QP Briefing: October 26, 2017

From: "Law, Sally (CAB)" <sally.law@ontario.ca>
To: "@CAB-QP Briefing" <cab-qpbriefing@msgov.gov.on.ca>
Date: Thu, 26 Oct 2017 17:35:14 -0400
Attachments: 20171026 - QP Briefing.doc (169.98 kB)

QP BRIEFING

October 26, 2017

Click links below to view article:

Articles

1). Long-Term Energy Plan projects flexibility in mid-2020s

By: David Hains

Ontario residential hydro prices will increase to pre-Fair-Hydro-Plan highs by 2024, according to projections released today in the Long-Term Energy Plan (LTEP).

That's despite steady projections for province-wide electricity demand and supply, and the much-vaunted cost-cutting of the Market Renewal Program. In a briefing to reporters, senior ministry bureaucrats attributed the projected rise in home hydro prices to contract renewal becoming generally less competitive in the future.

However, Minister of Energy Glenn Thibeault used the LTEP as an opportunity to pitch the Market Renewal program.

"Market Renewal will provide a fix to the foundation of our electricity system and take a technology-neutral approach to new procurements through an incremental auction," he said in remarks to reporters.

"That new foundation will allow us to adapt and modernize," he added.

The Ministry hopes Ontario can take advantage of newfound financial flexibility in the mid-2020s, when fixed-price contracts begin to expire and the Pickering Nuclear Generating Station is decommissioned in 2024. That will create a gap between projected demand, which is anticipated to be about the same as today, and the contracted supply. To fill this supply of electricity, the province hopes to pursue more cost-effective supply resources, new technologies and move away from long-term fixed contracts.

"Independent analysis suggests that about $5 billion in system savings would result from implementing market renewal in Ontario," Thibeault added.

Other cost reductions come from anticipated efficiencies and conservation methods.

The opposition criticized a lack of details beyond political rhetoric.

"We know that the cost of electricity will go up after the next election," said PC Energy Critic Todd Smith, referring to the government's Fair Hydro Plan.

"This is simply a re-election plan for Kathleen Wynne and the Liberals."

The NDP also expressed their skepticism, with MPP Peter Tabuns cautioning about potential further privatization and what he saw as empty government promises.

"I wouldn't give the government any credit for [what's in] the plan," he said.

The government also plans to expand the Green Button program provincewide. The program gives households and businesses online access to their energy and water consumption, with the ability to transfer and use that data with applications of their choice.

The LTEP also featured some significant projections about consumer shifts in Ontario. Whereas there are currently 12,000 electric vehicles in Ontario, the LTEP projects that by 2035, there will be 2.4 million.

However, despite a rising population and the increasing electrification of transportation, the LTEP projects relative flat demand until the 2030, before it begins to bump up, based on assumptions that power-consuming technology will generally be more efficient and the economy will move away from power-hungry sectors.

The province is also preparing to invest in renewable distributed generation demonstration projects and virtual net-metering demonstration projects, and allow third-party ownership of net metering systems.

Top

2). In Brief: Autism anger, health care overhauls and (slightly,

By: Christopher Reynolds

Autism-support advocates gathered at Queen's Park Thursday to protest Ontario's "crisis in special education." At a press conference, the Ontario Autism Coalition unveiled results from a survey among parents of children living with autism. Nearly three-quarters of parents felt their autistic child does not receive support "at the level that they need" at school, the coalition said in a release.

“The supports available to students with special needs vary widely from one board to another. The quality of service should never depend on a family’s postal code,” said Bruce McIntosh, Ontario Autism Coalition's president.

The issue also kicked off Question Period in the legislature Thursday morning, with Progressive Conservative Leader Patrick Brown calling out the Liberal government. Premier Kathleen Wynne responded that the government has invested $500 million into autism services, but "there's more work to be done in the classroom."

The coalition is calling on the government to implement "meaningful" behavioural analysis for students living with the disorder, as well as more funding, educational assistants, training for all educators and a policy permitting autism service dogs in schools.

A hefty health care bill is headed for committee after passing second reading Thursday morning, 29 days after it was tabled. The colossal piece of legislation zeroes in on transparency and oversight across a range of settings and professions, clamping down on both big pharma and neighbourhood tattoo parlours.

The new legislation would require drug companies and medical device manufacturers to disclose payments to health care professionals and hospitals. That means doctors who receive cash for speeches, consulting, research grants or travel costs for a conference would see those "transfers of value" posted in a public database.

Bill 160, titled the Strengthening Quality and Accountability for Patients Act, would also modernize inspection standards at tattoo shops, nail salons, hair studios and even splash pads, which already undergo yearly public health inspections. Plus, new financial penalties and provincial offences are in the pipeline for rogue retirement facilities and care homes, among other planks.

The feverish highs of the new home market for single families in the GTA are coming back down to Earth, say Toronto-area builders.

Though prices are still up more than 20 per cent year over year, the cost of a new single-family home was $1.2 million in September, down nearly 7 per cent from $1.29 million the month before, according to figures released Thursday by the Building Industry and Land Development Association.

"(I)ncreased inventory is setting the stage for some improvement in single-family new home sales this fall. But the launch frenzy that had characterized the market over the past year is over — buyers now feel that they can take a bit of time to shop around, without the fear of losing out," said association vice-president Patricia Arsenault.

Detached homes sold for an average of $1.61 million while new townhomes fetched $1 million each on average in September, according to the association. The average price of detached homes topped $1.8 million in April, before the province put its foot down to curb the market with a 15-per-cent tax on foreign buyers and extended rent control rules, part of its 16-point Fair Housing Plan.

As of the end of September, nearly 34,000 new homes had been sold in the GTA this year, 80 per cent of them condo apartments in high-rise and mid-rise buildings and stacked townhomes, the association said.

Top

3). PCs' nomination watchdog lacks bite, internal documents r

By: Christopher Reynolds

On the evening of June 26, 5,000 Progressive Conservatives descended on a Scarborough recreation centre with a 400-person capacity to vote for their candidate in the local nomination race.

By 9 p.m., police had arrived at the normally calm site on what they called a "disorderly" call. Filled to bursting, the halls of the Ellesmere Community Centre echoed with shouts as hundreds remained past the close of the vote to try to cast a ballot while a line snaked out the door.

Smartphone videos of the chaos show officers yelling at full volume: "Outside! Clear the door!" Some Tories are seen running through the gymnasium where votes were cast while others clutch ballot boxes as party members argue over what to do with them.

In the wake of another messy PC nomination meeting, the City of Toronto sent a reproachful letter to the Scarborough Centre association board that complained of "issues of crowd control, violence, threats and intimidation."

Despite the turbulence, the Scarborough Centre nomination was among the first to come under the watch of a private sector auditing firm. PC Leader Patrick Brown hired PricewaterhouseCoopers in May to clamp down on alleged irregularities and ease concerns over allegations of "fraudulent behaviour," including ballot-box tampering, in controversial contests from Ottawa West-Nepean to Newmarket-Aurora and Hamilton West-Ancaster-Dundas.

But a 16-page report by PwC on the Scarborough Centre nomination makes no mention of police. It gives no hint of the "chaos" referenced by the city nor of any "threats ... and observed voter fraud" alleged by the majority of the PCs' Scarborough Centre board in a letter to party brass.

Instead, the report lays out a list of agreed-upon procedures — such as observing that party members' names are highlighted on the voters' list once they've shown identification — and notes whether any exceptions to the procedures occurred. Most variations appear minor (names weren't highlighted at two of seven voting tables, but signatures were obtained instead, for example) but lack any broader context about what they mean or how they might relate to the chaos that occurred at the meeting.

The report, obtained by QP Briefing, states that PwC had "not been engaged to validate election results." That stands in apparent contrast to repeated remarks from Brown that PwC was hired to validate or "certify" the nominations. "They do certify our process. I said I want PwC to certify the process that we have for nominations and the voting and the counting of those votes," he told QP Briefing Wednesday.

What Brown has touted as a "gold standard" nomination safeguard may be more of a faded bronze, some disaffected party members say.

'You are responsible'

A letter from PwC to Tony Miele, chairman of the PC Ontario Fund, which manages the party's cash, outlines the company's function in observing and reporting on nomination votes. "In agreeing to perform the procedures, we have made no attempt to assess the sufficiency and appropriateness for your purposes; as such an assessment is your responsibility," states the May 20 letter, obtained by QP Briefing.

"You are responsible for the procedures to be performed and for ensuring these are sufficient for your intended purpose."

Last week, Brown put it this way: "Ultimately it's up to me to sign the nominee's form, and I said I want PwC to give me that assurance. That's been a policy I've taken."

"I'm glad that it's public that we have this additional oversight ... The fact that we've now set the gold standard for having additional oversight at nominations is something that hopefully other parties can adopt," he said Wednesday, when asked if he was concerned that his party's confidential documents had been leaked to the press.

That aligns with previous statements by Brown stressing the above-board procedures the global firm would bring to meetings, which have sometimes been described as "undemocratic" and tainted by "irregularities."

"I'm only going to allow nominations that are certified by PwC to proceed," Brown told Ottawa CFRA radio host Rob Snow in May, according to the Toronto Star.

"What I did is I set the gold standard in Ontario politics," he said four months later in an interview with CBC's Ontario Today host Rita Celli. "I want you to make sure that you can tell me that this was run properly, and that only people voting are the ones who should be voting and have their memberships and have the right ID," Brown said.

The email to Miele states PwC charges at least $5,000 per nomination meeting. With more than 40 nominations to go when the arrangement was drawn up, that amounts to at least $200,000 scooped from the party war chest into the firm's account.

Duff Conacher, a visiting professor at the University of Ottawa and co-founder of Democracy

Watch, a group that advocates election reform, said the hired guns have no firepower when they're accountable primarily to the party, rather than an independent commission or set of standards.

"I don't think it's an effective substitute ... because they are on contract to the party headquarters. That means if party headquarters wants to hide anything from those reports, they could probably do so," Conacher said.

"It fools most people into thinking there is a safeguard and a check."

Instead of internal controls, Democracy Watch is calling for nomination contests to be legislated and overseen by Elections Ontario.

Dissent in the ranks

The party's use of PwC frustrated some Tories who called it a "mockery" of independent oversight, and elicited rueful chuckles in others.

John Mykytyshyn, a PC political strategist with a long history at both the provincial and federal levels, called the strict limits on what PwC was commissioned to report "improper, unusual."

"That report doesn't seem to bear any resemblance to solving the problem. It's making more problems," he said, calling it "laughable."

Mykytyshyn said the fallout from alleged nomination irregularities could mean a slow bleed of party support, despite recent polls showing these kind of "inside-baseball" accusations have little impact on voters.

"Every time a mistake is made without corrective action, then damage is done," he said, adding with a smile: "There's an old axiom that goes: Justice must not only be done, it must be seen to be done."

Raphael Rosch, a Scarborough Centre board member who resigned due to "loss of confidence in Patrick Brown" following the nomination vote, sees the move to enlist the respected global auditing firm as little more than a media line.

"PwC's job is just to show up. They don't actually do anything. They don't take charge. They don't say anything. They're just present," Rosch said.

"PwC was just hired because it sounds good for the party to say we've got this big company doing oversight and making sure everything's okay," he claimed.

Jim Karahalios, co-founder of the Take Back Our PC Party group, said Brown "is like the pot calling the kettle black."

"It makes a mockery of our party's attempt to present an ethical alternative to a corrupt Liberal government in Ontario," he said.

A joint internal appeal of the Scarborough Centre results by nomination candidates Antonio Villarin and Christina Mitas is ongoing, Mitas said.

Brown framed the nomination tumult as "a good problem to have," stressing the overwhelming number of new party members that have swarmed meetings. Membership has grown exponentially to about 127,000 Tories since 2013, the PCs say, with a surge of would-be candidates coming out of the woodwork.

"In Scarborough Centre, just like in other ridings, we've been overwhelmed by the sheer interest in being candidates for our party," he said. "If incidents that you can't foresee don't affect the process, then you'd have to ask PwC why they wouldn't include that in the report."

PwC and PC party president Rick Dykstra declined to comment on questions from QP Briefing around the Scarborough Centre report and the broader contract.

PwC noted in its report the ballot-counting process was performed off-site, three days later, at

PC headquarters in Toronto and a handful of members who'd been unable to vote at the raucous meeting on June 26, voted that day.

Top

4). Six things to know about the 155-page Long-Term Energy P

By: David Hains

The government released its much-anticipated Long-Term Energy Plan (LTEP) on Thursday morning, and projected that energy demand and supply will hold steady for the foreseeable future.

Consumer prices will rise in the coming years as the discounts from the Fair Hydro Plan fade away and additional capacity needs to be purchased. But the LTEP also outlines broader trends in Ontario's energy market future, including how consumers and companies will produce, buy and sell power.

QP Briefing took a look at some of the highlights in the 155-page document.

Nuclear remains king

The LTEP refers to nuclear as "the most cost-effective option for producing the baseload generation the province needs." Plus it emits no greenhouse gases. The province is following up on plans outlined in its 2013 LTEP to refurbish 10 nuclear units from 2017 to 2033, including four at Darlington and six at Bruce. The two power plants provide about half of the electricity for the province.

There are "off-ramps" to manage risk

The nuclear refurbishments are multi-billion-dollar long-term projects, and because of the size and scope they come with considerable risk. In order to mitigate this risk, there are "off-ramps" in the refurbishment process, where projects and contracts can be cancelled if they don't meet pre-approved costs and schedules. Projects of this size come with ongoing scrutiny. "In addition to OPG's oversight of the Darlington refurbishment, the government has its own independent advisor to ensure that it has continued end effective oversight," reads the LTEP.

Net metering

Does this term sound like mid-1990s Internet jargon? Yes, it does. But according to the LTEP it's "a billing arrangement with an LDC that allows a customer to offset the electricity they buy from their LDC with electricity generated by their own renewable energy systems." Let's say you have solar panels on your home. The electricity generated powers your home first. But if you have surplus power, it gets sent to the local grid in exchange for credits on your future electricity use.

The government has taken recent steps to make this more viable by "removing limits on the size of eligible generation systems and allowing them to be paired with energy storage technologies." Expect "legislative and regulatory amendments" to permit third-party providers to own and operate these systems too, which could be an effort to give the nascent market a boost.

Energy storage wars

The LTEB characterizes energy storage as a "game-changing technology." By storing excess energy from off-peak hours for use at peak times, the hope for the technology is that it will "reduce the need to build new supply, import electricity or use greenhouse gas-emitting generating sources." The document is particularly hopeful that customer-connected energy storage will help support the market, and that if LDCs partnered with customers they could "share both the cost and the benefit."

Electric car congestion

Among the biggest assumptions in the LTEP is the idea that Ontario will go from 12,000

electric vehicles in 2017, to 2.4 million in 2035. Transportation Minister Steven Del Duca, who drives a Chevy Volt, conceded that there have been initial infrastructure challenges to build out charging stations, but he remains optimistic that electric vehicles will be the car of choice in two decades. The LTEP states that this projection would have "an impact on our distribution networks" as residents and businesses increasingly charge their vehicles. The document cites a Waterloo clean tech firm that's exploring technology in this area, and that Burlington and Oakville Hydro are "offering smart chargers at a reduced cost in exchange for some control of the charging activity."

The Progressive Conservatives were less optimistic about these projections, with leader Patrick Brown arguing that it's another example of the Liberals having fun with numbers.

Billing clarity

The LTEP states simply "electricity bills need to be clearer and more understandable." This comes from public feedback that existing bills are "inaccessible" at best. Hydro One will introduce "a redesigned electricity bill for its low-volume consumers in late 2017," according to the LTEP.

The government plans to make this a common practice, and will work with the Ontario Energy Board to make it happen. No timeline was given for the goal.

[Top]