Afternoon Energy Media Summary - May 31, 2017

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Date: Wed, 31 May 2017 15:05:36 -0400

Good Afternoon,

Here is a roundup of the day's news:

- Ontario Passes Legislation to Lower Electricity Bills by 25 Per Cent- Ontario.ca
- Hydro One CEO defends multimillion-dollar salary during visit to Windsor- CBC
- Time-of-use electricity pricing not significantly reducing Ontario's demand- Cleantech Canada
- Smart meters prompted 'very small' decrease in electricity use: study- Kitchener CTV
- Provincial hydro bill subsidy program goes largely unnoticed by Londoners- Global News
- FAO confirms balancing budget with one time sale of Hydro One will worsen Ontario's long-term outlook- Digital Journal

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May 31, 2017
Today in Twitter

- @CdnGrantExpert - Ontario Businesses Can Reduce Electricity Costs by Accessing Save on #Energy Incentives: http:// hubs.ly/H07Bzwf0 @oncleanair @PLANT_Magazine
- @MikeSchreiner - Least-Cost Analysis for Ontario Climate Plan Favours Efficiency, Renewables Over Nuclear | The Energy Mix #onpoli https://t.co/L2nZvryEcj
- @ONenergy - Ontario Passes Legislation to Lower Electricity Bills by 25 Per Cent https://t.co/MIM2mkpwZL
- @360_energy - Environmental Commissioner's new report: reducing the energy footprint of Ontario's water use: http://ow.ly/hAgZ30cc67t
- @CUPEOntario - "I am so proud that we are suing the premier and the ministers of energy & finance for the sale of #HydroOne " #BeBoldBeBrave @FredHahnCUPE
- @alabamawind - Ontario's energy policies direct harms are creating energy poverty. Green Energy Act is part of this cause and… http://dlvr.it/PHMnr7
- @HassanHusseini2 - @CUPEOntario pres @FredHahnCUPE pledges 2 fight @OntarioHydro privatization in streets & courts @OttawaCUPE @rankandfileca #CUPEON17
- @TheEnergyRT - Special thanks to @GlennThibeault @PierreArcand & moderator

@tomclarkGPA for opening yesterday's conversation.

Ontario Passes Legislation to Lower Electricity Bills by 25 Per Cent
By: Ministry of Energy
For: Ontario.ca
On: May 31, 2017

Ontario passed legislation today that will lower electricity bills by 25 per cent on average for all residential customers to provide significant rate relief and ensure greater fairness.

The Fair Hydro Act, 2017 reduces electricity bills for all residential consumers and as many as half a million small businesses and farms, starting this summer. Lower-income Ontarians and those living in eligible rural and northern communities will receive even greater reductions, as much as 40 to 50 per cent. As part of this plan, rate increases will be held to the rate of inflation for four years.

These measures include the eight per cent rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills. Taken together, these changes are delivering the largest reduction to electricity rates in Ontario's history. To facilitate these immediate savings, the legislation:

•Enables the Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) to work together to spread out the costs of Ontario's clean energy investments over a longer period of time, which ensures that the costs of these investments are allocated fairly among current and future ratepayers. This will be accomplished through refinancing a portion of the Global Adjustment (GA), resulting in significant and immediate rate reductions.
•Modifies and broadens the Ontario Electricity Support Program (OESP) to expand benefits and ensure it is funded by government instead of ratepayers, reducing bills for all.
•Enhances the Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief to a total of approximately 800,000 customers and shift costs from ratepayers to provincial revenues. The enhancement will benefit customers served by local distribution companies (LDCs) with the highest distribution rates. These savings will begin July 1, 2017.
•Provides on-reserve First Nations households serviced by licensed distributors with a 100 per cent credit of the delivery line on their monthly electricity bills, starting July 1, 2017.
Reducing electricity costs is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

Quick Facts

•Ontario’s Fair Hydro Plan will improve energy sector efficiency and modernize the province’s electricity market, building on the collaboration of IESO and OEB.
•In April 2017, the Industrial Conservation Initiative (ICI) was expanded to include electricity consumers in the manufacturing and greenhouse sectors with an average monthly peak demand of greater than 500 kW and less than 1 MW.
•On May 1, 2017, the Ontario Energy Board (OEB) reduced electricity rates across the province, including a portion of the Fair Hydro Plan. The OEB will have 15 days after the legislation comes into force to update rates to reflect the full benefit of the Fair Hydro

Plan – delivering the 25 per cent on average reduction for all households and half a million small business and farms. Royal Assent could be scheduled as early as June 1, 2017.
•The province has expanded the OESP, providing 50 per cent more support in the form of monthly credits for people with low incomes and increasing eligibility, effective May 1, 2017.
•The province is also establishing an Affordability Fund that will be accessible to electricity distributors for customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance. This program is set to launch this summer.

Hydro One CEO defends multimillion-dollar salary during visit to Windsor
By: Mayo Schmidt
For: CBC
On: May 31, 2017

The CEO of Hydro One defended the multimillion-dollar salaries he and other executives at the company take home during a visit to Windsor.

Rising hydro rates spark outrage around Ontario

Windsor Regional Hospital hydro bill jumps 49 per cent in five years, says NDP

Mayo Schmidt was in town to give a speech to the chamber of commerce. After the event, CBC quizzed him about earning $4.5 million last year as utility rates continue to rise dramatically in Ontario.

He said compensation for company leaders at Hydro One is based on comparisons with similar companies and an analysis of the market by the board of directors.

"The shareholders will vote on that compensation, of which 80 per cent is based on performance," he explained. "So in the case of Hydro One, if we can reduce our costs by tens of millions of dollars a year, then the leadership teams across the organization will earn the opportunity to earn that income."

"They are high and that is why there has now been a Fair Hydro Plan rolled out ... and at the end of the day, the cost of power that is embedded in the system has to be paid for," he explained. "The question is by who and over what period of time? So those are the things that our province is working hard on."

Time-of-use electricity pricing not significantly reducing Ontario's demand
By: Staff Post
For: Cleantech Canada
On: May 31, 2017

WATERLOO, Ont.—Smart meters and time-of-use electricity pricing have only modestly reduced Ontario's residential energy demand during the most expensive peak periods, according to a new study from the University of Waterloo.

University researchers compared data for nine months before and nine months after time-of-use rates were introduced in November 2011 by an unidentified distribution company with more than 20,000 household customers in southwestern Ontario.

Factoring out the impact of weather differences, their analysis showed residential demand for electricity dropped just 2.6 per cent during on-peak periods and 2.4 per cent during mid-peak periods following the change.

“There is a gain, but the gain is very small,” said Lukasz Golab, a management sciences professor and Canada Research Chair at Waterloo.

The University of Waterloo says smart meters to enable time-of-use pricing were installed by hydro utilities across Ontario at a cost of about $1 billion, with the goal of shifting demand away from peak periods—reducing maximum capacity requirements and saving money on infrastructure.

According to the University, the study did not attempt to assess if the cost of the switch to time-of-use pricing has been justified by modest changes in the behaviour of residential customers.

“Is it enough? Of that I’m not sure. We don’t have the data to decide if these kinds of savings warrant the use of smart meters,” said Catherine Rosenberg, a professor of electrical and computer engineering and also a Canada Research Chair at Waterloo.

The study also suggests that time parameters used to set rates may not be aligned properly with actual usage, at least for residential customers.

The summer on-peak period on weekdays in Ontario is noon to 5 p.m., but demand actually hit its highest point at 6 p.m. in the utility examined in the study.

Smart meters prompted ‘very small’ decrease in electricity use: study
By: Staff Post
For: Kitchener CTV
On: May 31, 2017

The introduction of smart meters and time-of-use electricity pricing didn’t cause a significant drop in electricity consumption, a new University of Waterloo study suggests.
To come to that conclusion, Waterloo researchers looked at one southwestern Ontario hydro utility with more than 20,000 residential customers. They did not disclose the name of the utility.
Comparing electricity consumption rates before and after time-of-use billing began, the researchers found only a small drop in energy usage.
Specifically, they found that residential demand for electricity fell by 2.6 per cent during on-peak hours, and 2.4 per cent during mid-peak periods.
“There is a gain, but the gain is very small,” Waterloo professor Lukasz Golab said in a news release.
Time-of-use hydro billing was introduced to much of the province in 2011, at a cost of approximately $1 billion in new infrastructure.
It was expected to help reduce hydro demand during peak periods.
Golab says his team’s findings don’t offer any insights as to whether the savings thus far made the cost of installing smart meters worthwhile or not.
The analysis, which took into account differences in weather between the two periods studied, was published in the journal Energy Policy.

California, Canada are teaming up to fight climate change — again
By: Staff Post
For: USA Today

On: May 31, 2017
PALM SPRINGS, Calif. — As President Trump dithers on the fate of the Paris climate deal, California and other western states are banding together to reduce carbon emissions and save hundreds of millions of dollars — and now a Canadian province will join them.

British Columbia's main electric utility said Tuesday it will join the Energy Imbalance Market, a California-led program that makes it easier for utilities to trade electricity across state lines. The energy-sharing program has allowed solar and wind farms across the West to boost production, displacing planet-warming fossil fuels. The initiative also has saved western utility customers $174 million since 2014, according to the California Independent System Operator, which runs the imbalance market.

Powerex Corp. — the energy marketing subsidiary of BC Hydro, Canada's third-largest utility — will officially join the imbalance market in April 2018, becoming the first non-American power provider to participate. It may not be the last. Mexico's grid operator, CENACE, has been exploring whether its Baja California Norte region should join, too.

Related: President Trump expected to withdraw from Paris climate agreement

Related: Democrats vent but can't stop Trump from leaving Paris climate agreement

BC Hydro operates 31 hydroelectric power plants, which could help California and other western states bring more solar and wind power online. Those hydropower plants can act like a battery, absorbing electricity from solar and wind farms when supply exceeds demand, and pumping that climate-friendly energy back onto the grid when it's needed.

Right now, California utilities rely on climate-polluting natural gas to support renewable energy, firing up gas plants when solar farms shut down in the evening. BC Hydro joining the imbalance market won't solve that problem — far from it — but its hydro plants could help California save a little more afternoon solar power for use at night.

"I get my inspiration from Germany," said Stephen Berberich, president of the California Independent System Operator. "I watch how they're operating with Norway in particular, and using that Norway hydro fleet to help Germany integrate their renewables."

As Trump goes one way, the West goes another

The western energy-sharing program isn't the first time California and Canada have worked together to fight climate change. Since 2014, the Canadian province of Quebec has participated in the Golden State's cap-and-trade system, a market-based program that forces climate polluters to pay for their emissions. Ontario joined earlier this year, and has been selling pollution permits at joint auctions with California and Quebec.

Large stacks fill the sky with steam at PacifiCorp's
Large stacks fill the sky with steam at PacifiCorp's Jim Bridger coal plant in southwestern Wyoming on Dec. 7, 2016. (Photo: Jay Calderon, The (Palm Springs, Calif.) Desert Sun)
As the California grid operator announced its partnership with BC Hydro on Tuesday, Trump still hadn't taken a position on the Paris climate accord, the historic agreement struck by nearly 200 countries in 2015. The president promised on the campaign trail to "cancel" the international climate deal, but so far he's delayed a decision on whether to leave or remain.

Related: Wholesale energy prices dip below zero because of California’s solar power

As reports swirled Wednesday that Trump would announce the U.S.' withdrawal from the accord, he tweeted he would be announcing his decision about the treaty "over the next few days."

Whatever Trump decides on Paris, his administration is already undermining U.S. efforts to fight climate change. Scott Pruitt, who leads the Environmental Protection Agency, is working to kill the Obama-era Clean Power Plan, which would reduce planet-warming emissions from power plants. And the budget proposal released by the White House last week would decimate spending on clean energy research and climate science.

California has geared up to battle Trump on climate change, hiring lawyers to fight an expected rollback of vehicle fuel-efficiency standards and working directly with officials in China, Canada, Mexico and other countries on climate agreements.

Related: Climate change is causing a nightmare — lost sleep

But Carl Zichella, director of western transmission for the Natural Resources Defense Council, said the expansion of the energy-sharing program to British Columbia is more than just another instance of environmentally minded California flexing its climate muscle.

The Energy Imbalance Market is led by California, but it now includes utilities operating in Arizona, California, Idaho, Nevada, Oregon, Utah, Washington and Wyoming — a diverse group of states whose politics range from deep blue to deep red. As solar and wind get cheaper and utilities choose not to invest in new coal plants, all those states are seeing the benefits of working together to share clean electricity, Zichella said.

"It’s a sign of the irreversibility of the trend away from coal," he said.

For Californians, $52 million in savings

The Energy Imbalance Market is run by the California Independent System Operator, the non-profit corporation that oversees 80% of the state's power grid. The energy-sharing program allows out-of-state utilities to participate in California's real-time market, where they can buy electricity to meet last-minute gaps between supply and demand.

The imbalance market has been a boon for solar and wind farms, which unlike fossil-fueled power plants don't have much control over when they generate electricity.

Related: Climate change predictions can be scary for kids. What can you say?

The program has averted 176,000 metric tons of carbon dioxide emissions since it got started in 2014, by the California grid operator's estimate — equivalent to taking more than 37,000 cars off the road for a year.

Solar panels tilt upward to track the sun's movement
Solar panels tilt upward to track the sun's movement through the sky at NextEra's 250-megawatt McCoy solar project in eastern Riverside County, Calif., on Nov. 10, 2016. (Photo: Jay Calderon, The (Palm Springs, Calif.) Desert Sun)
The imbalance market also has saved money, helping utilities avoid electricity rate increases, at least in theory. So far the biggest winner has been Warren Buffett's PacifiCorp utility, which has saved nearly $88 million, by the California grid operator's

estimates. California utilities have saved $52 million, with smaller savings accruing to NV Energy, Arizona Public Service and Puget Sound Energy.

"It's delivering on its promises. If anything, it's exceeded expectation," Zichella said.

Related: Find out what is true and false about climate change

By unifying the western power grid, the grid operator estimates it can save Californians $1.5 billion per year by 2030, while reducing regional carbon emissions between 3% and 4%. But the plan is controversial, because it would involve California giving up sole control of its power grid, and letting deep-red states like Utah and Wyoming have a say. Some environmentalists, and top lawmakers, are worried those states would force California to accept electricity from their polluting fleet of coal-fired power plants.

Trump has exacerbated those fears. California Gov. Jerry Brown's western grid plan would require approval from the Federal Energy Regulatory Commission, which should soon be controlled by Trump appointees. Critics say FERC could use that process to undermine California's climate policies, forcing the state to import dirty power from other parts of the West.

"I just can't imagine there are any Democratic votes in Sacramento for giving the Trump administration more control over California energy policy," said Marc Joseph, a labor union attorney who has forcefully opposed Brown's grid expansion plan.

Provincial hydro bill subsidy program goes largely unnoticed by Londoners
By: Devon Peacock
For: Global News
On: May 31, 2017

London Hydro says thousands of Londoners eligible for a subsidy to assist with rising hydro bills haven't applied for relief.

A year after it was first offered by the province, hydro officials say two-thirds of Londoners haven't applied for the Ontario Electricity Support Program.

"Seven thousand customers have made use of it, but we think there may be as many as 20,000 customers in London that could make use of it and we would like all of them to apply," said London Hydro CEO Vinay Sharma.

How much a household is eligible to receive from the program depends on their total income and how many people live in a home.

READ MORE: London Hydro reaches out to customers behind on bills as winter-disconnection moratorium lifts

Sharma says he's "concerned and surprised" so many Londoners haven't applied for the hydro bill help. "The beauty of it is it isn't help, traditional low-income help, it's help for working folks," he said.

Most Londoners could save $30-$50 per month if they're eligible, although some could see as much as $75 per month in savings.

Sharma says customers may not be aware of the subsidy despite marketing efforts.

Londoners who think they are eligible can call London Hydro or seek help at Salvation Army Centre of Hope. The subsidy is separate from recently announced plans by the province to reduce hydro bills by 25 per cent.

READ MORE: London Hydro reconnecting customers struggling with payments

The city-owned utility has also managed to provide a small amount of relief for all in the Forest City. The typical household in London will see savings of 51 cents per month, which works out to about $6 a year as a result of "program efficiencies."

While the number is small, London Hydro is responsible for only 20 per cent of the local hydro bill. Sharma says there are three reasons for the slight decrease.

"The wires and poles that you see on the street are becoming more efficient as we invest, our customers are helping us by using electronic media to interact with us, and paperless billing means we are reducing our mailing costs," he said.

READ MORE: London Hydro's future goes under the microscope

In an annual report delivered to city politicians on Monday, Sharma said London Hydro is in good shape.

The utility, which is 100 per cent owned by the city of London, has increased in value to $450 million and is the largest utility in the region.

London Hydro provides an annual dividend of $5 million to the city and is currently the subject of an asset review by city hall. Last year, officials came close to a merger with another utility from the region. Sharma says eventually, he thinks London Hydro will merge with other utilities.

"I think the region has to come together one day because that's the only way to deliver better service for all stakeholders," he said.

FAO confirms balancing budget with one time sale of Hydro One will worsen Ontario's long-term outlook
By: Staff Post
For: Digital Journal
On: May 31, 2017

TORONTO, ONTARIO--(Marketwired - May 31, 2017) - The new economic report released today from the Financial Accountability Office of Ontario (FAO) confirms what we have been saying for years now - the Ontario Liberal government acted irresponsibly when it sold off shares in Hydro One to balance their pre-election budget, says CUPE Ontario President Fred Hahn.

"Premier Wynne's decision to sell Hydro One to profit-driven shareholders is politics at its worst. After a one-time bump from Hydro One sales, the FAO expects 'the deficit to deteriorate steadily'," says Hahn. "Ontarians deserve a government that looks out for the people's best interests, not one that uses phony math to try and get themselves re-elected."

According to the FAO, even under the most optimistic of scenarios, the government will return to its deficit position after the next election unless it raises further revenues or exacts another round of austerity cuts.

"The result of Liberal incompetence is that many Ontarians are being forced to choose between food or hydro. Rather than admitting its mistake and bringing Hydro One back under public control, the government has added insult to injury with its "Fair Hydro Plan," says Hahn. "This latest Hydro legislation is nothing more than a payday loan at an exorbitant interest rate."

The FAO has also stated that it is not clear if the accounting structure used in the "Fair Hydro Plan" actually meets public sector accounting standards.

"Ontarians are fed up with a Liberal government that says one thing while actually doing the opposite," says Hahn. "In just over a year, the people of Ontario will have the chance to voice their anger. The Premier should be worried."