



April 24, 2015

## **GE Canada Submission to Ontario Energy Board: Energy East Pipeline**

Thank you for the opportunity to contribute to the Ontario Energy Board consultation process regarding the proposed Energy East Pipeline Project (the 'project'). GE Canada (GE) is pleased to support this project, and believes that it will bring lasting benefits to Ontario and Canada. Infrastructure projects of this magnitude are rare and should be viewed as strategic, transformational opportunities for the province and the country.

### About GE Canada

GE has operated in Ontario since 1892, when Thomas Edison opened GE's first international location in Peterborough. Today, GE Canada employs over 4000 Ontarians across a diverse range of manufacturing, services, and technology R&D activities. Along with our corporate headquarters for Canada, Ontario is home to our Global Digital IQ Centre, water and process technology manufacturing, and GE Motors and GE Hitachi Nuclear – both located at our original Peterborough site. GE's role as a technology and service supplier into all segments of the energy sector - from upstream production, to transportation and distribution of the product, to final consumption – gives us a unique perspective into the linkage between the health and vibrancy of the energy sector and growth in manufacturing in Ontario. We believe that major energy infrastructure projects such as this project create opportunities and efficiencies that will strengthen the energy network as a whole, and are vital to the future of Ontario manufacturing, as well as to the broader economy.

### Economic benefit

Comprehensive economic benefit studies by Deloitte and the Conference Board of Canada have projected massive GDP, taxation, and employment benefits accruing to Ontario from Energy East. The Conference Board in particular pointed to the benefits of this project for the manufacturing sector in Ontario, and TransCanada Pipelines has made a concerted effort to work with local suppliers on the project. GE is a clear and concrete example of these benefits in practice. In November 2014, GE announced that the Peterborough GE Motors facility had won a contract to build customized electrical motors for the Energy East pipeline project. The contract is expected to create approximately 250 jobs within GE and our local supply chain over a 2-year period. This represents only a portion of the contracts that GE hopes to win as the project progresses. We hope to see additional manufacturing opportunities and jobs generated, both directly as well as through the growth in Canada's energy sector that infrastructure such as this supports.

It should also be noted that, in addition to creating manufacturing jobs in Ontario, Energy East will enable market diversification for western oil producers and product diversification for eastern oil refiners. It is a unique opportunity to strengthen competitiveness on both sides of the industry, contributing to a healthy energy value chain in Canada and the well-paying, stable jobs that come along with it.

### Pipeline safety

Pipeline safety has been a focal point of public concern about this project, and it is critical that regulators, policymakers and the public have confidence that pipelines are safely operated and maintained. Advanced technology exists that can address these concerns and produce greater trust in the rigorous methods used to ensure strong health, safety and environment outcomes for pipeline infrastructure.



For example, PII Pipeline Solutions, a joint venture between GE Oil & Gas and Al Shaheen, is the industry leader in pipeline integrity solutions with over 1 million kilometres of pipeline inspected worldwide and over 200 000 km inspected in Canada.<sup>1</sup> With 150 employees in Canada, including 15 in Ontario, PII is at the forefront of in-line inspection technology and analytics services, leveraging GE's capabilities in medical devices and software to make important advancements in pipeline inspection technology and analytics. This technology leadership includes development of the first ultrasonic inspection tool (UltraScan Duo) using phased-array ultrasound technology for medical imaging, as well as the first tool capable of detecting pinhole-sized defects (MagneScan). GE also recently announced the launch of the Intelligent Pipeline Solution, a partnership with Accenture, to advance pipeline management even further in the first-ever Industrial Internet offering for pipeline operators. The breakthrough combination of advanced analytics, software expertise, and systems integration with pipeline integrity technology is expected to deliver operational efficiency improvements in integrity, maintenance, safety and regulatory compliance.

PII's in-line inspection technology and the sophisticated application of advanced analytics enables pipeline operators to better assess the overall health of the pipeline, to identify defects with precision accuracy, evaluate the need for remediation, and ultimately take well-informed operational, maintenance and repair decisions. GE is confident that in-line inspection on this project is the best approach to pipeline integrity and warrants public trust in the safe use of pipelines for the transportation of hydrocarbons.

#### Environment & Climate Change

GE commends the Board for its careful consideration of the environmental impacts of this pipeline. Those risks, like those incumbent in many other significant projects, must – and can – be managed, through appropriate regulation and careful stewardship.

The discussion paper commissioned by the Board on climate change impacts of this project demonstrates that those impacts are minimal. In addition, GE can attest to the efforts underway to reduce the carbon intensity of oil sands production. GE has partnered with the Canadian Oil Sands Innovation Alliance and is actively engaged in developing technology solutions that will reduce the GHG emissions of oil sands production and improve water outcomes. These are long-term commitments to innovation that will improve climate impacts in Canada, but can also be leveraged globally and make a positive impact on resource development around the world.

#### Natural Gas Supply & Pricing

As an energy consumer in Ontario, GE believes that regulators and the industry will find a solution that will serve the interests of both consumers and distributors, while enabling energy infrastructure to be optimized in a manner that ensures a competitive, sustainable energy transportation and distribution network.

#### Conclusion

The Energy East Pipeline Project will create manufacturing jobs in Ontario and bolster long-term economic growth in Ontario and across Canada. GE supports the development of this project and recommends that Ontario support the project in interventions to the National Energy Board.

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<sup>1</sup> At the time of this submission, PII Pipeline Solutions does not have a contractual relationship with the Energy East Pipeline project for integrity and inspection services.