

Ministry of Energy Top Issues - January 02, 2018

From: "Cvjeticanin, Dan (ENERGY)" <dan.cvjeticanin@ontario.ca>
To: "@ENERGY All" <energy-all2@msgov.gov.on.ca>
Date: Tue, 02 Jan 2018 07:02:50 -0500

Good morning,

Here's what's making news:

- Regulator scales back Ontario Power Generation rate-hike request over 'excessive' costs -- Financial Post
- OPG ordered to cut costs by \$500M; Regulator scales back Ontario Power Generation rate-hike request over 'excessive' costs -- Welland Tribune, pg. C6
- Proposed projects vie to carry Canadian renewable energy to Massachusetts -- The Globe and Mail, pg. B2
- Conservatives plan to change landscape in C-K; Nicholls says 401 barrier will be built; Green Energy Act will be scrapped -- Tilbury Times, pg. A3
- Ontario's carbon pricing future uncertain between cap and trade and carbon tax -- TheRecord.com
- Ontario's carbon future uncertain; Cap-and-trade system brought in \$2B in 2017, but June election could usher in carbon tax -- London Free Press, pg. A6
- High Tech Firms Take Note Of Hydro | One of the biggest investments in Orillia's history is still waiting for OEB approval -- Bayshore Broadcasting News Centre
- NW Ontario First Nations go to court over pipeline work | Issue revolves around duty to consult and accommodate -- Tbnewswatch.com
- Orillia power distribution sale took a turn in 2017 | Deal requires Ontario Energy Board approval -- Orillia Today
- Gas Prices Expected To Soar In The New Year -- Blackburnnews.com
- Canadian wind, hydro power heralded in U.S -- The Chronicle Herald (Halifax, NS), pg. B4

Regulator scales back Ontario Power Generation rate-hike request over 'excessive' costs

Financial Post

Fri Dec 29 2017

Section: Energy

Byline: Geoff Zochodne

The Ontario Energy Board has ordered Ontario Power Generation Inc. to cut nuclear-connected costs by approximately \$500 million over five years after finding that some of the company's proposed expenses, including those tied to compensation, were "excessive" in relation to those of comparable entities.

OPG made an application for power payments it will receive for the years 2017 to 2021 to the OEB, the provincial regulator of the electricity industry, in May 2016.

The OEB acknowledged in a decision released Thursday that OPG's application was the "largest" rate case it had ever heard on a dollar basis, as the company had been seeking \$16.8 billion in revenue over the five-year period for its nuclear facilities.

Ontario Liberals hits refresh button on oversight of contentious energy industry, plans year-long review (business.financialpost.com)

A whole new way to screw up hydro is underway in Ontario and B.C. (business.financialpost.com)

Sell surplus electricity at a discount to Ontario businesses, rather than exporting at loss, province urged (business.financialpost.com)

But the OEB also said it would reduce OPG's proposed operations, maintenance and administration budget for its nuclear power business by \$100 million per year, "mainly due to the results of poor OPG performance against its comparators, and excessive compensation when compared to its benchmarked comparators and its own performance, and other excessive costs."

The compensation eyed by the OEB extends to OPG's pension and benefit costs, which the regulator said "are clearly excessive."

"The evidence supports a range of disallowances under different categories which in theory could have supported disallowances that could total much greater than \$100 million," the decision added. "In reaching a final number the OEB has sought to balance the interests of ratepayers in not paying an unreasonable amount, and OPG's needs to fund its nuclear operations."

OPG's requested rates would have inflated the typical household hydro bill by approximately 65 cents a month in each year of the five-year application, the decision noted. The OEB ordered OPG to file a draft of its payments amounts reflecting the regulator's findings by Jan. 17, 2018, before the OEB makes a final decision some time next year.

"Only then will the exact payment amounts and customer bill impacts be known," the regulator added.

The decision will be felt across the province, as OPG is the largest producer of electricity in Ontario, operating two nuclear power plants, 66 hydroelectric stations, three thermal facilities and one wind turbine.

While OPG is wholly owned by Ontario, it also does business in the capital markets - it released its first public debt issue in October, a \$500-million offering. The money will be used in part to help finance the plan to reduce electricity costs for residential consumers by an average of 25 per cent, which was brought in earlier this year by the provincial Liberal government, the so-called "Fair Hydro Plan."

OPG requested Jan. 1, 2017 as the effective date for its new power prices, but the OEB selected June 1, 2017, potentially cutting into OPG's payments.

OPG said Friday in a press release that it was "reviewing the decision in detail."

The subject of OPG's compensation has been a "contentious" one in the past, the OEB noted in its decision. A previous decision by the regulator on OPG's 2011 and 2012 payments, disallowing \$145 million in nuclear-related labour costs for being excessive, was fought all the way to the Supreme Court of Canada, which sided with the OEB. OPG is the only electricity generator in Ontario that has its rates set through a public process.

The company's 2017-2021 application also included a "rate smoothing" proposal that would defer the collecting of approximately \$1 billion of revenue, plus \$116 million of interest, the decision said. The OEB approved a deferral account for the smoothing revenue, with the final details still to come once the "unsmoothed" payments are nailed down.

"The impact of this Decision will not be seen on customer bills immediately due to smoothing and deferred revenue resulting from this proceeding," the OEB said in its decision. "In addition, because of the Fair Hydro Plan, for residential customers and some other customers, the immediate impact will be lessened."

OPG's application also covered the \$12.8-billion Darlington "megaprogram," as the OEB phrased it. The project aims to extend the life of the 27-year-old, four-reactor nuclear power plant, which provides approximately 20 per cent of the province's electricity, by approximately 30 years. Work began on revamping the first nuclear reactor in Oct. 2016, and the project is scheduled to take until 2026.

Jeff Lyash, president and chief executive officer of OPG, said in a Nov. 9 press release that the project "remains on time and on budget."

The OEB said in its decision that it had approved adding nearly \$5.2 billion to the rate base in connection with the refurbishment of Darlington, which is located approximately 45 minutes east of Toronto.

The OEB also approved OPG's proposal to spend \$292 million on technical assessments for its 46-year-old Pickering nuclear power plant, to see if its life can be extended another four years, to 2024.

OPG ordered to cut costs by \$500M; Regulator scales back Ontario Power Generation rate-hike request over 'excessive' costs

Welland Tribune

Sat Dec 30 2017

Page: C6

Section: Business

Byline: Geoff Zochodne

Source: Financial Post

The Ontario Energy Board has ordered Ontario Power Generation Inc. to cut nuclear-connected costs by approximately \$500 million over five years after finding that some of the company's proposed expenses, including those tied to compensation, were "excessive" in relation to those of comparable entities. OPG made an application for power payments it will receive for the years 2017 to 2021 to the OEB, the provincial regulator of the electricity industry, in May 2016.

The OEB acknowledged in a decision released Thursday that OPG's application was the "largest" rate case it had ever heard on a dollar basis, as the company had been seeking \$16.8 billion in revenue over the five-year period for its nuclear facilities.

But the OEB also said it would reduce OPG's proposed operations, maintenance and administration budget for its nuclear power business by \$100 million per year, "mainly due to the results of poor OPG performance against its comparators, and excessive compensation when compared to its benchmarked comparators and its own performance, and other excessive costs."

The compensation eyed by the OEB extends to OPG's pension and benefit costs, which the regulator said "are clearly excessive."

"The evidence supports a range of disallowances under different categories which in theory could have

supported disallowances that could total much greater than \$100 million,” the decision added. “In reaching a final number the OEB has sought to balance the interests of ratepayers in not paying an unreasonable amount, and OPG’s needs to fund its nuclear operations.”

OPG’s requested rates would have inflated the typical household hydro bill by approximately 65 cents a month in each year of the five-year application, the decision noted. The OEB ordered OPG to file a draft of its payments amounts reflecting the regulator’s findings by Jan. 17, 2018, before the OEB makes a final decision some time next year.

“Only then will the exact payment amounts and customer bill impacts be known,” the regulator added.

The decision will be felt across the province, as OPG is the largest producer of electricity in Ontario, operating two nuclear power plants, 66 hydroelectric stations, three thermal facilities and one wind turbine.

While OPG is wholly owned by Ontario, it also does business in the capital markets - it released its first public debt issue in October, a \$500-million offering. The money will be used in part to help finance the plan to reduce electricity costs for residential consumers by an average of 25 per cent, which was brought in earlier this year by the provincial Liberal government, the so-called “Fair Hydro Plan.”

OPG requested Jan. 1, 2017 as the effective date for its new power prices, but the OEB selected June 1, 2017, potentially cutting into OPG’s payments.

OPG said Friday in a press release that it was “reviewing the decision in detail.”

The subject of OPG’s compensation has been a “contentious” one in the past, the OEB noted in its decision. A previous decision by the regulator on OPG’s 2011 and 2012 payments, disallowing \$145 million in nuclear-related labour costs for being excessive, was fought all the way to the Supreme Court of Canada, which sided with the OEB. OPG is the only electricity generator in Ontario that has its rates set through a public process.

The company’s 2017-2021 application also included a “rate smoothing” proposal that would defer the collecting of approximately \$1 billion of revenue, plus \$116 million of interest, the decision said. The OEB approved a deferral account for the smoothing revenue, with the final details still to come once the “unsmoothed” payments are nailed down.

“The impact of this Decision will not be seen on customer bills immediately due to smoothing and deferred revenue resulting from this proceeding,” the OEB said in its decision. “In addition, because of the Fair Hydro Plan, for residential customers and some other customers, the immediate impact will be lessened.”

OPG’s application also covered the \$12.8-billion Darlington “megaprogram,” as the OEB phrased it. The project aims to extend the life of the 27-year-old, four-reactor nuclear power plant, which provides approximately 20 per cent of the province’s electricity, by approximately 30 years. Work began on revamping the first nuclear reactor in Oct. 2016, and the project is scheduled to take until 2026.

Jeff Lyash, president and chief executive officer of OPG, said in a Nov. 9 press release that the project “remains on time and on budget.”

The OEB said in its decision that it had approved adding nearly \$5.2 billion to the rate base in connection with the refurbishment of Darlington, which is located approximately 45 minutes east of Toronto.

The OEB also approved OPG’s proposal to spend \$292 million on technical assessments for its 46-year-old Pickering nuclear power plant, to see if its life can be extended another four years, to 2024.

Proposed projects vie to carry Canadian renewable energy to Massachusetts

The Globe and Mail

2018-01-02

Byline: WILSON RING | Section: Report on Business | Page: B2

Some entrepreneurs hoping to provide renewable energy to Massachusetts electricity customers are touting their projects in the run-up to the decision, expected in late January, about which company could be chosen to help provide clean power to the Bay State.

The stakes are potentially huge for the dozens of companies that have submitted proposals, some of which are proposing major infrastructure projects that would carry Canadian electricity produced by wind or hydro power across Vermont, New Hampshire or Maine to reach Massachusetts.

While there are a variety of projects vying to be chosen by Massachusetts in the current round, even if they're not selected, it's likely there will be other calls in the future for projects to provide more renewable power to southern New England.

Last week, the backers of New Hampshire's Northern Pass project, which would run a 309-kilometre transmission line from Pittsburg, N.H., on the Canadian border to Deerfield, Mass., carrying enough hydro power to about a million homes, were optimistic.

Despite a vow of continued pressure from people who object to the Northern Pass project, the backer of the project, Eversource, expects to receive final regulatory approval in both the United States and Canada, allowing it to begin construction in April. Northern Pass claims it will be ready to transmit power by 2020.

"We feel we have submitted the most mature project," Eversource spokeswoman Kaitlyn Woods said. "We are confident it will be selected."

National Grid, the backer of the project known as the Granite State Power Link, is running online advertisements promoting its project. The company announced last week it had filed for a presidential permit, the first regulatory step needed for it to bring 1,200 megawatts of power to southern New England.

The project would be built alongside an existing line that enters the United States at Norton, Vt., and connect with an upgraded power line at Monroe, N.H. It's unclear when that project could be ready for construction.

"I think we're well positioned to win because ultimately we are the best options for customers," National Grid's Joe Rossignoli said. In addition to the Granite State Power Link, National Grid is backing a smaller project that would bring power from new wind and solar projects from upstate New York to Massachusetts.

Another proposed project, the New England Clean Power Link, would carry power nearly 250 kilometres down Lake Champlain from the Canadian border and into Vermont, where it would connect to the grid and feed Massachusetts's demand for clean power. The project is backed by TDI-New England.

"In addition to meeting all the Commonwealth's requirements, TDI-NE believes the New England Clean Power Link is the right turnkey project for Massachusetts," said Donald Jessome, president of TDI-New England.

“Our project is fully permitted, enjoys wide spread support up and down the line and offers a fixed -price bid.”

In 2016, Massachusetts Governor Charlie Baker signed a law requiring the state to solicit contracts for 1,200 MW of renewable energy, including hydro power, onshore wind and solar power, along with at least 1,600 MW of offshore wind energy.

Last summer, dozens of companies filed proposals - large and small - to meet that goal for the onshore supply of power. The timeline calls for the “selection of projects for negotiation” on Jan. 25 with the contracts being approved by late April.

Conservatives plan to change landscape in C-K; Nicholls says 401 barrier will be built; Green Energy Act will be scrapped

Tilbury Times

Tue Jan 2 2018

Page: A3

Section: News

Byline: Ellwood Shreve

Chatham-Kent will see a concrete change if the Ontario Progressive Conservatives are given a mandate to lead after the June provincial election.

In a year-end interview, Chatham-Kent Essex MPP Rick Nicholls said he has been told by PC party leader Patrick Brown that “a PC government will build the concrete barrier” along Highway 401 through Chatham-Kent.

The local MPP has been deeply involved in the citizen-driven ‘Build the Barrier’ campaign - to have a concrete median be installed between Chatham-Kent and London in light of some fatal cross median crashes earlier this year along that stretch of Highway 401. The Ministry of Transportation’s office has indicated a high-tension cable barrier is being considered for that stretch of highway.

Nicholls said he asked the MTO if they could provide a comparison of the cost for one kilometre of concrete barrier versus one kilometre of high-tension cable.

“They couldn’t provide me with that.” He also asked, when work was still being done on Highway 401 in the Tilbury area, if the contract could be opened to include concrete barriers. Nicholls said he was told it could be done, but added, “the sad part is they did not open that up and now all the barriers are removed.”

Now that winter is here, Nicholls has particular concerns with the stretch of 401 from Queen’s Line to Highway 40 where there have been several incidents of tractor trailers spinning out through the median.

Meanwhile, Nicholls said he has also been working with Lambton-Kent-Middlesex MPP Monte McNaughton to address the issue of several water wells that have gone turbid in the former Chatham Township area since construction began on a wind turbine farm in the area.

Nicholls noted the current Green Energy Act would be scrapped if Brown is permitted to govern Ontario.

“We’re not against green (energy), but it’s got to be affordable energy,” he said. “We know the cost for these industrial wind turbines and the price that people are paying to subsidize these industrial wind turbines, is driving the prices of hydro up.”

The MPP said Ontario has among the highest energy costs, which is putting a financial strain on many businesses and residents.

The PCs have looked at the numbers, and Nicholls said in addition to the 25 per cent reduction offered by the Liberal government, “we will actually lower energy costs by additional 12 per cent.” He said this will be done through efficiencies and looking at the various contracts that municipalities and the Liberal government have signed with wind turbine companies, to find loopholes.

When it comes to lowering the cost of government, Nicholls said the PCs are looking to find “two pennies on every dollar spent, in efficiencies.”

Some people may see that as cutting services, but Nicholls said, “no it’s not. We’re going to find better ways of doing things, to streamline, to make it more efficient without cutting.”

He added any surplus at the end of the year will go directly to start paying down the debt, which now amounts to just under \$330 billion.

“We do not have a revenue problem in this province, we have a spending problem,” Nicholls said.

Asked if PC measures to streamline and find efficiencies will cause people to compare it to the former Mike Harris government, Nicholls said: “They can point to the Mike Harris days and we can point to the Bob Rae days and we can point to the Dalton McGuinty days. How far back do people want to go?” Nicholls predicts when the Ontario Legislature resumes sitting in February, the Liberals will introduce a provincial budget that will be the basis of its election platform.

“My concern and my advice to the public, to my constituents and to Ontarians, is don’t be fooled by this budget.”

Nicholls points to 2003 and 2007 as two occasions when former Premier Dalton McGuinty promised to not raise taxes, but then did.

Ontario's carbon pricing future uncertain between cap and trade and carbon tax

TheRecord.com

Fri Dec 29 2017

Section: News

TORONTO - Ontario’s first year of carbon pricing brought in nearly \$2 billion, but uncertainty looms over the program’s future as the province faces an election in 2018 that could see its cap-and-trade system replaced with a carbon tax.

The system, launched in 2017, is aimed at lowering greenhouse gas emissions by putting caps on the amount of pollution companies in certain industries can emit. If they exceed those limits they must buy allowances at quarterly auctions or from other companies that come in under their limits.

The cap declines about four per cent each year to 2020, and as it decreases, the government hopes

companies have more incentive to cut their emissions.

Ontario made \$1.9 billion this year in four cap-and-trade auctions, three of which were sellouts.

But there are concerns that once the province joins the Quebec-California carbon market on Jan. 1, the proceeds from auctions will be lower - at least in the short term - because it will be cheaper for Ontario companies to buy allowances in those jurisdictions. That would also mean that greenhouse gas emissions won't actually be cut in Ontario, according to the province's environmental commissioner and auditor general.

The Liberal government, however, has argued that greenhouse gases are emitted into a global atmosphere, so it doesn't matter in what jurisdiction reductions originate.

What happens with the money the program brings in has been a bone of political contention. The government is putting that revenue toward green projects such as energy efficient improvements at hospitals, smart thermostats for homeowners, and bike lanes, which they hope will further help to reduce greenhouse gas emissions.

The NDP say that green fund is not transparent enough, and the Progressive Conservatives call it a government "cash grab."

The PCs have promised, if they win the June election, to withdraw from cap and trade and instead implement a carbon tax, with a key difference between the plans being how to spend the revenue. The Tories propose to use it to fund an income-tax cut, which they say would make their carbon tax revenue neutral.

But the Liberals say the cap-and-trade system gives certainty in emission reductions at the lowest cost.

"(The PC system) is more expensive on a day-to-day basis and there's no guarantee it will actually reduce greenhouse gas emissions," Premier Kathleen Wynne said in a recent interview.

The price of carbon through Ontario's 2017 auctions was roughly \$18 per tonne. By 2022 the government expects that to rise to over \$20, though some forecasts peg it higher.

Under the federal government's carbon tax favoured by the PCs - Ottawa has said provinces must choose

between cap and trade and a carbon tax - the price would be \$50 a tonne by 2022.

“This is the federal law,” Progressive Conservative Leader Patrick Brown said in an interview. “I believe we should do our part on combating climate change and I don’t think it’s inconsistent to be a Progressive Conservative and care about the environment.”

Though a carbon tax comes with a higher cost, the Tories concede, it is more predictable than the price under cap and trade, which is dictated by the market and therefore unstable. And their plan is to offset the impact on consumers with income tax cuts.

They also plan a small business tax cut, but businesses currently covered by cap and trade may still end up paying more under a carbon tax.

Those businesses would have an equivalent value of cap-and-trade credits honoured in a carbon tax system, and free credits for companies in sensitive industries - a way to prevent them from moving to jurisdictions without carbon pricing - would continue, the Tories say.

Linking to the joint carbon market - the first auction will take place on Feb. 21 - isn’t expected to substantially drive up costs for consumers, which are currently about 4.3 cents per litre on the price of gasoline and about \$80 a year on natural gas home heating. There are also indirect costs that businesses will pass onto consumers.

They would be about \$80 to \$85 a year with a \$20-per-tonne carbon price and about \$200 a year for a \$50 carbon price, said University of Calgary economics professor Trevor Tombe.

“That’s going to be the case under either a cap and trade or a carbon tax,” said Tombe, who has often written about carbon pricing. “The relevant metric here for household cost is what the price on carbon is, not what specific system was used to implement that price.”

That also means the carbon tax would reduce emissions more than cap and trade because of the higher price, Tombe said.

“It provides an incentive for households, businesses, individuals to change their behaviour,” he said.

An analysis published by EnviroEconomics says the federal carbon price would see more emissions

reductions domestically because of its higher price, but cap and trade requires a certain level of reductions and gives more options to achieve them.

To withdraw from the Ontario-Quebec-California cap-and-trade system, a Tory government would have to give one year's notice, meaning the province would formally pull out in the summer of 2019.

Their plan also earmarks \$1.5 billion to continue any contractual obligations under cap and trade, as well as any of the green programs they deem worthy.

Ontario's carbon future uncertain; Cap-and-trade system brought in \$2B in 2017, but June election could usher in carbon tax

London Free Press

Tue Jan 2 2018

Page: A6

Section: News

Ontario's first year of carbon pricing brought in nearly \$2 billion, but uncertainty looms over the program's future as the province faces an election in 2018 that could see its cap-and-trade system replaced with a carbon tax.

The system, launched in 2017, is aimed at lowering greenhouse gas emissions by putting caps on the amount of pollution companies in certain industries can emit. If they exceed those limits, they must buy allowances at quarterly auctions or from companies that come in under their limits.

The cap declines about four per cent each year to 2020, and as it decreases, the government hopes companies have more incentive to cut their emissions.

Ontario made \$1.9 billion this year in four cap-and-trade auctions, three of which sold out.

But there are concerns that, since the province joined the Quebec-California carbon market Jan. 1, the auction proceeds will be lower -at least in the short term -because it will be cheaper for Ontario companies

to buy allowances in those jurisdictions. That also would mean greenhouse gas emissions won't actually be cut in Ontario, according to the province's environmental commissioner and auditor general.

The Liberal government, however, has argued greenhouse gases are emitted into a global atmosphere, so it doesn't matter in what jurisdiction reductions originate.

What happens with the money the program brings in has been a bone of political contention. The government is putting that revenue toward green projects such as energy hospitals, smart thermostats for homeowners, and bike lanes, which they hope will further help cut greenhouse gas emissions.

The NDP say that green fund is not transparent enough, and the Progressive Conservatives call it a government "cash grab." The PCs have promised, if they win the June election, to withdraw from cap and trade and instead implement a carbon tax, with a key difference between the plans being how to spend the revenue. The Tories propose to use it to fund an income tax cut, which they say would make their carbon tax revenue neutral.

But the Liberals say the cap-and-trade system gives certainty in emission reductions at the lowest cost.

"(The PC system) is more expensive on a day-to-day basis and there's no guarantee it will actually reduce greenhouse gas emissions," Premier Kathleen Wynne said in a recent interview.

The price of carbon through Ontario's 2017 auctions was roughly \$18 a tonne. By 2022, the government expects that to rise to more than \$20, though some forecasts peg it higher.

Under the federal government's carbon tax favoured by the PCs - Ottawa has said provinces must choose between cap and trade and a carbon tax - the price would be \$50 a tonne by 2022.

"This is the federal law," Progressive Conservative Leader Patrick Brown said. "I believe we should do our part on combating climate change and I don't think it's inconsistent to be a Progressive Conservative and care about the environment." Though a carbon tax comes with a higher price per tonne at least in the short term, the Tories say it is more predictable than the price under cap and trade, which is dictated by the market and therefore unstable. And their plan is to offset the impact on consumers with income tax cuts.

They also plan a small business tax cut, but businesses currently covered by cap and trade may still end up paying more under a carbon tax.

Those businesses would have an equivalent value of cap-and-trade credits honoured in a carbon tax system, and free credits for companies in sensitive industries - a way to prevent them from moving to jurisdictions without carbon pricing - would continue, the Tories say.

Linking to the joint carbon market - the first auction is set for Feb. 21 - isn't expected to substantially drive up costs for consumers, which are about 4.3 cents a litre on the price of gasoline and about \$80 a year on natural gas home heating. There also are indirect costs businesses will pass onto consumers.

They would be about \$80 to \$85 a year with a \$20-a-tonne carbon price and about \$200 a year for a \$50 carbon price, said University of Calgary economics professor Trevor Tombe.

"That's going to be the case under either a cap and trade or a carbon tax," said Tombe, who has written about carbon pricing. "The relevant metric here for household cost is what the price on carbon is." That also means the carbon tax would cut emissions more than cap and trade because of the higher price, Tombe said. "It provides an incentive for households, businesses, individuals to change their behaviour," he said.

High Tech Firms Take Note Of Hydro | One of the biggest investments in Orillia's history is still waiting for OEB approval

Bayshore Broadcasting News Centre

2017-12-29

Byline: Ian MacLennan

The late summer of 2017 saw the City of Orillia sign off on what could be the biggest investment ever in the history of the community.

In August, the city confirmed an agreement was reached with Hydro One to construct an Advanced Technology Hub in the Horne Business Park.

The deal, which Mayor Steve Clarke said would bring \$200-\$300 million in near-term economic impact, includes a provincial warehouse, a backup Ontario grid control centre and a regional operations centre.

As well, Hydro One purchased the distribution arm of Orillia Power for \$26 million, and guaranteed a 1 per cent cut in distribution charges for five years.

Clarke says that as recently as last week, the city and Hydro One provided all information requested by the Ontario Energy Board, which must still approve the deal.

The mayor is optimistic there will be a positive decision in the next four to eight weeks.

Clarke says the city did not sit still in the latter half of 2017 waiting for the OEB to make a decision, in fact, the mayor says there have been discussions with high tech organizations that would be interested in locating adjacent to where the technology hub will be.

The whole project is likely to be a three-year build, but Clarke says the hub will be a job creator, running the gamut from telecommunications, high-tech security, administrative support and more.

NW Ontario First Nations go to court over pipeline work | Issue revolves around duty to consult and accommodate

Tbnewswatch.com

2017-12-30

HUNDER BAY - Two First Nations in the District of Thunder Bay want a court to declare that maintenance work on an existing pipeline through their territories requires that they be consulted and accommodated in advance.

The issue first came to light about a year ago after Ginoogaming and Aroland First Nations launched a lawsuit and injunction motion against TransCanada, the federal government and the National Energy Board.

The two communities maintained that "integrity digs" by TransCanada along a 30-kilometre stretch of its natural gas pipeline would impact their treaty rights to hunt, fish, trap, and gather plants and medicines, as well as potentially damage burial grounds and other cultural heritage sites.

The company said at the time that the maintenance work was required to ensure safe and reliable service.

Although the First Nations decided to abandon their bid for an injunction against the work, they

are now asking for a Superior Court declaration with respect to two elements of their Statement of Claim.

They want a declaration that the National Energy Act Regime is unconstitutional because "it purports to authorize actions, including pipeline operations and maintenance....that could have adverse effects" on Aboriginal or treaty rights without first requiring consultation.

They are also seeking a declaration that they are at least owed the duty to be consulted and accommodated about maintenance digs, even though the pipeline was built prior to that duty being enshrined in law.

Their request for summary judgment on these two issues is scheduled to be heard in Superior Court in Toronto in June. A motion for summary judgment asks a court to decide a case—before trial—in favour of the party making the motion.

A lawyer for the communities has said that if the motion is successful, the remedy will be compensation for damages.

The original lawsuit asked for \$40 million in damages plus an additional \$20 million in the event that the injunction to stop the maintenance work was not granted.

Orillia power distribution sale took a turn in 2017 | Deal requires Ontario Energy Board approval

Orillia Today

2017-12-29

Byline: Frank Matys

The council-approved sale of Orillia Power Distribution to Hydro One was surely a top story for 2016.

As stories are wont to do, this one took a turn in 2017, when the Ontario Energy Board put the brakes on Hydro One's application to buy the utility.

While Mayor Steve Clarke at the time voiced disappointment over the decision to place the application in abeyance, he remains optimistic the deal will win approval sooner than later.

"We believe that the project makes sense for Hydro One and for Orillia," he said.

An agreement approved in August 2016 would see the city sell the distribution company for \$26.3 million.

As a condition of the deal, Hydro One vowed local distribution charges would be reduced by one per cent and guaranteed for five years.

The deal was not embraced by all, with some, including Orillia's Frank Kehoe, speaking against the proposal in submissions to the energy board.

Last July, the board determined the hearing would be adjourned "until the OEB renders its decision on Hydro One's distribution rate application."

Energy board staff reported that rates proposed for previously acquired utilities in Hydro One's distribution rate application "suggest large distribution rate increases for some customers" in future.

According to Clarke, Orillia's deal proposes pegging distribution rates to inflation for the five years following the initial five-year rate reduction.

"There's actually a 10-year protection built in for Orillians," he said.

Orillia Power Corp. chair Greg Gee is "quite confident" the deal will be approved.

The utility's generation and distribution companies must be separated prior to the deal closing, notes Gee.

"It means separating the employees, but also there's a lot more to it," he said. "There's all of the different computer systems that we ran together in the past that had to be sort of pulled apart. It was like unscrambling an omelette."

The generation company would be relocated to a leased building on Progress Drive.

Hydro One would lease the building at 360 West St. S. — currently home to Orillia Power Corp. — in advance of moving to a new facility on land purchased by Hydro One for a promised technology hub in West Orillia.

Gas Prices Expected To Soar In The New Year

2017-12-31

Byline: NATALIA VEGA

Drivers are likely to take a hit to their pocketbooks in 2018.

Dan McTeague, senior petroleum analyst for GasBuddy.com, says gas prices will continue to rise throughout the year.

“With demand and supply of oil being as tight as it’s going to be in 2018, look for prices to head up anywhere from three to five cents a litre on average here in Ontario — more specifically here in Southwestern Ontario,” he says.

McTeague says there are a few factors that come into play that explain why the cost of gasoline is going up. Some of those factors revolve around the Canadian dollar, demand in the United States, oil stocks or gasoline inventories, and frigid temperatures.

He adds that another factor in high gas prices comes from refineries a little closer to home.

“Two of the refineries there [in Sarnia] Shell and Suncor, have both had some trouble with output and so that too is having an affect,” he says. “The wholesale price is about four cents higher than I’ve seen it for this time of year because of disruptions at the two refineries.”

Throughout 2018, McTeague says prices will fluctuate slightly but gas will be costly for the most part.

“What happens is retailers get about 10 to 12 cents a litre, which is their margin to cover the cost of running and operating a gas station,” he says. “We’re going to continue to see these kinds of wild fluctuations, all the while the wholesale price of gasoline will continue to rise throughout much of the year. Expect 2018 to be a lot more expensive — not just for gasoline but for diesel fuel as well.”

McTeague says January is typically a month of lower demand. However, prices have already started to increase in the area.

You can track gas prices provided by Gas Buddy for [London](#), [Chatham](#), and [Windsor](#) through links found on our website.

Canadian wind, hydro power heralded in U.S

Some entrepreneurs hoping to provide renewable energy to Massachusetts electricity customers are touting their projects in the run-up to the decision, expected in late January, about which company could be chosen to help provide clean power to the Bay State.

The stakes are potentially huge for the dozens of companies that have submitted proposals, some of which are proposing major infrastructure projects that would carry Canadian electricity produced by wind or hydro power across Vermont, New Hampshire or Maine to reach Massachusetts.

While there are a variety of projects vying to be chosen by Massachusetts in the current round, even if they're not selected, it's likely there will be other calls in the future for projects to provide more renewable power to southern New England.

Last week, the backers of New Hampshire's Northern Pass project, which would run a 192-mile transmission line from Pittsburg on the Canadian border to Deerfield, carrying enough hydropower to about a million homes, were optimistic.

Despite a vow of continued pressure from people who object to the Northern Pass project, the backer of the project, Eversource, expects to receive final regulatory approval in both the United States and Canada, allowing it to begin construction in April. Northern Pass claims it will be ready to transmit power by 2020.

"We feel we have submitted the most mature project," said Eversource spokeswoman Kaitlyn Woods. "We are confident it will be selected."

National Grid, the backer of the project known as the Granite State Power Link, is running online advertisements promoting its project. The company announced last week it had filed for a presidential permit, the first regulatory step needed for it to bring 1,200 megawatts of power to southern New England.

The project would be built alongside an existing line that enters the United States at Norton, Vermont, and connect with an upgraded power line at Monroe, New Hampshire. It's unclear when that project could be ready for construction.

“I think we’re well positioned to win because ultimately we are the best options for customers,” said National Grid’s Joe Rossignoli. In addition to the Granite State Power Link, National Grid is backing a smaller project that would bring power from new wind and solar projects from upstate New York to Massachusetts.

Another proposed project, the New England Clean Power Link, would carry power 154 miles down Lake Champlain from the Canadian border and into Vermont, where it would connect to the grid and feed Massachusetts’ demand for clean power. The project is backed by TDI-New England.

“In addition to meeting all the Commonwealth’s requirements, TDI-NE believes the New England Clean Power Link is the right turn-key project for Massachusetts,” said Donald Jessome, president of TDI-New England. “Our project is fully permitted, enjoys wide spread support up and down the line and offers a fixed price bid.”

In 2016, Massachusetts Gov. Charlie Baker signed a law requiring the state to solicit contracts for 1,200 megawatts of renewable energy, including hydropower, onshore wind and solar power, along with at least 1,600 megawatts of offshore wind energy.

Last summer, dozens of companies filed proposals - large and small - to meet that goal for the onshore supply of power. The timeline calls for the “selection of projects for negotiation” on Jan. 25 with the contracts being approved by late April.