

RE: Globe and Mail: Ontario Liberals eye electricity market overhaul to lower rates

From: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
To: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Date: Fri, 24 Feb 2017 13:59:29 -0500

Star too now:

Energy minister Glenn Thibeault admits Ontario messed up on hydro rates with bad decisions

“As they say, hindsight is 20-20,” Thibeault said in a speech prepared for the Economic Club of Canada in Ottawa on Friday

By [ROB FERGUSON](#) Queen's Park Bureau
Fri., Feb. 24, 2017

In a mea culpa about high electricity prices, Energy Minister Glenn Thibeault admits Ontario screwed up by paying too much for renewable energy.

“As they say, hindsight is 20-20,” Thibeault said in a speech prepared for the Economic Club of Canada in Ottawa on Friday.

He didn't tip his hand on the government's plans for [more hydro rate relief](#) but said “we are well on our way to achieving that” before Finance Minister Charles Sousa unveils his spring budget.

By moving early on renewable power, Ontario has taken a leadership position in green energy in what was “absolutely the right policy” as the province phased out heavily polluting coal-fired power plants, Thibeault insisted.

The trouble was “attractive” fixed-term contracts that created a bonanza for large-scale wind and solar power providers, leaving a hangover on hydro bills. Those costs helped fuel a doubling in electricity prices in the last decade.

“We removed competition within the electricity sector...this made sense at the time and we drove significant investment in the province,” said Thibeault.

“We know now that competitive tension within and among renewable energy developers could lead to much more attractive pricing.”

The renewable tab could also include \$28 million for a [Windstream](#) Energy wind turbine project in Lake Ontario near Kingston that was halted years ago, resulting in the company winning a trade challenge under NAFTA. The company is taking the government to court seeking payment.

Another troublesome factor was that demand for electricity plummeted in the steep recession that began in 2008, leaving the province with a surplus of power as it was ramping up procurement of new electricity sources.

That became a one-two punch, said Thibeault, who reiterated [plans he first revealed in November](#) to make Ontario’s electricity more competitive in the future.

Electricity providers will be asked to bid for contracts to supply power in [“capacity auctions.”](#) forcing them to compete with each other to offer the lowest prices instead of the government deciding – as it has for decades – how much electricity should come from nuclear plants, natural gas-fired power plants, hydroelectric and renewables.

Thibeault said such measures are important because more costs must be wrung out of the system on a long-term basis to make electricity costs more affordable for Ontario homeowners and businesses, many of whom are feeling the pinch.

In the short-term, his focus is the promise from Premier Kathleen Wynne for more relief on rates.

“In the coming weeks you’re going to hear more about our plan, how it will impact businesses and families, and most importantly, how it will provide structural changes that ensure both immediate and lasting relief,” Thibeault said.

Sources have said that extremely high [delivery charges](#) in some areas of the province will be tempered and that other charges on bills, such as the global adjustment, could be shifted from hydro ratepayers to all taxpayers.

Starting January 1, the government began waiving the 8 per cent provincial portion of the HST on hydro bills, with ratepayers in the

most rural and remote areas getting a break of up to 20 per cent to help lower delivery charges.

Legislation was passed this week to [stop winter disconnections](#) of power to customers having trouble paying their bills until April 30. Anyone who was disconnected must be re-connected to the grid as soon as possible by local electric utilities.

From: Bevan, Andrew (OPO)
Sent: February-24-17 12:28 PM
To: Forgione, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Subject: Re: Globe and Mail: Ontario Liberals eye electricity market overhaul to lower rates

Thx, good story

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Forgione, Andrew (OPO)
Sent: Friday, February 24, 2017 12:22 PM
To: Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Bevan, Andrew (OPO); McEachern, Gillian (OPO)
Subject: Globe and Mail: Ontario Liberals eye electricity market overhaul to lower rates

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