

Evening Media Scan: Hydro Rate Reduction Plan - May 7, 2017

From: "Law, Sally (CAB)" <sally.law@ontario.ca>
To: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>, "Donelson, Philip (OPO)" <philip.donelson@ontario.ca>, "Bossin, Bryan (OPO)" <bryan.bossin@ontario.ca>, "Tomney, Genevieve (OPO)" <genevieve.tomney@ontario.ca>, "@CAB-Trans CO" <cab-transco@msgov.gov.on.ca>, "Baker, Carys (ENERGY)" <carys.baker@ontario.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Bodrug, Andrew (ENERGY)" <andrew.bodrug@ontario.ca>, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>, "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>, "Esdaile, Trevor (ENERGY)" <trevor.esdaile@ontario.ca>, "Festeryga, Katherine (ENERGY)" <katherine.festeryga@ontario.ca>, "Foster, David (ENERGY)" <david.foster@ontario.ca>, "Iqbal, Muhammad (ENERGY)" <muhammad.iqbal2@ontario.ca>, "McGrath, Jessica (ENERGY)" <jessica.mcgrath@ontario.ca>, "Moseley-Williams, Kate (ENERGY)" <kate.moseley-williams@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Olsheski, Mark (ENERGY)" <mark.olsheski@ontario.ca>, "Ramasra, Raynier (ENERGY)" <raynier.ramasra@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>, "Thompson, Rachel (ENERGY)" <rachel.thompson@ontario.ca>, "Tresise, Landon (ENERGY)" <landon.tresise@ontario.ca>, "Tretiakov, Ilia (ENERGY)" <ilia.tretiakov@ontario.ca>, "Walman, Evan (ENERGY)" <evan.walman@ontario.ca>
Cc: "Sumi, Craig (CAB)" <craig.sumi@ontario.ca>, "Di Giovanni, Robert (CAB)" <robert.digiovanni@ontario.ca>, "Law, Sally (CAB)" <sally.law@ontario.ca>, "Stinson, Jeffrey (CAB)" <jeffrey.stinson@ontario.ca>, "Nutter, George (ENERGY)" <george.nutter@ontario.ca>, "Halford, Gavin (ENERGY)" <gavin.halford@ontario.ca>, Electronic Media <cab.amedia@ontario.ca>
Date: Sun, 07 May 2017 21:00:14 -0400
Attachments: 20170507 - Media Scan - Hydro Rate Reduction (Evening Scan).doc (76.29 kB)

Sunday (Evening) Media Scan: May 7, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

May 7, 2017

[Click links below to view article:](#)

[Online Coverage](#)

[Globe and Mail: Despite Wynne's rate drop, electricity costs continue to shock; Despite the provincial government's promise to implement relief programs for crushing hydro bills, businesses are in 'wait-and-see mode'](#)

[St. Thomas Journal: Splashes of humour enter Chamber of Commerce meeting](#)

[TV Transcripts](#)

[None](#)

Online Coverage

Globe and Mail: Despite Wynne's rate drop, electricity costs continue to shock; Despite the provincial government's promise to implement relief programs for crushing hydro bills, businesses are in 'wait-and-see mode'

theglobeandmail.com

Sun May 7 2017, 4:31pm ET

Section: Business

Byline: SHOWWEI CHU

An Ontario artisanal cheese maker wants to take his business off the grid and a food processor is being counselled to use more electricity in order to qualify for an energy-conservation program.

These small- and medium-sized businesses (SMBs) are contemplating actions they normally wouldn't take in order to deal with Ontario's soaring electricity costs, even though the province has pledged more financial aid to relieve them.

On April 27, the Wynne government promised to spend \$2.5-billion over the next three years on relief programs to help households and SMBs deal with their crushing hydro bills.

Under the Fair Hydro Plan, households and about 500,000 small businesses and farms can expect their electricity bills to drop an average of 25 per cent starting this summer. The reduction includes an 8-per-cent rebate that began on Jan. 1 and an additional 17 per cent that comes from lower time-of-use rates effective May 1.

Julie Kwiecinski of the Canadian Federation of Independent Business said the group's 42,000 Ontario members are in wait-and-see mode. "The real picture of what the government's hydro plan will mean to each of our members won't be revealed until they start seeing their bills this summer."

Electricity costs have been an issue for SMBs in Ontario after mandatory smart meters were introduced in November, 2010, charging time-of-use prices. Unlike households, many small businesses operate during regular business hours and have to pay on-peak rates for electricity that are more than twice as much as off-peak rates.

"We would like to have seen time of use eliminated altogether," Ms. Kwiecinski said. "But at least time-of-use rates are going down and some of the pressure is being taken off."

Ratepayers face other pressures on their hydro bills. In addition to time-of-use rates, there is a regulatory charge, a debt-retirement charge, a delivery charge for distribution and transmission of electricity and a global-adjustment fee, which partly covers the \$50-billion investments the provincial government made in recent years on nuclear reactors, natural-gas-fired power plants and wind turbines.

Tor Krueger, owner of Udder Way Artisan Cheese Co. of Stoney Creek, Ont., said his hydro bills really shot up this past winter and that's why he wants to get his power off the grid.

"I'm definitely pushing for it because, for me, it's the thing that makes the most sense," he said.

Mr. Krueger recently got a loan from the Business Development Bank of Canada to upgrade his facility so he can get federal certification and sell his handmade goat cheeses across Canada. To get off Ontario's electricity system, he'll need to get his landlord on board because he cannot afford the \$50,000 to \$60,000 investment.

In addition to lower time-of-use prices, the Wynne government has pledged to cover a number of electricity-support programs previously paid by ratepayers and will eliminate the debt-retirement charge for

commercial and industrial users next April.

The government also has promised to refinance a portion of the global adjustment over a longer period of time to give today's ratepayers a break.

Mid-size businesses won't qualify for the 25-per-cent reduction on their hydro bills because they use more than 250,000 kilowatt-hours (kwh) of electricity a year and exceed a demand of 50 kilowatts (kw), according to the government.

Some will now be able to sign up for the Industrial Conservation Initiative (ICI), whose participation threshold is being lowered to 500 kw from a monthly average-peak demand of over one megawatt. The ICI was introduced in 2010 to give larger electricity users a break on their bills by shifting hydro consumption to off-peak hours.

"But there's still a large swath of companies - probably two or three thousand - that really don't have any opportunities available to them," said Ian Howcroft, a vice-president at Canadian Manufacturers & Exporters (CME). "And we need to ensure that there is some type of program to address their high electricity costs."

The CME has urged the Ontario government to create an industrial-electricity rate - something manufacturers and food processors such as Kisko Products Inc., the maker of Mr. Freeze, could really use.

The Woodbridge, Ont.-based company spent over \$100,000 last year to install energy-efficient LED lighting in its offices and factory. But while its electricity costs dropped, the global-adjustment fee kept rising along with the company's total bill, which stood at more than \$277,000 in 2016.

"As a medium-size business trying to survive in a very competitive environment, how in the world do I recoup that money?" asked Kisko president Mark Josephs, who is celebrating the family business's 40th anniversary this year.

He said ECNG Energy - an energy-efficiency auditor - recommended Kisko get an assessment to see if it makes sense for the company to use more electricity and qualify for the ICI program.

"I think this is absolutely ridiculous," he said. "So this is what we're being told to do in order to ensure we don't get hosed even more."

The Globe and Mail Small Business Summit is a one-day conference of insightful sessions, proven business growth strategies and innovative ideas from the country's brightest business leaders. Details at globesummits.ca.

--

S t . T h o m a s J o u r n a l s h e s o f h u m o u r e n t e r C h a m b e r o f C o m m e r c e

By: Neil Bowen, Sarnia Observer
Sunday, May 7, 2017 3:34:45 EDT PM

<http://www.stthomastimesjournal.com/2017/05/07/splashes-of-humor-enter-chamber-of-commerce-meeting>

Talks with provincial party leaders were a key attraction during the Ontario Chamber of Commerce meeting but splashes of humor entered the serious business.

While Progressive Conservative leader Patrick Brown was addressing 150 delegates to the Ontario Chamber's annual general meeting in Point Edward the lights went out.

"That's a cue to talk about hydro," said Brown.

NDP leader Andrea Horwath told a questioner that her good throwing arm proven during a previous dunk tank experience in Sarnia would not be a help in the legislature.

Demonstration of her throwing arm would lead to problems with the speaker, the person in charge of decorum in the legislature.

Those splashes of humor were a momentary pause in the serious business.

The annual meeting held in Point Edward drew all three party leaders with Liberal Premier Kathleen Wynne speaking Friday. Brown and Horwath spoke on Saturday.

Appearance of all three was important to Ontario's business leaders, said Michael Kooy, chair of the Sarnia-Lambton Chamber board of directors that hosted the meeting that ended Sunday morning.

The leaders' participation on Saturday was designed to be informal with each one spending half an hour in a chair fielding questions from a Ontario Chamber executive and the delegates.

Hydro rates had a role in each leader's questions.

Rising hydro rates are making business less competitive and have families living in energy poverty, said Brown.

At the same time he said Ontario is giving away power to bordering states due to over-generation that is exclusive of renewable energy sources.

Those renewable energy contracts are atrocious and we don't need them, said Brown.

Horwath said "a whack of contracts" are coming due in 2018 and 2019 and it must be determined if they are needed.

Hydro One should also return to public hands as privatization was a mistake, said Horwath.

Brown called the Hydro One sale a one-time effort to balance the provincial budget.

"It's not a balanced budget, it is a false balance," said Brown.

The sessions were fast and both leaders were quickly moved along numerous topics.

When asked about skills development Brown said government needs to be more agile. If business cites a need for new skills from its employees, there should not be years of red tape before colleges and universities are supplying new programs, said Brown.

Horwath said government needs to be "more robust" in the provision of retraining for workers displaced by a changing economy.

There has been a focus on Ontario's low unemployment figure, 5.8 per cent in April, but there is a problem among middle-aged men finding jobs, said Horwath.

When people cannot benefit from economic prosperity as seen in Ontario's growing Gross Domestic Product, it creates divisions within society, said Horwath.

Cross-border trade was also an issue with Horwath saying Ontario needs to maintain relationships with state governments rather than focusing on the ongoing antics in Washington.

The value of cross-border trade was strengthened for Ontario Chamber vice-president John Capobianco due to his time in Sarnia.

"I've seen it with my own eyes, seeing those transport trucks (on the Blue Water Bridge). That's impressive," said Capobianco describing that image as more enduring than trade figures on a page.

TV Transcripts

None