Afternoon Energy Media Summary - March 8, 2017

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Date: Wed, 08 Mar 2017 15:01:56 -0500

Good Afternoon,

Here is a roundup of the day's news:

Hamilton's mayor applauds Ontario's hydro plan- AM 900

The Fair Hydro Plan: "The Times They Are A Changing"… Again- Lexology

Elected Chief Hill says Ontario Fair Hydro Plan a step towards reconciliation- Two Row Times

Sudbury letter: Our plan the best – Liberals – Sudbury Star

Turbine turmoil is avoidable: Study- The Chronicle

Car makers urge Ontario to address electricity prices- MM& D

Energy Minister touts hydro plan- AM 900

CULIC: Hydro trick play might be enough to win Liberals the game- Niagara News

Hydro costs stifling local quail operation- The Chronicle

Ontario NDP has a plan to save hydro- The Spectator

NDP boss visits farm over hydro rates- The Chatham Times

- Strong winds cause power outages, property damage – CTV Windsor

Please see below ***Today in Twitter*** for news articles.

March 8, 2017

Today in Twitter

@ morninglive - Energy Minister, @GlennThibeault sits down to talk about the Liberals' new hydro plan. http://www. chch.com/?p=137127

@ Y108Rocks - @GlennThibeault joins @BenandShawna to talk about Ontario's #FairHydroPlan player.y108.ca

@ TedMcMeekin - Welcomed Minister of Energy @GlennThibeault to #HamOnt to discuss 25% electricity rate reduction, providing lasting relief for all #onpoli

@ GlennThibeault Last stop in #Hamilton today: Alectra Utilities. Their customers will see 27% to 28% off their bills from Ontario's Fair Hydro Plan

@ GlennThibeault - Good morning #Hamilton ! We're talking hydro in the Hammer, sharing details of our Fair Hydro Pla

@ JLRenn - Energy Min. Glenn Thibeault at Alectra Utilities, formerly #HamOnt Hydro, talking about gov't hydro rate cut. @TheSpec

@ alectra_HamStC - Minister of Energy @GlennThibeault now at the mic - welcome to our office here in #HamOnt

@ LizRussell900 - @GlennThibeault is in studio with @ChmlBillKelly ! @AM900CHML

@ Y108Rocks - @GlennThibeault joins @BenandShawna to talk about Ontario's #FairHydroPlan http://player.y108.ca

@ SarahWPoljanski - @GlennThibeault is making rounds talking about hydro but not mentioning that tax and rate payers are paying for these "savings". What a joke

@ SarahWPoljanski - @GlennThibeault "Reduction" . Yes because my grandkids should pay for your mistakes. Maybe the CEO making 4 million $ needs a pay cut?

@ KarenPtbo - Don't forget to thank @Kathleen_Wynne Liberals for their failed Green Energy Act and fiscal mismanagement of Ontario Hydro. #onpoli

@ ConnectedCathy - ONTARIO ELECTRICITY RATES All good problem solving begins with good questions.

@ ConnectedCathy - ONTARIO ELECTRICITY RATES What are the main causes of high rates? Who is impacted most? With answers: How best can we address it? 2/4

@ ConnectedCathy - ONTARIO ELECTRICITY RATES Answer: Cap salaries of energy executives, stop nuclear energy, buy electricity elsewhere + targeted rebates ¾

@ ConnectedCathy - ONTARIO ELECTRICITY RATES Stop the spin. Stop trying to score points. Start cooperating. Thx @MikeSchreiner . http://www.cbc.ca/player/play/892430403540 … 4/4

@ votelau - Will #nuclear bankrupt @OntarioHydro ? @TorontoStar @MikeHudema @MikeSchreiner @ThatArcher @BrianGallantNB #onpoli http://smartershift.com/energymix/2017/03/07/power-price-cut-could-drive-ontarios-nuclear-generator-into-bankruptcy/ …

For the days visuals, click here

Hamilton's mayor applauds Ontario's hydro plan

By: Rick Zamperin

For: AM 900

On: March 8, 2017

Hamilton's mayor is applauding the province's latest move to lower electricity bills.

Fred Eisenberger says the Liberal government's 25 per cent reduction "is a very positive step for the city's hydro customers."

Eisenberger says he credits the government for listening to Ontarians and implementing what he calls "dramatic" reductions.

He adds many Hamiltonians, especially those who rely on social services, have called his office to complain about hydro rates.

Eisenberger says he's also heard from many local businesses who share the same concerns.

The Fair Hydro Plan: "The Times They Are A Changing"… Again

By: Borden Ladner

For: Lexology

On: March 8, 2017

The Ontario government's March 2, 2017 announcement of its "Fair Hydro Plan" marks a historic shift in direction in an electricity sector that has witnessed many transformational events over the past 25 years.

Historical milestones include:

- * Premier Bob Rae's appointment of Maurice Strong to restructure the former Ontario Hydro — 1993;
- * The Macdonald Committee Report in 1995 recommending a market-based alternative to the old Ontario Hydro;
- * Carl Andognini's 1997 report on major deficiencies at Ontario's nuclear reactors;
- * Market Design Committee and Bill 35 that restructured the electricity sector — 1998 to 2000;
- * Electricity Market opening/closing and the imposition of a province-wide electricity rate freeze — 2000-2002;
- * The coal phase-out announcement and the elimination of the rate freeze because "consumers must pay the real price for electricity" — 2003;
- * The *Green Energy Act* — 2009; and
- * The Fair Hydro Plan, March 2, 2017, severing the link between costs and rates.

The following offers preliminary observations on possible implications of this latest electricity policy development.

Ontario Energy Board: What will constitute "just and reasonable rates"?

Ontario's Fair Hydro Plan proposes to cut electricity bills of residential customers by 25%, in part by refinancing the Global Adjustment (GA). The Ministry of Energy (MOE) Backgrounder states that the government intends to introduce new legislation that will, among other things, outline the role for the Ontario Energy Board (OEB) in the GA refinancing.

By severing the link between rates and costs with the slack picked up by new debt instruments, the fundamentals of normal public utility regulation may no longer apply. In addition, shifting significant costs that directly relate to the provision of electricity services, from electricity customers to taxpayers, comingles the interests of ratepayers and taxpayers in ever more complex ways. These changes will likely raise a host of interesting questions concerning how the OEB discharges on a go forward basis, its various regulatory responsibilities involving distributors, transmitters, Ontario Power Generation and the Independent Electricity System Operator (IESO).

For example, could the OEB's legislated guiding principles be revised to expressly include a new mandatory criterion of only establishing "just and reasonable *intergenerational* rates?" Factual challenges in applying such a standard will be exacerbated if, as many believe, the electricity sector is on the doorstep of fundamental change through the emergence of new disruptive technologies such as lower distributed generation costs, self-sustaining micro grids and competitively priced storage options. In short, is the electricity sector today where the telecommunications industry was 25 years ago before profound technological changes completely, and permanently, altered how that industry operates? When the time comes to clear unpaid electricity accounts, will pressures caused by load declines accelerate?

Continuing this theme, suppose an OEB regulated entity advances and receives regulatory approvals for a capital program for assets expected to have a useful life of 40 years. But as a result of disruptive technology changes, it turns out that the useful life of those assets is really only 15 years. The result is the creation of stranded costs. Will intergenerational equity be served if future generations pay for stranded costs because the generation advancing and approving the expenditure "made the wrong bet" on technology? On the other hand given that the vast majority of utilities in Ontario are owned by either the province or municipal governments, ultimately taxpayers are the ones "on the hook" for stranded costs. Could the focus on intergenerational equity result in more short-lived investments being made by regulated entities as a means to mitigate such risk?

We note that part of the MOE's rationale for the Fair Hydro Plan is "decades of under-investment in the electricity system by governments of all stripes resulting in the need to make significant investments in generation, transmission and distribution assets." Beyond the reality that it is utilities — not government — that make these investments (and who have tried but failed in the recent past to achieve even greater system renewal investments, in some cases through the OEB process), will the sector-wide rate decrease provide a window of opportunity for utilities to accelerate and increase the quantum of infrastructure renewal applications? Since rate impacts associated with those investments appear to be mitigated through spreading costs amongst taxpayers as opposed to solely relying on ratepayers to recoup such expenditures, will the Fair Hydro Plan help facilitate greater and faster utility investment in infrastructure renewal?

Senior management and their boards of directors identify areas of risk facing their various lines of businesses and implement strategies to manage such risk. Some may predict the Fair Hydro Plan to be a Black Swan event. Is it another reminder that Ontario's electricity sector can be subject to sudden, dramatic changes that can permeate through both regulated and competitive business lines? What the Fair Hydro Plan ultimately means for the business plans of utilities, generators, energy marketers and others will need to be carefully considered, including potential new opportunities associated with the proposed Affordability Fund. Even if certain stakeholders, such as generators, may not be as immediately affected as others by the proposed Fair Hydro Plan, the overall and longer term policy and system implications are yet to unfold.

In a sector where stakeholders have often stressed the need for stability and predictability, the Fair Hydro Plan once again gives managers and directors reason to pause to consider the extent of control that they ultimately have on their businesses.

In 2003 former Energy Minister Dwight Duncan said, "The days of using energy as a political football are over. We are sending a clear signal that this government intends to deal with electricity issues in a practical, transparent and sensible way."(November 25, 2003)

Recent events illustrate how Ontario's electricity policy environment continues to be subject to pendulum swings.

One of the conclusions of the 2012 report of the Commission on the Reform of Ontario's Public Services, chaired by Don Drummond, was that consolidating the Ontario electricity distribution sector would result in approximately $1 billion in cost savings. Even if consolidation of the 60 or so remaining LDCs into 6 to 10 regional utilities could be achieved immediately, the entire $1B in projected cost savings would only fund about 5 months of the new GA refinancing costs under the Fair Hydro Plan.

While the rationale supporting continued LDC rationalization remains (beyond cost reduction) such as LDCs' need for new capital, mitigation of the risks of disruptive technology, etc., some municipal owners may decide to defer consolidation options since the rate relief promised with the proposed Fair Hydro Plan might provide a basis to postpone dialogue on this often controversial topic into the future (and after the next municipal election to be held in the fall of 2018).

The government forecasts that the Fair Hydro Plan will initially reduce the GA by $2.5B per year for the first 10 years, with associated interest costs potentially as high as $1.4B annually. In addition, the government estimates a further $2.5B per year for the next 3 years in costs to implement the Fair Hydro Plan's electricity support and conservation programs, which are aimed at providing rate relief to residential consumers, small businesses and farms. We also know that other large costs will be added to the system in the next few years, including nuclear refurbishments at Bruce and Darlington. Further significant costs are also expected for on-going utility infrastructure renewal amongst other cost drivers.

The question arises whether the Fair Hydro Plan is sustainable over the long or even medium term given the range of additional significant new costs that will also require servicing.

Stakeholders would benefit if the Province (or one of its agencies) produced an annual consolidated balance sheet showing the total revenue requirement for the entire Ontario electricity sector. We note that the former Ontario Hydro prepared consolidated balance sheets that were made publically available. Having one consolidated balance sheet would allow the sector and general public to understand the actual financial impacts and track liabilities which would foster greater transparency, an issue that has been an on-going concern for some time.

The Fair Hydro Plan Backgrounder states that the IESO's Market Renewal initiatives are estimated to save at least $200 million per year starting in 2021. Consideration will need to be given to how IESO Market Renewal issues could be impacted as a result of the Fair Hydro Plan. For example, given the forecast of up to $25 billion plus interest in increased costs for GA financing, could a new IESO Market Renewal priority be the consideration of strategies to *increase* electrification demand in order to enhance electricity system revenues overall? In other words, reimagine Demand Side Management to foster strategies aimed at managing demand up?

The Fair Hydro Plan could also produce unintended consequences relating to Market Renewal. For example, could pressure be brought to bear against self-generation to avoid revenue leakage from the system — perhaps an outright ban on rooftop solar? This issue could reflect another component of the intergenerational equity debate — the propriety of allowing some customers, who are currently connected and receiving electricity services, to disconnect from the grid that previous/current generations have largely paid for and enabled?

[Elected Chief Hill says Ontario Fair Hydro Plan a step towards reconcilliation]

By: Staff Post

For: Two Row Times

On: March 8, 2017

TORONTO — First Nation leaders say the announcement from Premier Kathleen Wynne committing to eliminate hydro delivery charges for on-reserve citizens, among other benefits, will provide significant financial relief to First Nation communities while strengthening the Political Accord between the Province and First Nations.

“Each one of our community members will benefit from Ontario’s Fair Hydro Plan. This is a step towards reconciliation and recognition of our inherent rights as Treaty Holders,” said Six Nations of the Grand River Chief Ava Hill. “I am grateful that Premier Wynne and Minister Thibeault listened to our concerns and took action.”

Ontario’s Fair Hydro Plan, announced Thursday, would lower electricity bills by 25 per cent on average for all residential consumers in the province. It will also eliminate the monthly service charge for customers of licensed distributors which charge a bundled rate.

“The elimination of the delivery charge will assist our citizens by reducing energy poverty in our communities. It also represents recognition for the use of the land in the development and expansion of the provincial energy grid,” said Ontario Regional Chief Isadore Day. “Poverty, lack of opportunity and choosing to pay for electricity over food is a reality that affects our people. [This] commitment by the Ontario government is commendable and allows a path forward for greater quality of life for First Nations in Ontario.”

The plan includes the First Nations On-Reserve Delivery Credit, a complete elimination of the delivery charge for on-reserve First Nations citizens and an overall 25% reduction of the overall bill.

Additional enhanced relief through the Rural or Remote Electricity Rate Protection, at approximately $75 a month for Hydro One R2 customers and $18 month for Hydro One R1 customers.

A New Affordability Fund will provide consumers up front funding for energy conservation measures such as cold climate air source heat pumps, insulation, weather stripping, energy efficient lighting, energy efficient appliances and windows.

Another enhancement is also being added to the Ontario Electricity Support Program which includes indigenous specific support of up to $113.

“We appealed to the Wynne government and they responded, not only to First Nations, but to all Ontarians. We acknowledge Premier Wynne and her cabinet for such a bold and humane decision. This demonstrates that the Wynne government is dedicated to reconciliation through meaningful action,” said Association of Iroquois and Allied Indians Grand Chief Gord Peters. “We got everything we asked for, plus. This strengthens our Political Accord with Ontario and lays a better foundation for further negotiations.”

In June 2016, the Minister of Energy directed the Ontario Energy Board (OEB) to examine options for an on-reserve First Nation Energy Rate. Through the fall of 2016, the Chiefs of Ontario in collaboration with the OEB held a series of engagement sessions with First Nations to capture feedback on current hydro rates, ultimately working towards a First Nations specific rate.

Throughout the sessions, it became clear that current hydro rates were unaffordable and creating an additional level of stress within communities dealing with several other socio-economic issues.

Participants expressed frustration that First Nation citizens were struggling to afford a service that was built upon the resources identified within their Treaties. Based upon the outcomes of this engagement, the Chiefs recommended that the Delivery Charge be waived for First Nation citizens.

The changes are expected to be implemented by the summer of 2017.

Sudbury letter: Our plan the best - Liberals

MPP Glenn Thibeault

Sudbury Star

March 8, 2017

On Thursday, we announced the largest cut to electricity rates in Ontario's history. Recognizing that ratepayers in and around Sudbury are struggling, we are lowering electricity bills 25 per cent on average for families. Many small businesses and farms would also benefit from the initiative. For those living in rural communities or with low incomes, the break will be even greater. Rate increases over the next four years will also be held to the rate of inflation for everyone. Bringing rates down substantially and fixing the system's structure - that's an approach we believe in. It's better for Ontario and it's fairer for families. And Ontario's strong, growing economy allows us to do it while also delivering a balanced budget this spring.

While our plan provides fast, substantial, widespread and long-lasting relief, Patrick Brown and the Conservatives have yet to bring forward anything credible. Their main idea - halting the broadening of Hydro One - won't take one cent off electricity bills. It's both wrong and irresponsible for them to continue to repeat that incorrect information. As they well know, energy rates will continue to be set by the independent Ontario Energy Board, which has a mandate to protect ratepayers. And Brown's push to rip up energy contracts would lead to increased rates, lawsuits and penalties.

Under our plan, electricity rates will come down, stay down and benefit families and businesses across the province. By providing real, long-lasting relief, our Fair Hydro Plan makes sense for Ontarians.

Glenn Thibeault
Minister of Energy
Sudbury MPP

Turbine turmoil is avoidable: Study

By: Staff Post

For: The Chronicle

On: March 8, 2017

Wind farms don’t have to be a flashpoint for community resentment, if the benefits are spread around.

That’s the conclusion of a study by two Western University geography researchers who compared the relatively smooth rollout of wind farms in Nova Scotia with the often hostile reception in rural Ontario.

Chad Walker and Jamie Baxter surveyed residents in ten communities as part of the study. They found support for wind farms in Nova Scotia was three times higher than Ontario because provincial rules require more community control.

In Ontario, there's a perception the corporate owners of wind farms and the owners of the property where they're located are the only winners, Walker said.

"People in the area don't feel like they are benefiting . . . It's not the technology, it's the way it is introduced."

Nova Scotia's Community Feed-in-Tariff program required community involvement.

"They would not be approved unless the local community owned 51 per cent," Walker said.

By contrast, almost all Ontario wind projects are owned by large corporations, he said.

The pushback against wind farms in Ontario has been unusual, especially compared to continental Europe that had a big head start in wind energy, Walker said.

"Most places in the world do not see this high level of opposition."

In Ontario, local municipalities were left almost powerless to control the projects. Politicians and residents of Dutton-Dunwich in Elgin County were stunned last year when the province awarded a contract to a

Chicago-based firm to build dozens of industrial turbines there. The municipality had declared itself an unwilling host to wind farms after 84 per cent of residents who voted in a referendum opposed them.

The Western study included surveys of residents in three communities in Ontario — Adelaide-Metcalfe west of London, Norwich Township in Oxford County and Wainfleet in Niagara Region — and seven in Nova Scotia.

Walker said they only studied public acceptance of wind farms, not their economics.

The Nova Scotia government cancelled its program, not because of opposition, but because of concerns it would drive up electricity rates.

Jane Wilson, president of Wind Concerns Ontario, a coalition of groups opposed to wind farm development, said the Western study shows local support of a wind farm should be required.

"Municipalities should be able to say no, which is not allowed by the province. The Green Energy Act was written for the wind power industry and not the people of Ontario," she said.

Robert Hornung, president of the Canadian Wind Energy Association, said Ontario wind farms have met more opposition because of the rapid development and greater population density.

"Requirements for community engagement and participation are getting more stringent. It's hard for a project to be successful if it does not have broad community support."

Wind energy companies are trying to broaden community benefits of wind farms by compensating owners of neighbouring properties and creating community funds.

[Car makers urge Ontario to address electricity prices]
By: Staff Post
For: MM & D
On: March 8, 2017

TORONTO, Ontario—The Ontario government's recent announcement that it is rolling back hydro rates for households appears to do nothing to address a climate of investment uncertainty related to the urgent need to address out of control Class A industrial electricity rates that can be as high as 2 to 3 times higher in Ontario than in competing auto jurisdictions, the Canadian Vehicle Manufacturers' Association (CVMA) said in a statement.

"We will continue to reach out to the province to see what can be done but this is a major disappointment for vehicle assemblers and their parts and component manufacturing operations", said Mark Nantais, president of the Canadian Vehicle Manufacturers' Association.

Auto manufacturing contributes employment for over 124,000 Ontarians and contributes millions to the provincial economy each year. High electricity rates that remain uncompetitive with other jurisdictions vying for automotive investment is an issue exacerbated by future carbon pricing and cap and trade policies.

These are policy issues that need to be addressed in the short term to support Ontario's vehicle manufacturing competitiveness and temper the overall cost of doing business in the province, the CVMA said.

[Energy Minister touts hydro plan]

By: Shiona Thompson

For: AM 900

On: March 8, 2017

While in Hamilton, Ontario Energy Minster Glenn Thibeault stopped by the CHML studios to speak with Bill Kelly.

He's been on a road show to sell the benefits of the 17 per cent hydro rate cut and admits the single source green energy contracts have added to energy costs.

However, Thibeault says the two opposition leaders promises to rip up those contracts are not feasible because that would only add to the costs.

The minister says collaborative work will continue to keep energy costs down beyond 2021, the length of the hydro rate cut plan.

[CULIC: Hydro trick play might be enough to win Liberals the game]

By: James Culic

For: Niagara This Week

On: March 8, 2017

It’s being called a ‘hydro hail Mary’ from the Ontario government. Others are calling it a financial shell game that merely kicks the can down the road a few decades.

I’d be more inclined to call it a desperate political maneuver that merely puts a bandage on a gaping chest wound. It’s as if they witnessed a guy getting mercilessly beaten down in a back alley, and they intervened, but only to tell the attackers to beat him slower and over a longer period of time.

It’s also devilishly clever, and just crazy enough to get those crafty Liberals elected once again.

With Ontario’s increasingly absurd hydro prices continuing to soar, the governing Liberals are feeling the heat. Polls show staggering levels of negativity directed at the government; all of it directly attributed to the skyrocketing hydro rates.

Viewed as the soft spot that could finally fell the Liberal giant, the David’s began winding up their slingshots last week. On Monday, the NDP cast their stone, unveiling a plan they said would cut hydro rates by 30 per cent. That plan, announced with great fanfare by NDP leader Andrea Horwath, included letting people opt out of the time-of-use pricing scheme, and (somehow) getting the federal government to drop HST from hydro bills.

The PC party has been less specific about their hydro plan, but leader Patrick Brown has repeatedly said he would (somehow) scrap or renegotiate the costly Green Energy Act contracts, which are soaking up massive subsidies and costing the taxpayers billions.

Then, after a week of taking a beating on the hydro file, the Liberals came out of left field with a surprise announcement: they would be (somehow) cutting hydro bills by 25 per cent.

Right out the gate, however, the numbers seemed a bit wonky. For starters, that 25 per cent figure includes the 8 per cent cut which is already in place because the provincial portion of the hydro tax bill was dropped back in January.

Digging further in, it’s immediately evident that the plan wouldn’t really provide much relief to hydro customers, but rather, would simply lower the payments in the short term by shifting billions of dollars to the larger provincial tax base, while spreading the hydro debt out over a longer term.

Those costly green energy contracts? They’re still in place, we’re just paying them off more slowly now. A lower individual hydro bill sounds like a good thing, until you realize that over the next 30 years, we’re picking up the tab for those payments with an extra $25 billion in interest payments.

The Liberals gleefully pitched this plan as being akin to “remortgaging your house” to lower the monthly payments. What a great metaphor, because everybody knows that remortgaging your house is something people do when they are in a great financial position, and the benefits of lower monthly payments have no consequences, right?

Of course not. As anyone can tell you, remortgaging your house simply means you will pay much more in the long run. And that’s all that’s happened here.

And yet, pulling a hydro spin-o-rama to toss more debt onto the provincial books — $300 billion and counting — is probably going to be enough to appease voter concerns and save the Liberals yet again from a deserved ousting from Queen’s Park.

While the opposition parties will make sweeping claims about lowering hydro bills, the truth is that Ontario’s energy situation is broken beyond repair, and hefty hydro bills aren’t going away anytime soon. What no one wants to seem to acknowledge is that the hydro situation was allowed to spiral out of control because income inequality created the conditions to let it do so.

The people steering the boat and controlling the hydro rates are all fat cat high earners with zero regard for the hardships of middle-income families trying to pay hydro bills.

The people who work for the energy companies are, literally, the highest paid people in the province. Ontario Power Generation's CEO has topped the Public Salary Disclosure list for the last two years, with a $1.5 million salary. Over at the Ontario Energy Board -- the folks in charge of regulating hydro rates -- their CEO earns $512,000 annually, and there are 97 other people from the OEB who all earn more than $100,000. The CEO of Hydro One earns a staggering $4 million when all his various benefits and incentives are added to his annual salary.

MPPs will claim to understand the plight of the frustrated hydro consumer, but with a salary of $116,000 they aren't exactly feeling the pinch for higher hydro bills themselves.

So at every level of the hydro situation, we have exorbitant salaries insulating the people in charge of hydro rates from actually being affected by those rates.

And now we have the Liberals pulling some financial trickery to make it seem like they've cut us a sweet deal on hydro rates, when in fact the opposite is true.

Unfortunately, the smoke and mirrors hydro ploy just might do the trick and let the Liberals cling to power a bit longer. I hope not. I hope the hydro boondoggle finally sinks the Liberal ship, not because I hold some deep-rooted disdain for the Liberals, or a strong fondness for any of the opposition parties, but simply because it's time.

After 15 years at the helm, the Liberals have been in power too long. They've grown too cozy with too many sectors of the province, including the vast and varied teacher's unions, and the subsidy-crazed green energy producers.

It's high time someone else had a go at unfracking Ontario's shambolic hydro system.

Hydro costs stifling local quail operation

By: Ellwood Shreve

For: The Chronicle

On: March 8, 2017

Postmedia Network

Over the past 12 years, Scot and Cheryl Ryckman have developed an ideal niche operation with their quail farm in Duart.

It's the only one of its kind in Canada that produces quail meat, and the demand is high from among their clientele across North America.

In fact, things were going so well the Ryckmans invested in a production plant in 2015 to make it a "start-to-finish" operation that produces more than two million quail annually.

But skyrocketing electricity costs have not only made operating their business, Nipissing Games Farm, a challenge, it's also stifled the chance for expansion.

Scot Ryckman said they have the opportunity to double their production, but the current cost of hydro is keeping them from making that investment.

They originally estimated their monthly hydro costs would go from $1,400 to $1,500 to about $4,500 with the new production plant, but not the nearly $7,000 their latest hydro bill came in at. The bill is also $600 above their February 2015 bill.

Ryckman said most of the increases are due to high delivery charges and global adjustment fees on the bill. The delivery charge for their last bill was $2,048 and the global adjustment fee was $2,588, for a total of $4,636.

He said they recently spent $30,000 to install “frequency drives,” which is a three-stage system for motors to run at peak efficiency. That resulted in a 40 per cent reduction in consumption for the operation.

“But there's been no change in the bill,” he said.

And so the Ryckmans have raised the price for their quail meat.

“Without the increase in the sale price . . . there would be no profit. We'd be in a loss situation,” Ryckman said.

Cheryl Ryckman said they have raised the price to $125 per case of 72 birds from $120, beginning June 1.

That isn’t sitting well with customers whose locations range from the northeastern United States to Texas and California, as well as British Columbia and Quebec.

Ryckman said demand is so great for their product, especially among various immigrant populations where quail is a diet staple, that they are sold out of birds until mid-June.

“The sales are great, we just need to be making a profit,” she said.

The Ryckmans' operation has 35 full-time employees in the processing plant, four full-time employees on the farm operation, along with another 35 to 40 part-time positions for students hired to catch the quails to be processed.

Ontario NDP leader Andrea Horwath visited their farm on March 1 as part of a tour to get first-hand stories about the impact of skyrocketing prices.

She said part of an NDP plan to get hydro costs back under control would be to bring Hydro One back under complete public ownership, to stem the impact privatization of the electricity system has had on rates.

“We've allowed our system to have more and more private profits built in,” Horwath said.

She said Manitoba and Quebec have kept their hydro systems publicly run and residents and businesses there are paying less than half of what Ontarians are paying.

“We have to have a system that's working for the people of Ontario.”

Horwath said the NDP also plan to end time of use pricing, which peaks at above 18 cents a kilowatt-hour, to a flat rate of 10.3 cents per kilowatt hour, estimated to create a savings of 10 per cent.

The NDP plan also calls for eliminating the unfair delivery charge to rural and small towns and make it equal to the delivery charge paid by urban hydro customers.

Another aspect of the NDP plan calls for eliminating the over-production of hydro, which has resulted in high global adjustment prices as the province sells off excess hydro at cheap prices to neighbouring jurisdictions, which is subsidized by Ontario customers.

When asked what he thinks are the chances of seeing a significant drop in hydro rates anytime soon, Scot Ryckman, said, “I'm not real confident in anybody being able to get (hydro costs) back under control.”

But he said he will support whatever political party is able to meet that challenge.

The couple has recently been contacted by someone interested in buying their operation and moving it to the U.S. where the cost of electricity is cheaper.

They are proud of what they have built and have dreamed of their children taking over the business some day. But if selling is what they have to do to take care of their family, they say that's what they'll have to do.

Ontario NDP has a plan to save hydro

By: Andrea Horwath

For: The Spectator

On: March 8, 2017

Ontario is at a tipping point. High hydro bills are hurting families, driving people and employers out of the province, and keeping new investment away.

Last week, I released my plan to lower hydro bills by 30 per cent. It includes ending time-of-use pricing, scrapping unfair delivery charges and several other measures that will deliver immediate savings for everyone on their hydro bills.

It also fixes the system for the long-term by returning Hydro One to public hands — because owning it is a win-win that will deliver lower bills, permanently, and put $7 billion back into the province — money that can go into schools and hospitals.

So, when Premier Wynne rolled out her plan, it's fair to say I joined Ontario families in being frustrated. It's a borrowing scheme that gives an additional $40 billion in interest payments to bankers. That's $40 billion that everyday Ontarians will pay for, one way or another.

The difference is clear: over the next 30 years, the Liberal plan will see as much as $40 billion in additional interest payments flow to banks, while our plan sees the province earn over $7 billion in the same time frame as a result of public ownership. That's $7 billion we can use to reduce rates, invest in schools and hospitals, and build transit.

We've all heard the heartbreaking stories of families, businesses, farmers and community organizations that are close to the breaking point. Despite their enormous efforts and improvements in efficiency and conservation, their bills continue to skyrocket.

I think of the single mom in Kitchener who had to choose between paying the hydro bill, or buying Christmas presents. I think of Charlene in Sault Ste. Marie. She works two jobs, and her husband works full-time, and they're drowning from the cost of hydro. I think of the curling club in Welland that may have to close its doors because of the hydro bills. It should never have come to this.

We all know that we have to fix the cost of hydro in the province. But the contrast between the plans couldn't be more clear.

My plan helps people. Premier Wynne's plan helps bankers. And Patrick Brown and the Conservatives have no plan at all.

Any relief that borrowed cash provides will be short-term — and, of course, for a premier seeking re-election, that might be enough. Ontarians I've spoken to across the province this week say they're worried that loan will show up on their bills right after the election.

And the Liberal plan does nothing to address the underlying issues in Ontario's hydro system.

Premier Wynne still plans to continue the sell-off of Hydro One, which will drive our bills up even further. And the Liberals refuse to stop unfair rural delivery charges or time of use premiums. Their scheme does nothing to address the private power contracts that continue to drive up our hydro bills, and it fails to end oversupply payments, where we actually pay private and foreign corporations for power we don't use.

I want to be very clear: Ontario's New Democrats will give careful consideration to any measure that will help ease the hydro burden Ontarians are facing. But this Band-Aid financing scheme does nothing to address the root cause of the problem. Bad contracts with private and foreign corporations, and a sale on public assets are still at the core of the Liberal plan.

In my plan, there are real, concrete measures we can take today that will start reducing bills immediately, including fixing unfair delivery costs, ending mandatory time-of-use rules, capping private profit margins, bringing real oversight to electricity prices, and using tax benefits to help hydro users, not bankers.

The NDP plan will actually fix the system, today, and for generations to come. It will lower rates immediately, and repair the mess the Conservatives and Liberals have made with their privatization and bad contracts — contracts that benefit private and foreign corporations, and not everyday bill-payers. We will end unfair delivery charges and time-of-use pricing, so people aren't paying a ridiculous premium for doing things like living in a small town or making dinner for their kids.

Our plan is online for all to read (ontariondp.ca/hydroplan). I encourage Ontarians to take a look for themselves.

Andrea Horwath is the leader of Ontario’s New Democrats.

NDP boss visits farm over hydro rates

By: Staff Post

For: The Chatham Voice

On: March 8, 2017

Special to The Voice

Scot and Cheryl Ryckman would like to double the size of their Highgate-area quail farm.

But they can’t. Sky-high hydro bills are crippling their expansion plans.

“This is lost business for the province,” a frustrated Scot said at the couple’s Nipissing Game

Farm recently.

It's also threatening the Rycksman's dream of passing the family business onto their two young children.

"We love the rural life and we'd love them to take it over," Cheryl explained.

NDP leader Andrea Horwath got a firsthand look at the Ryckman's plight last week as part of a provincial tour to examine the effects of skyrocketing electricity bills on rural Ontario.

If elected in 2018, Horwath has promised an electricity rate rollback of 30 per cent.

Horwath says farmers like the Ryckmans are in dire need of relief from skyrocketing power charges.

The Ryckmans paid $6,862 for electricity last month, up from $1,936 in February 2014.

The fee for actual power used amounts to only about a third of the bill.

The electricity bill totals are staggering. In 2016, the game farm's power bill for the entire year was a whopping $77,600, mushrooming from $26,400 just two years prior.

Horwath says it's a classic example of what's happening across rural Ontario.

"All around the province, people can't pay their bills," Horwath explains. "Farmers are being threatened … this is not sustainable."

Kathleen Wynne's Liberals are squarely to blame, the leader notes. The government's support for the 2009 Green Energy Act — along with privatizing 30 per cent of publically owned Hydro One — has created a costly nightmare in Ontario.

The Ryckmans agree.

The farm — which processes close to 2.5 million birds per year — is the sole Canadian producer and is doing a brisk business in the U.S. and Canada.

"We're selling into mid-June," Cheryl said, adding they would like to increase production, but those are "extra costs I just can't incur right now."

Additionally, Cheryl Ryckman says, Nipissing Game Farm is the only Health Canada sanctioned quail plant in the country.

It's also the only operation to produce Halal meat for the burgeoning Islamic population.

Quail is considered a Muslim delicacy and is extremely popular for holidays and special occasions.

The Halal meat tradition dictates the birds must be killed by a fellow Muslim using a customized cutting method.

Cheryl says the company can't meet the demand, even though they've raised prices to combat the electricity overhead.

"We could double our Halal sales," she explains, but "all of our funds are going to hydro."

With close to 80 full and part-time workers, Nipissing is a major employer in east Chatham-Kent. Cheryl says another 30-40 jobs could be added if the Ryckmans could expand.

It’s not like they haven’t tried to cut costs. Scot has spent $30,000 on state-of-the-art equipment, and while he’s managed to drop usage by 40 per cent, the bill continued to climb.

“Everything is brand new,” Scot says of the processing plant that was updated only two years ago.

“We’ve done as much as we can do.”

Rural Ontarians have been put at a distinct disadvantage, Horwath said. Unlike their urban counterparts, they must pay fees to deliver power.

Add-on fees are another problem, she explains, as consumers must pay a global adjustment charge.

The adjustment charge serves to fund Green Energy contracts, Horwath says, leaving hydro customers on the hook subsidizing private hydro producers, well above the actual cost of producing the electricity.

For the Ryckman’s, the global adjustment charge comprised nearly $2,500 on their latest bill and delivery costs were approximately $2,000.

Horwath says an NDP government would bring the kilowatt per hour rate down to 10.3 cents, as opposed to the current inflated 18-cent price tag.

The NDP would also reverse the privatization of Hydro One, and break current Green Energy contracts, paying them out if necessary.

According to Horwath, her party will also stop the excess production of hydro in the province, to halt the sale of power to out-of-province that are getting it at bargain basement rates.

Horwath says high hydro rates are damaging Ontario’s future.

“People are feeling they’re not able to build a good life here anymore. Hydro isn’t a luxury,” she said. “People need it to survive.”

In an ironic turn of events, on the same day Horwath visited Chatham-Kent, the Wynne government announced it a 25-per-cent cut to hydro rates.

Its plan is to cut hydro rates by 17 per cent; in addition to the eight per cent HST rebates which took effect in January.

However, the cuts mean the government will be facing a large increase in interest payments on its generation contracts, extending them over a longer period.

Horwath says the plan comes up short and that the government is simply delaying payments it have to make eventually.

Strong winds cause power outages, property damage

CTV Windsor
March 8, 2017

The strong winds are causing problems throughout the area, from downed hydro lines to property damage.

EnWin is advising the public that the wind is causing problems with EnWin’s local distribution system and Hydro One's transmission system.

A news release states that crews are being dispatched to investigate and repair the affected services.

"…We are working diligently to try to restore power to a number of areas," the release says.

EnWin is asking that the public remain calm and that the company is responding as quickly as possible.

There are reports of trees and hydro lines down in many areas of the city. A link in this story shows wear there are hydro issues.

Winds gusts are as high as 90 kilometres an hour.

Outside of the city, problems are also keeping crews busy.

Hydro pole and wires are down on Morse Road, north of Highway 3 in Leamington. Morse Road in closed.

In Chatham-Kent, the strong winds in make dust appear like fog in the county.

Chatham-Kent OPP say Highway 401 is closed at mile marker 105 due to a snapped hydro polce blocking the westbound lanes. Westbound traffic is being rerouted to Victoria Road.

Provincial police say they have closed the Burlington Skyway in both directions due to high winds.

Sgt. Kerry Schmidt says the wind toppled a transport truck on the bridge. The truck was empty and no injuries have been reported.

The winds are expected to diminish by Wednesday evening.

Visuals

Glenn Thibeault @GlennThibeault · 3h

Last stop in #Hamilton today: Alectra Utilities. Their customers will see 27% to 28% off their bills from Ontario's Fair Hydro Plan

1 7 3

Glenn Thibeault @GlennThibeault · 7h

Good morning #Hamilton! We're talking hydro in the Hammer, sharing details of our Fair Hydro Plan

2 4

Ted McMeekin, MPP
@TedMcMeekin

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Welcomed Minister of Energy @GlennThibeault to #HamOnt to discuss 25% electricity rate reduction, providing lasting relief for all #onpoli

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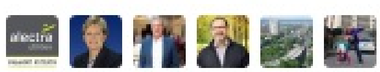

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Energy Min. Glenn Thibeault at Alectra Utilities, formerly #HamOnt Hydro, talking about gov't hydro rate cut. @TheSpec

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@alectra_HamStC

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Minister of Energy @GlennThibeault now at the mic - welcome to our office here in #HamOnt

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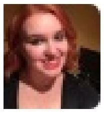

LizRussell900 @LizRussell900 · 4h

@GlennThibeault is in studio with @ChmlBillKelly! @AM900CHML

1 2 1