

The Corporation of the Town of Ajax

COUNCIL

Monday June 10, 2013 at 7:00 p.m.

Council Chambers, Town Hall

65 Harwood Avenue South



PRESENTATIONS

Anything in **blue** denotes an attachment/link. By clicking the links on the agenda page, you can jump directly to that section of the agenda. To manoeuver back to the agenda page use the **Ctrl + Home** keys simultaneously. **OR** use the "*Bookmark*" icon to the left of your screen to navigate from one report to the next

4. Delegation and Presentations / Public Hearings

- | | | |
|-----|------------|---|
| 4.6 | Delegation | Enbridge – Reversal of Line 9B and Line 9 Capacity Increase
- Ken Hall, Community Relations Senior Advisor |
| 4.7 | Delegation | MetroLinx Investment Strategy
- Leona Barrington, Government Relations Advisor |

Enbridge Pipelines Inc.

– *Where energy meets people*



Line 9 Reversal Project Overview

June 10, 2013



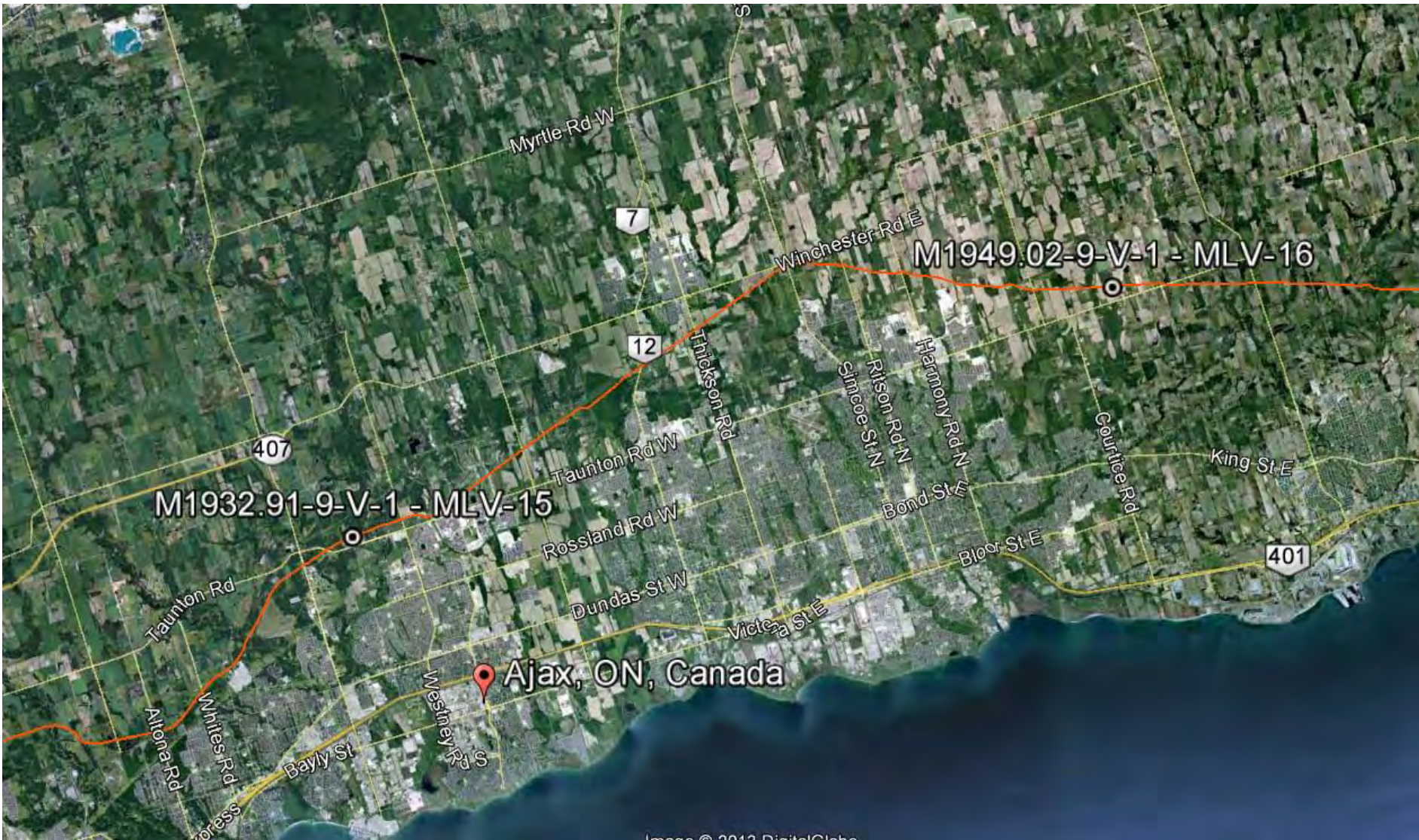
A Progressive Approach to Reversal



- LINE 9 REVERSAL PHASE I PROJECT
- LINE 9B REVERSAL PROJECT
- EXISTING LINE 9 PIPELINE
- ENBRIDGE FACILITIES WHERE PROJECT WORK WILL OCCUR
- CITY/TOWN

The NEB approved the Line 9A Reversal Project on July 27, 2012.

Line 9B Through Ajax



Economic Benefits of Reversal



- Canadian oil for Canadian refineries and Canadians
- Refineries in Ontario and Quebec would be able to source crude oil from Western Canada that is a more secure supply, and is priced at a discount to the more expensive, and potentially less-reliable foreign-sourced offshore supply (~ \$25/barrel)
- This price advantage would deliver significant benefits for these refineries and to the eastern Canadian economy by:
 - Helping to level the playing field for Canadian refineries;
 - Helping Eastern Canadian refineries be more competitive through increased access to lower-priced Canadian oil;
 - Protecting their long-term viability; and
 - Safeguarding thousands of permanent jobs at Canadian refineries along with other indirect employment

Line 9 Reversal Background



- Line 9 is an existing Enbridge 30-inch diameter, 831 km-long pipeline extending from Sarnia to Montreal
- Originally built in 1976 to supply eastern Canadian markets with western Canadian crude oil for the Trudeau government facing an oil embargo
- Reversed in 1998 as oil imports became more affordable
- Currently transports foreign-sourced crude oil in a westbound direction with capacity of 240,000 barrels per day (bpd)
- Market conditions support the re-reversal of Line 9
- In July 2012 the NEB approved Enbridge's application for the reversal of the segment of Line 9 between Sarnia and North Westover (Line 9A) based on customer demand for delivery of western Canadian crude oil to Enbridge's Westover Terminal in Ontario (and the Nanticoke refinery)
- In May 2012 Enbridge announced plans to reverse the remainder of Line 9 from North Westover, Ontario to Montreal, Quebec (Line 9B). NEB hearing will take place early October, 2013 at a location(s) to be determined.

Product to be Shipped



- Expect to flow approximately 300,000 barrels per day of crude oil
 - Pipeline will carry mainly light crude oil (e.g. Bakken Formation)
 - Shippers will be permitted to ship any crude oil blend or type that meets the quality specifications established in the applicable tariff including heavy crudes such as diluted bitumen, a type of crude oil *sourced* from the oil sands.
 - It is *not* “raw bitumen,” rather, it has been processed and quality tested for Enbridge transmission lines
- All shipments of both conventional and unconventional oil must meet tariff acceptance criteria before injection into our mainline system. (water, solids, etc.)
- No increase in operating pressure or temperature
- Increase in volume to be achieved through addition of DRA to reduce friction on internal pipe wall surface

Importance of Pipeline Integrity



- Over the last decade we've transported almost 12 billion barrels of crude oil with a safe delivery record better than 99.999 per cent
- Our goal at Enbridge is the prevention of all spills
- The Marshall spill of 2010 further heightened the importance of our pipeline and facility integrity program
- We re-organized and enhanced the functional areas that are responsible for pipeline and facility integrity
- Substantially increased pipeline integrity management spending to over \$450 million in each of 2011 and 2012
- Completed more than 175 inline inspections and approximately 3000 pipeline excavations in the last two years

Pipeline Integrity



- Pipeline is monitored 24/7 from Edmonton Control Centre
- Control systems include automatic leak detection alarms and remotely operated shut-off valves
- Cathodic protection systems inhibit external corrosion from occurring
- All pipelines are monitored for corrosion, cracks and dents using internal inspection tools.
- Inspection tool data forms basis for preventative maintenance program including visual inspection, repairs and replacements



Line 9 Integrity Dig Program



- Several recent in-line inspections on the Line 9 pipeline have provided thorough, current data on pipeline condition
- Analysis of the data indicates where further inspection is required
- Physical excavation/examinations will be conducted
 - These are surface construction projects in which the pipeline is excavated, inspected and recoated or repaired if required
 - **Five** integrity digs scheduled for Ajax segment of Line 9B
- Enbridge will undertake all work required to ensure that the pipeline can continue to operate safely
- We plan to share a summary of integrity work completed with individual municipalities along the pipeline route

Stakeholder Consultation



- Ongoing meetings with Ministry officials at the federal and provincial levels
- Ongoing meetings with Line 9 ROW elected officials including MPPs and Municipal Councils in Ontario and Quebec
- Engagement with 14 First Nation communities along Line 9 ROW
- Notification and project description letters sent to 2,645 landowners and 110 municipalities



OPEN HOUSE

WELCOME

To meet customer requests for access to western Canadian crude, Enbridge is proposing to reverse a section of the existing Line 9 pipeline between North Westover, Ontario and Montreal, Quebec.

Find out more about the proposed project, meet with team members and ask questions.

Our Commitment:

- Enbridge is committed to working with community members on the proposed Line 9B Reversal Project.
- We are committed to providing you with up-to-date information in an open, honest and respectful manner and will carefully consider your input.



PROPOSED LINE 9B REVERSAL

Map showing the proposed Line 9B Reversal project route from North Westover, Ontario to Montreal, Quebec. Key locations include North Westover Station, North Westover Terminal, Toronto, Hamilton Station, Toronto, Hamilton, and Montreal. The map also shows the existing Line 9 pipeline and the proposed Line 9B Reversal Project route.

WE WELCOME YOUR INPUT

For more information, please call toll-free at 1-888-767-3098 and leave your contact information or e-mail line9reversal@enbridge.com. In addition, Project information is available at www.enbridge.com/line9.



Project Open Houses



YOU'RE INVITED

As part of our commitment to keeping communities informed about our projects, you are invited to attend an open house to learn more about the Line 9 Reversal Project and our preventative maintenance program.

Clarington Region
Wednesday, June 19, 2013
5:00 pm to 7:30 pm
Clarington Beech Centre
26 Beech Ave.
Bowmanville, Ontario

Whitby
Wednesday, June 19, 2013
5:00 pm to 7:30 pm
Whitby Curling Club
815 Brock St. N
Whitby, Ontario



In Summary



- Reversing Line 9 between Sarnia and Montreal would provide greater access to the Ontario and Quebec markets for western Canadian producers
- Pipeline safety and the safety of the public, our workers, and the protection of the environment are our top priorities
- All project construction work will take place within existing Enbridge properties and right-of-way, except for temporary workspace needed for installation of a new, small metering facility near Enbridge's North Westover Station
- A project application was filed with the National Energy Board, including the appropriate environmental studies, engineering assessment, economic analysis and stakeholder consultation on November 29, 2012.
- On December 19, 2012, the NEB issued a decision, determining the application was complete and setting the Project for a public hearing (written evidence, oral final argument).
- The NEB Process Advisor for the Project is Michael Benson who can be reached at 403-299-1992 or michael.benson@neb-one.gc.ca.

MetroLinx Investment Strategy

Council Presentation, June 10, 2013

Progressive

Accountable

Community-
Focused

Eco-
Conscious



Background

- Average GTHA commuter spends 82 minutes trying to get to and from work every day
- Each day approximately one million car trips are made to & from Durham
- Over 88% of GTHA residents in the GTHA say it's important to reduce congestion
- Approximately \$6 billion each year is lost in productivity and 26,000 jobs lost to congestion
- Cost of congestion to the average household - \$1,619/year

*Statistics courtesy of MetroLinx

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Background

- Metrolinx: an agency of the province created to improve co-ordination & integration of transportation across Greater Toronto and Hamilton Area (GTHA)
- *The Big Move* launched September 2008
- 25-year integrated transit & transportation plan divided into two categories:
 - The First Wave (currently under construction - \$16 billion)
 - The Next Wave (future projects - \$34 billion, \$2 billion annually)
- The Region of Durham part of MetroLinx consultation

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Next Wave of Projects

- **Durham-Scarborough Bus Rapid Transit**
 - 36km bus service connecting Scarborough Centre to Oshawa
- **GO Rail Expansion; More Two-Way, All Day and Rush Hour Service**
 - More two-way, all-day service and extending trains to Hamilton and Bowmanville
- **GO Lakeshore Express Rail Service – Phase 1 (Including Electrification)**
 - Transforming GO Transit's backbone
- **Local transit, Roads and highways, Active Transportation and Integration**

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Investment Strategy

- MetroLinx Act: Corporation must provide a copy of their Investment Strategy, including proposals for revenue generation tools, to the Minister of Transportation and heads of councils across the GTHA before June 1, 2013.
- MetroLinx, in partnership with AECOM/KPMG, provided detailed research on 25 investment tools being used to fund transit worldwide that could be considered to fund *The Big Move*.

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Investment Strategy

- Organizations have submitted positions on the matter in an effort to influence the final decision.
 - Region of Durham
 - Ajax-Pickering Board of Trade
 - Large Urban Mayor's Caucus of Ontario
 - CivicAction
- All appreciate the need for new revenue tools, differing opinions on what tools would work best

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Recommended Strategy

- On May 27 MetroLinx Board of Directors recommended an Investment Strategy to support *The Big Move*.
- Four key principles:
 1. Dedication of revenue to specific outcomes
 2. Fairness
 3. Equity across the region
 4. Accountability and transparency

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Transparency and Accountability

- MetroLinx is proposing the following:
 - Trust fund dedicated to *Next Wave* projects governed by a Board of Trustees.
 - Board of Directors include six citizen appointees nominated by the municipalities.
 - Two mandated comprehensive reviews: a review of the investment strategy and its impact after 10 years; and, a fundamental review and reauthorization after 20 years to ensure the investment strategy continues to meet the needs of the region.

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Proposed Revenue Tools

- **MetroLinx is recommending the following investment tools fund *The Big Move's Next Wave*:**
 1. One percentage point increase to the harmonized sales tax
 2. Regional Fuel and Gasoline Tax – 5 cents per litre
 3. Business Parking Levy
 4. Development Charges Amendments
- **Three other complementary tools to support policy objectives have also been proposed:**
 - HOT Lanes
 - Pay-for-Parking at Transit Stations
 - Land Value Capture

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Moving forward

- **The Need for Balanced Investment**

- 41% of funds generated in the “416” area = 42% of investments
- 59% of funds generated in the “905” area = 58% of investments.

- **Commitment to Projects**

- 75% - capital, operating, maintenance, financing and rehabilitation costs associated with the 10 proposed priority projects.
- 25% - complimentary projects & programs for local transit, roads & highways.

- **Next Steps**

- MetroLinx committed to ongoing consultation with upper and lower-tier municipalities
- Regional staff report coming forward to F&A Committee on June 18, 2013
- Provincial Review – potential of reporting back in Fall 2013.

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Conclusion

- Transit issues must be addressed & a long-term sustainable financial strategy, including specific revenue tools, needs to be established
- General support from stakeholders for dedicated revenue streams, there are differing opinions on what tools will create the most benefit and create balance for all transit users.
- Concerns about the adequacy of projects. A legislative review will take place in 2014 & through this review further projects and modifications will be considered.

Questions?

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