does lead to an increase in net system costs.

16 So, as a result, when wind was not
17 forced into the model, the model did not choose wind
18 in the first ten (10) years.

19 Moving to the next page 32. When Mr.
20 Chairperson Gabor asked Mr. Leo Laramee about this, in
21 particular, Mr. Laramee confirmed, as well, that if
22 you're looking at Load Projection 2, in the long term,
23 wind is selected, but it isn't selected necessarily by
24 2035.

25 So, in short, the model did not

1 identify an economic need for the 600 megawatts of
2 near-term wind; rather, wind was incorporated into the
3 Recommended Development Plan through Manitoba Hydro's
4 view of policy assumptions, that overrode those
5 optimization results.

6 The third point made by MIPUG, is that,
7 wind does not eliminate the need for alternative
8 resources. So, the planning evidence shown on the
9 record indicates that wind did not materially
10 eliminate the need for dispatchable thermal resources.
11 This is something that Mr. Hacault asked Mr. Laramee
12 about as well. And that was the summary taken by
13 MIPUG, that the planning evidence suggests that wind
14 does not materially replace the need for the
15 combustion turbines.

16 So, from MIPUG's -- MIPUG's
17 perspective, what does the wind do then? And moving
18 to the 4th point, wind really just results in higher
19 rate paths and weaker financial metrics for Manitoba
20 Hydro.

21 During Mr. Rainkie's cross-examination
22 by Mr. Hacault, Mr. Hacault went over with him the
23 financial performance of the three (3) development
24 scenarios under Load Projection 2.

25 And looking at that transcript, Mr.

1 Hacaault examined with Mr. Rainkie how Scenario S2A
2 contained no wind additions, while Plans P3 and P5A
3 included wind additions that were forced into the
4 development plans. And looking at that, this
5 illustrates -- and, we have another IR response cited
6 there, but this illustrates the impact of these
7 resource additions on net income.

8 And both P3 and B -- P5A added three
9 (3) combustion turbines in 2030, which resulted in
10 lower net income in 2031 as depreciation, financing
11 and operating -- operating costs began flowing through
12 the income statement. However, a more significant
13 deterioration occurred following the addition of the
14 wind resources. And we have the citations there in
15 the table looked at by Mr. Hacaault.

16 So, this deterioration in earnings are
17 also referenced in Manitoba Hydro's broader financial
18 metrics. Reduced net income, ultimately, weakens
19 Manitoba Hydro's ability to cover financing costs and
20 achieve -- achieve long-term financial targets.

21 Looking at those specific metrics, the
22 EBITDA interest coverage measures, looked at by
23 Manitoba Hydro, indicate that the addition of wind
24 caused a lower ratio, which indicates a weaker
25 financial performance.

1 And, Ms. Paige, skipping ahead a little
2 bit to page 34, just down a little bit there.

3 Most importantly, the weaker financial
4 performance associated with the plans containing
5 additional wind resources, ultimately, translates into
6 higher customer rate requirements.

7 So, to meet a long-term debt ratio of
8 80 percent by March of 2045, the rate paths required
9 are all above 4 percent for Plans 3, 5A and 7. And
10 the only one that's below 4 -- 4 percent is Scenario
11 2A.

12 The record also demonstrates that
13 Manitoba Hydro's Recommended Development Plan produces
14 weaker EBIT interest coverage, even under a 4 percent
15 annual rate path.

16 So, in summary, on that sub-issue,
17 taken together, the evidence clearly demonstrates a
18 consistent pattern that, relative to Scenario S2A,
19 plans containing forced wind additions produce larger
20 declines in net income, weaker EBITDA and EBIT
21 interest coverage ratios and require higher annual
22 rate increases to achieve Manitoba Hydro's long-term
23 financial targets.

24 Now, moving to the next sub-point that
25 MIPUG makes, lower down on the page, the standard

1 fixed price wind PPAs transfer risk to customers
2 through uncertain export markets. And the record
3 suggests that one contributor to these weaker
4 financial outcomes is the contractual structure itself
5 assumed for wind procurement.

6 So, the evidence demonstrates that
7 standard fixed priced must take contracts, which is --
8 which was examined in some detail by Mr. Hacault in
9 his cross-examinations, that that type of contract can
10 translate (AUDIO CUTS OUT) and, again, we have on PDF
11 page 36, some references there to those cross-
12 examination excerpts.

13 But the takeaway really is that if
14 Manitoba Hydro is obligated to purchase wind energy at
15 a fixed contract price, while much of that energy is
16 sold into export markets, customers then bear the risk
17 that export prices are low or negative, while the
18 developer continues to receive guaranteed payment.

19 And moving to PDF page 37, Mr. Bowman
20 has pointed out, as well, that even at a low cost, it
21 may not be sufficient from a ratepayer's perspective.
22 And he said, in his oral testimony, that the lowest
23 cost wind, at under favorable terms and conditions,
24 may still not mean that it is the least cost or the
25 most favorable way to pursue and secure wind.

1 The second last point raised by MIPUG
2 on this issue is that a significant issue in this
3 Hearing is whether the wind functions as a drought
4 hedge of sorts. And Mr. Bowman's evidence
5 demonstrates that while wind may provide energy
6 diversification, it can worsen the financial outcomes
7 under low flow conditions, in particular.

8 And moving to page 38, this is
9 explained fairly succinctly by Mr. Bowman. And this
10 is due to the differing nature of how you can operate
11 the system with wind, compared to without wind.

12 So, Mr. Bowman says, in his testimony,
13 that when you have wind on the system, you can sit and
14 look at your future ability to supply your load and
15 know that there's some more kilowatt hours. As a
16 result of that, you can run your reservoirs
17 differently and you can elect to secure revenue from
18 selling water, selling -- or, sorry, selling output
19 from water, which would bring Lake Winnipeg down. And
20 that's beneficial. But ultimately, it also exposes
21 you to a bigger drought risk because you have a lower
22 lake level then, when the bad stuff happens, and that
23 pushes the left-hand tail of those extreme events
24 down.

25 And so moving to MIPUG's last point,

1 and then I'll turn to, briefly, to the recommendations
2 on this point or on this issue. But the last point is
3 that, because approval of the IRP does not constitute
4 approval of future wind contracts, any major wind
5 procurement may ultimately require a separate review
6 under Section 16.4 of the Manitoba Hydro Act.

7 And so, looking at all of this, there's
8 no established domestic need that needs to be
9 considered as a part of that Needs For and
10 Alternatives To test.

11 Instead, in MIPUG's submission, the
12 Board's focus under 16.4 must turn to whether the
13 contracts have been structured in the most favorable
14 way to secure the resource and whether they align with
15 the Least Cost Plan.

16 So, for those reasons, MIPUG has set
17 out its recommendations, returning to page 28 of that
18 issue brief. And so, just very briefly, those
19 recommendations are that the Affordable Energy Plan
20 should not be interpreted as establishing a need for
21 the 600 megawatts of wind.

22 Secondly, future wind procurement
23 should only be included in the 2025 IRP where it
24 satisfies -- satisfies a 2-part test. Firstly, a
25 financial benefit test and, secondly, a risk

1 protection test. And then, thirdly, the province
2 should update the practice direction respecting
3 reviews under Section 16.4 of the Manitoba Hydro Act,
4 to clarify that where a proposed major purchase or
5 facility is not supported by an established energy or
6 capacity need, the proponent must quantify a few of
7 those metrics there, including impacts on customer
8 rates, impacts on EBIT and other key financial
9 metrics, drought and adverse water condition impacts,
10 export market risks and contractual risk allocation
11 between developers and customers.

12 I think that probably leads us to a
13 natural breaking point.

14 THE CHAIRPERSON: I was -- I was going
15 to say you have a six (6) minute notice, rather than
16 the five (5) minute notice, Mr. Hacault.

17 MR. ANTOINE HACAULT: That's okay.
18 And the only other point with respect to that change
19 in the practice direction, before we take our break,
20 is under your Order 11/'26, which is a practice
21 direction for filing requirements for Major Facility
22 Reviews, we see under page 6 of our submission, that
23 we're suggesting to this Board, so it was under
24 actions for Near-Term Action Number 3.

25 So, further down, Near-Term Action

1 Number 3. Sorry, I didn't have the PDF numbers for
2 you. It's further down.

3 THE CHAIRPERSON: Okay.

4 MR. ANTOINE HACAULT: It's page 10 of
5 the --

6 THE CHAIRPERSON: Right there -- it's
7 there.

8 MR. ANTOINE HACAULT: -- PDF Number 2.
9 We're suggesting that, under this practice direction,
10 it -- it also be clarified that for facilities or
11 purchases where there's no established needs, in term
12 of energy or capacity, there must -- there should be a
13 quantification of the beneficial impacts of the
14 projects on both rates and on EBIT returns. So, that
15 -- or ratios, that's Action Number 2 in our issue
16 brief.

17 And, with that, yes, it would be
18 appropriate to take a break.

19 THE CHAIRPERSON: Thank you. We'll
20 take the morning break and -- and resume at 10:40.
21 Thank you.

22

23 --- Upon recessing at 10:27 a.m.

24 --- Upon resuming at 10:42 a.m.

25

1 THE CHAIRPERSON: Mr. Hacault...?

2 MR. ANTOINE HACAULT: Yes, Mr. Chair.

3 I got to perk up here. Just one (1) final little
4 thought process on the wind. Go to page 30 of our
5 brief for that purpose. And there's the diagram that
6 we pulled out of the Affordable Energy Plan. And that
7 was a diagram which was above the quote that we put
8 there.

9 And you'll see on the left-hand side,
10 it says, "Lower energy costs," and it has "economic
11 reconciliation." Now, we've heard multiple times an
12 issue with all electric customers, which includes
13 First Nations. Ironically, based on the evidence we
14 have in front of us, several First Nations in the
15 North are going to be hit with higher energy costs.

16 How can that be an intended economic
17 reconciliation, I ask you? It can't be. You give one
18 First Nation 51 percent, maybe the Metis Nation,
19 another one, 50 percent, two (2) Southern
20 organizations. What about all the North?

21 Moving back to page 10 of our
22 submission, getting close to the end of the IRP
23 discussion. We'll have some bump and runs. And I was
24 on Near-Term Action Number 4, dispatchable capacity.
25 I'm addressing that in the Major New Facilities. The

1 discussion, Near-Term Action Number 5 at page 10 of
2 this PDF, hydropower enhancements.

3 Again, these are all things that we
4 view Hydro should just do, period. And we've
5 explained that would -- optimizing the use of its
6 current facilities. Running on rivers is likely also
7 a legislative expectation and mandate. So, pursuing
8 those in an orderly economic manner, both on the
9 Winnipeg and Nelson Rivers, is something we should
10 just be doing.

11 And we've put an action there, Hydro to
12 update economics and plans on hydropower enhancements
13 as part of its next GRA.

14 Batteries. We've heard some evidence,
15 well, you know, First Nation could buy that. We need
16 it. That's in the evidence. At least we need the
17 batteries. That'd be another option for economic
18 reconciliation.

19 But let's -- and -- and others have
20 dealt with this subject in greater detail, so I don't
21 intend to spend a lot of time. But we've said, Why
22 don't you do more than 5 megawatts? In fact, one of
23 the updated IRs, and I asked a question about that the
24 other week, Well, now your new run says 55 megawatts.
25 Are you changing your plant? No. That may be

1 appropriate. At least it seems indicated.

2 I guess my point is, oddly, once again,
3 new information comes out and it does not appear to
4 move Manitoba Hydro off its plan. It's -- this is the
5 plan. New information doesn't matter. This is what
6 we're recommending.

7 So, the action item under this is Hydro
8 to update the economics and plans for batteries as
9 part of its next GRA. We've seen a lot of information
10 that economics may not be correct. The runs and
11 analysis may not be correct. Waiting and only putting
12 a little test run of 5 megawatts just doesn't seem to
13 be appropriate.

14 Near-Term Action Number 7, imports and
15 exports. And I deal with this a little bit more in
16 what happens next. We don't see that. It's CSI. But
17 it seems to us that Hydro should update the economics
18 and plans for ongoing imports and exports as part of
19 its next GRA, if not already brought to the Board for
20 review.

21 And it should actively, being Hydro,
22 include reporting on the progress made for new
23 diversity or import agreements as part of its
24 quarterly reporting to the Board. And I'll have some
25 comments with respect to that timing maybe being

1 increased between now and a final recommendation by
2 this Board.

3 The last heading item on this page,
4 "Long-term resource production." Ms. Lawlor Forsyth
5 dealt with that. The items are there for the Board's
6 consideration. And this brings me to the next page
7 and then new heading, "The final discussion on the
8 Major New Facility."

9 You may have noticed the recurring
10 theme that I had in my cross-examinations. But Mr.
11 Witness, don't you agree that IRP is different as it's
12 a general planning process? And when we get to MNF,
13 this is what we should be doing. And I asked Daymark,
14 well, was your scope expanded to include an MNF. No,
15 it wasn't, sir. You agree that there should be a
16 different level of scrutiny? Yes, sir.

17 So, we're now into this higher level of
18 scrutiny and a decision on major new investments. I
19 always have to remind myself, Hacaault, wake up. These
20 are billion dollar decisions. I never had billion
21 dollar cases in my other life before doing regulatory
22 work. They impact Manitobans.

23 We saw deferrals having half a billion
24 dollars of difference. These are important numbers.
25 We can't just say, Oh, you know, it's only going to be

1 point something difference over the next twenty (20)
2 years. Yeah, but that's half a billion dollars. And
3 that impacts people. It impacts this province. It
4 impacts businesses.

5 And we say at its core -- and, again,
6 we looked at the legislation, the OIC, and the Board's
7 practice directions -- the proposal of 750 megawatts
8 of new dispatchable capacity is not supported by the
9 evidence in this proceeding.

10 In our respectful submission, it would
11 yield excessive capacity even under the high loads of
12 LP2 through 2034/'35, which is too long a scenario for
13 present day commitments against such a high load
14 projection, which we have also criticized in saying,
15 Listen, it's not a realistic one because of codes and
16 other things.

17 This proposal -- and you have to look
18 at rate impacts, also, in our view of the evidence,
19 inevitably leads to a rate path above 4 percent, which
20 is contrary to statute.

21 Finally, it's not even supported by the
22 IRP Analysis when the underbuild regret is normalized
23 as recommended by Evolved to remove the LP3 as a basis
24 for assessment. We say the Major New Facility filing
25 suffers from a number of the same issues highlighted

1 in respect to the IRP.

2 The load forecast is near -- neither
3 updated nor fully defended. Load Projections,
4 including LP2, are likely too high for specific
5 planning purposes. And we have a separate issue brief
6 on the appropriate use of the 2024 electric load
7 forecast. There's a fairly extensive discussion. I
8 won't get through that during this presentation, but
9 please look at it. Specifically pointed out, do we
10 need it? So, we have that discussion.

11 What are the alternatives to? And we
12 didn't test a lot of that. We tested variations of
13 three (3) turbines, P3, P5, and P7 was the kind of
14 orphan child without all the turbines. But there's a
15 future role of potential complimentary resources in
16 the planning period, such as the new Saskatchewan
17 transmission, which was not fully examined.

18 The potential or pursuit of added
19 diversity and, in particular, import agreements were
20 not fully explored. And that was OIC term of
21 reference number 3 for the Major New Facilities.

22 The filing did not fully explore
23 alternatives to the project in respect of the
24 financial health of Manitoba Hydro and the mitigating
25 actions; that's OIC term of reference number 5.

1 Okay. But, Hacault, telling me all the
2 weaknesses, what do we do? Well, in the next
3 paragraph 1, we submit that there's case for upwards
4 of 500 megawatts of new capacity, which protects
5 against LP2 through 2034/'35, or gives up to 300
6 megawatts of surplus under 2024 ELF.

7 We say 2024 ELF is the appropriate one,
8 but it even works under LP3 with all its deficiencies.
9 It's a robust conservative level and still robust
10 against wind not proceeding -- or proceeding at a
11 lower level. And, again, we don't say don't proceed,
12 just modify your contract so it doesn't cost
13 Manitobans.

14 And it doesn't yet take into
15 consideration the possible capacity enhancements
16 compared to Plan P5A, such as batteries. And we saw
17 the new run, the last undertaking, 55 megawatts more
18 than projected, or the lower Nelson River hydro
19 enhancements up to 77 megawatts more capacity than
20 projected or potentially as high as 179 megawatts.

21 Now, I'm going to qualify number 2 as
22 something that's not in this text. If the PUB
23 concludes that it at least needs to provide some
24 direction, even though the record is deficient, we
25 could see a path where the Board might find that up to

1 500 megawatts of capacity for 2030/'35 is advisable,
2 but there should be an assurance that Hydro continues
3 to aggressively explore diversity agreements and
4 capacity import purchases up to 250 megawatts or more
5 as a priority -- I repeat, as a priority to a new CT
6 if such diversity -- or capacity imports could be
7 secured over the period from 2030 to 2035 with
8 commitments in place before the summer of 2027 -- I'll
9 explain again why I've arbitrarily chosen that -- and
10 prior to the contemplated Manitoba Hydro Electric
11 Board commitments decision in August 2027.

12 Unfortunately, Interveners are missing
13 a lot of what I would say key information, contracts,
14 the penalties, the key decision dates. That limits
15 the insight that we can bring to key dates and
16 critical dates.

17 To make it clear, though, although
18 we're suggesting one (1) or two (2) CTs, we are not
19 suggesting that the design (AUDIO CUTS OUT) only be
20 for 250 megawatts or 500 megawatts when it comes to
21 all the infrastructure supporting those turbines. The
22 CT facility should be designed and constructed to
23 permit the full 700 megawatts to be pursued in the
24 future if needed.

25 Dealing for a moment with 750 megawatts

1 in more detail, too much capacity given the multiple
2 factors that can lead downward adjustments to the
3 amount of capacity needed and the limited factors that
4 can add to upward adjustments, and list them.

5 1), 750-megawatt proposal leads to
6 excessive capacity at LP2, which is load reduction we
7 don't agree with. It's not a forecast. It's a
8 projection and further, successively -- significantly
9 excessive amounts at the best load forecast we have,
10 the 2024 electric load forecast.

11 So, even if the Board was convinced
12 that LP2 was the target for new capacity additions,
13 750 megawatts leads excessive surplus in the period
14 through to 2034. As we said before, LP2 fails to
15 properly reflect future codes and standards savings --
16 here I've put 40 to 100 megawatts -- during the
17 2030/2035 period. And just a reminder, that's a
18 requirement as a policy that those codes and standards
19 be applied.

20 Moving on to number 2. We think it
21 should be anticipated that more batteries and
22 potentially more hydro enhancements will be produced -
23 - pursued analysis does not contain any as yet
24 uncontracted diversity or -- or import contracts which
25 remain possible.

1 Number 5, the most significant
2 potential adverse effect on capacity is if less wind
3 is pursued than projected, which is a potential
4 outcome if wind economics is properly focused on
5 avoiding adverse rate impacts and minimizing risks for
6 customers. However, even this, in our view, does not
7 drive the need for a full 750 megawatts of CTs.

8 Now, I'm going to jump to
9 implementation. And I think I have about ten (10)
10 minutes or so, or maybe fifteen (15) minutes, to -- to
11 have a discussion about that.

12 I'm going to go a bit off script as to
13 what's actually in this summary. And then I'll get
14 back to the summary. As you'll see in this last part
15 of our submission, we're recommending that you and
16 your report recommend to the government that the PUB
17 be able to defer a final recommendation on proceeding
18 with one (1) or two (2) units.

19 And Dr. Williams put an enormous
20 pressure on my shoulder. He says, Hacaault's been
21 thinking about this. He's right. I was losing sleep
22 over it over the last week and says, you know, I
23 reflect, how did we get here. Well, initially, Hydro
24 thought it was on a path to have to make a decision in
25 February of 2027, so we backed up from there.

1 The government's going to have to make
2 its decision. PUB is going to have to do its report.
3 And here we are in the end of July and August and
4 September dealing with what we thought was an
5 anticipated decision date of February 2027.

6 On the recent filings and as recently
7 as August 28, that was Undertaking number 27 and
8 Exhibit 66, which was filed last Friday, it was
9 confirmed by an official document that the final
10 design and control budget and the information to the
11 Manitoba Hydro Electric Board is moved to August 13 of
12 2027.

13 If I were a magician, I'd say, Well,
14 listen, we had to make a decision in February. Now we
15 only have to make one in August. That gives us a lot
16 more months. But that's not what the OIC says. So,
17 my conundrum was, how do I deal with it. Is
18 jurisdiction for the Board? Is there jurisdiction for
19 the province? My conclusion is yes. And we've said -
20 - set out the sections in our written submission. We
21 say, Listen, there is the possibility.

22 But the question to me -- or that I
23 pose myself is, to what extent do we need to be able
24 to have the flexibility to have a final recommendation
25 by this Board appropriately also deferred?

1 Clearly, senior management thinks it
2 needs more information before it can go to the Board
3 in August. Initially, it though it could do it by
4 February of this year. This puts this Board and its
5 members, in my view, in a very difficult situation.

6 On the face of it, it's being asked to
7 make a decision which even senior executives at
8 Manitoba Hydro are not comfortable asking the Manitoba
9 Hydro Electric Board to make without further
10 information, and by August 13 of 2027, according to
11 the current schedule. And that may change again.
12 That's the nature of big construction contracts.

13 So, part of answering the question on
14 process -- I'm mindful of Board Member Simonsen --
15 Well, what's the process? What do we do? I think we
16 need to determine a key date. I infer from contract
17 documents, which we have not seen, that there's a
18 possibility of a decision path which goes at least to
19 August.

20 We, therefore, recommend that the Board
21 request that its final report conclusions also be
22 deferred to the latest time frame which works both for
23 the government and the Manitoba Hydro-Electric Board.
24 That may be August 13 of 2027, or it may be a later
25 date based on contracts. I am not able to comment on

1 that.

2 We are all at a disadvantage in
3 presenting a more thorough review of timing. And when
4 I say, "All," that's Interveners because it probably
5 is influenced by contractual obligations, possible
6 adverse sunk costs, and possible penalties. We don't
7 have that information.

8 Second, I asked my question -- question
9 to myself, Who is the best place to make a final
10 recommendation. We submit it's the Board and its
11 advisors. Although it appears that some members
12 intend to retire by the end of this fiscal year, we
13 hope that if they were willing, they would be allowed
14 to perform this limited function for a limited time.

15 In any event, we assume that other
16 members of this Panel will continue to serve on this
17 Board. The advisors will be there. And we have seen
18 the importance this independent Board has in weighing
19 evidence and positions and providing its insight.

20 Should the ultimate analysis rest with
21 the government without input from this Board? We say
22 no. The government has not had the benefit of sitting
23 through five (5) weeks of evidence. We have seen
24 political statements on what will be built in the
25 throne speech of our -- on November 18 of 2025, as

1 well as recent statements in this week's media, which
2 now appears to back off the Throne speech.

3 This reinforces, in our view, the
4 structure on decision making set out in the
5 legislature -- by the legislature in the Hydro Act.
6 It is the role of this Board to perform a thorough
7 review and then provide recommendations to the
8 government.

9 Well, what about the suggestion of
10 setting out a path for one (1) or two (2) units and
11 let out of the Hydro-Electric Board deal with it? And
12 we say no. Through repeated hearings we've seen, and
13 this is not a criticism of Hydro staff, they advocate
14 for a position. They are set and have set all their
15 evidence, notwithstanding new developments, to
16 continue on a path for three (3) turbines. Our
17 clients need an independent board.

18 THE CHAIRPERSON: You've got eight (8)
19 minutes -- sorry.

20 MR. ANTOINE HACAULT: Yeah. And I
21 think I have five (5) or six (6) paragraphs.

22 THE CHAIRPERSON: Yeah. Okay. Thank
23 you.

24 MR. ANTOINE HACAULT: The third
25 question I ask myself is, what updates, when, and from

1 whom. Through our expert evidence, we have provided
2 to this Board a planning framework on what we believe
3 constitutes key material information which is needed
4 to make a final decision. That slide is the updated
5 slide 22 of Mr. Bowman, which is marked as MIPUG 29.
6 And you have his evidence on the transcript.

7 In our submission, it's a Board that's
8 best place -- placed as to whether it agrees with some
9 role of this planning framework. There should be no
10 restriction on the Board's discretion under Section 16
11 in the Major New Facilities review. There should be
12 no restriction on what this Board decides it would
13 like as far as updates prior to making a final
14 recommendation.

15 Given that imports and diversity really
16 move the needle, and that's on Mr. Bowman's slide and
17 in his testimony, it may be appropriate, leave it to
18 the Board, to decide to have monthly CSI updates on
19 the status of negotiating both diversity and import
20 arrangements and agreements and on the progress in the
21 Saskatchewan intertie.

22 We assume Hydro will be actively
23 pursuing both those options as well as the
24 opportunities with the proposed 2 gigawatts
25 Saskatchewan intertie. This will probably take

1 further analysis, but there's been some discussion in
2 this hearing about the bump up in addition to the
3 planning reserve of scheduled outages during the
4 winter peak of 150 megawatts, and then increasing as
5 of 2030 to 300, so that's a bump up of 150 megawatts.

6 We understand that these are proxies
7 with no specific operational plans attached to them.
8 This Board may be interested in whether some of them
9 can be moved up if we are in a surplus situation,
10 especially if Northern Hydro is looked at in the
11 bipole issue, and whether some of the additional 150-
12 megawatt outages can be better managed to avoid work
13 being done in the peak months.

14 Finally, the Board may wish to have
15 monthly updates on items in slide 22 under the
16 heading:

17 "Tens of megawatts up to less a
18 hundred -- less than a hundred."

19 The last point that Hacault was
20 thinking about when he was waking up at night is what
21 should happen. Do -- do we have a limited focused
22 hearing on an expedited basis? If it's possible or
23 appropriate, maybe, PUB is in the best position to
24 make that decision. It would be the preference of
25 MIPUG to at least have an opportunity to make written

1 submissions based on new information which could be
2 put on the public record.

3 We hope this helps clarify our
4 recommendation on the deferral. And I'm open to
5 questions and thank, again, the Board for its
6 attention to our presentation.

7 THE CHAIRPERSON: Thank you very --
8 sorry. Thank you very much. I'll ask the Panel if
9 they have any questions.

10 Vice Chair Kapitany...?

11 VICE CHAIR KAPITANY (by TEAMS): Yes.
12 Thank you, Mr. Chair. And Maitre Hacault and Ms.
13 Lawlor Forsyth, thank you for your presentations.
14 Maitre Hacault, it's been keeping me awake at night
15 too, if that makes you feel any better.

16 So, I have a question on the MNF and a
17 question on the IRP. On the MNF, we heard Mr. Elson
18 say yesterday he recommended that we should maintain
19 glass -- gas flexibility until July 31st of 2027, and
20 then that there should be some kind of public report.

21 So, I'm thinking that aligns fairly
22 closely with what you're recommending to this Panel.

23 MR. ANTOINE HACAULT: It does, but
24 remember that we're at a disadvantage when we pick a
25 July date. That's kind of arbitrary based on the lack

1 of knowledge of contracts. I have no knowledge, for
2 example, what is a 10 percent non-refundable deposit,
3 what's the key date when we start to have issues and
4 being able to sell our spot on the reservation slot.

5 So, the July date is necessarily a
6 speculative and uninformed date. If there's greater
7 insight that the Board will be able to do in its
8 deliberations without disclosing CSI, if we could move
9 the date further, that would be great. If not, to the
10 extent that we've got some progress on things that we
11 can announce, great. That may be for -- not something
12 that can be put on the public record, though.

13 If Ms. Sanclemente comes to this Board
14 and says, like it could have done in the February
15 filing, Oh, we're only about a couple weeks away from
16 putting the ink on paper for a new diversity
17 agreement, and you find that out at the end of June,
18 you can't put anything on the public record, but that
19 might be a very key point in your decision making.

20 So, some of the stuff could be put on
21 the public record. It might help the public to
22 understand why we're making this, but some of the
23 stuff may not be able to be put on the public record.

24 VICE CHAIR KAPITANY (by TEAMS): Okay.
25 Thank you for that.

1 And regarding the IRP, you recommended
2 to us that the Panel should not approve the IRP writ
3 large, but you made a number of suggestions that you
4 think should be acted upon quite quickly.

5 So, I just want to confirm my
6 understanding that while you're suggesting we don't do
7 a full approval of -- or recommend a full approval of
8 the IRP, you do recommend some actions that would take
9 place basically starting immediately after our report?

10 MR. ANTOINE HACAULT: Yes. Perhaps I
11 was not clear enough. We view the Near-Term Actions
12 as things that the Corporation should just be doing,
13 period. You don't need an IRP or an approval of an
14 IRP for the Corporation to proceed with its Near-Term
15 Actions. That's why --

16 VICE CHAIR KAPITANY (by TEAMS): Okay.
17 Thank you for that. And thank --

18 MR. ANTOINE HACAULT: Yeah.

19 VICE CHAIR KAPITANY (by TEAMS): Yeah.
20 Thank you for MIPUG's participation in this process.
21 Very helpful as always.

22 THE CHAIRPERSON: Thank you. Mr.
23 Simonsen...?

24 BOARD MEMBER SIMONSEN: Yeah. Thank
25 you very much for the presentation. That's obviously

1 very interesting to hear the perspectives of MIPUG.

2 I'm going to come back to your process

3 recommendations, Mr. Hacaault.

4 If I hear you correctly, and it's been

5 six (6) weeks, I may not have heard you correctly, are

6 you suggesting that this Board potentially put pens

7 down on its report on the MNF now and request a

8 revised schedule for the filing of this report, or are

9 you suggesting that we carry on with our report and

10 provide that to government within six --

11 MR. ANTOINE HACAULT: Sixty (60) days.

12 BOARD MEMBER SIMONSEN: -- sixty (60)

13 days with our recommendations at that stage.

14 Can I get your clarity on that

15 recommendation?

16 MR. ANTOINE HACAULT: So, the optimum

17 thing, assuming this Board can -- can continue, is

18 that the government would postpone its timing

19 requirements. That's the first point that you make.

20 BOARD MEMBER SIMONSEN: Okay.

21 MR. ANTOINE HACAULT: And we asked the

22 government to postpone its timing requirements because

23 initially everybody thought we needed to target a

24 February 2026 date. Now we know we only need to

25 target August 2026.

1 The other option is saying, please give
2 me the additional mandate and, by extension, more time
3 and a more -- an interim report when we have better
4 information and information that's at least as good as
5 what the Manitoba Hydro-Electric Board will have in
6 August of 2026.

7 BOARD MEMBER SIMONSEN: Okay. Thank
8 you for that. Let me let me just --

9 MR. ANTOINE HACAULT: Twenty-seven,
10 sorry.

11 BOARD MEMBER SIMONSEN: Yeah, August
12 2027. Let me just follow up on that. You mentioned
13 in your report a number of items, issues where we lack
14 information, load forecasting, what have you. There's
15 a there's -- a number of them.

16 Do you think that it is feasible to get
17 this type of information to this Board for a review
18 and a decision before the so-called August 2027 time
19 frame where contracts are signed because if you back
20 it up, it would mean that this type of information
21 would probably need to be provided to parties three
22 (3), four (4), five (5) months in advance of that to
23 allow for any kind of review?

24 MR. ANTOINE HACAULT: Unfortunately,
25 when I've been on -- on your side and have to make a

1 decision, sometimes I have to make a decision on the
2 record in front of me.

3 Now, let me talk first about, you know,
4 our criticism, the load -- load forecast. We've said,
5 Really, our recommendation doesn't change much whether
6 you would do the 2024 electric load forecast or LP2
7 with -- you know, take into account some of the issues
8 that it has.

9 So, it'll be kind of rhetorical for me
10 to say, Well, listen, there's some information that
11 sure would be nice to have and have a better record
12 on. But I think the key thing that I was using over
13 the early hours of the morning is what are the key
14 things and things like an export contract or a
15 diversity contract. And we've seen three (3) new ones
16 after this after the IRP filing. Those are key, key.

17 And if something positive was happening
18 again, because that was positive when it happened,
19 that may be all you need. But I don't think I'm
20 really in a position to tell this Board what
21 information it thinks it needs to make a final
22 recommendation.

23 You're going to have weighed the
24 evidence. You're going to have had a lot of
25 information. And we've set forward as best as we can

1 a path to a decision.

2 BOARD MEMBER SIMONSEN: Thank you, Mr.
3 Hacault. I'll defer to our -- my other members.

4 THE CHAIRPERSON: And, Dr. Grant. And
5 how did you sleep last night?

6 BOARD MEMBER GRANT: Like a baby, sir.
7 I hear MIPUG echoing some of the concerns of Darren
8 Rainkie about the IRP lacking a sort of longer-term
9 strategy or call it a vision upon which to make some
10 judgements about some of the near-term actions going
11 on.

12 And just to follow up on some of
13 MIPUG's comments, we've seen Hydro over the past
14 various decades pursue a strategy of building large
15 scale hydro projects, really for export markets that
16 prove to be terribly lucrative, certainly to
17 ratepayers.

18 I'm sure the next Intervener might want
19 to comment on the Northern Flood Agreement and some of
20 the other aspects of it. But I think we were both
21 there in 2014 at the NFAT when the Preferred
22 Development Plan was pursuing that similar strategy
23 with Keeyask and Conawapa and bipole and transmission,
24 you know, to -- that we were still going to be a major
25 exporter.

1 I think we saw during the NFAT that
2 whole -- the viability of that entire thing -- that
3 entire approach come into increasing question with,
4 you know, the cost of renewables and more Demand-Side
5 Management and, you know, the whole host of things
6 that were maybe bringing into question that strategy.

7 So, here we are, you know, a dozen
8 years later. What is -- what is the future going to
9 look like? I -- if -- if you think Manitoba Hydro
10 didn't give you that sort of vision, what do you think
11 it's going to look like? Is it -- is it batteries and
12 solar and wind and small scale nuclear or, you know,
13 advanced metering, all that glittering array of stuff?

14 I guess what I was surprised by is
15 having sort of made this critique of Hydro. All MIPUG
16 has to say is Conawapa. And I'm not sure where
17 Conawapa fits into that whole sort of planning
18 scenario.

19 So -- so, any thoughts? I know it's --
20 I'm not asking you to give new evidence, but...

21 MR. ANTOINE HACAULT: So, I'll try to
22 deal with your question in four (4) points, firstly,
23 going back to the NFAT. And this may -- in the order,
24 so I don't think I'm giving evidence.

25 The major challenge with Conawapa was

1 all the government charges.

2 If we removed all the government
3 charges, and we made that recommendation in that
4 hearing, Conawapa, with all its risks, became a
5 different analysis. What weighed Conawapa down was
6 capital tax, the water rentals, the high guarantee
7 fee. So, I think there's a different outlook now
8 because a lot of those government charges are out,
9 point number 1.

10 Point number 2, other provinces like
11 Quebec, who have the river resources and hydrology
12 resources, are proceeding with billions and billions
13 of dollars of investment in this renewable energy.

14 So we would not be ill advised to at
15 least protect -- and that's our main criticism -- to
16 protect that option.

17 And -- and that's my point number 3.
18 Right now we're saying we're going to investigate,
19 we're going to investigate. And if that happens every
20 three (3) years, we're never going to be able to do a
21 Notigi -- hopefully I'm pronouncing that correctly --
22 or a Conawapa or other resources that are renewable
23 energy resources.

24 So those are the points -- we're not
25 saying -- and our evidence was you don't need to make

1 a decision that you're going to do these hydro
2 projects. But if you never protect them, they don't
3 even enter into a discussion, and we can't do the
4 things that other hydro generation provinces are
5 currently doing.

6 I hope that addresses your -- so -- and
7 there's two (2) other thoughts that are coming to mind
8 now, one with a conversation with Mr. Bowman. But one
9 of the things we're talking in NFAT is we just spent
10 \$4 billion in Bipole III. And if we weren't doing at
11 least Keeyask, we were going to be sunk with that cost
12 with no contribution in a meaningful way to that new
13 investment.

14 But that investment also contemplated
15 Conawapa, right? So if you add a Conawapa as a major
16 new generation, it helps pay those sunk costs. And
17 the last thing that we did in NFAT, and that was very
18 important to MIPUG's position, Keeyask gave us another
19 intertie. We have an opportunity for a new intertie
20 with Saskatchewan.

21 That's a -- that's a major game
22 changer. And it was supposed to be with the Manitoba-
23 Minnesota line too, because it gave us, as I recall,
24 nearly twice the geographic area for imports and
25 exports, which was a huge advantage to having that.

1 And it would only be justified and only be built if we
2 advanced Keeyask.

3 So two (2) additional points. Let's
4 not forget what can -- can happen with interties as a
5 general strategy, including the Saskatchewan one.
6 Let's not forget, if we're going to invest all these -
7 - all this money -- was it over \$6 billion in
8 upgrading our converters? -- why not help absorb that
9 or at least look at whether it makes sense to absorb
10 that with new hydro generation in the north?

11 BOARD MEMBER GRANT: Thanks. I see
12 you're making a sunk cost argument. No, I take your
13 point. Thank you for that. It helps.

14 THE CHAIRPERSON: Ms. Sherman...?

15 BOARD MEMBER SHARMAN: Thank you. I'm
16 looking at, within your submission, Issue Topic 1,
17 starting on page 15. And I just want to clarify
18 something.

19 So this topic is related to the IRP and
20 on the topic of load projection. And I just want to
21 clarify whether or not or what -- what your -- your
22 recommendations, how they may interact with the MNF
23 proposal.

24 So leaving aside for the moment your
25 recommendation for deferral of the MNF, if that

1 proceeded on the basis of what we know today, your
2 recommendation number one is that the 2024 electric
3 load forecast be used to establish the resource needs
4 over the near term to 2930. And we heard yesterday
5 from Mr. Elson a suggestion that it would be the 2024
6 ELF that would underpin the MNF.

7 So although this section is on the IRP,
8 I just wanted to clarify. Is that first
9 recommendation -- if we were to apply it to the MNF,
10 would it -- would it be your recommendation that it's
11 the 2024 ELF that underpins the MNF, knowing what we
12 know today?

13 MR. ANTOINE HACAULT: Yes.

14 BOARD MEMBER SHARMAN: Long question.
15 Sorry.

16 MR. ANTOINE HACAULT: And sorry for
17 the confusion that this brief may have done, but if
18 you look in the overview, the very first sentence is
19 that the 2024 electric load forecast should be used as
20 the reference case for the built-out targets used in
21 the 2025 MNF. I hope that answers your question.

22 BOARD MEMBER SHARMAN: Thank you. It
23 does. I should have gone back to the beginning.
24 Thank you.

25 THE CHAIRPERSON: Monsieur Hacault,

1 next IRP, what do you see in terms of natural gas? An
2 Integrated Resource Plan is, as I understand it, all
3 resources. This seems to be a heavily weighted
4 electricity IRP, Manitoba Hydro and Centra Gas.

5 What would you see in the next IRP in
6 relation to natural gas?

7 MR. ANTOINE HACAULT: You're correct
8 that it's a tough question because there hasn't been
9 much attention paid to gas. And if we're looking at
10 the Affordable Energy Plan, it's asking us to move
11 away from gas. And we have all the programs that
12 Efficiency Manitoba has in its bucket of programs for
13 heat pumps and, you know, other conversions away from
14 gas.

15 So I'm not too sure how the OIC --
16 because it's going to be a referral of the OIC, right?
17 There is no mandatory reference to this Board on an
18 Integrated Resource Plan. It will probably in part
19 depend on what the government wants to do and who's
20 making recommendations to the government on how we
21 integrate the two (2) parts of energy in this
22 province, being the gas and the electricity.

23 I don't know that that helps much, but
24 I think it needs to be part of the discussion. We've
25 heard Mr. Elson do that, have that discussion.

1 I think it's fair to say that it's on
2 the radar of large industrials because if you start to
3 get stranded assets and their processes rely heavily
4 on gas, and Gerdau's one of them -- they've made that
5 presentation to you -- we all have to be mindful of
6 the interaction between the two (2) of them and not
7 causing some ratepayers in the gas sector to be paying
8 for stranded assets or assets that are not fully used.

9 THE CHAIRPERSON: Thank you very much.
10 And I'd like to echo the thanks of the other panel
11 members to both of you and to MIPUG for your -- not
12 only for your submission, but for your participation
13 through this hearing process. Thank you.

14 We're going to move on to Wa Ni Ska
15 Tan, so perhaps if we could have the MIPUG
16 representatives move and we'll have Ms. Connolly.

17

18 (BRIEF PAUSE)

19

20 THE CHAIRPERSON: Good morning, Ms.
21 Connolly.

22 MS. CHARLOTTE CONNOLLY: Good morning.

23 THE CHAIRPERSON: Okay.

24

25 CLOSING SUBMISSIONS BY WA NI SKA TAN:

1 MS. CHARLOTTE CONNOLLY: I first want
2 to say congratulations to all for making it to this
3 last day of the hearing, and thank you to the Board,
4 Board Counsel, Board staff, as well as Manitoba Hydro
5 and all Interveners for welcoming Wa Ni Ska Tan in
6 this hearing process and listening to the perspectives
7 of First Nation people. With that, I will begin my
8 closing submissions.

9 The Order in Council tells us that the
10 primary objective of the IRP is to plan for safe,
11 reliable energy that meets the evolving needs of
12 Manitobans.

13 Unfortunately, we have learned
14 throughout this hearing process that the IRP is
15 primarily focused on delivering safe, reliable, and
16 affordable energy for regions and populations that are
17 already economically developed, and that First Nation
18 energy needs have largely been scoped out.

19 Wa Ni Ska Tan's position is that for
20 reconciliation to occur, the realities, priorities,
21 and rights of First Nations must be integrated into
22 system-wide planning. Otherwise, we risk perpetuating
23 their systematic exclusion and processes of
24 colonization, whereby their lands and resources are
25 exploited for the benefit and development of settler

1 populations.

2 Reconciliation should not simply about
3 -- be about allowing First Nation participation in a
4 single resource option after decisions have already
5 been made, but involving First Nations at the outset
6 of planning in terms of what opportunities are pursued
7 and how.

8 First Nations should be treated as
9 eligible energy producers with the capacity to
10 participate in and develop both community-scale and
11 utility-scale projects in order to support local
12 reliability, affordability, and safety while also
13 contributing to Manitoba's broader energy system.

14 The ability of First Nations to meet
15 their energy needs and to support their lives and
16 wellbeing cannot be left to ad hoc engagements that
17 are subject to the discretion and willingness of
18 Manitoba Hydro and Manitoba to do something; rather,
19 there is a constitutional obligation to involve First
20 Nations in strategic higher-level decision making.

21 Manitoba Hydro appears to be treating
22 the Recommended Development Plan as a fait accompli,
23 ignoring the real risk that First Nation consultation
24 may alter resource availability, timing, and
25 acceptability, and could very well result in resource

1 options being redesigned, delayed, or not pursued
2 altogether.

3 The meaningful involvement of First
4 Nations in the development of the IRP would've
5 mitigated this key political risk.

6 This Board has a critical opportunity
7 and an important responsibility to course correct an
8 IRP that was developed without First Nation input and
9 which -- for which formal Crown consultation has yet
10 to occur.

11 As will be detailed in my submissions,
12 the Board's jurisdiction is determined by statute, not
13 executive orders, and administrative tribunals must
14 always exercise their powers, taking into account
15 Section 35 of the Constitution.

16 Cabinet likewise cannot ignore
17 Indigenous rights and interests when deciding whether
18 to approve this plan, and it is for this exact reason
19 that this Board should consider First Nations
20 expressed priorities and needs when reviewing the IRP
21 and making recommendations to approve it.

22 The bottom line is that the current
23 energy landscape and energy planning must be reshaped
24 in ways that are fairer, more rights respecting, and
25 safer for First Nations, and in turn Manitoba as a

1 whole. Next slide, please.

2 After briefly discussing the scope of
3 Wa Ni Ska Tan's intervention, the first part of my
4 submissions will focus on the Treaty, constitutional,
5 statutory, and policy context for the development of
6 the IRP, as well as best practices for First Nation
7 engagement and energy planning.

8 In this part, I will discuss Manitoba
9 Hydro's unilateral decision to scope the IRP in a way
10 that excludes First Nations energy needs based on the
11 internal justification that an IRP can only look at
12 system-wide needs and juxtapose this decision with its
13 stated commitment to collaborate with First Nations in
14 energy planning. Next slide, please.

15 The second part of my submissions will
16 address four (4) inquiries displayed on the screen
17 here, which I will not go through for the sake of
18 time. I will then close with Wa Ni Ska Tan's
19 recommendations to Cabinet, Manitoba Hydro, and
20 Efficiency Manitoba. Next slide, please.

21 As a refresher, Wa Ni Ska Tan has been
22 approved by this Board to provide evidence on Manitoba
23 Hydro's approach to stakeholder and public engagement;
24 the outcomes of this engagement process and its
25 shorting -- shortcomings, including in relation to IRP

1 risks and resource options; and finally, opportunities
2 for Indigenous-led resource options and economic
3 reconciliation.

4 During this hearing, Wa Ni Ska Tan
5 tendered the evidence of Dr. McLachlan, Dr. Kanu, Mr.
6 Dysart, and a community witness panel in relation to
7 these issues. The purpose of involving these First
8 Nation witnesses was to remove the barriers for their
9 participation in public decision-making around energy
10 planning, as well as to encourage dialogue between
11 First Nations and Manitoba Hydro around issues of
12 energy justice.

13 To the extent that the testimony shared
14 is being characterized as past impacts, Wa Ni Ska Tan
15 submits that these impacts are directly relevant to
16 Manitoba Hydro's ability to repair its relationship
17 with First Nations, including in order to obtain and
18 maintain licences for existing hydro projects as well
19 as proposed project, without which Manitoba Hydro
20 cannot maintain the assumed energy production that is
21 foundational to the IRP or the forecasted energy
22 production.

23 These closing submissions will
24 summarize Wa Ni Ska Tan's most pertinent findings in
25 relation to the IRP and outline key recommendations

1 for both the current and future iterations of it.

2 Next slide, please.

3 At the beginning of this proceeding and
4 at the outset of the IRP, Manitoba Hydro opened with a
5 land acknowledgement, which recognizes that it
6 operates on Treaty 1, 2, 3, 4, and 5 lands, noting
7 that the legacy of the past remains a strong influence
8 on Manitoba Hydro's relationship with Indigenous
9 communities today.

10 Wa Ni Ska Tan submits that there's a
11 difference between performing reconciliation and
12 enacting it. Simply acknowledging lands is not
13 enough. Treaty relationships must be lived and
14 honoured, including in the context of energy planning
15 and decision-making.

16 I would like to take a few minutes to
17 explain the spirit and intent of the numbered treaties
18 to highlight how Manitoba Hydro's relationship with
19 First Nations is fundamentally different than the
20 general public or any stakeholder.

21 Wa Ni Ska Tan submits that the treaty
22 relationship demands a deeper level of engagement that
23 is attentive to the unique needs and rights and
24 priorities of First Nations. Next slide, please.

25 Between 1871 and 1910, the British

1 Crown entered into the numbered treaties. In these
2 treaties, First Nations agreed to share their lands,
3 waters, and resources with settlers on the
4 understanding that they would maintain their
5 sovereignty, their traditional governments, their
6 laws, cooperating as necessary with the Crown.

7 Treaties were fundamentally an economic
8 partnership founded on the principles of fair exchange
9 and mutual benefit. First Nations were promised
10 annual payments, social and economic benefits, and the
11 continued use of their lands.

12 Unfortunately, from the point of treaty
13 signing forward, the Crown supplanted Indigenous
14 governments and their laws and authority. This
15 assertion of an exclusionary sovereignty was under-
16 grid by the doctrines of discovery and terra nullius,
17 which have since been declared as racist and legally
18 invalid, but nonetheless persist in the design and
19 administration of federal and provincial legislation.

20 In Manitoba, for example, the Natural
21 Resources Transfer Agreement in 1930 gave the province
22 full ownership and control over lands and resources.
23 Manitoba Hydro is a beneficiary of this system of
24 colonization as it holds a monopoly over electricity
25 generation and it can -- can exploit lands and

1 resources for the benefits of settler populations
2 without involving First Nation people in decision-
3 making.

4 It is clear from the testimony of Wa Ni
5 Ska Tan's community witness panel that Manitoba and
6 Manitoba Hydro's exploitation of their lands and
7 resources have generated tremendous wealth for settler
8 populations while resulting in devastating impacts to
9 the culture and way of life of Indigenous people.
10 Next slide, please.

11 It is in this context the central
12 question for Wa Ni Ska Tan is whether the IRP will
13 contribute to historical and ongoing patterns of
14 exploitation, dispossession, and exclusion, or whether
15 it is capable of promoting treaty relationships based
16 on mutual benefit, respect, and reciprocity, whereby
17 land as well as governance decisions are shared.

18 In this regard, Manitoba Hydro displays
19 an extremely narrow understanding of Indigenous
20 rights. Their closing submissions suggest that treaty
21 rights are confined to the site-specific rights to
22 hunt, trap, fish, and gather in particular locations,
23 ignoring the treaty relationship and First Nation
24 authority and jurisdiction altogether.

25 First Nations are not customers or

1 stakeholders, but equal treaty partners with decision-
2 making responsibility over their lands and resources.
3 They should be treated as active participants in
4 system planning and ownership.

5 As Wa Ni Ska Tan's submissions will
6 show, Manitoba Hydro's scoping of the IRP sends the
7 message that First Nations -- to First Nations that
8 honoring treaty promises is not a priority.

9 Consequently, the status quo of
10 colonization persists. First Nations, whose
11 traditional lands and resources helped to build the
12 energy system we currently enjoy, are left with
13 fragile infrastructure, inadequate reliability, and
14 unaffordability, jeopardizing their lives and
15 wellbeing in the process. Next slide, please.

16 I'd also like to take a few minutes
17 here to discuss what I'm referring to as the
18 constitutional elephant in the room because it poses a
19 fundamental risk to the success of the apparently
20 finalized IRP.

21 The IRP is a strategic higher level
22 decision that attracts the duty to consult because it
23 sets the stage for decisions down the line that will
24 impact Indigenous lands and rights.

25 The Supreme Court itself has noted that

1 long-term energy plans intended to meet a province's
2 infrastructure and capacity needs triggers the duty to
3 consult. And yet we still have no details about when
4 and how consultation will occur and by whom.

5 Meanwhile, Manitoba Hydro is in the
6 process of implementing its resource decisions as
7 evinced by the Major New Facility filing and the call
8 for wind power.

9 It is an open question whether the
10 approach taken by Manitoba Hydro and Manitoba is
11 constitutionally defensible. Consultation by the
12 executive branch after the IRP has already been
13 finalized and reviewed by this Board may not be
14 adequate to uphold constitutional obligations.

15 The case law tells us that the Crown
16 cannot defer consultation so late in a process that a
17 plan becomes a fait accompli. The case law also tells
18 us that consultation may require accommodation, which
19 requires an openness on the part of the Crown and
20 Crown corporations to adjust or change their plans in
21 order to address the rights and interests of
22 Indigenous peoples.

23 Accommodation in the context of an IRP
24 may impact resource availability, location, timing,
25 and acceptability, and can result in projects being

1 redesigned, relocated, delayed, or not pursued
2 altogether. The lack of consultation to date on this
3 IRP is a key political risk that has not been
4 identified or addressed by Manitoba or Manitoba Hydro.

5 Consequently, Manitoba Hydro's position
6 that the 2025 ILP should be accepted without changes
7 is untenable in light of the province's outstanding
8 constitutional obligations. Any predetermined
9 outcomes would be the antithesis of reconciliation.
10 Next slide, please.

11 Because consultation has yet to occur,
12 Cabinet has scoped it out of this Board's review.
13 However, Wa Ni Ska Tan submits that this Board can and
14 should make recommendations to Cabinet about how
15 consultation can be meaningful, both in procedure and
16 substance, taking into account the expressed concerns,
17 interests, and rights of First Nation people expressed
18 during this hearing.

19 The fact that the Order in Council --
20 effectively a policy directive -- scopes consultation
21 out of the Board's review of the IRP does not prevent
22 you from making these recommendations as to the
23 approach and manner of consultation. The Board's
24 jurisdiction is determined by statute, not executive
25 orders, and administrative tribunals must always

1 exercise their powers taking into account Section 35.

2 In fact, this Board has the power to
3 determine all questions of constitutional law, and
4 there's no other statute which prevents this Board
5 from making recommendations pertaining to Section 35
6 rights. In fact, there is a treaty and constitutional
7 imperative to do so which supersedes any directive
8 from the executive branch.

9 Wa Ni Ska Tan encourages this Board to
10 make recommendations to Cabinet to help inform the
11 Section 35 consultation process that has yet to occur,
12 focusing on the political, socioeconomic, environment,
13 and climate risks related to the IRP, as well as how
14 the plan may better address First Nations expressed
15 needs and priorities.

16 There's actually precedent for this
17 approach. In BC, the Crown directed BC Hydro to
18 undertake consultation with First Nations on the
19 evidence and submissions presented during the BC
20 Utilities Commission's inquiry into the province's
21 electricity infrastructure and capacity needs over a
22 thirty (30) year period. And that's the case that was
23 cited by the Supreme Court of Canada. Next slide,
24 please.

25 Moving on to the immediate matter at

1 hand, we know that Manitoba Hydro is required by
2 governing legislation to take into account governing
3 mandate letters, published energy and environmental
4 policies, socioeconomic impacts, risks, and
5 sustainability when developing the IRP.

6 This Board has been asked to answer the
7 question of whether Manitoba Hydro's planning
8 objectives reflect the statutory and policy
9 requirements, including the Minister's 2023 mandate
10 letter, which requires it to not only consult with
11 First Nations, but to partner with them in advancing
12 economic reconciliation, as well as the 2024
13 Affordable Energy Plan, which states -- explicitly
14 states that small-scale renewable energy projects will
15 be included in the IRP, with the government
16 recognizing the particular importance of these
17 projects for rural, remote, and off-grid northern
18 communities. Next slide, please.

19 There are other statutory and policy
20 requirements relevant to this proceeding, including
21 the United Nations Declaration on the rights of
22 Indigenous Peoples and the Path to Reconciliation Act.

23 UNDRIP has been affirmed as an
24 international human rights instrument with application
25 in Canadian law, and the government of Manitoba has

1 affirmed its commitment to the principles of UNDRIP
2 through the Path to Reconciliation Act.

3 UNDRIP provides that Indigenous peoples
4 have the right to participate fully in the political,
5 economic, social, and cultural life of the state and
6 to participate in decision-making matters that would
7 affect their rights and to provide their consent.

8 I want to clarify here that just
9 because one party retains final decision-making
10 authority does not foreclose the constitutional
11 obligation to attempt to reach consensus before the
12 exercise of state power and discretion.
13 Reconciliation is about compromise, and either party
14 imposing a veto is not in keeping with this purpose.
15 Next slide, please.

16 Curiously, Manitoba Hydro has chosen
17 unilaterally to scope the IRP to exclude community
18 scale and community-specific issues, despite the
19 explicit directives contained in the Affordable Energy
20 Plan, Cabinet's requirements for the IRP outcomes, and
21 Manitoba Hydro's own stated commitments.

22 As noted, the 2024 Affordable Energy
23 Plan promised that this IRP would include community-
24 scale renewable energy. Manitoba Hydro itself has
25 stated it is committed to advancing economic

1 reconciliation by supporting collaboration with
2 Indigenous nations and community-led energy planning.

3 However, as Wa Ni Ska Tan's evidence
4 showed, Manitoba Hydro ignored the perspectives and
5 priorities of First Nations and energy planning,
6 treating their needs as falling beyond the scope of
7 the IRP on the basis that an IRP, as a system-wide
8 planning exercise, cannot address community-specific
9 and community-scale energy issues.

10 This justification has no grounding in
11 law, policy, or even best practice. In fact, it
12 undermines the government's statutory and policy
13 directives, as well as the broader imperative of
14 reconciliation -- the constitutional imperative of
15 reconciliation. Next slide, please.

16 The IRP as currently designed reflects
17 the phenomenon of interjurisdictional neglect, whereby
18 neither the federal or provincial governments take --
19 have much interest in taking responsibility for the
20 provision of essential services like child welfare,
21 health, and indeed energy services on reserve.

22 Interjurisdictional neglect represents
23 a breach of the treaty relationship and can lead to
24 violations of the right to life, liberty, and security
25 of the person.

1 Many First Nations seek to reside on
2 reserve to preserve their connection to community,
3 culture, and way of life, but they are denied access
4 to reliable services to support their health and
5 safety.

6 It is in this very context that
7 community-scale projects can meet local needs,
8 improving reliability, safety, and affordability for
9 First Nations, while at the same time contributing to
10 Manitoba's broader energy system wherever possible.

11 Wa Ni Ska Tan encourages this Board to
12 ask: How can the IRP be scoped in a way that
13 increases First Nations' access to safe, reliable, and
14 affordable energy?

15 This is a very serious question, which
16 goes to the heart of repairing the relationship
17 between the Crown and Indigenous peoples, including
18 Crown corporations which have long benefited from the
19 lands and resources of Indigenous peoples.

20 Nothing in the Manitoba Hydro Act or
21 the Order in Council says that an IRP, as a province-
22 wide planning exercise, must exclude community energy
23 projects or disregard regional or population-specific
24 risks, as well as opportunities.

25 In fact, the Board's own independent

1 expert, Daymark, testified that IRP planning processes
2 may treat certain regions or populations differently
3 where internal or external policy directives exist.

4 We have already discussed at length
5 those external and internal policy directives which
6 require or at the very least permit Manitoba Hydro to
7 pay particular attention to the needs and realities of
8 First Nations in IRP planning processes.

9 Contrary to Manitoba Hydro's
10 assertions, community-specific and community scale
11 energy issues are matters impacting this Board's
12 recommendations. Next slide, please.

13 Best practices also suggest that First
14 Nation input and priorities should be both
15 meaningfully integrated into provincial energy
16 planning and addressed through parallel community-
17 specific engagement processes.

18 In fact, these activities should not be
19 treated as mutually exclusive, but are interconnected
20 and interdependent. For example, an IRP can set out
21 broad objectives and requirements for community-scale
22 projects as a resource option, and parallel planning
23 processes can address the unique needs and challenges
24 of specific First Nations in developing these
25 projects.

1 Practically, for example, Manitoba
2 Hydro could set a total megawatt target for community-
3 owned generation in the IRP and follow BC's example of
4 developing an independent power production policy
5 which includes a community renewable energy offer and
6 sets a commercial framework for purchase agreements.
7 Such an approach would ensure greater accountability
8 and transparency rather than being subject to the ad
9 hoc discretion of Manitoba Hydro. Next slide, please.

10 Moving on to the question of meaningful
11 engagement with First Nations. As a preliminary
12 matter, Manitoba Hydro submits that its engagement
13 planning is grounded in its obligations as a Crown
14 corporation. Manitoba Hydro is an agent of the Crown,
15 and therefore it must engage with First Nations as
16 rights holders, not simply stakeholders.

17 The honour of the Crown applies to
18 Manitoba Hydro's conduct as it is always at stake in
19 the Crown's dealings with Aboriginal people. Next
20 slide, please.

21 And yet First Nations were barely
22 engaged in the development of the IRP. There were no
23 interviews with First Nation leaders. Only twenty-
24 five (25) respondents participated in the First Nation
25 leadership surveys, and the perspectives of Elders,

1 knowledge keepers, land and water users were not
2 captured at all.

3 From Wa Ni Ska Tan's perspective, there
4 are many reasons to connect broad-based engagement.
5 It can help build trust, support energy readiness, and
6 repair Manitoba Hydro's reputation.

7 Wa Ni Ska Tan's position is that the
8 IRP should not only be focused on technical matters
9 and abstract models, but aimed at increasing safety
10 and reliability through energy literacy, community
11 buy-in, and internal capacity building. Next slide,
12 please.

13 This is why Wa Ni Ska Tan recommends
14 that in-person community meetings be held using plain
15 language communication to help First Nation people
16 understand what is being discussed and what is being
17 decided.

18 Manitoba Hydro submits that community-
19 level conversations would be resource intensive and
20 that feedback received would generally not be
21 appropriately scoped to inform system-wide energy
22 planning decisions.

23 As discussed, the IRP's narrow scoping
24 by Manitoba Hydro is by design and is not in keeping
25 with reconciliation. There is a responsibility to

1 ensure that First Nations are able to access safe,
2 reliable, and affordable energy.

3 From these engagement sessions, we
4 recommend that Manitoba Hydro prepare summaries which
5 identify how input is being used or otherwise followed
6 up on to build trust and transparency. Next slide,
7 please.

8 Beyond the approach to engagement, Wa
9 Ni Ska Tan has concerns about engagement outcomes,
10 specifically that Manitoba Hydro did not meet either
11 the inform or consult level of engagement it promised.

12 To meet the informed level of
13 engagement, a proponent must provide information to
14 assist the public and stakeholders in understanding
15 the problem, alternatives, and potential solutions.
16 As discussed, Manitoba Hydro reached very few First
17 Nation people. Wa Ni Ska Tan's own engagement through
18 surveys, interviews, and witness outreach showed a
19 general lack of awareness and knowledge of the IRP.

20 To meet the consult level of
21 engagement, proponents must obtain public input on
22 analysis, all alternatives, and proposed decisions,
23 and articulate how feedback influenced their
24 decisions.

25 There are no examples in the written or

1 oral record where First Nation feedback contributed to
2 or materially changed an IRP assumption, evaluation
3 criterion, resource option, scenario, or the
4 development plan itself. Next slide, please.

5 In fact, the evidence shows that the
6 input from First Nations was ignored and that their
7 feedback was incapable of influencing the resource
8 options or the recommended plan.

9 For example, in the Round I survey,
10 First Nation respondents identified natural gas, wind
11 farms, solar farms, hydrogen, and biomethane as
12 resource options their communities were interested in.
13 As we know, Manitoba Hydro deliberately scoped out
14 community-scale and community-led projects.

15 In the Round II survey, Manitoba Hydro
16 asked for feedback on the resource options and the
17 Recommended Development Plan, with respondents in that
18 survey calling for more opportunities to support
19 potential ownership and -- and operation of projects,
20 enabling their communities to meet local needs while
21 contributing to the broader energy system.

22 The Round II survey closed on January
23 15, 2026, and the IRP was submitted to government over
24 just a week later on January 26th, 2026, according to
25 the Order in Council, indicating none of that -- none

1 of the substantive elements were really open to change
2 based on First Nation feedback. Next slide, please.

3 The bottom line is that meaningful
4 engagement requires the ability to influence outcomes.
5 First Nations must help determine the direction before
6 it takes shape, not simply asked what they think of a
7 plan before it's already been developed. Manitoba
8 Hydro should have solicited feedback from First
9 Nations when there were multiple plans on the table
10 and demonstrated a willingness to consider changes.

11 Moving forward, Manitoba Hydro should
12 be expected to engage at the collaborate level of
13 engagement with First Nations as it pertains to future
14 iterations of the IRP, which would involve partnering
15 with First Nations in each aspect of decision-making,
16 including the development of alternatives, the
17 identification of preferred solutions, incorporating
18 their advice and recommendations.

19 There is a strong treaty,
20 constitutional, and policy basis for shifting toward
21 the collaborate level, and Manitoba Hydro has stated
22 its willingness to evolve its engagement approach to
23 enhance inclusiveness and effectiveness.

24 At a bare minimum, Manitoba Hydro
25 should be expected to engage at the involved level,

1 which would require it to ensure that First Nation
2 concerns and aspirations are consistently understood,
3 considered, and directly reflected in the alternatives
4 developed. Next slide, please.

5 Moving on to IRP risks that are
6 specifically relevant to First Nations. The
7 fundamental assumption under-gridding this IRP is that
8 existing generation will be maintained. The IRP
9 modeling assumes that current licences will remain in
10 place and that hydro facilities will continue to
11 operate in accordance with their existing operating
12 parameters.

13 However, licence renewals and operating
14 parameters are not guaranteed and are dependent on
15 First Nation consultation and the resolution of
16 outstanding litigation.

17 This is a very live issue. On August
18 1st, 2026, the Lake Winnipeg regulation license
19 expired, and Manitoba Hydro has been granted a short-
20 term extension until August 1st of next year.

21 Both Norway House and Barrons River
22 have outstanding litigation pertaining to this project
23 seeking injunctions which would prevent Manitoba Hydro
24 from operating in a way that causes trespass and
25 nuisance to their lands and rights.

1 And just three (3) days ago on
2 September 1st, 2026, the Churchill River diversion
3 licence expired and Manitoba Hydro was granted, again,
4 a short-term extension until September 1st of next
5 year.

6 South Indian Lake has outstanding
7 litigation with respects to the impacts of this
8 project and is seeking an injunction that would
9 prevent Manitoba Hydro from operating the dam in a way
10 that causes nuisance to their lands.

11 Short-term licence extensions pose a
12 risk when planning and forecasting for long-term
13 energy production, and Manitoba Hydro should not
14 unassumingly rely on status quo generation levels when
15 there are no long-term licence guarantees and
16 outstanding concerns from First Nations. Next slide,
17 please.

18 So in the context of outstanding
19 consultation and litigation, the IRP should be
20 sensitive to the requirement for material changes and
21 assumptions concerning existing generation and
22 available resource alternatives.

23 Manitoba Hydro should assess whether
24 reservoir cycling and water level fluctuations could
25 be altered in response to First Nation requests and

1 demands.

2 More broadly, Manitoba Hydro must
3 address past and ongoing impacts, otherwise, existing
4 hydro generation will be at risk, undermining the
5 IRP's fundamental assumption.

6 In this vein, Mr. Dysart's evidence
7 relating to past and ongoing impacts is being
8 characterized as out of scope when, in fact, it
9 addresses critical, political, reputational and
10 financial risks that are directly relevant to the
11 success of this IRP. His evidence should be afforded
12 weight by this Board. Next slide, please.

13 Another key risk that has not been
14 adequately identified and addressed in the IRP
15 planning process, pertains to the ability of First
16 Nation people to take advantage of efficiency and
17 demand response programs.

18 The evidence shows significantly low
19 uptake of efficiency programs by First Nations and
20 that First Nations have limited awareness of
21 programming. Manitoba Hydro has not clearly
22 identified how they will collaborate with First
23 Nations and Efficiency Manitoba to mitigate these
24 risks, which have real consequences for the lives,
25 safety and wellbeing of First Nations. Next slide,

1 please.

2 Wa Ni Ska Tan submits that a better
3 understanding of how First Nations can benefit from
4 efficiency and demand response programs can mitigate
5 risks associated with low uptake and help in the
6 design of programs that improve outcomes for First
7 Nations. This analysis and planning should be
8 reflected in both the IRP as a Near-Term Action and in
9 the forthcoming Efficiency Plan.

10 First Nations have called for deeper,
11 more sustained engagement through increased community
12 presence. There are several ways that this can be
13 achieved in collaboration with First Nations by both
14 Manitoba Hydro and Efficiency Manitoba, including
15 collaborative studies, in-person meetings and co-
16 developed programs.

17 The risks of achieving forecasted
18 savings will be reduced and confidence in planning
19 outcomes will improve, if there are -- is better
20 collaboration with First Nations.

21 Perhaps, more importantly, greater
22 investments in housing retrofits, efficient heating,
23 insulation and the like can reduce the energy burden
24 for First Nations and improve wellbeing. Next slide,
25 please.

1 We've already discussed this topic at
2 length, but Wa Ni Ska Tan is of the position that
3 community scale generation should be included in the
4 IRP to advance true economic reconciliation.
5 Community energy sources could serve as backup or
6 excess energy that can be sold to the grid.

7 Developing local energy solutions is
8 critical to achieving the goals of energy security and
9 safety and to address the hardship associated with
10 power outages in First Nations.

11 Manitoba Hydro recognizes the value of
12 community-led energy initiatives, but maintains that
13 decisions about local development are better addressed
14 through separate engagement and that attempts to
15 resolve these issues within a system-wide IRP would go
16 beyond itself selected scope.

17 As discussed, the scoping out of
18 community energy projects without a predictable,
19 transparent and accountable parallel planning process,
20 to meet the needs of First Nations is, fundamentally,
21 inequitable. Next slide, please.

22 As noted a number of times, the IRP
23 should examine the potential for community-scale
24 generation, as diversification and decentralization
25 can address reliability, safety and affordability

1 considerations, while also providing remedy for the
2 loss of livelihoods and way of life described by Wa Ni
3 Ska Tan's community witness panel. Next slide,
4 please.

5 With respect to utility-scale
6 generation, utility-scale resource options, the steps
7 towards 600 megawatts of Indigenous owned wind is
8 positive, but the projects will be exclusively located
9 in Southern Manitoba, which means that Northern First
10 Nations are likely to receive limited revenue,
11 training, employment and procurement benefits.

12 Economic reconciliation must mean more
13 than limited participation in a single resource option
14 identified, controlled and designed by Manitoba Hydro.

15 First Nations should be given the
16 opportunity to invest in all utility-scale resource
17 options to create sustainable revenue streams that
18 support long-term growth and to assist in addressing
19 longstanding socioeconomic and health issues facing
20 First Nations.

21 The benefits of energy development
22 should flow directly to First Nation people, as this
23 honour Treaty's promises to share the lands, waters
24 and resources and the benefits derived from them.
25 Next slide, please.

1 Wa Ni Ska Tan's view is that more could
2 be done to explore utility-scale generation in
3 Northern Manitoba to meet local and provincial energy
4 demands. This could include participation in
5 enhancements to existing hydropower, natural gas or
6 alternative resource options, like solar, wind,
7 geothermal and biomethane. Next slide, please.

8 We have now arrived at the most
9 critical question for Wa Ni Ska Tan in this hearing.
10 Does the IRP contribute to reconciliation? To
11 summarize, reconciliation is not about developing and
12 selecting a plan without First Nation input and then
13 choosing what opportunities First Nations may
14 participate in.

15 First Nations should be involved in the
16 identification of inputs and the selection of a plan.
17 They must be engaged as rightsholders at the beginning
18 of planning and treated as equal partners in
19 generation, transmission and major project planning.
20 They must be able to influence, condition and drive
21 decision-making.

22 First Nations who participated in the
23 Grid Strong, Nation Strong - Energy Forum, said the
24 definition of economic reconciliation must be one that
25 includes safety, meaningful control, durable benefit,

1 community readiness, ecological care and stronger
2 conditions for nation-led decision making.

3 This definition supports the inclusion
4 of both community scale energy projects, as well as
5 other Indigenous-owned utility scale opportunities.
6 Next slide, please.

7 I'm out of water, so I better finish
8 this. All right. My client's position is the Board -
9 -- is that this Board has a unique opportunity to make
10 recommendations about how the government may carry out
11 a meaningful consultation process with the aim of
12 advancing reconciliation.

13 How Manitoba Hydro may meet the
14 objectives of safe, reliable and affordable energy for
15 all Manitobans, including First Nation people.

16 And how Efficiency Manitoba's
17 forthcoming plan may afford special consideration to
18 the systemic barriers, as well as the opportunities in
19 First Nation communities. Next slide, please. We
20 have the most kind Board Counsel out there. Thank
21 you.

22 For this IRP, the government should
23 commence formal consultations immediately. The
24 government should also expressly delegate the
25 procedural aspects of the Duty to Consult to Manitoba

1 Hydro, considering the evidence and submissions in
2 this hearing.

3 For future iterations of the IRP,
4 Aboriginal and Treaty rights must be explicitly
5 integrated into IRP planning processes, ensuring that
6 First Nations are treated as rightsholders and equal
7 treaty partners.

8 First Nation input should not be
9 treated as just another stakeholder's perspective,
10 thus that Manitoba Hydro may choose to engage with,
11 where it deems it relevant to its own decision-making,
12 but as input that must be dealt with to arrive at a
13 constitutionally defensible plan. Next slide, please.

14 There are several immediate actions Wa
15 Ni Ska Tan recommends that Manitoba Hydro takes.
16 First, Manitoba Hydro should establish a Manitoba
17 First Nations standing table to address infrastructure
18 pressure, clean energy pathways, demand planning and
19 rightsholder input on major projects.

20 Second, Manitoba Hydro should begin
21 planning community information sessions so that
22 leadership, staff and members can learn how to be
23 involved in current and future iterations of the IRP.

24 Third, Manitoba Hydro should begin to
25 collaborate with First Nations in the development of

1 community energy plans. Next slide, please.

2 In the development of future iterations
3 of IRP, Manitoba Hydro must involve, collaborate and
4 empower First Nations. This means proactively
5 involving First Nations in plan design, rather than
6 inviting them to comment on predetermined pathways.

7 It also means transparently documenting
8 how First Nation input was considered and incorporated
9 into the IRP. Most importantly, future IRP should be
10 scoped and structured in ways that improve First
11 Nation safety, readiness and long-term wellbeing.
12 Next slide, please.

13 For which -- Efficiency Manitoba, Wa Ni
14 Ska Tan encourages them to set more ambitious targets
15 for First Nations and increase investments in housing
16 and building conditions to improve their ability to
17 take advantage of Efficiency and Demand Response
18 Programs. This would have the benefit of not only
19 helping to achieve legislated targets, but also
20 address the safety and wellbeing risks faced by First
21 Nations.

22 Efficiency Manitoba should also support
23 communities in developing Efficiency Plans so that
24 they can move forward from a place of structure and
25 continuity, rather than ad hoc one-off engagement.

1 Next slide, please.

2 It is unconscionable and arguably
3 unconstitutionable -- constitutional to allow the
4 status quo to continue, whereby First Nations lack
5 control over their energy sources and supply and have
6 virtually no say over provincial planning. Whether
7 their needs are met is largely at the discretion of
8 Manitoba Hydro and occurs on an ad hoc discretionary
9 basis.

10 For reconciliation to occur, First
11 Nations must be meaningfully evolved at the beginning
12 of planning. Now, we find ourselves in a position
13 where the Recommended Development Plan may require
14 revisiting once consultation takes place, as the
15 exercise of First Nation jurisdiction and authority
16 may affect resource availability, location, timing and
17 acceptability.

18 Wa Ni Ska Tan's position is that
19 Manitoba Hydro's engagement process did not live up to
20 treaty relationships. Engagement occurred too late in
21 the process and there is no evidence that First Nation
22 feedback informed planning considerations. This is
23 demonstrated by Manitoba Hydro's unilateral decision
24 to scope out community scale projects and community-
25 specific issues like reliability from the IRP.

1 There is no rule in law or policy which
2 says that system level planning must ignore, exclude
3 and disregard First Nation needs. In fact, Treaty,
4 the constitutional, provincial legislation and policy
5 demands special attention to their needs.

6 The continued marginalization of First
7 Nations and energy planning perpetuates colonialism,
8 whereby the rest of the province develops economically
9 and benefits off the lands and resources of First
10 Nations, while they are left as enclaves with no
11 involvement in decision-making and a very limited
12 ability to change their circumstances due to the
13 concentration of power and discretion in the hands of
14 the province and its Crown Corporation.

15 Rightsholders' realities and priorities
16 cannot be treated as secondary. In the words of the
17 Grid-Strong Nation-Strong Report, quote:

18 "When First Nation communities are
19 safer, stronger, better housed,
20 better prepared and more
21 meaningfully involved in energy
22 planning, the result is a more
23 stable, more durable and more
24 accountable energy future across
25 Manitoba as a whole."

1 Thank you.

2 THE CHAIRPERSON: Thank you, Ms.
3 Connolly. We'll have panel questions.

4 Vice Chair Kapitany...?

5 VICE CHAIR KAPITANY (by TEAMS): Thank
6 you, Mr. Chair. And thank you, Ms. Connolly.

7 So, I just want to clarify what I think
8 is your recommendation, and on your slide 30, the last
9 point is whether the public interest will be served by
10 the approval of the IRP. And my understanding is that
11 you're saying that it will not.

12 And I'm just -- want to understand
13 whether or not you're thinking there are some pieces
14 of the IRP should go forward, whether you're saying
15 writ large it should not be approved, but there are
16 some pieces that should go forward, or whether you're
17 saying that no pieces of the IRP should go forward?

18 MS. CHARLOTTE CONNOLLY: Thank you for
19 that question. It is a good question.

20 And I think it largely depends on the
21 consultation process that has not yet occurred.

22 It will, ultimately, be up to First
23 Nations Tribal Councils to determine whether this IRP
24 is in the public interest or if they feel that it will
25 adversely affect their rights and interests in a

1 unacceptable way.

2 I'm -- you know, I can't speak on their
3 behalf. I don't have a crystal ball, but I -- I'm
4 sure there would be requests made to the province and
5 Manitoba Hydro to accommodate their rights and
6 interests which, like I said, could require changes to
7 the Recommended Development Plan or specific resource
8 options.

9 So, based on Wa Ni Ska Tan's review of
10 the IRP, it does not seem to be in the public interest
11 by virtue of the fact that it -- it excludes and
12 scopes out community-led energy projects. And the
13 reason for that position, which the Supreme Court has
14 told us, is that the public interest and
15 reconciliation are inseparable.

16 Cabinet can't approve a plan where
17 there's been no consultation or where consultation has
18 not been meaningful. And I understand it's scoped out
19 of this Board's review but, like I said, it's -- it's
20 questionable whether -- how this IRP has been
21 developed is constitutionally defensible. So, that's
22 my answer.

23 VICE CHAIR KAPITANY (by TEAMS): Okay.
24 Thank you for that. And thanks for your perspectives
25 and participation in this process.

1 THE CHAIRPERSON: Dr. Grant...?

2 BOARD MEMBER GRANT: I -- I think I
3 understand what you would see as best practice of the
4 IRP, but you did mention parallel planning process
5 when you talked about community energy plans.

6 Now, are you saying, at this point, at
7 this juncture, as a second-best alternative, that a
8 parallel planning process for items like, say, the
9 northern diesel communities or something would be
10 something you'd recommend?

11 MS. CHARLOTTE CONNOLLY: I think
12 that's what we would call pleading in the alternative,
13 in the -- in our case.

14 I think we're -- Wa Ni Ska Tan's
15 position is slightly different from MKO, in that, we
16 believe that First Nation energy needs and
17 opportunities should be incorporated, even in this
18 current IRP and future ones.

19 But if that's not possible then yes, at
20 the very least, there should be some policy process
21 that is undertook -- taken, which sets out, okay, what
22 are the requirements of this parallel process? What
23 are the outcomes? How -- you know, what's the
24 monitoring going to look like so that there's
25 accountability?

1 And I think a good starting point for
2 envisioning that parallel planning process would
3 actually be that standing table, that standing
4 technical table that the Grid Strong, Nation Strong -
5 Energy Forum recommended. So, that tribal councils,
6 First Nations, their designated representatives could
7 speak to the province and Manitoba Hydro about what
8 they want to see, right?

9 I think, you know, as a settler lawyer,
10 it's actually difficult for me to tell you what that
11 parallel planning process should look like exactly.
12 So, that's the starting point in my view.

13 BOARD MEMBER GRANT: Thanks.

14 THE CHAIRPERSON: Mr. Simonsen...?
15 Sorry, Mr. Simonsen...? Yes? No?

16 I just wanted to follow up, he -- he
17 stole my question.

18 Your -- your comment was in relation to
19 this one. This one's over. You know, subject to your
20 argument of Section 35 and -- and those things, but in
21 terms of our process, it's over.

22 In terms of the next IRP, I'll ask --
23 repeat the question he did.

24 Do you see the benefits of a separate
25 planning process for the next IRP?

1 MS. CHARLOTTE CONNOLLY: I -- I think
2 it needs to be both. I think it needs to be
3 integrated and parallel. So, I'll give the example
4 I'm thinking of.

5 So, Mr. Laramee, if I'm saying that
6 right, he explained in his testimony that their
7 definition of utility scale projects would be 10
8 megawatts of -- of energy or more.

9 And then he said that they didn't
10 consider any community or customer-owned generation,
11 at that scale, but it could be something that would be
12 considered in future IRPs. That was his testimony on
13 July 29th, for the record.

14 So, what I would be envisioning, for
15 example, would be you could include 10 megawatts of
16 customer-owned or community generation, total, in the
17 IRP, and then you could work out arrangements with
18 specific communities, through parallel planning
19 processes, let's say, to work out how they could
20 actually participate, perhaps prioritizing those who
21 are facing the worst energy poverty.

22 And, again, I think that the BC example
23 is a great starting point with their Independent Power
24 Production Policy with the standing offer for solar
25 projects, but you can also negotiate other renewable

1 energy projects.

2 And then for those communities that
3 aren't integrated into the grid, I think that could be
4 totally -- that could be a separate planning process,
5 right? That wouldn't necessarily be addressed in the
6 IRP at all, could be acknowledged, but I -- I -- I
7 agree with MK -- MKO that there should be an
8 accountability mechanism, whether that's in a statute
9 in regulation or policy for those non-integrated
10 communities to meet their energy needs.

11 So, yeah, it's a bit -- I realize it's
12 a bit messy but I think, like I said, there's an
13 imperative to figure out how to provide safe, reliable
14 and affordable energy needs for all First Nations,
15 whether they're grid connected, edge grid or not
16 connected.

17 THE CHAIRPERSON: Okay. And on the
18 other side, what would your comment be to a separate
19 public consultation process for First Nations?

20 MS. CHARLOTTE CONNOLLY: Right,
21 following the BC example.

22 This is a difficult question because
23 somebody, as -- as a lawyer who works strictly in
24 consultation, a lot of the times it's ineffectual,
25 right? Because decision-making authority is

1 centralized with the province, centralized with Crown
2 corporations who maintain that they have exclusion --
3 exclusive governance authority, right, by virtue of,
4 again, the doctrine of discovery and terra nullius,
5 which I think is dubious.

6 But, in any event, I think that in a
7 future IRP planning process, First Nations, most
8 likely tribal councils, need to be at the planning
9 table with Manitoba Hydro. I think that they need to
10 be there every step of the way.

11 I realize that that is likely a utopian
12 version of the world I would like to see. But again,
13 I actually think that it's about returning to the
14 treaty promise, right? That First Nations were
15 sovereign, they retained their jurisdiction, their
16 decision-making and they should be treated as equal
17 partners in planning at the provincial scale.

18 So, I think, my preference, would be
19 that they're at the planning table with Manitoba Hydro
20 looking at the system-wide process, right? Then you
21 can also have your status quo consultation process
22 that solicits the input of each First Nation, right,
23 in terms of the potential impacts to their Aboriginal
24 Treaty rights, which unfortunately is still understood
25 as site-specific rights to hunt, fish and trap and

1 gather.

2 So, I think -- you need -- I think
3 you're going to need both. What exactly would be the
4 governance table or mechanism to have tribal councils
5 at the table with Manitoba Hydro when making
6 decisions? Again, I think that's something best left
7 for them to articulate what they would like to see,
8 but that's my -- my thinking at least.

9 THE CHAIRPERSON: Okay. I -- I just
10 want to finish off on this.

11 You -- you had a panel of knowledge
12 keepers and Elders, correct? Based on what you said,
13 they're not the ones being consulted. It's -- it's
14 the leadership.

15 Now, is -- is that the proposal that
16 the -- the consultation be with the leadership versus
17 with other leaders who are not on council or community
18 or community members, rather than on council? Because
19 part of the concerns we've had is, you're not talking
20 to the people, you're talking only to the leadership.

21 MS. CHARLOTTE CONNOLLY: Yes. This is
22 a difficult question because we are actively dealing
23 with the legacy of colonization, which created Indian
24 Act Band Councils that replace traditional governance
25 structures, right?

1 So, a lawyer -- lawyerly answer is that
2 the case law tells us that Section 35s are held
3 collectively. Each First Nation person has Section 35
4 rights.

5 The duty to consult, however, is --
6 needs to be carried out with their lawful
7 representatives, right, who have the fiduciary duty to
8 represent their collective best interests. You know,
9 speaking with Elders and Knowledge Keepers, sometimes
10 there is a difficult relationships with chief and
11 councils.

12 I think, though, my approach to this
13 would be in that separate Section 35 consultation
14 screen. You should definitely talk to chief and
15 councils, but that doesn't mean that you shouldn't
16 hold community information sessions --

17 THE CHAIRPERSON: Yeah. Okay.

18 MS. CHARLOTTE CONNOLLY: -- to build
19 energy literacy, to build capacity, because part of it
20 is community -- chief and councils also need buy-in
21 from community members to execute their plans, right?

22 They have to get community buy-in to do
23 community-scale projects or really make any decision,
24 working a lot on governance issues for First Nations.
25 So, that's how kind of I envision it, I suppose.

1 THE CHAIRPERSON: I want to thank you
2 for the answer. And -- and we, the panel, thanks you
3 and Wa Ni Ska Tan for participating in the hearing
4 process. Thank you.

5 We're going to adjourn. I have a
6 number of matters to deal with, so we're going to take
7 the full hour for lunch and we'll return to 1:30 for
8 the submission of GSS/GSM, and then I've got
9 concluding remarks. So 1:30. Thank you.

10

11 --- Upon recessing at 12:30 p.m.

12 --- Upon resuming at 1:31 p.m.

13

14 THE CHAIRPERSON: Ms. Schofield...?

15

16 CLOSING SUBMISSIONS BY THE REPRESENTATIVE OF THE
17 GSS/GSM CUSTOMER CLASSES:

18 MS. JESSICA SCHOFIELD: Thank you, Mr.
19 Chair. I would like to take this opportunity to thank
20 the Board for having us here during this hearing and
21 to provide these closing submissions today, and to
22 thank the Board staff and Board Counsel for their
23 assistance and cooperation throughout this hearing.
24 Next slide, please.

25 For the purpose of this proceeding,

1 GSSM has two (2) members who have contributed directly
2 during the hearing process, Keystone Agricultural
3 Producers, or as it is commonly known, KAP, and
4 Canadian Manufacturers and Exporters, which I will
5 refer to as CME.

6 As you will recall, CME attended on
7 August 12th to provide a presentation to the Board.
8 This presentation is -- was marked as GSSM-16. We
9 also filed undertakings following questions from Vice
10 Chair Kapitany on August the 12th, providing further
11 insight into the perspective of our members.

12 The response prepared by CME is marked
13 as GSSM-18. And the response addressing the
14 agricultural perspective and incorporating feedback
15 from CAP is marked as GSSM-19. Next slide, please.
16 The outline on this slide mirrors the --

17 THE CHAIRPERSON: Sorry. Sorry, Ms.
18 Schofield. Did you want to mark this presentation as
19 an exhibit as well?

20 MS. JESSICA SCHOFIELD: Yes. Thank
21 you, Mr. Chair.

22 THE CHAIRPERSON: Okay.

23 MS. JESSICA SCHOFIELD: It will be
24 GSSM-21.

25

1 --- EXHIBIT NO. GSSM-21: GSS/GSM presentation

2

3 THE CHAIRPERSON: Thank you.

4 MS. JESSICA SCHOFIELD: The outline on
5 this slide mirrors the table of contents setting up
6 the various sections in the final argument that we
7 filed with the Board yesterday evening, which has been
8 marked as GSSM-20.

9 The purpose of these submissions today
10 is to highlight for the Board the points that we have
11 addressed in detail in the final argument. And so, we
12 will go through these issues in the same order,
13 starting with the terms of reference for these
14 proceedings and concluding with recommendations and
15 near-term actions being put forward on behalf of GSSM.
16 Next slide, please.

17 As the Board is aware, the terms of
18 reference set out a list of questions for the Board to
19 critically consider throughout the course of the IRP
20 and the MNF. Throughout our participation in this
21 hearing, GSSM has attempted to assist the Board in
22 highlighting issues that must be addressed for the
23 Board to fulfill its mandate. This includes critical
24 considerations with respect to process, in particular,
25 where process undertaken differed from industry best

1 practices.

2 One (1) overarching concern addressed
3 by Ms. Davies in her pre-filed evidence, as well as in
4 her testimony, was the lack of transparency and the
5 over-reliance on qualitative rather than quantitative
6 evaluation criteria.

7 We would suggest that these issues need
8 to be considered both in the context of the current
9 hearing, but are equally important in improving
10 processes to be undertaken in the next IRP. In
11 particular, we would suggest that the Board should
12 ensure that the next IRP is not an update that just
13 simply mirrors the process undertaken in this current
14 proceeding.

15 We would suggest that it is important
16 for the Board to also turn its mind to a
17 recommendation with respect to the timing of the next
18 IRP, and that this taking place in 2029 is timing that
19 was identified by multiple parties in this proceeding
20 as practical and consistent with common practice.

21 This would allow several years of
22 actual experience to more granularly track load
23 materialization while providing time to implement
24 stakeholder engagement, modelling, forecasting, and
25 resource input improvements.

1 At the same time, a 2029 review would
2 occur sufficiently in advance of potential resource
3 commitments required for approximately 2034/'35,
4 allowing longer term capacity decisions to be based on
5 updated load forecasts, resource costs,
6 technologically performance, market conditions, and
7 experience with near-term demand side and other
8 flexible alternatives.

9 With respect to the terms of reference
10 related to the MNF proceeding, the written argument
11 outlines from page 6 to page 8, the position of GSSM
12 as it relates to the answers to the questions to be
13 addressed. Next slide, please.

14 So, turning first with respect to load
15 projections to establish need, which is section 3 of
16 our final argument. Next slide, please.

17 It is the submission of GSSM that the
18 2024 ELF is the best load projection on record to
19 establish need and should be used by the Board for
20 that purpose. This is not to say that LP2 does not
21 provide useful insight. Rather, we submit that LP2
22 should establish preparedness requirements and be used
23 to monitor and implement near term actions.

24 As the Board is aware, Ms. Davies
25 provided insight into best practices in a number of

1 different areas of the IRP using the best practices
2 guide as a frame of reference for industry best
3 practices.

4 As it relates specifically to load
5 projections, this guide confirms that the base
6 scenario to be used should be reflective of a
7 realistic view of the world. The guide specifically
8 confirms that the best practice is to take a
9 reasonable and considered view of expected future
10 regulations and include them in the base case
11 scenario.

12 Where there is a -- where there is
13 significant uncertainty, planners can analyze
14 alternative futures with more or less strict
15 regulations in other scenarios or sensitivity analysis
16 or both. Assuming environmental regulations that are
17 not finalized will not exist in the future can lead to
18 costly resource decisions and delays in resource
19 planning and resource procurement decisions. Next
20 slide, please.

21 It is important to keep in mind that
22 LP2 is not based on an identified pathway for Manitoba
23 to net-zero grid by 2035 or economy by 2050. In
24 material respects, it begins with the policy outcome,
25 net-zero emissions, and works backwards to electricity

1 consumption required to achieve it.

2 For example, 11 percent of LP2's peak
3 demand growth is driven by offsetting agricultural
4 emissions, yet Hydro notes that the estimates are high
5 level and are not tied to any specific agricultural
6 electrification programs or subsidies.

7 Agriculture is an astute example as it
8 is driving a lot of LP2 peak load, yet is specifically
9 noted to have considerably more limited technical
10 abatement potential compared to other sectors, and
11 farmers have limited funds and often limited
12 opportunities potentials to achieve. This gap between
13 target and action plan needs to be addressed by
14 policymakers prior to adopting a load projection and
15 Resource Plan that depends on it.

16 We are not suggesting that the Board
17 needs to reject net-zero targets, but moving forward,
18 any Resource Plan that is based on load projections
19 that include net-zero targets should distinguish
20 between policy target compliance and credibly expected
21 load.

22 As it relates to economic load growth,
23 LP2 incorporates higher levels than the 2024 ELF,
24 which is unsupported in practice and in evidence. In
25 our final argument on page 10, we provided information

1 with respect to how economic load growth was addressed
2 in the most recent BC Hydro IRP. And, in particular,
3 Ms. Davies highlighted that decarbonization targets
4 that do not have a credible pathway to achievement
5 were rejected in that proceeding.

6 It is also important to note that
7 Manitoba policy is not explicit with respect to
8 support for emerging sector or general industrial load
9 growth. If anything, its policy has added barriers,
10 rejecting AI data centre growth and expanding the
11 requirements and reducing transparency for new
12 expanded load growth above 5 megawatts with its
13 request for service regulation.

14 This results in additional -- in an
15 additional 150 megawatts of cumulative peak load
16 growth in LP2 over and above medium load growth
17 assumptions, which is unsupported both in practice and
18 evidence.

19 And so, simply put, the record does not
20 establish LP2 as a credible base to long-term resource
21 decisions, especially in a seven (7) to eight (8) year
22 time frame by which decisions for this proceeding
23 should largely be based on. Next slide, please.

24 It is the submission of GSSM that the
25 introduction of the Monte Carlo Risk Analysis by

1 Manitoba Hydro during this proceeding does not justify
2 an appropriate incremental risk allowance on top of
3 the reserve margin and planned capacity outage
4 deduction.

5 The main focus of the Monte Carlo
6 Analysis is HVDC bipole outage. And given that the
7 supply risk is largely diminished when the first
8 bipole transmission line is addressed, which is
9 anticipated around 2032/2033, this analysis is of
10 limited utility and, as Daymark notes in their
11 evidence, skewed towards an overbuild of resources.

12 Consistent with concerns raised in
13 other areas, here too, there is a transparency concern
14 because the analysis does not state a reliability
15 target and, therefore, provides no benchmark to assist
16 the parties or the Board in determining whether its
17 resulting probability of falling below the 12 percent
18 reserve margin is acceptable or unacceptable. Next
19 slide, please.

20 Next, I'm going to address section 4 of
21 our final argument, which dealt with alternatives to
22 CTs, input assumptions, and prioritizing optionality
23 and flexibility. Next slide, please.

24 It is the submission of GSSM that
25 Manitoba Hydro has not demonstrated that 750 megawatts

1 of natural gas CTs is the least cost or lowest risk
2 response. This portion of our submission seeks to the
3 -- speaks to the asymmetry in the input -- input
4 assumptions made by Manitoba Hydro.

5 As concluded by Evolved Energy, in
6 combination with inflated need, every instance of
7 treatment asymmetry tilted results towards Manitoba
8 Hydro's preferred resource mix and away from
9 alternative plans that include less natural gas CTs.

10 I'm now going to spend some time going
11 through the alternatives that we addressed in our
12 final argument, starting with battery storage. Next
13 slide, please.

14 Not only is battery storage a clear
15 example of not putting alternative resources on the
16 same footing as CTs, it is clear on the record that
17 more than the 5-megawatt pilot project put forward in
18 the Recommended Plan is justified.

19 In fact, we submit that the record
20 clearly supports installation of battery storage up to
21 a hundred megawatts as a reasonable alternative to
22 natural gas CTs.

23 Evolved Energy testified that the first
24 100 megawatts of four (4) hour battery storage is now
25 estimated at approximately a hundred and sixty (160)

1 to a hundred and sixty-one dollars (\$161) per credited
2 kilowatt year, essentially comparable to a CT at
3 approximately a hundred and sixty dollars (\$160) per
4 kilowatt year, yet these updates occurred after plan
5 selection and no candidate plan was ranked on any of
6 it.

7 Evolved Energy further testified that
8 when Manitoba Hydro updated CT costs upward using more
9 refined engineering estimates, the capacity expansion
10 model selected less natural gas and more battery
11 storage, but that result was not carried into the
12 Recommended Development Plan.

13 These issues, combined with the fact
14 that battery storage has more optionality and
15 scalability than CTs, has much shorter lead and --
16 time and has economic value upside warrant a more
17 significant consideration of battery storage than
18 contemplated by Manitoba Hydro. Next slide, please.

19 Short-term firm capacity imports were
20 included as a potential resource option. However,
21 they were artificially constrained, notwithstanding
22 Hydro's evidence of substantially greater physical
23 import capability.

24 As the Board is aware, imports were
25 then priced using the more expensive aeroderivative CT

1 as a proxy with a further 20 percent premium that
2 Manitoba Hydro acknowledged was not derived from
3 empirical market evidence and was intended to
4 encourage selection of Manitoba-based resources.

5 The result is a technology reference
6 point using an effective price of 340 kilowatt per
7 year, or nine hundred and thirty-three dollars (\$933)
8 per megawatt day, which is much higher than market
9 comparisons.

10 Evolved Energy concluded that these
11 assumptions affect plan competitiveness in one
12 direction against plans that rely less on Manitoba
13 built CTs and more on markets, like Plan 7 compared to
14 Plan 5A. Next slide, please.

15 While Manitoba Hydro included
16 additional EE as a selectable capacity resource, it
17 did not provide a range of lower, medium, and higher
18 cost EE portfolios to allow for greater choice
19 selection. This means that an efficiency first
20 Resource Plan cannot be demonstrated.

21 As Manitoba Hydro only utilized the
22 maximum -- maximized EE case where incentives cover
23 100 percent of the incremental customer cost,
24 intermediate options, including enhanced level
25 incentive coverage, were not considered.

1 This results in an IRP that never
2 established whether a more moderate, scalable, and
3 lower cost EE portfolio could have been more cost-
4 effective relative to other resource options,
5 potentially displacing need for resources, including
6 natural gas CTs.

7 Ultimately, there is little additional
8 EE being recommended prior to 2032 in the Recommended
9 Development Plan 5A, cumulatively 45 megawatts of
10 capacity.

11 GSSM accepts this is a reasonable
12 placeholder amount to include at this time, pending an
13 efficiency Manitoba review to establish the cost-
14 effective potential of the entire portfolio for energy
15 efficiency, including base levels of EE.

16 As a result, while the Efficiency
17 Manitoba plan is slated to cover three (3) years,
18 longer term measure development should be a component
19 of the review to understand how EE can be optimized
20 longer term as an alternative resource option. Next
21 slide, please.

22 Demand response and Curtailable Rate
23 Programs were constrained in the IRP process because
24 they were solely treated as consistent level fixed
25 load modifiers rather than including scenarios varying

1 the levels as to selectable capacity resources capable
2 of competing with CTs.

3 The record in this proceeding makes it
4 clear that alternative DR portfolios can be modelled
5 and there exists substantial additional potential
6 beyond what was included, but it was not considered.
7 It's also important to note that opportunities
8 specifically for general service customers were
9 underrepresented in the IRP.

10 From other jurisdictions, commercial
11 and general service customers are showing significant
12 uptake potential and interest in demand response
13 programs and rates. And in the course of this
14 proceeding, there has been interest shown from
15 commercial customers in having access to these types
16 of options.

17 The GSS and GSM classes represent a
18 significant contribution to overall system peak, about
19 35 percent, yet for Hydro's demand response programs,
20 including CRP, they represent only 13 percent of
21 forecast savings to 2035, and opportunities don't
22 meaningfully begin for these classes until 2031.

23 We submit that Manitoba Hydro should
24 prioritize general service demand response programs
25 and optional rates even before AMI rollout and ensure

1 representative spending and targeted savings are cost-
2 effective and accessible. Next slide, please.

3 Manitoba Hydro's Preferred Development
4 Plan incorporates 25 megawatts of hydropower
5 enhancements despite the fact that 101 megawatts are
6 available. As explained by Mr. Bowman, hydropower
7 enhancements have benefits extending meaningfully
8 beyond the modelling horizon of 2050, and the lack of
9 replacement requirements and inflation protection is
10 not captured in analysis or financials due to capping
11 of the planning horizon.

12 It's our submission that the hundred
13 megawatts of hydropower enhancement available should
14 be included in Hydro's resource plan for potential
15 implementation and continued exploration because it
16 adds useful firm capacity by leveraging work Manitoba
17 Hydro is already undertaking in its existing hydro
18 fleet rather than requiring new greenfield resources
19 and supporting infrastructure.

20 The hydro enhancement opportunities are
21 time sensitive and leverage Manitoba Hydro's core
22 strength as a predominantly hydroelectric utility.
23 They are cost-effective, especially when considering
24 the very long lives and extended value for ratepayers.
25 They should not be dismissed in exchange for increased

1 natural gas CT builds where Manitoba Hydro's preferred
2 resource plan recommends.

3 It should also be noted that the
4 recommended plan only picks up a portion of the
5 available hydropower enhancements, likely because
6 additional capacity is not needed in the year the
7 hydropower enhancement would be in service due to the
8 750-megawatt natural gas install. Next slide, please.

9 The Board should also recognize that
10 the alternatives that I've just highlighted differ
11 from CTs in an important respect that is not fully
12 captured by a static resource ranking. Optionality
13 and scalability have economic value. Building three
14 (3) CTs for 2031 locks in large, long-lived
15 commitments before the load forecast will have
16 materialized.

17 Additional EE, DR, CRP, short-term
18 imports, diversity arrangements, and batteries can
19 generally be procured and expanded in smaller
20 increments and have much shorter lead times. They can
21 be accelerated if LP2 begins to materialize, deferred
22 if the 2024 ELF remains closer to actual demand, and
23 combined in different proportions as technology costs
24 and system conditions evolve.

25 Most importantly, they can help to

1 minimize committed decision-making today and provide
2 time to improve resource planning assumptions, process
3 analysis, and forecasting. All of this serves to
4 protect ratepayers by reducing committed spending in
5 the near term and prioritizing scalable and responsive
6 and, therefore, more cost-effective resources.

7 There is a real cost consequence of
8 committing too early, and it will be ratepayers that
9 will have to cover it. The Board's recommendations
10 should be guided by the perspective that the ability
11 to defer expenditures until better information is
12 available is in and of itself a financial benefit,
13 particularly where assumption errors and high-level
14 load forecasts could otherwise leave current customers
15 carrying the cost of surplus capacity.

16 With respect to alternatives, the Board
17 should recommend near-term actions that prioritize and
18 ready a maximized alternative strategy until the next
19 IRP, but should be clear what that means. It does not
20 mean purchasing every alternative at any cost. It
21 means maximizing the availability, maturity, and
22 readiness of cost-effective resource alternatives to
23 match demand if it starts to require. Next slide,
24 please.

25 Next, I will deal with issues related

1 to modelling and the approach to resource planning by
2 Manitoba Hydro, which is found at section 5 of the
3 final argument.

4 The record in this proceeding
5 identifies several important improvements that we
6 submit need to be made before the next IRP so that the
7 next time there can be an opportunity for
8 transparently robust and defensible resource planning
9 decisions.

10 The overarching concern is that
11 modelling undertaken was not always carried through in
12 a way that allowed the Board to trace assumptions
13 through to comparable developmental plans, test the
14 robustness of those plans, and understand their
15 financial consequences. Next slide, please.

16 We address matters that should be
17 considered with respect to future IRPs in more detail
18 in section 5 of our final argument, and specifically
19 at pages 31 through 37.

20 Sensitivity and scenario analysis
21 should be carried through to the development plans.
22 On this point, we urge the Board to consider the best
23 practices guide and how it distinguishes between
24 sensitivities that re-optimize the resource mix under
25 a changed assumption, a robustness check, that

1 subjects a specific portfolio to changed assumptions
2 to quantify its operational and cost risks. Both of
3 these types of analysis should be transparently
4 undertaken in resource planning.

5 In line with this and Daymark's
6 recommendation in this regard, the next IRP should
7 therefore not stop at testing individual assumptions
8 to inform plan construction. Once candidate
9 development plans are assembled, key plans should
10 themselves be tested against material uncertainties,
11 including resource capital costs, market and import
12 pricing and availability, DSM cost and uptake, wind
13 procurement pricing, and battery cost, and capacity
14 value to demonstrate how robust the proposed plan
15 actually is.

16 In considering the approach to be
17 undertaken in future IRPs, we urge the Board to ensure
18 that the significant use of manual adjustments
19 undertaken by Manitoba Hydro in the modelling for this
20 proceeding not be permitted to repeat itself.

21 Mr. Bowman confirmed during our cross-
22 examination of him that an optimization model should
23 be understood as a decision support tool rather than a
24 decisionmaker. Its purpose is to inform and test
25 planning judgment, not eliminate the need for that

1 judgment.

2 We also ask that the Board reflect back
3 on the experience of the NFAT proceeding and in
4 proceedings thereafter which demonstrate the
5 importance of this analytical work.

6 Mr. Bowman characterized the Manitoba
7 Hydro's historical resource planning approach as
8 particularly strong in its use of financial
9 projections, noting that the NFAT included directional
10 rate impacts analysis over a fifty (50) year period.

11 While recognizing that forecast
12 reliability declines over time, he emphasized that the
13 ability to compare the incremental financial and rate
14 impacts of different scenarios and resource options is
15 important for ranking long-term plans.

16 Mr. Bowman also identified that the
17 NFAT Financial and Quantitative Risk Analysis, the
18 quilt as a planning strength, has been lost in the
19 current IRP approach.

20 Unlike sensitivities that re-optimize
21 the Resource Plan after assumptions are changed, the
22 NFAT quilt held the development plans fixed and tested
23 their exposure to different capital costs, export and
24 energy prices, and interest rates, providing useful
25 insight into the conditions under which otherwise

1 credible plans performed differently.

2 In this context, we urge the Board to
3 ensure that Manitoba Hydro is in -- is directed to
4 make sure the next IRP integrates economic modelling
5 with targeted financial and ratepayer analysis earlier
6 in the process and apply financial sensitivities to
7 principles competing developmental strategies before
8 the range of options is materially narrowed.

9 With respect to DSM, we note in our
10 final argument that the best practice guide recognizes
11 both the load modifier and competitive resource
12 approaches for incorporating DSM into an IRP rather
13 than prescribing one (1) approach.

14 Under either approach, however, DSM
15 assumptions should reflect realistic program
16 implementation and varying adoption levels. The guide
17 also recommends maintaining consistency between DSM
18 assumptions and underlying IRP scenarios and
19 incorporating relative utility system benefits of
20 demand side resources.

21 For the next IRP, Manitoba Hydro and
22 Efficiency Manitoba should therefore develop multiple
23 scalable EE and DR portfolios such as low, base, and
24 high cases, with different incentive levels, costs,
25 participation, timing, and saving assumptions.

1 This would allow DSM to compete more
2 transparently with supply resources and would reveal
3 whether modern lower cost portfolios provide better
4 value than either a fixed DR forecast or a single
5 maximized additional EE case considered in this IRP.
6 Next slide, please.

7 Next, I will address our submissions
8 with respect to evaluation criteria, which is set out
9 in section 6 of our final argument. In the evaluation
10 of the ten (10) developmental plans, Manitoba Hydro
11 utilized nine (9) metrics covering four (4) themes.
12 These measures were almost entirely qualitative in
13 nature, seven (7) of nine (9) criteria. And one (1)
14 of the quantitative measures, GHG emissions, is not a
15 direct measure of the plan being evaluated.

16 The final quantitative measure, net
17 system cost, grouped plans into three (3) broad
18 categories to rank rather than using the actual plan
19 cost to rank sequentially.

20 The qualitative scoring also introduced
21 extensive judgment into the result, the best practice
22 guide. And Ms. Davies, in her evidence, cautioned
23 against relying on qualitative analysis that can be
24 adjusted to favour particular scenarios.

25 Ms. Davies highlighted the importance

1 of quantitative evaluation criteria that measures
2 policy outcomes. And our final argument details
3 specific criteria related to ratepayer impacts and
4 affordability, cost-effective DSM, and resource
5 related GHG emissions.

6 In particular, we note in -- that in
7 this proceeding, Manitoba Hydro did not include a
8 quantitative rate, bill, or revenue requirement
9 metric, net system cost measures from a system
10 perspective and does not disclose the timing of those
11 costs or their effect on rates or customer bills. The
12 energy wallet metric, meanwhile, was qualitative and
13 limited to residential customers. A quantitative rate
14 impact metric could have affected the relative ranking
15 and selection of the plans.

16 We also note that government policy
17 calls for maximizing energy efficiency while keeping
18 rates affordable. The evaluation should therefore
19 have shown quantitatively both the incremental
20 efficiency achieved by each plan and whether the
21 efficiency was cost-effective.

22 This would allow the Board to
23 distinguish a plan that maximizes cost-effective
24 efficiency from one that simply assumes the greatest
25 expenditure on efficiency regardless of marginal costs

1 or ratepayer impact.

2 With respect to resource-related GHG
3 emissions, we recommend that the Board consider the
4 GHG metric should quantify the incremental emissions
5 produced by resource portfolios themselves, including
6 the direct emissions associated with different levels
7 and utilization of natural gas generation. Best
8 practice scorecards commonly report total emissions
9 and emission intensity quantitatively. Next slide,
10 please.

11 And so, for future IRPs, GSSM
12 recommends that there is transparency and quantitative
13 metrics prioritized and that we ensure that policy
14 outcomes are -- are considered, including ratepayer
15 impact measures, affordability, cost-effective DSM
16 measures, and a GHG emission linked specifically to
17 plan output. Next slide, please.

18 I'm going to speak now briefly to
19 ratepayer impacts. And as the Board has heard --
20 sorry, next slide, please.

21 As the Board has heard throughout our
22 participation in this proceeding, ratepayer impacts
23 are important to our members. And we urge the Board
24 in light of the evidentiary limitations to reinforce
25 the need to minimize irreversible long-term resource

1 commitments in this proceeding and prioritize near-
2 term reassessment.

3 Manitoba Hydro should be directed to
4 include a quantitative ratepayer impact metric at the
5 plan development and evaluation stages, apply
6 comparable financial revenue requirements and rate
7 analysis to the principal competing resource plans
8 before materially narrowing the options, test the
9 sensitivity of those results to material cost, timing,
10 load, and accounting assumptions, and transparently
11 distinguish near-term rate impacts from pre-funding of
12 illustrative long-term investments. Next slide,
13 please.

14 We addressed in section 8 of our final
15 argument how 750 megawatts is -- materially exceeds
16 demonstrated capacity need through these planning
17 periods. And I will speak to that section of our
18 argument next. Next slide, please.

19 In this section of our final argument,
20 we addressed the submission of GSSM and specifically
21 noted that the record in this proceeding does not
22 demonstrate that Manitoba Hydro needs to commit now to
23 all 750 megawatts of CT capacity for service in 2030
24 to 2031.

25 As the Board is aware, since the IRP

1 was filed, we have seen reducing or deferring CT need.
2 Firstly, there are 200 megawatts of post-2030
3 diversity contracts. There is also stronger NSP
4 capacity through 2030, higher CT costs, lower battery
5 costs, and evidence that 150 megawatts of additional
6 energy efficiency can cost-effectively substitute 250
7 megawatts of CTs even before the updated pricing.

8 For reasons that are not apparent on
9 the record, Manitoba Hydro did not carry these updates
10 back into their IRP analysis or change their request
11 to the Board.

12 We have heard from experts throughout
13 these proceedings that 750 megawatts is overstated.
14 This includes Ms. Davies, Mr. Bowman, the experts
15 presented by Consumers Coalition, and Daymark who,
16 while not providing a specific megawatt recommendation
17 as this was part of the MNF, did indicate concerns
18 about the magnitude of need and CT cost assumptions.
19 Daymark specifically stated that Manitoba Hydro's
20 approach to forecasting demand skewed towards an
21 overbuild of resources.

22 It is our submission, as I will
23 elaborate further later in my presentation, that the
24 evidence supports a stage build of 500 megawatts
25 through the 2034 planning horizon if more cost-

1 effective and flexible options like additional
2 diversity contracts cannot be locked in to address
3 need. Next slide, please.

4 I'm going to turn now to our
5 submissions with respect to the Major New Facilities
6 proposal. Next slide, please.

7 I will start briefly with a concern
8 that you've heard from other Interveners and one that
9 was imposed on the MNF proceeding as it was happening
10 concurrently with the IRP. This is a practice that is
11 not consistent with best practices, nor does it allow
12 the Board to have the best evidence to consider in
13 fulfilling its mandate to the government.

14 This issue is made worse by the fact
15 that there have been material changes related to CT
16 and battery costs and reductions in capacity, none of
17 which are included in the modeling or able to be
18 properly evaluated on the record in this proceeding.
19 Next slide, please.

20 As the Board is aware, the decision to
21 be made is a significant one, and GSSM urges the Board
22 to tread cautiously, given the request to pursue 750
23 megawatts of CTs is irreversible with no real off-
24 ramps.

25 The focus of the MNF should be

1 identifying the minimum level of irreversible
2 commitment that must be made today to ensure that
3 Manitoba Hydro should not be reasonably expected to
4 fall into a capacity deficit in the near term.

5 Given the uncertainty created by the
6 approach to this proceeding, it is also important that
7 Manitoba Hydro actively evaluate alternative
8 resourcing options as set out in GSM's recommended
9 Near-Term Actions in Section 11 of our final argument.

10 I will spend the next three (3) slides
11 addressing the three (3) levels of CT. So GSSM on
12 this slide acknowledges that there is a reasonable
13 case to proceed with 250 megawatts and additional
14 capacity commitments as a risk mitigation step. To
15 put it simply, it's a reasonable buffer. Next slide,
16 please.

17 Turning to the question of whether 500
18 megawatts is justified, the case for this commitment
19 today is thinner. Under the 2024 ELF, if Manitoba
20 Hydro procures 500 megawatts of CTs today, it will
21 have a surplus until 2041/'42. And even under the LP2
22 sensitivity, which should be considered a high
23 watermark, committing to 500 megawatts of CTs will
24 leave Manitoba Hydro in surplus until 2033/'34.

25 Given this timing, it should be

1 expected that Manitoba Hydro has time to find
2 alternative resourcing solutions that provide
3 optionality and shorter procurement lead times to
4 address shortfalls in the event that load trends
5 closer to LP2 than the 2024 ELF. Next slide, please.

6 It is our submission, as I've indicated
7 briefly already, that there is no support for
8 committing to 750 megawatts of CTs on the record in
9 these proceedings. At most, Manitoba Hydro should
10 undertake the preparatory work needed to install
11 additional CTs at a later date at the Brandon site,
12 but should not commit to this level of capacity.

13 Manitoba Hydro's Monte Carlo simulation
14 showing shortage risks should not drive resource
15 decision making today, nor should fear of potential
16 cost increase to stage or delay CT procurement be a
17 driver for earlier commitments to new CTs than
18 required. Next slide, please.

19 To close off on the MNF, this slide
20 summarizes GSSM's recommendations with respect to this
21 portion of the proceeding, which are that Manitoba
22 Hydro has established a need for 250 megawatts of
23 additional capacity by 2030/'31.

24 While the record shows this need may be
25 better served through alternative supply options,

1 Manitoba Hydro should be approved to procure 250
2 megawatts of CT for a 2030/2031 in-service date.

3 Manitoba Hydro has also established a
4 potential need for an additional 250 megawatts, 500
5 megawatts in total, of capacity by 2030/2031 if load
6 trends towards its higher load forecast of LP2. This
7 need would be better served by alternatives to CT,
8 including some combination of imports, batteries, and
9 demand-side measures.

10 Given market conditions for CTs,
11 however, Manitoba Hydro may continue to advance plans
12 on a 500-megawatt CT plan with suppliers and EPC
13 contractors to ensure the options remain available.

14 In the event that Manitoba Hydro is
15 unable to identify credible and cost-effective
16 alternatives to supply an additional 250 megawatts of
17 capacity beyond what is contemplated in its
18 Recommended Development Plan, then it should be
19 approved to authorize 500 megawatts of CT as at August
20 2027 investment decision date.

21 If Manitoba Hydro chooses to pursue 500
22 megawatts of CT rather than 250 megawatts, it should
23 be required to publish a report outlining its efforts
24 to identify alternative resources and why those
25 alternatives were not available to meet its need for

1 250 megawatts of additional capacity by 2030/2031.

2 In either case, Manitoba Hydro should
3 be approved to build transmission and pipeline support
4 for the Brandon site to allow for up to 750 megawatts
5 of CTs to be supported at this site at some time in
6 the future. Next slide, please.

7 I will briefly speak to wind
8 resourcing, which is dealt with at Section 10 of our
9 final argument. For the purpose of my comments in
10 this presentation today, we simply want to note for
11 the Board that wind, as in the various plans, does not
12 result -- sorry, does result in risks to ratepayers,
13 and particularly the commitment to it is not
14 adequately aligned with what ratepayers pay when the
15 energy is actually valuable to the system.

16 There should be guardrails to minimize
17 this price risk for ratepayers, and they are necessary
18 with any acceptance of wind, especially given timing
19 of this review and subsequent procurement process.

20 While GSSM did not provide a
21 recommendation with respect to whether or not to
22 accept 600 megawatts of wind as part of the Resource
23 Plan, largely because it is understood to be a policy
24 requirement, we urge the PUB to recommend that
25 Manitoba Hydro maintain price discipline throughout

1 the wind procurement process, including by testing
2 alternative PPA structures, recognizing time of delay
3 and market value in pricing, accounting for
4 integration and water management costs, and preserving
5 meaningful off-ramps, including changes to quantity or
6 in-service timing where bids do not demonstrate
7 acceptable value for ratepayers. Next slide, please.
8 Sorry. Next slide, Ms. Paige. Thank you.

9 So the last section of my presentation
10 today will deal with our recommendations and Near-Term
11 Actions for Manitoba Hydro and Efficiency Manitoba
12 until the next IRP. And for reference, this is dealt
13 with at page 63 and 64 of our final argument.

14 So the first recommendation is that
15 there be a priority of active pursuit of further
16 diversity contracts to help reduce need for capacity
17 additions, which is dealt with in Section 4 of our
18 written argument; remove the cap on CRP; recommend
19 mandate and regulation alignment for Efficiency
20 Manitoba such that it has a mandate to pursue demand
21 response as part of its next efficiency plan; and as
22 part of that review, Manitoba Hydro and Efficiency
23 Manitoba should develop longer-term optional
24 portfolios and pursue all cost-effective EE and DR and
25 prioritize AMI advancement.

1 Deployment for any EE above base target
2 levels should be timed around peak capacity need, but
3 should be prioritized above resource alternatives
4 where cost effective to align with an efficiency-first
5 policy objective.

6 There should be an undertaking of
7 necessary internal work to advance understanding and
8 usability of battery storage on Manitoba Hydro's
9 system, complete Manitoba specific storage
10 accreditation and cost works, prepare readiness for up
11 to 100 megawatts of battery storage if need requires.

12 There should be work with stakeholders
13 to start developing a multitude of optional time-
14 varying rates such that different types of customers
15 have options that work for them. Next slide, please.

16 There should be an advance of low-
17 regret, cost-effective, and time-sensitive Hydro
18 enhancements; acceptance of use of short-term imports
19 to address small supply timing gaps if they start to
20 emerge in the later years of the forecast if they help
21 to provide flexibility and are an opportunity to make
22 sure resource decisions are fully supportable in the
23 long term.

24 We should establish explicit load,
25 cost, reliability, and procurement signposts for when

1 additional firm capacity must be committed. Next
2 slide, please.

3 There should be work with government to
4 establish policy-related load growth based on
5 actionable plans with funding expectations to
6 demonstrate a credible path to achievement and to
7 advance this as a support for load growth expectations
8 in the next IRP.

9 For increased economic growth
10 expectations, provide evidence and scenario analysis
11 to understand impacts, and advance this as a support
12 for the next IRP.

13 There should be a 2028 IRP for review
14 in the 2029 time frame to protect a 2034/2035 decision
15 time period, and it should address load, input,
16 modeling, analysis, and evaluation concerns.

17 With respect to wind, there should be
18 insurance that procurement and PPA terms protect
19 ratepayers through price discipline. If a subsequent
20 regulatory review does not demonstrate acceptable
21 ratepayer value, meaningful off-ramps need to be made.

22 Natural gas CT development of 250
23 megawatts for the 2030/2031 timeframe, while
24 preserving optionality for 500 megawatts to the August
25 2027 final investment decision date in the event that

1 circumstances justify additional capacity.

2 There should be a study advanced to
3 protect decision-making and in-service dates of long
4 lead time resource options, including Conawapa and
5 Saskatchewan Interconnection, for a more fulsome
6 review at the time of the next IRP.

7 And finally, if necessary, due to
8 extending lead times, there should be a longer-term CT
9 install protected for around the 2034/'35 timeline
10 following the next IRP. Next slide, please.

11 I've included this slide in the
12 presentation, which details the DSM recommendations
13 that were outlined in Ms. Davies's report. And next
14 slide, please. Subject to any questions, those would
15 be our submissions. Thank you.

16 THE CHAIRPERSON: Thank you. I'll ask
17 Vice Chair Kapitany if she has any questions.

18 VICE CHAIR KAPITANY (by TEAMS): Thank
19 you, Ms. Schofield. So I have a question on the IRP
20 and then also one on the Major New Facilities filing.

21 On the IRP, slide 15, you mentioned
22 hydropower enhancements of about 100 megawatts. Are
23 you speaking of this IRP or are you talking about that
24 that should be recommended in a future IRP?

25 And the same question on slide 39. You

1 talked about battery readiness for up to 100 megawatts
2 of batteries, but an initial battery tranche. And I
3 wondered what that initial battery tranche is.

4 MS. JESSICA SCHOFIELD: So with
5 respect to the first question, we are talking about
6 the current IRP, and the 101 megawatts that are
7 available should be included. And then with respect
8 to the MNF, just one second.

9 VICE CHAIR KAPITANY (by TEAMS): It's
10 on slide 39.

11 MS. JESSICA SCHOFIELD: Thank you. We
12 are consistent with the recommendations in Ms.
13 Davies's report suggesting that there is a readiness
14 now in this IRP for at least 100 megawatts of battery
15 storage. And we did also address that in our argument
16 and in the slide with respect to battery, which is
17 slide 11.

18 VICE CHAIR KAPITANY (by TEAMS): Okay.
19 So that readiness for up to 100 megawatts of
20 batteries, that's for -- for -- you're recommending we
21 look at that for now?

22 MS. JESSICA SCHOFIELD: That's
23 correct, yes.

24 VICE CHAIR KAPITANY (by TEAMS): Okay.
25 And then on the Major New Facilities filing, on slide

1 33 in point 4, you say, "In other cases or in other
2 cases." Does that mean either the 250 or the 500
3 megawatt is -- you're talking about preserving the --
4 the Brandon site to allow up to 750?

5 MS. JESSICA SCHOFIELD: Yes. Whether
6 the Board approves Manitoba Hydro for 250 or 350 or --
7 sorry, 250 or 500, we are saying, in either case,
8 Manitoba Hydro should be approved to build the site to
9 allow for up to 750.

10 VICE CHAIR KAPITANY (by TEAMS): Okay.
11 Thank you. And thanks for your participation and for
12 GSSM's participation in the -- the hearing. Thank
13 you.

14 THE CHAIRPERSON: Mr. Simonsen...?

15 BOARD MEMBER SIMONSEN: Thank you.
16 Thank you very much for your presentation.

17 I was following your report and the
18 slides at the same time, and my question is on page 52
19 of the report, and I think it's on slide 26. But if
20 you have your report handy on page 52, you say in Item
21 C here -- I think it's right at the bottom:

22 "If Manitoba Hydro chooses to
23 pursue 500 megawatts of CTs rather
24 than 250, it should be required to
25 publish a report outlining its

1 efforts to identify alternative
2 resources and why those
3 alternatives were not available to
4 meet its need for 250 or an -- or
5 additional capacity."

6 I have the same question for you
7 probably as I had for Mr. Hacault. How do we do that?
8 We have a report that we're going to issue in another
9 six (6) to eight (8) weeks.

10 Is it your recommendation that Hydro
11 pursue this -- these options immediately and file --
12 file with who -- I assume this Board -- their report,
13 and what do we do with it after that?

14 MS. JESSICA SCHOFIELD: It is our
15 recommendation that they would file it with this Board
16 to address this investment decision in the event that
17 they can't justify doing or covering off the
18 additional 250 megawatts with alternatives; that they
19 should be required to do the work to try to use these
20 alternative options as we've outlined in our
21 presentation. And if they said that they can't
22 credibly do it, that they should provide that report
23 to this Board so that the Board can review that work.

24 BOARD MEMBER SIMONSEN: Well, yeah.
25 Well, I'm going to let the chair follow up on that

1 one.

2 THE CHAIRPERSON: Well, when? We're -
3 - we're scrambling to prepare a report on this right
4 now to go to the government sixty (60) days after
5 Wednesday. So like when do they do the work? When do
6 we get the information?

7 The other question I had right here is,
8 the position of Manitoba Hydro was there are no off-
9 ramps. We need 750. What you're suggesting is they
10 dump that entire position and go back and start
11 looking at alternative measures. I'm just wondering
12 if that's a realistic proposal.

13 MS. JESSICA SCHOFIELD: Well, we would
14 submit that the record in this proceeding reflects
15 that there are off-ramps and that there isn't an
16 established need for 750 megawatts.

17 THE CHAIRPERSON: Okay. So if they
18 don't do the work -- sort of like enforcement, if they
19 don't do the work or we can't get it done in time
20 prior to us doing a report, I'm just trying to figure
21 out where this takes us realistically.

22 MS. JESSICA SCHOFIELD: Well, I guess
23 similar to the answer you got from Mr. Hacault, the
24 government is the one that has imposed these
25 timelines, and perhaps the government needs to decide

1 whether the right decisions can be made in those
2 timelines.

3 THE CHAIRPERSON: The other question I
4 have is somebody suggested -- I mean, you're -- you're
5 suggesting the 250 or 500 megawatts based on what
6 class?

7 Somebody else suggested that we
8 shouldn't be giving it approval until it gets to a
9 Class 3 estimate. Your -- yours or Ms. Davies's
10 position appears to be just give it based on where it
11 is right now.

12 MS. JESSICA SCHOFIELD: I'm sorry. I
13 am not --

14 THE CHAIRPERSON: Okay.

15 MS. JESSICA SCHOFIELD: -- in a
16 position to answer that.

17 THE CHAIRPERSON: Okay. Dr. -- Dr.
18 Grant...?

19 BOARD MEMBER GRANT: I have an easier
20 question. Just on slide 14, it was just about the
21 curtailable rates. Am I in the right spot? I think
22 you had mentioned with -- the GSS/GSM customer class
23 makes up 35 percent of -- of peak?

24 MS. JESSICA SCHOFIELD: That's
25 correct, yes.

1 BOARD MEMBER GRANT: But only -- did I
2 hear right 13 percent of --

3 MS. JESSICA SCHOFIELD: Forecast
4 savings. 13 percent is correct, yes.

5 BOARD MEMBER GRANT: Is there
6 something -- is that something unique about the
7 customer class or is it -- is it simply a scale thing
8 where they can -- Hydro can go to a major industrial
9 user and, through curtailable rates, get a large
10 savings or they'd have to go to fifteen (15) or twenty
11 (20) GSS?

12 Is -- is it -- is it simply a matter of
13 scale or is there something to do with the nature of
14 electricity use?

15 MS. JESSICA SCHOFIELD: It would be
16 our submission that it's not that the opportunities
17 aren't there. It's just that they haven't been
18 pursued. And we did ask questions of Manitoba Hydro
19 about that during our cross-examination.

20 BOARD MEMBER GRANT: Okay. Thanks.

21 BOARD MEMBER SIMONSEN: I want to come
22 back to -- it's Kurt Simonsen again. I want to come
23 back to the wind pricing.

24 And if I heard your -- your testimony
25 and the testimony of others, we -- we should look at a

1 different pricing structure of some kind for wind that
2 better reflects value to the ratepayer.

3 Can you explain what that looks like
4 and give me an example of a -- of a pricing structure
5 for wind that would allow one to do that?

6 MS. JESSICA SCHOFIELD: I don't think
7 that GSSM is in a position to provide you with an
8 example, but I think that the point that Ms. Davies
9 made and that we're making in these submissions is
10 that there needs to be transparency and there needs to
11 be not just an assumption that we have to go with
12 this, but a consideration of a procurement process
13 where there is actually price discipline maintained.

14 BOARD MEMBER SIMONSEN: Okay. Thank
15 you.

16 THE CHAIRPERSON: Ms. Schofield, on
17 screen 14, the second to last bullet, you've got:

18 "Manitoba Hydro should prioritize
19 GSDR programs and optional rates
20 even before AMI rollout."

21 Any suggestion for when the AMI rollout
22 should take place?

23 MS. JESSICA SCHOFIELD: Certainly the
24 suggestion from our perspective is that it should take
25 place as soon as possible and it should be

1 prioritized. I can't remember off the top of my head.
2 I did ask that question of, I believe, Mr. Bowen, but
3 I'm sorry, Mr. Chair, I don't recall what his answer
4 was.

5 THE CHAIRPERSON: Okay. There -- so
6 we have this battle between ELF-24 and LP1, LP2, LP3,
7 and that. One party suggested that perhaps ELF-24 be
8 used for the Major New Facilities, but that it'd be
9 appropriate for that, but perhaps LP2 would be
10 appropriate for -- for the Integrated Resource Plan.

11 I'm just wondering, is there a
12 position? I mean, are we -- are we looking at one --
13 one approach for all of this or are we -- or should we
14 be looking at different approaches depending on what -
15 - what sort of objective we're trying to meet?

16 MS. JESSICA SCHOFIELD: So it's our
17 position that the 2024 ELF should be used for both
18 proceeding --

19 THE CHAIRPERSON: Okay.

20 MS. JESSICA SCHOFIELD: -- but that
21 the LP2 should be used for planning purposes.

22 THE CHAIRPERSON: Okay. Okay. And I
23 asked this of -- of somebody this morning, I -- I
24 guess MIPUG this morning.

25 For the next IRP, how do you see it

1 proceeding in terms of the role of natural gas?
2 Because Manitoba Hydro is the natural gas provider
3 through Centra Gas. The Integrated Resource Plan, as
4 I understand, is for all resources, but I'm just
5 wondering if there's a position on that for your
6 client.

7 MS. JESSICA SCHOFIELD: I don't think
8 that there's necessarily a specific position other
9 than the fact that there should be more consultation
10 and more transparency at the front end of the next
11 IRP. And if it makes sense to include natural gas in
12 a more meaningful way at that point, I think that
13 that's what we would support.

14 THE CHAIRPERSON: Okay. Thank you
15 very much. And thank you to -- to you and Ms. Davies
16 and the witnesses for GSS/GSM for assisting the Board
17 and participating in the process.

18 MS. JESSICA SCHOFIELD: Thank you, Mr.
19 Chair.

20

21 CLOSING COMMENTS BY THE CHAIRPERSON:

22 THE CHAIRPERSON: Okay. Now, the only
23 thing separating everyone here from the long weekend
24 is me. So I'm going to give closing comments on
25 behalf of the -- on the behalf of the Board, and I

1 have a few personal comments of my own.

2 Manitoba Hydro is advised that any
3 reply submissions to new topics raised by Interveners
4 will be provided in writing next Wednesday. As such,
5 this brings us to the end of the oral hearing portion
6 of the Public Utility Board's joint public review of
7 Manitoba Hydro's 2025 Integrated Resource Plan and
8 proposed Major New Facilities.

9 This process began when Manitoba
10 Hydro's 2025 Integrated Resource Plan was referred to
11 the Public Utilities Board by Order in Council on
12 February 2nd, 2026. Manitoba Hydro's Major New
13 Facilities proposal for the installation of combustion
14 turbines at the Brandon Generating Station was then
15 referred to the Board by a separate Order in Council
16 on April 29th, 2026.

17 Through both Orders in Council, the
18 Public Utilities Board received a mandate to conduct a
19 joint review of the 2025 Integrated Resource Plan and
20 the proposed Major New Facilities and to provide
21 recommendations to the government.

22 Based on the Manitoba Hydro Act, the
23 Integrated Resource Plan must be approved by the
24 government of Manitoba. The responsible minister may
25 request changes before the Integrated Resource Plan is

1 approved, and the Board's recommendations will inform
2 those decisions.

3 Manitoba Hydro also requires government
4 approval to proceed with its proposed combustion
5 turbines. This decision will also be informed by the
6 Board's recommendations which will be included in our
7 separate report.

8 In the course of this proceeding, the
9 Board has received evidence and submissions from
10 Manitoba Hydro, submissions from seven (7) Intervener
11 groups, evidence from eleven (11) expert witnesses,
12 and presentations from many interested organizations
13 and members of the public.

14 All of the evidence, including
15 transcripts of testimony and exhibits, as well as
16 submissions and presentations on the public record,
17 may be found on the PUB website.

18 This has been the Board's first review
19 of a Manitoba Hydro Integrated Resource Plan and the
20 Board's first Major New Facilities review under the
21 new Section 16 of the Manitoba Hydro Act. In
22 addition, this process has been subjected to ambitious
23 timelines through both the discovery process and the
24 past six (6) weeks of oral hearing.

25 The Board appreciates the cooperation

1 of all parties and their counsel in supporting the
2 efficient conduct of this proceeding. A particular
3 thank you goes out to the Board staff who made it
4 possible for this hearing to proceed so smoothly. I
5 want to highlight a few staff members.

6 Board Secretary and Executive Director
7 Rachel McMillin assumed those roles less than a year
8 ago. In that time, she had to deal with a series of
9 major applications from Manitoba Hydro, draft her
10 first budget, and address all administration issues.

11 She did so coolly and calmly, which was
12 especially impressive when you realized there were
13 more than a dozen different schedules for this
14 hearing. Her constant refrain to me was, Don't worry,
15 it'll get done. And it always did. Thank you,
16 Rachel.

17 The Board's senior judicial hearing
18 officer, Catherine Paige, is always the first person
19 in the office on hearing days. She ensures the
20 technology works, and she stays until the end of the
21 day, getting everything ready for the next day.

22 There are many presentations offering
23 different versions of the same presentation and
24 exhibits, as well, and she magically made them appear
25 on our screens at precisely the right time, every

1 time. Thank you, Catherine.

2 Ricardo Rattan is the Board Innovation
3 Officer. He's responsible for the PUB's technology
4 and oversees the systems in this room, which has
5 worked flawlessly during this hearing. Thank you,
6 Ricardo.

7 Denise Carriere is our Executive
8 Coordinator and she is responsible for meeting the
9 administrative needs of the panel. A big thank you to
10 her.

11 Jennifer Dubois is our associate
12 secretary and she fills in, as required, to make sure
13 the hearings go smoothly and a thank you to her.

14 The Board has benefited from the
15 expertise and dedicated commitment of its hearing
16 advisors, Brady Ryall and David Bonin of Ryall
17 Engineering and Board Counsel, Bob Peters, Avril
18 Brown, David Thiessen and Chris Klassen of Fillmore
19 Riley. More about them later.

20 To date, the actual hearing has lasted
21 six (6) weeks, but the Board's work on this matter is
22 not done. After we adjourn today, the Board will meet
23 to discuss the work schedule.

24 An issues matrix will be prepared that
25 sets out in detail all the issues, the positions of

1 the party, every page, including references to
2 exhibits and transcript page numbers.

3 Panel deliberations will be methodical
4 and will start only after the hearing concludes next
5 Wednesday with the filing of Manitoba Hydro's reply.

6 The Board is committed to rigorous and
7 transparent proceedings. All evidence before the
8 Board at this hearing, including transcripts, can be
9 found on the Board's website.

10 The Board's reports and recommendations
11 will be made on the basis of all evidence and
12 submissions before it. Any information in articles,
13 opinion pieces, or comments in the media or on the
14 internet, is not evidence and will not be considered
15 by the panel.

16 The Board will issue its reports in the
17 coming months.

18 I want to conclude with a few personal
19 comments. This is my last hearing as Chair of the
20 Public Utilities Board. Earlier today, I sent the
21 Minister responsible for the Public Utilities Board,
22 the Honourable Adrien Sala, my letter of retirement.

23 In it, I wrote the following: I have
24 chaired as -- I have served as Chair of the Public
25 Utilities Board of Manitoba for the -- for the past

1 ten (10) years.

2 It is with mixed emotions that I advise
3 I will be retiring at the end of this year. I will be
4 turning seventy-three (73) and I'm -- I am looking
5 forward to spending more time with our four (4)
6 grandchildren, traveling with my wife, while we are
7 both healthy, and devoting time to a few projects that
8 I believe may contribute to -- to a better Manitoba.

9 I left the practice of law in 2016
10 after thirty-six (36) years, because I wanted a new
11 challenge. The experience falls under the adage, be
12 careful what you wish for.

13 The past decade has been interesting,
14 exciting and challenging, often all at once. I've
15 been extraordinarily -- extraordinarily fortunate to
16 work with incredibly talented Board members, expert
17 advisors and dedicated staff who share a deep
18 commitment to serving the public interest of
19 Manitobans.

20 Today is my day to give thanks. First,
21 to an incredible team. The members of this panel and
22 this Board, each member is so smart, so hardworking,
23 and such fine people. We work so well together, tease
24 each other relentlessly, but always focus on what
25 needs to be done.

1 To the PUB staff, to my knowledge, we
2 have the smallest staff for a full-service utility
3 regulator in North America. We are but ten (10) with
4 three (3) staff -- three (3) of those staffers working
5 with two-hundred and forty (240) water and wastewater
6 utilities.

7 As our communications advisor, Angie
8 Wilde, wrote in a recent newsletter, "We may be small,
9 but we are mighty. You should all subscribe to our
10 newsletter. Our current annual report, which is on
11 our website, compares the numbers across Canada. You
12 should all read our annual report. We changed the
13 format. It's all in -- we're actually in colour. Now
14 we have pictures. Our staff performs at a remarkably
15 high level, week in and week out.

16 To our advisors, we are so fortunate to
17 have such fine advisors who provide us briefings and
18 advice on the most technical details, tables, graph --
19 graphs, charts, reports. I'm still trying to figure
20 out the difference between tables, graphs and charts.

21 Analyzing and listing all the issues
22 and positions of the parties in meticulous detail.
23 They put in such incredibly long hours, but always
24 deliver high quality products.

25 I want to take a moment to talk about

1 the lawyers who have appeared in this room. As
2 someone who was called to the bar some forty-six (46)
3 years ago and worked with hundreds of lawyers, I can
4 say the advocacy in this room, for the most part, has
5 been exceptional.

6 I especially want to acknowledge the
7 senior lawyers, who are mentors, passing on their
8 knowledge and experience to the younger lawyers.

9 In Judaism, there is a Hebrew phrase,
10 L'dor v'dor, which means from generation to
11 generation. It is gratifying to see the tradition of
12 legal excellence transfer from this generation to the
13 next.

14 Last week, a friend of mine in the
15 private sector asked, what business are you in? I
16 said, the public trust. We must earn the public's
17 trust by being fair and impartial, consider all the
18 evidence and dedicate ourselves to making important
19 and difficult decisions using our knowledge,
20 experience and best judgment.

21 He then asked me how -- how the process
22 worked. I told him that you start with the utility.
23 Its dedicated staff spent hundreds of hours to
24 generate applications of thousands of pages that come
25 before us for consideration.

1 Then you add in Interveners who
2 represent various interests, led by leading lawyers
3 and supported by experts who challenge different parts
4 of the application and offer their perspectives. The
5 Interveners bring forward their witnesses and witness
6 panels. In this hearing, we saw a great amount of
7 collaboration between the parties, which was greatly
8 appreciated.

9 With such limited staff, the PUB relies
10 on the participation of Interveners and their experts,
11 in addition to our advisors and the independent
12 experts the Board appoints, in order to assist the
13 Board.

14 We also receive many presentations from
15 individuals and groups. Their efforts make our
16 process better.

17 We will take all the information from
18 all parties, analyze it methodically and arrive at our
19 recommendations to meet our mandates as set out in the
20 Orders of Council.

21 I suspect that few of the public
22 understand the complexity of the process or the
23 monumental effort that is required. The process is
24 both exhaustive and exhausting. So, on behalf of the
25 people of Manitoba, I want to thank the parties and

1 participants to this proceeding.

2 For the employees of Manitoba Hydro,
3 and specifically to, Allan Danroth, Dave Bowen,
4 Alastair Fogg, Lindsay Melvin, the people who
5 testified on Panels 1, 2 and 3 in the hearing room,
6 and those who supported them in the back room, the
7 third floor and back at the head office, thank you.

8 I would say to Manitoba Hydro, this is
9 only the beginning. The next time will be easier.

10 The people of Manitoba also thank the
11 talented people who work for Efficiency Manitoba who
12 led the effort to reduce energy consumption.

13 Finally, to the Interveners, thank you
14 to Manitoba Eco Network and Environmental Defence,
15 Manitoba Keewatinowi Okimakanak, Consumers Coalition,
16 Sustainable Brandon, Manitoba Industrial Power Users
17 Group, Wa Ni Ska Tan and General Service Small and
18 General Service Medium Customer Class Users, their
19 lawyers, representatives and experts. Thank you.

20 It's been an honour to have worked with
21 all of you. I trust you will give my successor the
22 same dedication and support as you have given me.

23 And for the final time, I say, we are -
24 - stand adjourned. Have a good long weekend. You
25 deserve it. Thank you.

1

2 --- Upon adjourning at 2:45 p.m.

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5 Certified Correct,

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9 _____

10 Wendy Woodworth, Ms.

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