Q. Re: Upgrade Circuit Breakers Volume II (Tab 15)
Page 12. What is the status of the extension being sought by Hydro for removal of PCBs as outlined in Section 3.11, Environmental Performance.

A. The Canadian Electricity Association PCB Task Group continues to work with Environment Canada (EC) officials on a proposed regulatory amendment to the *PCB Regulations, 2008*, and on a compliance letter to act as an interim measure prior to regulatory revision. The purpose of both is to allow utilities to continue to utilize bushings and instrument transformers (ITs) with unknown PCB concentrations until December 31, 2025. Currently, Section 16 of the PCB Regulations stipulates that bushings and ITs containing PCBs with concentrations 500 mg/kg or more are only permitted to be used until December 31, 2009. However, Section 17(1)(a) of the PCB Regulations provides the opportunity for an extension up to December 31, 2014 for the use of this equipment. Hydro has obtained an extension for its sealed, unknown equipment under Section 17.

More recently Environment Canada has been guiding the PCB Task Group toward having the compliance letter as a stand-alone compliance mechanism. They have indicated that an amendment of the PCB Regulations is not currently a priority for the Minister. CEA intends for the compliance letter, which is still in draft format, to supersede the current extension permits, which have December 31, 2014 as the deadline. Upon adoption of the recommendations, December 31, 2025 will be the deadline to have our sealed equipment, 500 mg/kg or more PCBs, taken out of service. The compliance letter will be addressed to individual utilities. Utilities will be required to proceed with the removal from use of bushings and instrument transformers containing PCBs in a concentration of 500 mg/kg or more as soon as it

is feasible to do so and no later than December 31, 2025. Utilities must demonstrate that progress is being made in identifying and removing from use the PCBs in a concentration of 500 mg/kg or more in bushings and instrument transformers at electrical substations against the December 31, 2025 date as per subsection 33(-3) of the PCB Regulations, and keep documentation that demonstrates the evidence of the corrective action including a copy of the removal plan with timelines and updates. Hydro will be required to revise the current PCB program for testing and removal of PCB equipment to one based on a 2025 end-of-use deadline. The program will be subject to auditing by EC officials. The annual reporting requirements will likely be those outlined in the PCB Regulations and currently being followed by utilities.

In parallel with the compliance letter work, CEA continues to work on a potential regulatory amendment. CEA is scheduling a meeting this fall with senior officials at Environment Canada to emphasize the importance of making revisions to the PCB Regulations a priority. From a legal perspective, it is believed that a regulatory amendment will provide utilities with the best level of protection from potential legal action under the Canadian Environmental Protection Act, if found to have equipment in service with a PCB concentration of greater than 500 mg/kg past the extension deadline of December 31, 2014.