Morning Media Scan: Hydro Rate Reduction - May 15, 2018

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MEDIA SCAN:HYDRO RATE REDUCTION PLAN

May 15, 2018

Click links below to view article:

Print Coverage

The Globe and Mail: Green Party releases platform, focuses on energy conservation ;; A10; 2018.05.15

ID: GAM.20180515.nwnaontelxngreens **PUBLICATION:** The Globe and Mail **EDITION:** Ontario **DATE:** 2018.05.15 **SECTION:** News **PAGE:** A10 **BYLINE:** **WORD COUNT:** 161**DATELINE:** TORONTO

Green Party releases platform, focuses on energy conservation ;

THE CANADIAN PRESS
Ontario's Green Party released its platform today, with the centrepiece promise a $4.2-billion program to give grants and loans to businesses and homeowners for energy conservation.
The Greens say they would move to a clean economy by supporting jobs in clean tech and would commit to a 100per-cent renewable energy supply by 2050.
The party wants to cancel the Liberal government's hydro plan, which gives ratepayers 25 per cent off of their electricity bills by borrowing billions of dollars.
The platform says that the signature energy conservation program can be funded in part by saving $1.1-billion by closing the Pickering Nuclear station this year and buying hydro power from Quebec.
Leader Mike Schreiner says they would also mandate 20 per cent of units in new housing builds be affordable.
The provincial Green party says that it is running a full slate of candidates and that 52 per cent of them are women.
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Toronto Star: Yes. Borrowing now ensures future capacity; Should hydro rates be subsidized?; A11; 2018.05.15

PUBLICATION:	Toronto Star
PAGE:	A11
DATE:	2018.05.15

SECTION: Opinion
EDITION: ONT
BYLINE: Jatin Nathwani
KEYWORDS: mention,hydro,rates,gentle,friends,tempted
ILLUSTRATION: The province's Financial Accountability Office estimates that Fair Hydro Plan rebates will save ratepayers $18.4 billion over the next decade. Andrew Francis Wallace/Toronto Star file photo
WORD COUNT: 761

Yes. Borrowing now ensures future capacity; Should hydro rates be subsidized?

Mention hydro rates and the most gentle of friends are tempted to raise the fist. Hydro rates have become such a lightning rod for public anger that any room for rational debate appears to be vanishingly small. If there is any time to pay close attention to context and relevant evidence, now is the time as we choose our next government.

Ontario electricity prices have increased steadily at rates above inflation over the last decade. An investment in the order of $50 billion for renewal of Ontario's aging infrastructure is the direct cause. Recovery of the debt obligations of the investment through hydro rates is the primary mechanism.

After a prolonged period of underinvestment and "rate freezes" through the 1990s, Ontario's electricity infrastructure was in need of repairs and refurbishment that culminated in a major supply crisis in 2005. A broad political consensus across all parties had also emerged - when Mike Harris was the premier - to shut down the coal stations. Coal power plants produced cheap energy but contributed heavily to air pollution in southwestern Ontario. The coal plants and numerous smog days are now all gone. Replacing old dirty generation with new has come at a cost, but we benefit from a cleaner environment and low overall health impacts.

Upgrades to the power grid for reliability and integration of new renewable generation capacity are part of these costs. We now have a clean generation supply mix and a robust delivery system not teetering on the brink of a crisis. Replacing an old "rust bucket' of a car with a newer one will always come at a higher cost. So, why do people go apoplectic over hydro rates for costs incurred to modernize the system?

Some suggest that the headlong rush into "pricey" green energy contracts for wind and solar have contributed disproportionately to hydro rates. There is truth to this observation, although the benefits of low-carbon energy have yet to be realized. Early warning signals, circa 2009, were there and red flags had gone up to reduce the impacts of high "feed-in" tariffs for green generation. Subsequent actions have resulted in a measured approach to promoting efficiency and clean energy solutions, but the fact remains that the early "high" cost of contracts are part of the price we pay for electricity. Not a single party leader has raised the spectre of tearing up the contracts. This would be costly and disastrous policy for future investments in the sector.

In response to the public demand for relief, the government's Fair Hydro Plan was implemented last year to deliver a 25-per-cent decrease in hydro rates. Ontario Progressive Conservative Leader Doug Ford dismisses this plan as a "scandal" and then, without missing a beat, accepts the 25-per-cent reduction and goes on to promise an additional 12-per-cent decrease in rates. This combines shame and scandal into one punch: disingenuous at best and not helpful at all as a policy prescription for the future.

The Fair Hydro Plan provides relief now but increases the total cost over a longer period, equivalent to stretching a mortgage. Is this an undue burden on future generations? Not exactly. We all benefit - children, adults and businesses from the investments made to ensure reliability of service well into future.

The burden of high hydro rates is particularly painful for low-income groups and seniors on fixed incomes. It is reasonable to allocate the cost of support through lower rates to these groups in the tax base as social assistance.

For rural and remote communities, the high cost of delivery is a simple feature of Ontario's vast geography. A subsidy program for these customers has been in place for over five decades and has remained unchallenged by governments of all stripes.

If we accept the principle that the cost of debt obligations of the electricity system must be paid for by users of electricity service, then hydro rates will increase in step with required investments. Policy choices that governments make for job creation, economic development and other goals must be "ring-fenced" out of hydro rates. This much is relatively simple.

Yet the public narrative on hydro rates has become so corrosive with assertions of malfeasance and bad faith, it simply breeds cynicism. Time has come to immerse our collective heads in a bucket of cold water and allow the possibility of rational political discourse to flourish.

Jatin Nathwani is the founding executive director of the Waterloo Institute for Sustainable Energy (WISE) and holds the prestigious Ontario Research Chair in Public Policy for Sustainable Energy at the University of Waterloo.

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Toronto Star: No. It would be unfair to future generations; A11; 2018.05.15

PUBLICATION: Toronto Star
PAGE: A11
DATE: 2018.05.15
SECTION: Opinion
EDITION: ONT
BYLINE: Brady Yauch
KEYWORDS: soaring,electricity,rates,become,financial,burden
WORD COUNT: 715

No. It would be unfair to future generations

Soaring electricity rates have become a financial burden to both households and businesses across Ontario. Rather than tackle the root causes of high hydro rates, policies such as the recently passed Fair Hydro Plan - which offers residential electricity customers a 25-per-cent reduction on their monthly hydro bills - create more problems than they solve.

A low-rate-at-any-cost policy such as the Fair Hydro Plan kicks the financial burden of today's hydro rates to future generations, undermines the regulatory system that is supposed to protect consumers from public utility excesses, supports further political intervention and divorces the cost of energy from the price that consumers pay for it. It also undercuts the hundreds of millions of dollars being spent annually on conservation programs. In short, it's a Band-Aid solution that, rather than helping heal the wounds that have been inflicted on the province's electricity sector, actually makes the cuts even deeper and the damage more long-lasting.

First, there's the simple fact that the lowering of today's rates is a mirage. There is no plan to lower the cost of generating and delivering power in Ontario.

Instead, the difference between the cost of generating and delivering power to customers and the 25-per-cent reduction being promised to ratepayers is accomplished through issuing debt that future ratepayers will be left to pay off. None of the costs of generating and delivering power have been reduced.

Early estimates from the province's Financial Accountability Office (FAO) show the Fair Hydro Plan rebates will "save" ratepayers $18.4 billion over the next decade, but those savings will ultimately cost future ratepayers $39.4 billion (the original amount plus $21 billion in interest). If interest rates move higher, as is increasingly looking likely, the costs of the deferral will only grow larger. The full amount of the next decade's "rebate" and tens of billions in interest costs won't be fully paid off until the 2040s.

In short, today's lower rates will cost ratepayers more in the long run and the risk that the cost of the deferral will be larger than is currently anticipated is significant.

Second, the Fair Hydro Plan destroys the credibility and mandate of the "independent" regulator, the Ontario Energy Board (OEB), which, in the wake of the collapse of Ontario Hydro, was tasked with protecting consumers from excesses that resulted in double-digit rate increases. Prior to the Fair Hydro Plan, the OEB ensured that the price consumers paid for electricity was based on the actual cost of generating and delivering that power.

But economic regulation has been thrown out the window, with the OEB now left to rubber-stamp demands from the province to set rates based on an artificial reduction, even though the regulator has in the past often blocked deferral of this kind by the electric utilities it regulates.

Unfortunately, this isn't the first policy that undermines the independence of the OEB, but rather the culmination of more than a decade of transferring nearly all decision-making in the electricity sector from independent agencies staffed by experts to political staffers at Queen's Park. The Fair Hydro Plan merely caps off this trend, making it clear to consumers and producers that the price they pay for power is increasingly a political football rather than one based on real-world economics.

Third, artificially lowering rates today undermines the province's spending of $2.2 billion on conservation

programs. Any consumers who have spent either their own money or provincial subsidies on investments needed to reduce their energy consumption (and offset soaring hydro bills) are seeing the savings from those investments being whittled down. Consumers may lose interest looking for ways to more efficiently consume power now that their monthly hydro bill has been reduced by 25 per cent. While the province celebrates the need for conservation in the energy sector, the Fair Hydro Plan rebates offer the strongest incentive to customers not to conserve.
An electricity rate reduction that increases hydro bills for future Ontarians, divorces the price of electricity from the real-world cost of producing and delivering it and works against the very conservation policies that consumers across the province have been told are good for the environment should hardly be celebrated.
Brady Yauch is the executive director and economist at the Consumer Policy Institute, a division of Energy Probe Research Foundation.

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Toronto Sun: Greens release party platform; A4; 2018.05.15

PUBLICATION: Toronto Sun
PAGE: A4
DATE: 2018.05.15
SECTION: News
EDITION: Final
SOURCE: - The Canadian Press
KEYWORDS: green,party,released,platform,billions,promised
WORD COUNT: 323

Greens release party platform

Ontario's Green party released its platform on Monday, with billions promised for energy conservation grants and mental health supports.
The Greens say they would move to a clean economy by supporting jobs in cleantech and would commit to a 100% renewable energy supply by 2050. A centrepiece promise is a $4.2-billion program to give grants and loans to businesses and homeowners for energy conservation.
The platform says it can be funded in part by saving $1.1 billion by closing the Pickering Nuclear station and buying hydro power from Quebec.
"We need to skate to where the puck is going, and not where it's been," Leader Mike Schreiner said. "The other parties are clinging to an old economy, but we see a better way forward - one where we tackle climate change, lower energy costs and spark a whole new generation of clean, well-paying jobs that will serve our children well into the future."
The party would also spend $4.1 billion over four years on mental health services, which they say they could help pay for by improving collections and reducing tax avoidance.
The Greens also support a basic income, which the Liberal government has been running a pilot project on, and would spend $3.4 billion next year to increase social assistance rates in the pilot as a first step to implementing it provincewide. They would pay for it by cancelling the government's hydro plan, which gives ratepayers 25% off their bills by borrowing billions of dollars.
The Greens are proposing to raise corporate taxes by 0.5%, and increase the income tax rate for the top 1% of earners by 1%.
The party says it is running a full slate of candidates and that 52% of them are women.
Schreiner is running in Guelph, where incumbent former cabinet minister Liz Sandals is not seeking re-election, and where Schreiner came in a close third in 2014 behind the PC candidate.

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Ottawa Sun: Greens release party platform; A4; 2018.05.15

PUBLICATION:	Ottawa Sun
PAGE:	A4
DATE:	2018.05.15
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Ottawa Citizen: Green party focuses on energy conservation; A3; 2018.05.15

PUBLICATION:	Ottawa Citizen
PAGE:	A3
DATE:	2018.05.15
SECTION:	City
EDITION:	Early

SOURCE: The Canadian Press
KEYWORDS: green,party,released,platform,billions,dollars
ILLUSTRATION: Hank Daniszewski / Green Party of Ontario Leader Mike Schreiner says, "We need to skate to where the puck is going, and not where it's been.";
IMAGES: Hank Daniszewski / Green Party of Ontario Leader Mike Schreiner says, "We need to skate to where the puck is going, and not where it's been." [OTCT_20180515_Early_A3_02_I001.jpg];
WORD COUNT: 362

Green party focuses on energy conservation

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The Greens are proposing to raise corporate taxes by 0.5 per cent, and increase the income tax rate for the top one per cent of earners by one percentage point.
They would also mandate 20 per cent of units in new housing builds be affordable, expand the protected land known as the Greenbelt, and spend more money on transit.
The party says it is running a full slate of candidates and that 52 per cent of them are women.
Schreiner is running in Guelph, where incumbent former cabinet minister Liz Sandals is not seeking re-election, and where Schreiner came in third in 2014.

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The Hamilton Spectator: Green party offers $4.2B for energy upkeep; A6; 2018.05.15

PUBLICATION: The Hamilton Spectator
PAGE: A6
DATE: 2018.05.15
SECTION: Canada / World
EDITION: First
BYLINE: Allison Jones The Canadian Press
KEYWORDS: green,party,released,platform,billions,promised

WORD COUNT:	361

Green party offers $4.2B for energy upkeep

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The Chronicle Journal: [Green party releases election platform HL:Ontario's Green party releases platform, focus on energy]; 2018.05.15

PUBLICATION:	The Chronicle Journal
DATE:	2018.05.15
SECTION:	Quebec- Ontario general news
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[Green party releases election platform HL:Ontario's Green party releases platform, focus on energy]

Green party releases election platform
HL:Ontario's Green party releases platform, focus on energy conservation
By Allison Jones
THE CANADIAN PRESS
TORONTO - Ontario's Green party released its platform Monday, with billions promised for energy conservation grants and mental health supports.
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