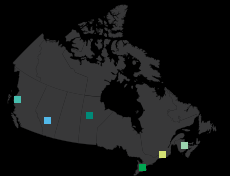




A Matter of
TRUST

THE ROLE OF COMMUNITIES
IN ENERGY DECISION-MAKING

Western Alberta
Transmission Line



Case Study
Eckville and Rimbey
Alberta

CANADA WEST FOUNDATION & UNIVERSITY OF OTTAWA

We would like to thank those who agreed to be interviewed for this study. Their insights and contributions were invaluable in preparing this report.

As is customary, any errors of fact or interpretation remain the sole responsibility of the authors.

Copies of the *A Matter of Trust: The role of communities in energy decision-making* report and the six case studies are available for download on the Canada West Foundation and Positive Energy websites.

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INTRODUCTION

The case study focuses on the AltaLink Western Alberta Transmission line. AltaLink submitted an application to the Alberta Utilities Commission (AUC) in March 2011 which was ultimately approved in December 2012. The Western Alberta transmission line (WATL) is a 500 kV line built between Genesee and Langdon.

In May 2016, researchers from the Canada West Foundation visited Eckville and surrounding area to interview residents about their confidence in the actions of public authorities and factors that lead to greater satisfaction with the energy infrastructure siting process.

Those comments are summarized and captured in this case study. In addition, public records from the regulatory hearings, media articles and the project website were reviewed.

PHASE 1: 500 KV LINE

TIMELINE

| | | |
|--|-------------------------|--|
| AESO identifies need of 2 500kV lines and EUB directs AltaLink to build the line | EUB hearings take place | Bill 46 dissolved EUB and AUC is created |
| 2004 | 2007 | 2008 |

Historical context and

REGULATORY PROCESS

Officially, the WATL project application was submitted in 2011. However, there were essentially two phases: The WATL was preceded by a N-S transmission project (500 kV line from Edmonton to Calgary). This earlier process provided an important influence on the attitudes toward the subsequent WATL project. The regulators were restructured by the government during the lead-up to the formal application for approval.

2004: AESO identifies the need for two 500 kV (AC) transmission lines from Edmonton to Calgary

The Alberta Electric System Operator (AESO)¹ submitted a “Need Identification Document” (NID) to the Energy Utilities Board (EUB) as part of the needs application process necessary to move the project forward. The EUB accepted the application and directed AltaLink to build the proposed AC lines. At this stage, AltaLink applied to the EUB for construction and operation permits for the N-S

transmission line. AltaLink began notifying landowners of its intention to build the lines across their properties. Many participants objected, claiming this was the first time they had heard of the project.

In the hearings, concerns with the need for the line, environmental impacts, health hazards, impact on agricultural production and property values were raised. Concerned landowners led a grassroots movement, called the United Power Transmission Area Group (UPTAG). Their concerns, however, were judged to be outside the scope of the EUB mandate. In this stage of the process, the EUB only discussed the western location of the line and not the need for the project.

In 2007, following a EUB hearing in Red Deer, it was alleged that the EUB had hired four private investigators to infiltrate the landowners group and provide information back to the EUB board. The proceedings were discontinued after allegations of bias within the EUB were made.

PHASE 2: WATL PROJECT

TIMELINE

| | | | | |
|----------------------|---|---|-------------------------|------------------|
| AUC formed (Bill 46) | Bill 50 passed and WATL is deemed critical infrastructure | AltaLink submits WATL application to AUC and begins hearing process | Hearing process resumes | Project approved |
| 2008 | 2009 | 2011 | FEB. 2012 | DEC. 2012 |

¹ AESO is an independent, not-for-profit entity responsible for the safe, reliable and economic planning and operation of the Alberta Interconnected Electric System. The AESO determines the need for new transmission facilities in Alberta.

This case study is unique because there were numerous legislative and process changes during the project, with regulatory responsibilities shifting from the EUB to AUC.

2008: Formation of AUC

After the private investigator scandal, the government passed Bill 46 into law, dissolving the EUB, dividing it into two separate regulatory bodies: The Energy Resources Conservation Board (ERCB) and the Alberta Utilities Commission (AUC). The AUC replaced the EUB as the regulator of the utilities sector, natural gas and electricity markets.

Bill 46 faced opposition because it was believed that it failed to address stakeholder concerns. Bill 46 made no change to the narrow participation rules for a public hearing² and further limited any discussion of need to conduct an initial needs hearing, when few landowners have notice of the project.

2009: Bill 50 and critical transmission infrastructure

Under Bill 50, the Government of Alberta approved the need for four critical transmission infrastructure (CTI) projects, including the WATL project (Government of Alberta, 2016).

The legislation also gave cabinet the authority to designate future transmission facilities as critical transmission infrastructure. Bill 50 significantly altered the regulatory process for the approval of transmission lines in Alberta. It allowed the government to designate projects as critical and in the public interest. This removed the needs assessment process from the AUC mandate. It was now limited only to concerns regarding siting of the projects.

² Only those Albertans who are directly and adversely affected can participate in a public hearing. This prevents landowners that are adjacent to the project, and municipal governments and environmental groups from participating.

The government argued that transmission infrastructure is akin to roads and hospitals and should not require input from Albertans if it is critical (Bennett Jones, 2010). The bill faced opposition across the province, centered on the government's perceived abuse of power to push projects through without public discussion or independent review. Critics expressed concerns over the implications on the regulatory process and transparency of the needs assessment process. There were concerns that Bill 50 was passed so that the added capacity would enable the export of electricity to the U.S.

2010-2012: WATL consultation and hearing process

The commission held a number of community hearings and a process meeting in 2011. Hearings were scheduled to start in November 2011. However, Alberta's Minister of Energy, Ted Morton, then wrote to the chair of the commission to advise that the Government of Alberta was reviewing its approach to three critical transmission infrastructure projects. Morton requested that the commission suspend or adjourn its consideration of those projects. AUC suspended the hearings (AUC, 2012a). In February 2012, the Alberta government asked AUC to resume the hearing process for the WATL project.

Bill 8: The Electric Utilities Amendment Act, 2012 (also known as Bill 8), removed the critical infrastructure authorization and required that all future transmission infrastructure projects go through a full AUC needs assessment process. This did not affect the WATL line process.

COMMUNITY CONTEXT

The towns of Eckville, Rimbey and surrounding areas are growing but maintain the small-town and rural Alberta feel. The communities depend on oil and gas activities, farming and agricultural services.

PERSPECTIVES & ISSUES

Over the past two to three decades, there has been a decline in public acceptance of major public infrastructure projects, such as power lines. Opposition has been rooted in concerns with their visual impact, loss of arable land and perceived health risks. With some landowners, a strong sentiment exists that these lines are not needed and are expensive. The interview participants highlighted several issues with the project. However, 71 per cent of the polled residents, supported or somewhat supported the WATL line. One in five were opposed or somewhat opposed.

“There was significant opposition everywhere. Rimbey was where the opposition first started.”

(Luke, lawyer representing landowners)

Needs assessment

The single biggest concern with the overall WATL project was the decision not to conduct a public needs assessment both times the project was brought forward. That is because many landowner participants believed then, and remain convinced today, that the project was not necessary. Further, they believe there was a secret agenda at play: that the government was trying to force the project through so power could be shipped to potential U.S. customers. Even those who were open to the possibility that the line was needed still objected to the absence of a needs assessment.

Under Bill 50, the WATL project was designated Critical Transmission Infrastructure – a designation that bypassed the needs assessment.

“There should have been a public hearing process for the need. Not just legislated it [with Bill 50].”

(Kurt, community leader)

“People are reasonable. There is always the NIMBY [the Not In My Back Yard sentiment] but you show me the need for the project and general people will buy into it.”

(Anonymous, farmer)

“The first unusual characteristic [was] the needs process...Immediately there were a lot of people upset, because they had questions....This was what the big argument was about.”

(Joe, civil society leader)

Surprisingly, two in three of polled residents, that were aware of the WATL thought it was necessary; 23 per cent thought it was not.

When the AUC took over responsibility as regulator, it stated that it did not have the mandate to determine need since the government had already declared the line necessary. Instead, the AUC’s role (for any project started pre-2012) was limited to determining the best route for the transmission line. Residents questioned this decision. More than half of the polled residents said a fair needs assessment demonstrating the necessity of the line would have changed their support for the line.

“We did everything we could to minimize the controversy, but the real controversy was the government in determining that it was critical infrastructure. We understand why the community responded the way they did, but we weren’t in a position to do anything about it because it wasn’t in our mandate.”

(Willie, regulator)

“We aren’t even allowed to talk about the need. It’s being kept secret from us, which I find offensive. If it is critical, surely you can show us the need and how it’s being met...But no...how can you have trust in the government or a company that is not willing to ever let us talk about need.” (AUC, 2012b, p 21)

(Landowner, regulatory documents)

Impacts on property value, agricultural and business operations

Most of this land has been held by families for generations. There was a general sense among affected landowners and other stakeholders that AltaLink did not understand the negative impacts of the transmission line on agriculture. These challenges included not being able to till and manage the land efficiently, changed tillage patterns, having to abandon portions of land and how towers would affect the long-term viability of farm land. This concern was echoed in the polling results, where 61 per cent of residents agreed or somewhat agreed that transmission lines have a negative impact on property values.

They were in a hurry to get the project built and deal with [any issues] after that.

(Gayle, lawyer and community leader)

“The commission doesn’t care about the [impacts on] the animals or the land; the only care is if it is close to a house and in that case they move the house rather than the line.”

(Donald, lawyer representing landowner)

Two in five polled residents agreed or somewhat agreed that the transmission line risks harming the environment in and beyond their community. A specific concern brought forward by participants was that transmission line construction encouraged the spread of clubroot disease onto fields. Clubroot disease is a fungus that attacks the root of canola, a large cash crop for Albertan farmers. It spreads through the soil and reduces the crop by 50 per cent, and impacts it for 15 years. Farmers said if they knew about it beforehand, they could have mitigated the impact and damage.

“Clubroot is a spore that is spread by dirty equipment and attacks canola, the cash crop for Alberta farmers. AltaLink, prior to construction, tested for clubroot on access points to the right of way. They did not tell the farmer about the positive result nor were they required to report it to the county, responsible for weed management. AltaLink carried on with their construction, the farmer unknowingly planted non-resistant canola and the clubroot spread in the field. It affects their crop, how they farm, everything, and it impacts their bottom line.”

(Gayle, lawyer representing landowners and community leader)

Route

After several community hearing sessions in 2012, the AUC approved the majority of the preferred route. It is important to note that in the initial EUB process, there was only one proposed route with no alternative.

No community consultation was done until 2010.

“Why didn’t they meet with us before they drew the line of where they will build...and see where the obstacles are before they start? But, no, they designed it and had it engineered. Then they come to us. And this is backwards.”

(AUC, 2012b, p 31)

“If the towers come through [our land], we can’t live there... And in the meantime, it’s very hard to live not knowing what’s going to happen to our place for how many years now [since the process started in 2004]. I just wish that we could get a for sure answer on something.”

(AUC, 2012b, p 32)

Health risks

Health risks and electromagnetic fields were not big concerns in the WATL project because it was a DC (direct current) line. Studies have not found significant health effects associated with DC lines.

Cleanup and maintenance costs

There were concerns that AltaLink would not clean up and manage maintenance costs and damages after the WATL project was built.

“Farmers shouldn’t have to be after these guys [proponent] to do cleanup; they should be doing it ahead of time.”

(Gayle, lawyer representing landowners and community leader)

Benefits to the community

There was not a great deal of discussion from the interview participants about benefits of the project. The line was deemed required by government because of increased demand for electricity in central and southern Alberta. A high majority of the polled residents agreed or somewhat agreed that the WATL project results in financial benefits for the municipal (62 per cent) and provincial governments (77 per cent). AltaLink promised the new line would lead to savings of 350,000 tonnes of carbon emissions per year and employ a crew of 1,200 construction workers that would support local economies. Some landowners (in our interviews) stated that the employment opportunities did not materialize because the majority of the workers were brought in from other provinces. However, in the eyes of the broader polled residents, 78 per cent agreed or somewhat agreed that the WATL project creates local jobs.

“When the first transmission lines came through our property, they supplied power to all of central Alberta and Calgary... My grandfather agreed to it because it was for the betterment of the community and Alberta. But this was solely for the betterment of AltaLink... and detriment to the ratepayers and taxpayers.”

(Kurt, community leader)

It was recognized by the proponent that, for any project to get public support, there must be benefits to the community.

“The community needs to see some tangible benefit of the project for them.... There needs to be some shared value.”

(Leigh, former proponent)

Some landowners saw compensation for access to the land as a tangible benefit from the project. Participants mentioned that some landowners signed the right of way because the compensation provided them with a paycheck.

Some participants noted that when landowners did not see their concerns being addressed, *“They caved and threw up their hands, they were tired of thinking about it, it was a real burden on their thought process.”* These people settled for the compensation and *“were done with it.”* **(Kurt, community leader)**. The amount of compensation varied from property to property, depending on a number of factors, including proximity to residence, impact on agricultural activity and others.

“A lot of the people didn’t really mind the line – especially if they put animals on the land or don’t have to operate big machinery. People who can’t make money off the land themselves – [who] are renting or leasing it – may rather have the power line.”

(Donald, lawyer representing landowner)

REGULATORY PROCESS

Lack of trust/independence of regulator

There was broad agreement that the community and landowners did not trust the regulator to make a fair decision in the public interest of Albertans. There was a general sense that the process was “rigged” from the beginning. Sixty per cent of residents that were polled did not trust public authorities making decisions about energy projects.

“Right from the beginning, the regulator it (was) clear that they had a bias towards industry. The AltaLink lawyers were chummy with the board and the EUB lawyer and then the AUC. It was blatant. Landowners felt the process was rigged.”

(Joe, civil society leader)

“All they [regulator] had to do was be honest and they could not do that.”

(Anonymous (G), Landowner)

“There is an anti-institutional bias in society—the trust has been eroded, corporations are not bestowed trust, they need to earn trust.”

(Leigh, former proponent)

There was an overwhelming sense across the community that the regulator was not independent from government and industry. Fifty-seven per cent of polled residents thought the regulators making decisions about energy projects are not independent of government and industry.

“Governments should stay out of these things... agencies, such as AESO, need to be truly at an arm’s-length from government.”

(Leigh, former proponent)

“There was too much collusion between the government, big business and regulator. The regulator has a job to do [and they feel that job is to do] what the government says.”

(Anonymous, farmer)

Participants did not feel heard in the regulatory process. For some, it was just a step to get to the appeals court where people felt they would get a fairer hearing.

“I knew it was a waste of time until we could get to the courts, I have to say that [the courts] was an honest process.”

(Anonymous (G), landowner)

One unusual aspect of the case was the scandal created in 2007 when the EUB hired private investigators to spy on landowners who were opposed. In a 2010 report, the Royal Society of Canada stated the 2007 incident damaged the EUB's credibility as an independent quasi-judicial board (Gosselin et al., 2010).

"I laughed when someone told me they hired investigators. I didn't believe that could happen in our country. It completely blew me away. It was handled in an underhanded, dirty way."

(Anonymous(G), landowner)

After the 2007 incident, the government appointed Dr. William Tilleman interim chair of the EUB and gave him the mandate to implement recommended changes. Tilleman disbanded the security unit that spied on landowners, fired a senior executive and revoked all decisions on the 500 kV transmission line. He was responsible for dismantling the EUB and the creation of the AUC and ECRB (Bill 46).

"This EUB decision [of 2007] is the equivalent of a mistrial. Albertans must be confident that this board acts fairly, responsibly and in the public interest. Mistakes have been made on this file and I believe the only way to re-establish public confidence is to go back to square one on this process."

(Will Tilleman) (Gosselin et al., 2010).

In the minds of participants, the experience with the EUB in the ill-fated Phase 1 process cannot be separated from the subsequent WATL project. Several interview participants indicated that nothing really changed after the EUB was disbanded and the AUC was created. The feelings of mistrust and disrespect carried forward into the Phase 2 (WATL) process.

"But many of the EUB members just morphed into the AUC and so the same lawyers, people were in AUC. They changed the name but it was the same organization and they operated in the same way. There is no sense that [anything] has changed. Here they come again, taking more from us."

(Joe, civil society leader)

"I still have grave concerns about objectivity and . . . bias."

(Luke, lawyer representing landowner)

Some stakeholders had a different view of how the project played out the second time around. One in two of polled residents said community concerns were taken into account for the decision.

"To some extent, communities did trust or accept the decisions we made."

(Willie, regulator)

Despite the high mistrust for regulators to make fair decision, 66 per cent of polled residents thought the AUC made the right decision with respect to WATL, while 38 per cent believed a wrong decision was made.

Other stakeholders, including the regulator, agree there is a lack of confidence in public authorities. Because there is no consensus on what progress looks like, however, they think it is a challenge the government needs to address through the legislative process.

“There is no consensus in society about what progress looks like. I don’t think regulators can go around and fix the absence of confidence if there is no consensus that energy projects are in the public interest and good for society. Without this consensus, none of the efforts made to improve the regulatory process matter. These challenges have to be dealt by the government through the legislative process.”

(Willie, regulator)

Lack of respect

Several participants noted that the hearings were not respectful and interveners were made to feel like they were “troublemakers.”

“I just felt that [these landowners] were victims of a system and a process, and their rights were not only not respected, but also violated.”

(Joe, civil society leader)

It was noted that the AUC was more careful than its predecessor, and the hearings in 2011 were more respectful. Fifty-four per cent of polled residents thought the process was respectful of the local community.

AltaLink’s role

Some participants questioned the transparency of the bidding process. In Alberta, once the need has been determined and approved, the AESO directs a transmission facility owner (like AltaLink) to site and build the project (AltaLink, 2016).

“Outside Alberta, you have an open bidding process. Here, it ended up being a closed door thing between ATCO and AltaLink. It should be a more open and honest bidding process.”

(Anonymous, farmer)

Some interview participants stated that they believe only a small group of impacted landowners had concerns about routing and agricultural impacts and the small group riled everyone up. However, other participants stated that there was a broad sense in the community that Albertans were getting a bad deal with the transmission infrastructure. Some of the project’s opponents expressed skepticism about the fairness of the built-in, guaranteed rate of return for utility companies. Such a guarantee, regardless of its actual merits, reinforced their perception that AltaLink was enjoying some special privilege as a result of a cozy relationship with the EUB. It was noted that there was a general concern about the high costs of AltaLink’s line and overruns in the original cost estimate for WATL. Those participants who argued the line was not needed have seized on the fact that there is now discussion about using the line to transmit renewable energy. To them, this is evidence that, now that the WATL line is built and running, the province is looking for ways to use it.

“The electricity itself doesn’t cost that much. But as people start noticing increasing costs and where they are coming from. More broadly, selling assets to Warren Buffet didn’t help either.”

(Anonymous1, local Chamber)

Engagement

In the first phase, AltaLink did minimal outreach to engage with communities to understand their concerns. They also contracted third party land men to negotiate access. Critics said those land men treated the process as something to be gotten through as quickly as possible without genuine engagement. Thirty-one per cent of polled residents did not feel they had early opportunities to learn about the WATL project.

The attitude of AltaLink was perceived to be, *“You [landowner] have no property rights, how much money will it take for us to crush your property?”*

(Joe, civil society leader)

“We used a lot of old school land men, who are just used to showing up and saying here is our CAPL form – take it or leave it...”

(Leigh, former proponent)

“There wasn’t enough public consultation on the lines [for AltaLink Phase 1].”

(Donald, lawyer)

“You can’t start at the landowner’s doorstep to start a project... [senior executives] need to start on the ground earlier.”

(Leigh, former proponent)

“The disbanding of EUB was a mix of reasons. But I do think the way in which AltaLink initially chose to do its public engagement on that project helped contribute to the conditions where security guards were needed in the first place [in the EUB hearing] and allowed the opposition to electrify the populous in that area.”

(Leigh, former proponent)

AltaLink went back to the drawing board and reconsidered their public engagement strategy. The second time around, AltaLink took a more comprehensive approach to the development of the WATL Project.

“We realized that merely having [third party] land men go out to the community to check boxes wasn’t going to work anymore. We knew we needed to do more and were going need a very strategic approach to reposition the project.”

(Leigh, former proponent)

AltaLink started by changing the way it does its consultation, as well as emphasizing the importance of transmission infrastructure. In 2010, it conducted an extensive engagement program, which provided stakeholders with an opportunity to understand the project and its potential effects. AltaLink also undertook a detailed route selection and refinement process.

A key factor that helped AltaLink in this second round was having senior executive people on the frontlines talking to people, understanding their concerns and building trust.

Assessment against

THE FRAME

Context

There are two major context issues: unresolved policy issues and lack of broad understanding of the community.

The Canada West Foundation's interim report, *Fair Enough: Assessing community confidence in energy authorities*, proposed that regulatory decisions are hobbled by the context of unresolved policy issues that are beyond the regulator's control and mandate. Opposition to WATL was fueled by dissatisfaction with the government eliminating the needs assessment process and by declaring the line was critical infrastructure. WikiLeaks published documents that suggested the line was being built to export electricity to the U.S. This reinforced the belief that the line was not needed and not in the public interest of Albertans. While there were specific concerns related to routing, impacts on agricultural land and property values, the key concern was that this line was not needed and that affected landowners were not allowed to challenge that "critical need" claim. There was an overwhelming sense among affected landowners that the regulators and governments do not understand rural Alberta.

"[It is as if] 2,000-acre landowners are appointed politically to sit on a condominium dispute resolution tribunal, where they have no concept of what a condo corporation, manager, owner is all about. It is a foreign concept but deciding issues. That's the problem. They are totally disengaged from the culture [of rural Alberta] and its legitimacy, and [show] no interest in wanting to engage."

(Luke, lawyer representing a landowner)

A number of participants stated that they believe the hearings were held in September, peak harvest season, to discourage landowners from attending and intervening. In AUC hearing documents, interveners suggested November to be a more suitable time for the hearings. Some complained about the fact that most of the hearings and community sessions took place in Red Deer, while some community information sessions were held in Rimbey, Indus and Ponoka.

"I wouldn't have been able to make it to Red Deer. We're calving. I'm taking the risk of losing a calf at the moment, but I feel strongly about this."

(AUC, 2012b, p. 20)

This case study reinforces the notion that before the development of a project, there needs to be a thorough understanding of the community context which involves an exploration of values, interests and the demands on daily life (whether farming, hunting, fishing or cultural activities).

Information

Sixty-two per cent of polled residents were knowledgeable about the WATL project; 68 per cent said they received information in a timely manner. In the interviews, it was noted that in Phase 2, both AltaLink and the AUC made an effort to provide more information. However, there was recognition that AltaLink and the EUB should have communicated earlier and provided better quality information in Phase 1. They used traditional media vehicles, such as newspapers, to give broad notice about the project. Directly affected landowners said they were not given specific notice. There was a sense that the hearing process and related legislation was not well understood in the community.

“There were quarter-page ads [for the initial AC line]...but nobody noticed. That system was outdated... It was the old world way [of getting social licence for projects] colliding with the new world expectations mixed with political discontent and an accumulation of surface rights issues for that area.”

(Leigh, former proponent)

“Information that [my client] expected would have been circulated for a project of that magnitude” was lacking.

(Luke, lawyer representing landowner)

Interest groups helped fill the information gap by disseminating information in the community. Interview participants noted that one of the biggest handicaps in this project was that the EUB initially operated on the assumption that people understood the complex legal terms and regulatory procedures. In many cases, people did not understand the process at all. A majority of the polled residents thought the federal or provincial government and the proponent should be responsible for providing information to the community.

“People came to me for more information. People came out and I had a PowerPoint presentation detailing [everything], explaining it in succinct and elementary terms.”

(Joe, civil society leader)

After the initial EUB hearing process, the community did not trust the information provided by AltaLink or the public authorities. This supports the Foundation's interim report finding that once public authorities are perceived not to be acting in the public interest, individuals are alienated from decision-makers, mistrusting the information they provide. This mistrust is fueled by publicity in the media.

“There was lots of information available that would do us no good. There was information for information's sake. It did not help us as landowners.”

(Anonymous, farmer)

“In the perfect world, information would be neutral. A more neutral AESO would make sense but they are not [neutral].”

(Donald, lawyer representing landowner)

Some stakeholders believed misinformation was spread about the WATL project. They were skeptical of the evidence from landowners relating to health risks of power lines, visual impacts and impacts on land and livestock, such as claims that cattle grazing near power lines were at risk.

Values

The strongest priority and value that emerged from this case study was that the community did not believe this line was needed and that the public authorities weren't acting in the interests of Albertans. Some participants said they believed the line was actually being built to facilitate exports to the U.S., and that was not a legitimate reason to construct the line.

All interviewed landowners felt they were not heard in the hearing process by virtue of the fact that they were not allowed to discuss need. The Foundation's interim report found that having a robust procedure matters because it keeps decisions in the hands of the experts. The process changed several times and some incidents undermined the community's trust in public authorities. The process was challenged in court, and the legal route was seen as a more legitimate area for the decisions to belong.

A few participants brought up the Eastern Alberta Transmission Line (EATL), which was approved in a relatively less controversial process. The geographical location of the EATL line is in a less agriculturally fertile area. The western part is more fertile, and is more of a political hotbed. Moreover, ATCO did not encounter as much difficulty in engagement with the community. For example, fewer complaints were raised about their use of third party land men.

Engagement

There was a powerful sense in this case study that the community did not get the genuine engagement it was looking for. In the EUB process, the lack of public consultation was brought up again and again. AltaLink went back to the drawing board to rethink its public engagement strategy. In 2010, AltaLink did engagement and consultation before submitting the WATL application to the AUC.

“For AltaLink [Phase 2], there was some consultation done.”

(Donald, lawyer representing landowner)

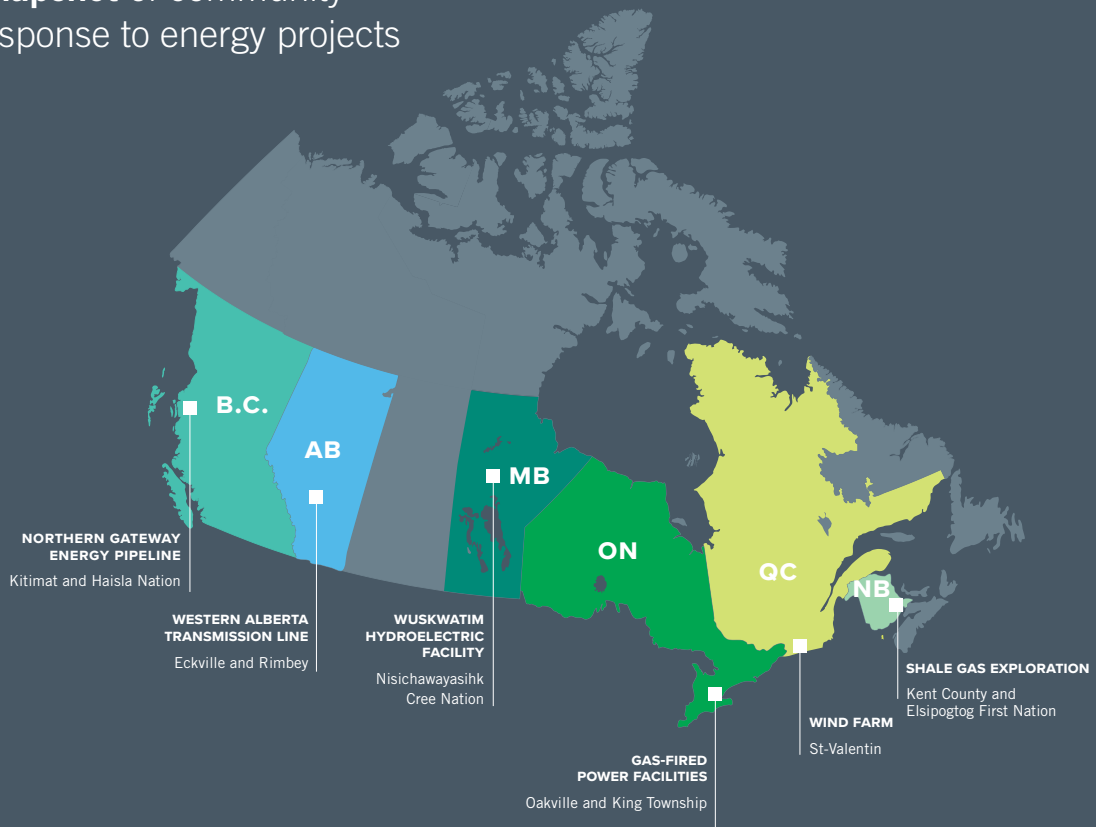
However, the proponent recognized that engagement needs to be early on and industry needs to rethink the timeline for the community engagement process. It was noted that in this way, the opposition is responding to the proponent instead of the company reacting to the opposition. The interim report finding of the need for face-to-face and direct engagement before the project is finalized is echoed in the WATL case study.

A participant noted that there is a role for the regulator to do consultation and understand the community concerns, because they should be a neutral independent party and AltaLink has a vested interest in the process. When the AUC tried to engage the community in some pre-hearing community sessions, it wasn't viewed to be very effective, given the existing mistrust for the regulator.

“Staff went out to teach people what the commission's role was and what the staff's roles were.”

(Willie, regulator)

Snapshot of community response to energy projects



Kitimat

1 in 2

support or somewhat support Northern Gateway

Eckville and Rimbey

More than 1/2

of residents said a fair needs assessment showing the need for WATL would change their support

Nisichawayasihk Cree Nation

COMMUNITY INPUT

during design and planning led to significant redesign

Oakville and King Township

More than 70%

were concerned about local environmental impacts

St-Valentin

THE "FLIP"

to a new proponent undermined trust in both the proponent and public authorities

Kent County

59%

expressed low confidence in the capacity of the regulator to enforce rules

Nanos Research on behalf of the Canada West Foundation and University of Ottawa's Positive Energy project conducted surveys between July and September 2016 with 1,775 respondents to assess views within each case study community on the role of local in energy decision-making.

CONCLUSION

The WATL line experience was meant to be a regulatory process but the frequent controversies made it highly politicized. This had consequences for the Progressive Conservative government's historic rural support. Opposition to the line was rooted in concerns that extended beyond the specifics of this project and included broader concerns about a perception that the regulator was being influenced by government and industry. This put the legitimacy of the process into doubt in the minds of many residents. The lack of engagement both by EUB and AltaLink in Phase 1 cast doubt on the legitimacy of Phase 2, with lingering feelings of mistrust despite actions taken to address the problems in Phase 1. Trust, once lost, is hard to regain. The WATL case study reinforces the need for proponents to engage early on, build relationships based on shared values with the community. Timelines for projects need to build in that engagement and project co-creation at the front end.

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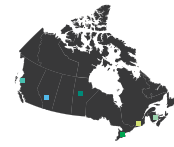
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The six case studies are available for download on the Canada West Foundation (cwf.ca) and Positive Energy website (uottawa.ca/positive-energy)



NORTHERN GATEWAY ENERGY PIPELINE

*Kitimat and Haisla Nation
British Columbia*



WESTERN ALBERTA TRANSMISSION LINE (WATL)

*Eckville and Rimbey
Alberta*



WUSKWATIM HYDROELECTRIC FACILITY

*Nisichawayasihk Cree Nation
Manitoba*



GAS-FIRED POWER FACILITIES

*Oakville and King Township
Ontario*



WIND FARM

*St-Vaentin
Québec*



SHALE GAS EXPLORATION

*Kent County and
Elsipogtog First Nation
New Brunswick*

NOTES

THE CENTRE FOR NATURAL RESOURCES POLICY
CHAMPIONS THE RESPONSIBLE DEVELOPMENT
OF WESTERN CANADIAN RESOURCES
TO SAFEGUARD CANADA'S PROSPERITY.

THE UNIVERSITY OF OTTAWA'S POSITIVE ENERGY PROJECT
USES THE CONVENING POWER OF THE UNIVERSITY
TO BRING TOGETHER ACADEMIC RESEARCHERS AND
DECISION-MAKERS TO DETERMINE HOW ENERGY RESOURCES
CAN BE DEVELOPED IN WAYS
THAT GARNER SOCIAL ACCEPTANCE.



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