Briefing for May 5, 2017

Your morning briefing

05.05.2017 Sabrina Nanji 0

Headlines

The Ministry of Children and Youth Services forked out $53,948 to outfit staffers at youth correctional facilities with swanky Canada Goose parkas, the *Toronto Sun* reports. After seeing the expense on last year's public accounts, PC MPP **Sylvia Jones** "heard a rumour" the coats were purchased for staff, which was later confirmed by the *Sun.* A Ministry spokesperson explained the expensive brand was picked after no other bids came in, but Jones says it speaks to an "out-of-touch" government.

The Tories prodigal son returns. Veteran Tory campaigner **Andrew Boddington**, most recently of the now-dead **Kevin O'Leary** campaign for federal leader, has been recruited to run PC Leader Patrick Brown's 2018 election bid, the *Toronto Star* reports.

Speaking of federal leadership prospects, dead or alive, Ontario NDP deputy leader **Jagmeet Singh** would do well to heed O'Leary's mistakes in Quebec, **Supriya Dwivedi** opines.

School's out for 121 in Ontario, according to a new report. The *Star* reports a People for Education document shows school boards have recommended closing 121 schools over the next three years, with a "disproportionate impact" in rural communities.

Ontario Human Rights Commissioner **Renu Mandhane** is considering legal action in the wake of yesterday's segregation review from independent adviser **Howard Sapers,** *CBC* reports. Mandhane says the latest report is another indication the settlement between the province and commission over the Christina Jahn case included a provision that people with mental health concerns not be placed in solitary confinement unless there is evidence that all other alternatives have been considered.

NDP MPP **Catherine Fife** isn't happy about what she calls the government's "nonchalant" response to an security breach that sent thousands of people's OHIP information to strangers, *Waterloo Record* reports.

Correctional officers in Thunder Bay lay out a vision board for the new jail, announced as part of a Sapers' review yesterday, *CBC* reports.

The *Ottawa Citizen* gets the skinny on the new jail coming to town.

Yesterday was Star Wars Day and the force was strong with the Premier and NDP Leader. *QPB* finds the PC Leader's lack of faith disturbing.

It's wet out there, so don your Canada Goose rain gear if you've got it.

ICYMI Here are *QPB*'s stories from yesterday:

- Three things to know about Ontario's latest segregation review
- Wynne and Tory's relationship undergoing trial by fire
- Seen: Lineup set for commission studying northern riding boundaries
- Electricity market reforms could now save Ontario up to $5.2 billion

In the opinion pages:

- Chris Selley says the pharmacare melee is a political mess.
- David Reevely parses Ontario's love affair with segregation.

Events

9:20 a.m.

Premier **Kathleen Wynne** to make an announcement alongside
Minister **Deb Matthews.** University of Western Ontario, 1151 Richmond St., London.

9:30 a.m.

Dr. **Eric Hoskins,** Minister of Health and Long-Term Care, joined by MPP **Han Dong** (Trinity - Spadina) will make an announcement. Sick Kids Hospital. 555 University Ave., Toronto.

10:30 a.m.

Economic Development Minister **Brad Duguid** to respond to April job numbers. Media studio.

12:20 p.m.

Premier Wynne to participate in a fireside chat at the Ontario Chamber of Commerce AGM. Holiday Inn Sarnia, 1498 Venetian Blvd., Point Edward.

1:20 p.m.

Premier Wynne to meet with Lambton County and surrounding area Mayors and Wardens. 1492 Venetian Blvd.

2:30 p.m.

Premier Wynne to visit INTEGRA Technologies and participate in an announcement. 1355 Confederation St., Sarnia.

3:45 p.m.

Premier Wynne to participate in a roundtable discussion with the Chemical Industry Association of Canada. Lambton College, 1457 London Rd., Sarnia.

Electricity market reforms could now save Ontario up to $5.2 billion

04.05.2017 Geoff Zochodne 0

Remaking Ontario’s electricity market could deliver billions in benefits to consumers – but the companies and utilities selling power are worried about government meddling.

The 2017 Ontario budget, released last week, said the potential savings generated by market reforms could now be worth as much as $5.2 billion over 10 years, starting in 2021. The Independent Electricity System Operator, the provincial agency that runs Ontario’s power grid, had previously pegged those possible savings at around $3.5 billion.

The IESO has been working on “market renewal” for years, and a recently finalized business case shows the net benefits could go as low as $2.2 billion or as high as $5.2 billion. Savings for customers could be about $180 million per year in 2021, and reach nearly $700 million a year by 2030.

Fixing the electricity market was included in the Liberal government’s “Fair Hydro Plan,” which aims to reduce power bills by an average of 25 per cent, including an already enacted 8-per-cent rebate that came into effect in January.

“Not only are we making sure that the 25-per-cent reduction on average will be in place … then, with the $5.2 billion that we’re able to pull out through market renewal, and other incentives that we’ll be able to work with all of our agencies on, [it] will actually help drive those costs down for ratepayers,” said Energy Minister **Glenn Thibeault** on Thursday at Queen’s Park.

The Grits' hydro plan will also reduce the global adjustment charge paid by electricity customers by an average of about $2.5 billion over 10 years, in addition to taking the cost of social programs off hydro bills and putting it on to tax bills. The 8-per-cent rebate will cost approximately $1 billion annually, the tax-bill upload will run Ontarians about $2.5 billion over the next three years, and interest payments by customers on the global adjustment refinancing will total at least $25 billion, the government says.

But the bulk of the market renewal savings would come from moving Ontario's electricity market to a “capacity auction” model, where power producers would be trying to outbid each other to the back-up source of energy for the grid. Ontario currently adds new electricity capacity by signing long-term contracts with companies, locking the province into deals that could be above the fluctuating market price for power.

Additional savings would come from smoothing out the kinks in the electricity system and switching to a “financially-binding day-ahead market” that would purchase power 24 hours before it is needed, rather than the current model of buying electricity every five minutes.

But, according to a summary of comments the IESO received from the energy sector, there are a fair share of concerns about the government interfering in the electricity market.

“Governance will become increasingly important as the market renewal initiative rolls out,” said a May 3 update from the IESO, summing up advice the agency received from industry representatives at a Feb. 1 meeting. “Currently there is little to no recourse for stakeholders when changes or decisions have a negative impact on them.”

The industry representatives also said customers must have a “common understanding” of the benefits for them and that the focus of the reforms must be kept on power prices and access to the markets.

The reps told the IESO that the agency may have to break some bad news to the government: that its tinkering could undercut the electricity market. One example given was the agreement between Ontario and Quebec, wherein the former is guaranteed hydro power from the latter. The Liberal government said this could reduce costs for electricity customers by about $70 million, but the deal was singled out by the industry as an example of an unwelcome intrusion in the market.

“The more the government operates unilaterally, the less confidence there will be in the market,” said the update. “The Ontario-Quebec deal, and other out-of-market solutions like it, undermines investor confidence in the marketplace. Putting blocks and limits around these would be helpful.”

The IESO responded that, with the benefits finalized, “the transition to the design phase has started.”

“The IESO appreciates that governance is a concern for stakeholders and will continue to share those concerns with government,” adds the agency.

But Thibeault says the government has to keep an eye out for the public’s interest as well.

“The government will always have a role in making sure that we’re doing the right thing for ratepayers and doing the right thing to ensure that we have transmission and generation in our province,” said Thibeault.