Afternoon Media Summary - July 20, 2017

From: "Garand, Joseph (ENERGY)" <joseph.garand@ontario.ca>
Date: Thu, 20 Jul 2017 15:20:23 -0400

Good Afternoon,

Here is a roundup of the day's news:

Reevely: How Ontario is getting back into the coal-power business – *Ottawa Citizen*

Hydro One's $6.7B acquisition may gouge ratepayers, critics say – *Toronto Star / Hamilton Spectator*

Hydro One falls as investors sour on Avista's $4.4-billion price – *The Globe and Mail / Bloomberg*

Hydro sticker shock all thanks to Liberals' mismanagement – *Toronto Sun*

Brown says Hydro One blockbuster deal to buy Avista a result of gouging taxpayers – *Bay Today*

Hydro One steps out of private shadow and into first major acquisition as a public company – *BNN*

Ontario has fastest-rising hydro prices in country: Study – *Toronto Sun*

Toronto electricity bills highest in Canada, study finds – *BNN*

Ontario saw highest electricity price increases in Canada between 2010 and 2016: study – *CP24*

Man loses court battle over electricity charges for cottage without power – *CTV News*

Ontario's new energy-efficiency rules could save homeowners money in long run – *The Globe and Mail*

Ribbon Cutting makes it official – *Sault Online*

Please see below Today in Twitter for news articles.

July 20, 2017
Today in Twitter

@CBCToronto : Hydro bills grew twice as quickly in Ontario versus rest of Canada, study shows: bit.ly/2uc8loV

@News_Barrie : City expects to learn soon whether Ontario Energy Board will approve hydro sale #Barrie newslocker.com/en-ca/region/b…

@TonyChapman - Debt, Energy, This is Ontario.No one cares.Fraser report shows Ont hydro prices surging at twice national average ctv.news/AKZrQsM

@Ont_AndreMarin : Reevely: Windmill plant closes, as Ontario's Green Energy Act dies a painful, costly death via @OttawaCitizen ottawacitizen.com/storyline/reev…

@Toronto_CP : Hydro One is applying to the independent Ontario Energy Board to increase electricity rates by about $141 per year. thestar.com/news/queenspar…

@PierreZundel : Thanks to an initiative from the Ontario Ministry of Energy, @LaurentianU saving over $700,000 this year in electricity costs. ½

@AlexpiersonAMP: Ontarians are going broke paying hydro costs. The system needs billions in repairs and we spend on a US company?

@brownbarrie : Why should Ontario families be left with even higher bills when Hydro One has almost $7 billion to throw at foreign companies? #onpoli

@davidreevely : Hydro One is now in the generating business, incidentally. Avista has a capacity of 1,800 megawatts. Hydro, gas and ... coal.

@davidreevely: Won't affect the regulated prices Hydro One charges in Ontario, a happy-seeming energy minister says.

@BNN: First on BNN: Hydro One CEO says 'market is open for business,' sees more M&A opportunities in U.S. http://ow.ly/gq2O30dMRj2 @paigesellis

@financialpost: Hydro One stock falls the most in 8 months as Aviva deal deemed too pricey http://business.financialpost.com/news/fp-street/hydro-one-makes-first-us-acquisition-with-6-7-billion-purchase-of-avista-corp/wcm/5cce7172-056e-41d1-b3e1-c2fab0d607f8 … #business

@BrentHooey: - #Kip Kudos to Kip Van Kempen for taking on Hydro One. He lost, but fought the good fight against an unaccountable electricity behemoth.

@Joe_Meyer1: @isave2invest - Will Avista employees get same type of pension plan as Hydro One after the acquisition? Or will they be red-haired stepchildren? #onpoli $H

@BNN: Hydro One steps out of private shadow and into first major acquisition as a public company http://www.bnn.ca/1.809624

@sunlorrieSomeone: should tell Wynne Avista gets 9% of its energy from coal: Hydro One buys Avista for $6.7B

@robertbenzie: @brownbarrie and @Peter_Tabuns are against @HydroOne's acquisition of @AvistaUtilities: https://www.thestar.com/news/queenspark/2017/07/20/hydro-ones-67b-acquisition-may-gouge-ratepayers-critics-say.html … #onpoli

@BillKingLanark Bill King Retweeted Lorrie Goldstein After skyrocketing energy bills to pay for windmills & solar from Asia, Ontario's liberal Wynne government now invests in coal. #insane

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[Reevely: How Ontario is getting back into the coal-power business]()
David Reevely
Ottawa Citizen
July 20, 2017

Ontario taxpayers will soon be part-owners of one of the biggest coal-fired power plants in America west of the Mississippi River, making money off pollution in the U.S. Northwest that would be illegal to emit at home.

That’s business, and when the government goes into business, money talks.

It’s part of the package in Hydro One’s multibillion-dollar purchase of Avista Utilities, which the former Ontario government property announced Wednesday. Now that the province has sold 60 per cent of what used to be the transmission arm of Ontario Hydro, it’s looking for acquisitions and partnerships and it found a big one. Between them, they’ll be a $32-billion company, with Hydro One paying $6.4 billion to make Avista a subsidiary once the deal closes in 2018.

Avista is based in Spokane and it distributes electricity and natural gas in Washington state, Oregon, Montana and Idaho, with an outpost in Alaska. Hydro One is on the far side of the continent and the two companies’ territories don’t come close to overlapping but Hydro One figures that combined, the two can save money on bulk purchasing and combining back-office stuff like computer systems.

What’ll be new for Hydro One is that Avista is also in the power-generating business. It’s mostly in hydroelectricity and gas, but it also has a share in Montana's Colstrip coal-power plant, a 2,100-megawatt station in a 2,200-person town that exists pretty much only to strip-mine coal and burn it.

Avista likes the reliability coal provides, at a relatively stable price, as a backup when the weather's dry and its river dams aren't producing.

What they do at Colstrip would be against the law in Ontario. In 2015, after closing the last of this province's coal plants by government order, the Liberals passed a law outlawing them. Coal exhaust is dirty and loaded with carbon dioxide, the major greenhouse gas contributing to climate change, and we never, ever wanted to go back to it.

"Climate change is not a distant threat — it is already costing the people of Ontario," the government said at the time. "It has devastated communities, damaged homes, businesses and crops and increased insurance rates. The cost of inaction is far too high."

Now, we'll profit off it.

According to the Environmental Protection Agency, the Colstrip plant emits about 13.5 megatonnes of carbon dioxide each year; closing all of Ontario's coal plants cut our emissions by about 30 megatonnes. Colstrip is the 15th-largest greenhouse-gas emitter in the United States; a story in the Billings Gazette last year said it burns a railcar load of coal every five minutes. Retrofitting the remaining generating units to capture carbon dioxide is a billion-dollar job and would still cut emissions by less than half.

Avista only owns a piece of the Colstrip plant, which it shares with five other power companies, and the two oldest of Colstrip's four generating units are due to close in five years thanks to a lawsuit over pollution.

But as far as our government's concerned, well, we have our rules and Washington and Montana have theirs.

"We hope that other jurisdictions will follow our leadership in this step to tackle climate change," said James Berry, a spokesman for Energy Minister Glenn Thibeault. "The future generation mix for the company will be a business decision made by the company in light of whatever policy directives the respective U.S. governments put in place."

Anything else, he said, is Hydro One's business.

"The majority of Avista's electricity generation derives from renewable resources, including hydropower, wind and biomass energy," its vice-president Ferio Pugliese said in a written statement, flatly ignoring questions about how owning a coal plant squares with Ontario's attitude toward pollution.

He pointed to a compilation of statistics by the Natural Resources Defence Council that found Avista is one of the cleaner major energy producers in the United States, which is true as far as it goes but is just another way of saying that much of the company's power comes from hydro. The same data shows that by the standards of major power companies' coal plants, Avista's is a dirty one, emitting more carbon dioxide than average for every watt it produces.

Washington state is broadly anti-coal because of pollution but Montana is broadly pro-coal because of jobs; Montana's governor, a Democrat, excoriated the plan to close the two old generating units and fought Washington efforts to make importing coal power harder. There's no way Montana's legislating Colstrip off the map.

Thibeault's argument that it's not our business is essentially the argument Canada used to justify exporting asbestos for decades after we'd all but stopped using it here. Look, we said, we know it gives people cancer but we're not going to tell India what to do. We apply the same thinking to importing cheap goods from places with lower wages and worse occupational-safety standards — Bangladesh's labour standards are Bangladesh's business. At least Bangladesh's labour rules apply only in Bangladesh. Colstrip's pollution does not stay in Colstrip.

But we won't use our leverage as Hydro One's largest shareholder to say hey, we think coal power is dangerous to everyone, including us, and as immoral in Montana as it is in Ontario.

That would be difficult. But it would be living up to what are supposedly our values.

[Hydro One's $6.7B acquisition may gouge ratepayers, critics say]
Robert Benzie
Toronto Star
July 20, 2017

Hydro One's $6.7 billion acquisition of an American utility could end up zapping Ontario ratepayers, predicts Progressive Conservative Leader Patrick Brown.

"The purchase of Avista by Hydro One is the direct result of (Premier) Kathleen Wynne's fire sale," Brown said Thursday.

"Hydro One is gouging ratepayers while using our money to buy up foreign companies. In the end, Ontario families will be left paying even more for hydro," the Tory leader said.

Brown noted Hydro One is applying to the independent Ontario Energy Board to increase electricity rates by about $141 per household annually.

"Why should Ontario families be left with even higher bills when Hydro One has almost $7 billion to throw at foreign companies? This is not fair to Ontario ratepayers. Hydro One's application for a massive, unaffordable rate increase should be immediately rejected."

His comments came the morning after Hydro One announced the purchase of Spokane, Washington-based Avista, which operates in Washington state, Oregon, Montana, Idaho, and Alaska.

NDP MPP Peter Tabuns (Toronto Danforth) said the deal "should raise red flags for every Ontarian who is struggling to pay their unaffordable hydro bills."

"This move to create a huge multi-national utility means less control over our province's electricity system and more financial risk for Ontarians," said Tabuns.

"It also raises real concerns about job security for Ontarians. It's clear that the new Hydro One's first responsibility is to its international shareholders, not to the people of Ontario," he said.

"By ignoring the wishes of Ontarians and selling off Hydro One, Kathleen Wynne put the interests of investors around the globe ahead of the interests of our province and all of us who live here and pay a hydro bill."

Both the New Democrats and the Conservatives opposed the Liberals' sell-off of a majority stake in the provincial transmitter.

Wynne is using the $9 billion in proceeds from the 51 per cent that has been sold to fund transportation infrastructure and pay off Hydro One's debt.

Energy Minister Glenn Thibeault said the Avista purchase would have no effect on consumers, who are already seeing a 25 per cent rate reduction this summer after years of skyrocketing hydro prices.

"We welcome the fact that this proposed acquisition will not impact the rates that Ontario customers pay. Neither will it have any impact on local jobs," said Thibeault.

"As the single largest shareholder in Hydro One, the Ontario government would benefit from the company's receipt of additional regulated returns expected to begin in 2019," he noted.

DBRS, a credit-rating agency, praised the agreement.

"The acquisition provides HOL (Hydro One Limited) with both diversification and scale while expanding its regulated utility rate base to cover electricity transmission and distribution as well as natural gas local-distribution businesses," the firm said in a statement.

[Hydro One falls as investors sour on Avista's $4.4-billion price]
Mark Chediak and Kevin Orland
Bloomberg News / Globe and Mail
July 20, 2017

Hydro One Ltd. fell the most in eight months after agreeing to buy U.S. power supplier Avista Corp. in a $4.4-billion (Canadian) deal that analysts said is too costly and exposes the Canadian energy company to regulatory hassles.

The merger will add Avista's energy production and distribution operations in Washington, Idaho, Oregon and Alaska to Hydro One's transmission network in Ontario, creating one of North America's largest regulated utilities, with assets totaling $32-billion (Canadian). Avista stockholders will receive $53 a share in cash, 24 per cent above the market close Tuesday.

The takeover – following multibillion-dollar deals by Enbridge Inc., TransCanada Corp. and Fortis Inc. – is another testament to Canada's hunger for U.S. energy assets offering higher returns. But the price was too high for some analysts, with Hydro One paying about 11.2 times Avista's earnings before interest, taxes, depreciation and amortization, more than the 9.3 average multiple for comparable deals, according to data compiled by Bloomberg. Hydro One plans to issue $1.1-billion of equity and $2.6-billion of debt to finance the deal.

"Hydro One is paying the price to gain exposure to U.S. markets," Shahriar Pourreza, an analyst at Guggenheim Securities, said in a note Thursday. The "very rich valuation" is "likely a near-term anomaly."

Hydro One fell as much as 5.4 per cent to $21.32 (Canadian) in Toronto, the biggest intraday decline since Nov. 10, before paring losses. Avista rose 20 per cent to $51.83 in New York.

While Pourreza said the deal will likely close, it will require the approval of several agencies, including utility commissions in Washington, Oregon, Idaho, Alaska and Montana, and the U.S. Federal Energy Regulatory Commission. Washington, where the bulk of Avista's assets are located, is a "challenging jurisdiction," he said.

The companies expect to complete the merger by the end of the second quarter of next year. They also said they don't expect to cut jobs as a result of the transaction.

The Avista purchase is the largest deal for Hydro One since the Toronto-based utility went public in 2015, selling shares at $20.50 (Canadian) a piece as part of the largest initial public offering in 15 years.

The Ontario government, the largest shareholder, sold stock to raise money for infrastructure projects and to pay down debt. The government most recently disclosed another share sale in May, reducing its stake in Hydro One to just under 50 per cent.

The government's stake may fall further after Hydro One completes a sale of $1.1-billion in convertible debentures to help finance the Avista deal. These debt securities can be converted into stock. The company has agreed to sell the debentures to a group of banks co-led by RBC Capital Markets, CIBC Capital Markets and BMO Capital Markets.

Using this much debt is "typical" in cross-border deals "where you have a much larger company that can use their balance sheet to borrow and make a cash acquisition," said Kit Konolige, a utilities analyst for Bloomberg Intelligence. "There are a only a handful of Canadian utilities, so if you want to grow, then U.S. utilities are one major arena where you would look to go."

Hydro One's Schmidt said in a call with investors Wednesday that the company expects Standard & Poor's to confirm an investment-grade credit rating. The rating may be lowered one notch to A-, the fourth level above junk status, primarily because the company is entering a new market, he said.

Moelis & Co. LLC is the exclusive financial adviser to Hydro One. BofA Merrill Lynch is Avista's. Bracewell LLP is serving as Hydro One's legal adviser. Kirkland & Ellis is Avista's.

Hydro sticker shock all thanks to Liberals' mismanagement

Lorrie Goldstein
Toronto Sun
July 20, 2017

As a new shocking Fraser Institute report on electricity pricing in Ontario reveals, real people suffer when governments are incompetent.

The governments in this case are the Liberal ones headed first by Dalton McGuinty and now Kathleen Wynne, who have turned Ontario's energy sector into a financial train wreck from which there will be no easy or painless escape for generations to come.

The numbers in the Fraser study, titled “Evaluating Electricity Price Growth,” are damning.

Torontonians today pay $720 more annually for electricity than the average Canadian.

Ontario electricity prices skyrocketed 71% between 2008 and 2016.

That’s more than double the Canadian average of 34%, 2.5 times more than the rise in household incomes, four times the inflation rate, and 4.5 times the growth rate of the economy.

In 2015-16 alone, Ontario electricity prices increased 15%, 2.5 times the national average of 6%.

This is what’s plunged hundreds of thousands of Ontarians into energy poverty, left seniors torn between eating and paying their hydro bills, and driven hundreds of thousands of manufacturing jobs out of Ontario.

The Fraser study says Ontario’s runaway hydro prices are directly linked to the government’s phase-out of coal energy without doing its due diligence, poorly structured long-term renewable energy contracts, and other policy choices.

“The Ontario government and its energy policy decisions share a lot of blame for the current crisis in electricity prices,” said study co-author Kenneth Green.

This is the price we all pay when, as former auditor general Jim McCarter reported in 2011 regarding the Liberals’ multibillion-dollar green energy deal with Korea’s Samsung corporation, “no economic analysis or business case was done to determine whether the agreement ... was economically prudent and cost-effective.”

In the same report, McCarter wrote, “we did not rely on the (energy) ministry’s internal audit service team to reduce the extent of our audit work because it had not recently conducted any audit work on renewable energy initiatives.”

Ask yourself. How is that even possible? How irresponsible is that?

And yet time after time, the auditor general would come to the same conclusion regarding the Liberals’ green energy initiatives.

For example when McCarter’s successor, Bonnie Lysyk, found in 2014 that the Liberals failed to do a cost benefit analysis or develop a business plan when they introduced smart meters, thus going almost $1 billion over budget.

That was also true for their cancelled gas plants fiasco, costing more than a billion.

True for the 20-year, wildly overpriced Feed-in-Tariff (FIT) contracts the Liberals signed with green energy developers.

True when the Liberals ignored the advice of their own experts on green energy pricing, costing $9.2 billion.

Blunder after blunder. That’s the record of the Liberals on green energy, which was never needed to replace coal-fired electricity as the Liberals claim. That was done with nuclear power and natural gas.

And what’s the Liberals’ answer to this fiscal disaster they have inflicted on Ontarians?

It’s to borrow up to $93 billion more to pay for $24 billion in hydro rate relief for four years, a temporary 25% discount, after which rates will explode as never before.

Basically, we’re being led by a government that is both incompetent and reckless.

It’s as simple, and as scary, as that.

[Brown says Hydro One blockbuster deal to buy Avista a result of gouging taxpayers (UPDATED)]
Jeff Turl

Bay Today
July 20, 2017

Ontario PC leader Patrick Brown is calling the purchase of Avista by Hydro One a direct result of Kathleen Wynne's fire sale.

"Hydro One is gouging ratepayers while using our money to buy up foreign companies. In the end, Ontario families will be left paying even more for hydro," said Brown in a news release.

Hydro One Ltd. has signed a friendly deal to acquire U.S. energy company Avista Corp. for C$6.7 billion in an all-cash deal that would create one of the largest regulated utilities in North America. The Toronto-based company said Wednesday after the close of markets that it will pay C$67 per share in cash for the U.S. firm.

"Hydro One is currently applying to increase rates on consumers by $141 per year," said Brown. "Why should Ontario families be left with even higher bills when Hydro One has almost $7 billion to throw at foreign companies? This is not fair to Ontario ratepayers. Hydro One's application for a massive, unaffordable rate increase should be immediately rejected.

"Hydro One's customer service is already insufficient. Now they will be focusing their attention on American customers instead of helping out Ontario families in need of support and relief. Our province is home to some of the highest rates in North America, and Washington is home to some of the lowest."

Nipissing MPP Vic Fedeli expressed his outrage at a press event today at the North Bay Indian Friendship Centre.

"Here they are applying in Ontario for a rate increase yet they are going to spend almost $7 billion in the States," said Fedeli.

"Obviously, this Hydro file has been bungled by Kathleen Wynne and the Liberals so much so that their priorities are right out of whack for them to think it's more important to invest $7 billion in an American owned utility rather than taking care of the families in need right here in Ontario."

Hydro One CEO Mayo Schmidt disagrees and said during a press conference, Hydro One will be a more valuable company because of the transaction.

"This is really a proud moment for Canadians as we grow our business to become a North American leader," said Schmidt.

"This merger agreement allows for more robust expansion into new lines of business and into new jurisdictions, including the Pacific Northwest, which is experiencing customer growth," he said.

The companies said there will be no job losses as a result of the merger and customer rates will not be affected by any of the costs associated with the transaction.

In November 2015, Hydro One went public with much fanfare, raising $1.83 billion in one of the biggest and most politically charged initial public offerings in Canada. The partial sale of the utility was part of the Ontario government's plan to raise money to fund transit and infrastructure projects.

As the single largest shareholder in Hydro One, the provincial government stands to benefit from the acquisition, which is poised to reap returns beginning in 2019, provincial Energy Minister Glenn Thibeault said.

"It is expected to deliver clear benefits for the company's customers, employees and shareholders — including the people of Ontario," Thibeault said in a statement.

Meanwhile, Ontario NDP energy critic Peter Tabuns argued the move to create a "huge multinational utility" would mean less control over the province's electricity system and more financial risk for Ontarians.

"It also raises real concerns about job security for Ontarians," Tabuns said in a statement. "It's clear that the new Hydro One's first responsibility is to its international shareholders, not to the people of Ontario."

Hydro One has more than 1.3 million customers, $25 billion in assets and employs 5,500 people. Avista provides electric and natural gas services to 721,000 customers.

[Why Hydro One Ltd. Provides Investors with an Interesting Short Opportunity Post-Acquisition Announcement]
Chris Macdonald
Baystreet.ca
July 20, 2017

Hydro One Ltd. (TSX:H) announced on Wednesday it has agreed to purchase U.S.-based Avista Corp. (NYSE:AVA) for $4.4 billion U.S. The deal comes amid growing shareholder concern surrounding the utilities company's current portfolio of assets, all of which are centered in the Province of Ontario.

Geographic diversification in any portfolio is an important thing, and critics of Hydro One have for a long time decried the current lack of portfolio diversification among Hydro One's portfolio. Diversifying into the U.S. market should provide increased long-term growth potential for the utilities company, and in this regard many optimists suggest this acquisition could actually pan out in favor of Hydro One's shareholders.

Only recently privatized as a way for the Ontario government to raise capital amid large budget deficits and the need to get closer to a balanced budget, shares of Hydro One have decreased 15% from their 52-week high experienced in late 2016. The Ontario government recently initiated a "Fair Hydro Plan" to reduce energy rates for the average consumer in Ontario, a plan which stands to significantly impact the company's earnings moving forward.

While this acquisition is a step in the right direction from a strategic standpoint, the fact remains that Hydro One paid a significant premium (more than 22%) to acquire Avista, and will now be saddled with a significant debt load to go along with a significant portfolio of assets in Ontario which are expected to underperfrom for the foreseeable future.

A long-term investor looking for a utilities position should look toward a host of other Canadian utilities companies which have also expanded into the U.S.

Invest wisely, my friends.

[Hydro One steps out of private shadow and into first major acquisition as a public company]
Nicole Gibillini
BNN
July 20, 2017

The CEO of Hydro One (H.TO 0.89%) has led the utility into its first expansion outside the province. And Mayo Schmidt says the Ontario government, its biggest shareholder, was actually the catalyst that allowed the company to pursue its takeover of Avista.

"The way I would approach this is the province was the catalyst to open up the opportunity for Hydro One to be a commercial organization – to pursue its commercial objectives," Schmidt told BNN in an interview Thursday. "The real possibility was opened up here when [the province] commercialized Hydro One through the IPO in 2015."

"We pursued this entirely independently of the province," he added. "The province, would be, of course as our largest shareholder, aware because they had the opportunity to participate – but they only did so as a shareholder, and not an insider, and not as a manager of the business."

Schmidt said Avista wasn't hesitant to get involved with Hydro One, despite the province being its biggest shareholder.

Even with the 'Buy America' mandate in the United States, Schmidt said he sees more M&A opportunity south of the border.

"I think the market is open for business," he said. "We certainly want to get through the process on this one first. But having said that, the Pacific Northwest is an area where there's a collection of different utilities."

But not everyone is excited about Hydro One's M&A ambitions.

Ontario NDP energy critic Peter Tabuns said the move to create a "huge multinational utility" would mean less control over the province's electricity system and more financial risk for Ontarians.

"It also raises real concerns about job security for Ontarians," Tabuns said in a statement. "It's clear that the new Hydro One's first responsibility is to its international shareholders, not to the people of Ontario.

It was announced Wednesday that Hydro One would expand to the U.S. market with its purchase of Washington-based Avista for $4.3 billion. With debt included, the deal is valued at $6.7 billion. Shares of Hydro One were down Thursday on the news.

[Man loses court battle over electricity charges for cottage without power]
Jackie Dunham
CTV News
July 20, 2017

An Ontario man has lost his court case against Hydro One over electricity delivery charges he received for his cottage that was disconnected from power for months.

Last fall, Kip Van Kempen sued the utility company in small claims court after he said he was charged hundreds of dollars in delivery fees for his all-season cottage on Mazinaw Lake, north of Kingston, Ont. between October 2015 and June 2016.

He argued the charges were unfair because his cottage had been cut off from power during the months of service indicated on his bill. He said he shouldn't have to pay delivery fees when no electricity was delivered.

"The judge seemed to think otherwise. That if you're a customer of Hydro One, regardless of whether hydro is delivered, you're stuck with the delivery charge," Van Kempen told CTV Toronto on Wednesday.

More than a year ago, a tree fell onto a power line leading to Van Kempen's cottage during a storm. Hydro One crews cut the tree and disconnected the line but they were unable to repair it because of red tape and logistical issues.

Van Kempen was forced to wait nearly eight months before the power was finally restored.

Hydro One explained last September that customers are always given a flat-rate delivery charge if the company's equipment, including a smart meter, is still on the property. To avoid paying the charge, customers should cancel their service and return the equipment.

The utility company said delivery charges are laid out by the Ontario Energy Board and everyone is required to pay.

In a statement issued to CTV News on Wednesday, Hydro One said the delivery fee "pays for lines, stations, customer service, storm response and maintaining the system."

Van Kempen compared his court battle with Hydro One to the story of David and Goliath and said he lost because he was legally outmanoeuvered by the utility company's team of lawyers.

"I felt terrible," he said. "I felt I let people down because I really thought I had a strong argument before the judge."

Ontario's NDP Energy Critic Peter Tabuns agreed that Van Kempen had a reasonable case.

"If you're in a situation where you're paying for a service and you're cut off from the service entirely and the service can't be delivered, most normal people understand that the contract's been broken," Tabuns said on Wednesday.

The Ajax, Ont. man's said he received an outpouring of support from other Ontarians frustrated by soaring hydro costs.

"People were saying good for you for taking on, if you will, Goliath in this situation," Van Kempen said.

Van Kempen said Hydro One's legal team treated him fairly during the proceedings.

He said he now has to pay $1,000 in legal fees. Van Kempen said he's paid for all of his electricity charges and he's not planning to appeal the judge's ruling.

Ontario has fastest-rising hydro prices in country: Study

Antonella Artuso
Toronto Sun
July 20, 2017

Ontario has had the fastest-rising electricity prices and its city dwellers paid some of the highest hydro bills in Canada over the past decade, a new Fraser Institute report found.

This year, the Kathleen Wynne government launched its "Fair Hydro Plan" which promises to reduce residential hydro bills by an average of 25%.

Kenneth Green, co-author of Evaluating Electricity Price Growth in Ontario, said the provincial government has just covered up serious problems in the system by shifting the cost onto taxpayers and future hydro bills.

"Problem delayed - what they've done is they basically extended the contracts for power purchases and made them last longer," Green said. "It's much like refinancing your mortgage ... but you're paying for an extra 15 years."

What hasn't changed in the electricity system are the government-driven decisions to favour costly wind and solar power purchased at above-market electricity prices, he said.

Those political priorities are the reason that Ontario electricity prices soared by 71% between 2008-17, while the average growth across the country was 34%, Green said.

Last year alone, Ontarians saw a 15% increase in prices over 2015, the report's researchers found.

"As we show in our study, the electricity prices grew two and a half times faster than disposable income from 2008 to 2015, four times faster than inflation and four and a half times faster than the economy," Green said. "So clearly, this is not about the cost of fuel, it's not about the cost of technology, it's about the cost of choices that were made in the Ontario power system."

The Wynne government has said that the hydro system needed significant updating when the Liberals took it over from the previous Progressive Conservative government in 2003, and that the expense of those infrastructure improvements should have been spread over more time.

Ontario PC Leader Patrick Brown has vowed, if elected to govern in 2018, to immediately halt the signing of new energy contracts pending an "evidence-based" review of supply, accusing the Liberals of making "sweetheart green energy contracts" for insiders.

Green said the provincial government should break its existing long-term contracts for renewable power, and allow market forces, specifically cost, dictate how the system generates electricity.

Then the government could fund the research and development of more affordable, greener power sources, Green said.

Average Monthly Electricity Prices in Canadian Cities

Toronto
2010: $124.14
2016: $201.23

Ottawa
2010: $115.55
2016: $182.51

Vancouver
2010: $84.14
2016: $114.38

Calgary

2010: $11.79
2016: $109.19

Edmonton
2010: $97
2016: $109

Montreal
2010: $77.60
2016: $83.08

[Toronto electricity bills highest in Canada, study finds]
Nicole Gibillini
BNN
July 20, 2017

Torontonians have the highest electricity bills in Canada, according to a new study from the Fraser Institute.

On average, Toronto residents pay $201 per month – which marks an increase of about $77 over the last six years, the report says. Ottawa residents also pay a high price for electricity at an average cost of $183 per month.

Other Canadian cities comparably have much lower monthly electricity bills. Montreal residents pay an average of $83, Calgary and Edmonton consumers pay $109 and Vancouverites pay $114.

More broadly, Ontario has the fastest-growing electricity prices among the provinces, with costs rising twice as fast as the national average over the last decade. Electricity prices surged 71 per cent from 2008 to 2016, according to the Fraser Institute, and prices jumped 15 per cent between 2015 and 2016 alone.

The Fraser Institute says these escalating prices are directly tied to the province's policy choices, including the departure from coal energy, poorly structured long-term renewable energy contracts, and a growing electricity supply and demand imbalance.

"The Ontario government and its energy policy decisions share a lot of blame for the current crisis in electricity prices," Kenneth Green, senior director of Natural Resource Studies at the Fraser Institute, wrote in a release Thursday.

"Ontario residents need real policy reform to help make electricity affordable again, not just short-sighted shell games that borrow from future ratepayers to subsidize current bills," he added.

Under the Fair Hydro Act, the Ontario government plans to reduce residential hydro bills by 25 per cent, with an eight per cent rebate that came into effect on January 1, 2017. However, the Fraser Institute said the plan will ultimately result in higher electricity bills in the future.

"The Ontario government's plan to reduce electricity costs in the short term is essentially borrowing from future ratepayers to subsidize current bills," the report said. "Thus, the overall effect of the government's policy decisions will be to further increase electricity rates in the long term, not reduce them."

[Ontario saw highest electricity price increases in Canada between 2010 and 2016: study]
Codi Wilson
CP24
July 20, 2017

Between 2010 and 2016, electricity price increases in Toronto were more than double the national average, according to a new study released on Thursday.

The research, conducted by conservative think-tank the Fraser Institute, used data collected by Statistics Canada to examine how the price of electricity has increased across the country and found that from 2008 to 2016, electricity prices rose 71 per cent in Ontario, a number which is more than double the national average increase of 34 per cent.

According to the study, monthly electricity bills in major Canadian cities increased by an average of $37.68 between 2010 and 2016. During the same time span, the average bill in Toronto increased by $77.09 and in Ottawa by $66.96.

In 2016, the study says the average monthly electricity bill for residential customers in Toronto was $201 and $183 in Ottawa, compared to an average of $141 for residents in major Canadian cities.

Montreal residents, who saw the lowest monthly electricity bills of all major Canadian cities, paid $83 per month on average.

In Calgary and Edmonton, the average monthly bill rang in at $109 and in Vancouver, customers paid an average of $114.

Between 2015 and 2016, the study says Ontario experienced a 15 per cent increase in electricity prices.

"To put it into context you have to compare it to the costs of other goods and services. The power prices in Toronto have risen… 2.5 times faster than disposable income in Canada, four times faster than the inflation rate, 4.5 times faster than the growth of the economy," Kenneth Green, a co-author of the study and the Fraser Institute's senior director of energy and natural resource studies, told CP24 Thursday.

"So clearly it is out of step with the secular trends that you could otherwise look to as an explanation and it has to do with provincial policy."

Earlier this year, the Ontario government reduced residential hydro bills by 25 per cent, with an eight per cent rebate that came into effect on January 1, 2017 and a further 17 per cent reduction in May with the introduction of the Fair Hydro Act.

While this decision will lower rates for consumers over the next 10 years, to help pay back the money borrowed to reduce rates now, ratepayers will see a new "Clean Energy Adjustment" charge on their bills in the mid-to-late 2020s.

"The Ontario government's plan to reduce electricity costs in the short term is essentially borrowing from future ratepayers to subsidize current bills," the study read. "Thus, the overall effect of the government's policy decisions will be to further increase electricity rates in the long term, not reduce them."

Toronto Hydro says numbers in study aren't accurate:
In a written statement sent to CP24 Thursday, Tori Gas, a Toronto Hydro spokesperson, said the average bill for Toronto Hydro customers is not in fact $201 per month. She said prior to the introduction of the Fair Hydro Plan, the average monthly cost was about $143.

"The report bases costs on an average consumption of 1000kW/month which is really high, as our average customer uses 650kW/month," the statement read.

"Toronto Hydro rates are not the highest in the country. In Ontario, Hydro One and a few other small utilities (Algoma Power, Atikokan Hydro) are higher."

Ontario's new energy-efficiency rules could save homeowners money in long run
John Lorinc
The Globe and Mail
July 20, 2017

When Ian Roland and Linda Rothstein, who are partners in both law and marriage, decided to build a new home three years ago, they made green design a key priority, and not just because they wanted, as Mr. Roland puts it, to "leave as little footprint as possible."

He describes their rambling old midtown house, which they sold in 2013, as "a leaky old ship" that cost them about $7,000 a year in electricity and gas bills.

The couple retained Toronto architect Heather Dubbeldam to design a new house that would be highly energy-efficient. "It's a very tight ship," Mr. Roland says of their new home. Its features include superhigh velocity cooling, low-flow plumbing, extensive insulation and skylight that allows natural ventilation. The bottom line: Their energy bills are less than half of what they were in their previous dwelling.

While such projects shoot well past minimum requirements, changes to the Ontario Building Code this year will bring more energy efficiency to all new homes as well as some renos. Ms. Dubbeldam says the 2017 revisions are about 15 per cent more efficient than the previous set, adopted in 2012. They're also more prescriptive: The code gives designers fewer options in terms of how to achieve those targets. Still, she adds, "it will actually save you money in the long run."

"We do relatively well compared to other countries," says Ted Kesik, a professor of building science at the University of Toronto's faculty of architecture, landscape and design. But some, he notes, especially Germany and the Scandinavian countries, have adopted far more ambitious building codes, such as so-called passive-house standards, which minimize the use of mechanical heating and cooling systems with superinsulating building materials and orientations meant to take advantage of both shade and heat from the sun.

Prof. Kesik estimates the new Ontario standards add a few thousand dollars to the upfront construction costs, but represent a small fraction of a typical sale price.

According to green design experts, the new building code rules prescribe the use of materials and systems that are readily available on the market. They include:

Heat recovery ventilators: The box-sized devices typically live in the utility room and are meant to recover waste heat that escapes through ventilation systems, including bathroom exhaust fans. Chris Phillips, president of Greening Homes Ltd. and a building science expert, points out that such devices become crucial in preventing mould and removing humidity in renos and new build structures that have become more airtight.

Continuous insulation on the outside of walls: While so-called R-values on insulating materials and windows have increased in the new code, "there's an emphasis on air tightness and adding insulation," Mr. Phillips says.

Drain-water heat-recovery systems: Copper piping that coils around drains from showers are energy conduction devices that draw off the residual heat from grey water and recycle it in the home's water system. "It's free heating," Ms. Dubbeldam says, adding that they're available for about $600.

Tough electrical heating requirements for homes with extensive windows.
Mr. Phillips points out that the new energy-efficiency standards will apply to more extensive renovation projects. In the past, renovators could completely gut an older home and then not substantially increase the insulation in the walls. Now, he says, "you have to [build] to the current standard. You can't just keep it as it was."

That requirement may entail adding secondary interior walls, as well as new air and vapour barriers, before the installation of drywall and finishes. Some clients fret about the loss of floor space, especially in the smaller brick homes in the old city of Toronto. But, he says, "once the work is done, no one notices the difference."

While green design practitioners praise these changes, they say the next big development will likely come into effect in about five years, when the code is revised to incorporate new carbon-pricing policies, and also includes more prescriptive provisions around the energy embedded in building materials.

Mr. Phillips says in his own practice, he increasingly looks for opportunities to reduce the use of high-carbon products, such as spray foam, which is made with petrochemicals, in favour of more sustainable materials by the likes of Roxul, which produces a highly malleable insulating material made with recycled minerals.

Concrete, another high-emissions building material, is another example. Some builders now use supplementary cementitious materials, which blend concrete with industrial waste materials such as slag to create a less energy-intensive product.

"It's not just following regulations," Ms. Dubbeldam says. "It's a whole different approach."

Northern Europe's experience, Prof. Kesik adds, is that once energy-efficiency codes exceed a certain point, the savings, in terms of energy costs for homeowners, become very significant. That shift, he says, is especially important in an aging society in which seniors with fixed incomes represent a growing proportion of the population. "It's a hedge against inflation in energy prices."

Ribbon Cutting makes it official
Lynne Brown
Sault Online
July 20, 2017

The first of its kind in Canada, housing 2100 lithium-ion batteries inside a state of the art building, located at the tail end of McNabb Street (at Trunk Rd.), Convergent Energy + Power officially introduced the community to an innovative energy asset.

Johannes Ritterhausen, CEO – Convergent Energy + Power welcomed stakeholders and dignitaries who came together on Wednesday, July 19th, to celebrate the date with a ribbon cutting ceremony.

Excerpt from media release:

'Convergent Energy + Power, a developer of energy storage projects throughout North America, announced today that it has finished construction on the first project under Ontario's Independent Electricity System Operator (IESO) 2014 energy storage solicitation. Convergent's energy storage installation is designed to increase the reliability and efficiency of the grid, specifically in the Sault Ste. Marie region.

"We are proud to deliver an energy storage solution aimed at making the power grid more efficient and cost-effective." said Johannes Rittershausen, CEO of Convergent. "Developing, building and managing an energy storage asset is a complex endeavor. Convergent has a strong record of accomplishment, overcoming first – mover obstacles to deliver on our obligations and create value for our customers."

Convergent worked with the local P.U.C. Services, Inc. to site the 7 megawatt lithium-ion battery storage facility adjacent to one of its transmission substations.

In addition to reducing and optimizing grid costs, Convergent's Sault project has injected millions of dollars into the city's economy, as work was completed by local companies for design, engineering and construction services, including STEM Engineering Group, WSP, S&T Group, N-Sci Technologies, and SalDan Construction Group. Other project vendors included GE Energy Storage and Whitby Hydro Energy Services Corp.

The IESO contracted with five companies to build a variety of energy storage projects throughout the province. Convergent becomes the first on this list to finish construction, beginning a multi-year process of the IESO piloting energy storage's ability to enhance the flexibility and resiliency of the grid.'

Convergent Energy's Chief Operating Officer and Robin Gray, Vice President of Operations spoke with media inside the high-tech energy storage facility about how the energy asset works.

Convergent Energy + Power is a technology-neutral storage asset developer with experience across a wide range of projects, from commercial and industrial applications to grid-connected systems, including over 70 MWs and 230 MWs of projects in operation, construction, or under contract to be built. The company manages all aspects of the energy storage asset development cycle, including project-specific opportunity identification and economic evaluation, contract and financial structuring, engineering – procurement – construction, as well as operations and maintenance.

To learn more about Convergent Energy – go here: http://www.convergentep.com/

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