Ministry of Energy Top Issues - July 20, 2016

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Date: Thu, 20 Jul 2017 07:05:23 -0400

Good morning,

Here's what's making news:

- Minister of Energy to make announcement this morning -- Sudbury.com
- Hydro One strikes $4.4-billion U.S. deal; Ontario utility to acquire Spokane, Wash.-based Avista Corp. in company's first foray outside of province -- The Globe and Mail, pg. B1
- BNN's Daily Chase: Hydro One enters U.S. with Avista takeover -- BNN
- Hydro One makes its first U.S. acquisition with $6.7B purchase of Avista Corp -- Financial Post
- Hydro One flexes power in massive U.S. deal; Avista purchase puts firm in top 20 electric companies -- Toronto Star, pg. A8
- Fraser Institute News Release: Ontario electricity prices fastest growing in Canada; Toronto bills highest nationwide – Marketwired
- Ontario's green energy plan in tatters -- National Post, pg. A8
- Taxpayers powerless; Ontarians overwhelmed by skyrocketing electricity costs -- Ottawa Sun, pg. A10
- Windmill plant closure a sign of Green Energy Act's painful demise -- Ottawa Citizen, pg. A3
- CS Wind not impacted by Siemens plant closure -- CTV News
- Merger Approved Between Goderich Hydro and Erie-Thames -- Blackburnnews.com
- Decision 'imminent'; City expects to learn soon whether Ontario Energy Board will approve hydro sale -- Orillia Packet & Times, pg. A5
- Judgment in customer's lawsuit against Hydro One -- Program: CTV News
- Ontario's energy minister says Tories are without a plan for cutting hydro costs - Stoney Creek News, pg. 1
- Brown promises lower hydro rates, plans to hold caucus retreat in Timmins -- Sudbury.com

Minister of Energy to make announcement this morning

Sudbury.com

2017-07-20

Sudbury MPP and Minister of Energy Glenn Thibeault will be making an announcement from Laurentian University this morning. Thibeault will be speaking at 11 a.m. at the Parker Building (fourth floor).

The Sudbury MPP is expected to speak about the highlights of Ontario's plan to lower electricity bills for eligible large electricity consumers. Sudbury.com will bring you coverage from this morning's announcement so be sure to check back with us.

Hydro One strikes $4.4-billion U.S. deal; Ontario utility to acquire Spokane, Wash.-based Avista Corp. in company's first foray outside of province

The Globe and Mail
Thu Jul 20 2017
Page: B1
Section: Report on Business
Byline: ANDREW WILLIS, MARK RENDELL, CHRISTINA PELLEGRINI

Ontario utility Hydro One Ltd. moved into the U.S. natural gas and electrical transmission business Wednesday by acquiring Washington-based Avista Corp. for $4.4-billion.

Toronto-based Hydro One, which was privatized by the Ontario government in 2015, is making its first foray outside the province by buying a utility that supplies electricity to 379,000 customers and gas to 342,000 clients across five western U.S. states. Hydro One has 1.3 million customers in Ontario.

Hydro One is the latest in a series of Canadian utilities to acquire an American rival, with six domestic companies collectively committing $87-billion to U.S. takeovers over the past 18 months.

The common theme in these transactions is a perceived lack of growth opportunities in Canada.

Hydro One chief executive officer Mayo Schmidt began highlighting the potential for expansion into U.S. markets after taking the helm in 2015.

The utility dominates electrical transmission in its home market after consolidating 90 Ontario electrical transmission and distribution companies.

Mr. Schmidt previously built a global grain handling business as CEO of Viterra Inc. by doing two dozen acquisitions over 12 years.

“Our shareholders will benefit from geographic, economic and asset regulatory diversity that this transaction will provide,” Mr. Schmidt said on Wednesday during a conference call with analysts. “The markets that we are entering have expanding economies, positive and growing customer demographics and constructive regulatory environments.”

The prospect of expanding outside Ontario, and away from electrical transmission, was warmly received by analysts ahead of Wednesday's announcement. In a report in June, CIBC Capital Markets analysts Robert Catellier and Ian Woodward said: "Diversification into other utility lines, such as gas distribution, could also be attractive in providing larger growth opportunities while not greatly changing the character of the company's operations."

Rising power prices in Ontario are a hot-button political issue and Hydro One and Avista both stated that rates will not rise as a result of the deal.

The two utilities also said no layoffs are expected across a combined work force of 7,500.

The all-cash, friendly transaction will see Hydro One pay $53 (U.S.) for each Avista share, a 24-per-cent premium to the company's share price prior to announcement of the takeover.

The total value of the transaction is $6.7-billion (Canadian), as Hydro One assumes the U.S. utility's debts.

Hydro One will pay for the acquisition by borrowing $3.4billion and by issuing $1.4-billion of debentures that are convertible into Hydro One common shares. The province of Ontario owns 47 per cent of Hydro One, after raising more than $9-billion by selling down its stake in the company over the past two years.

The takeover requires approval from U.S. regulators and Avista shareholders, and is expected to close in the second half of 2018.

Avista sells electricity and gas in Washington, Oregon, Idaho, Montana and Alaska.

BNN's Daily Chase: Hydro One enters U.S. with Avista takeover

BNN

2017-07-20

Byline: Noah Zivitz

Hydro One has joined the stampede of stateside takeovers by Canadian power companies. It's paying $4.3 billion for Avista Corporation, thus spring boarding into the Pacific Northwest. Including debt, the deal value balloons to $6.7 billion. We'll go in depth on the transaction when BNN's Paige Ellis speaks with Hydro One CEO Mayo Schmidt later today. In the interim, no shortage of angles to consider. Among them:

-The regulators: By my count, there are seven state and federal regulators that will need to sign off on this deal.

-The province: Is trying to take credit for this takeover. "One of the benefits of broadening the ownership of Hydro One was to unlock the potential for precisely this sort of transaction," Ontario Energy Minister Glenn Thibeault said in a statement.

-The geography: The deal catapults Hydro One into the United States with Avista's footprint spanning Washington, Oregon, Idaho, Montana and Alaska

-The consumers: Hydro One says it won't pass along costs associated with the takeover to its customers. That won't necessarily be enough to appease its user base on a day when the Fraser Institute has released a report saying the average Toronto electricity bill is $60 higher than the national average.

-The jobs: Hydro One and Avista go out of their way to say they won't cut any jobs. Instead, there will be "non-headcount efficiencies" in IT, innovation and supply chain purchasing.

Hydro One makes its first U.S. acquisition with $6.7B purchase of Avista Corp

Financial Post
Thu Jul 20 2017
Section: FP Street
Byline: Barry Critchley

Hydro One Limited, the largest electricity transmission and distribution provider in Ontario, has struck a deal to purchase Avista Corp., a pure-play regulated electric and gas utilities holding company that has operations in U.S. northeast and Alaska, for $6.7 billion.

The acquisition, which will see shareholders of publicly listed Avista receive US$53 a share and which was announced after the markets closed Wednesday, marks Hydro One's first transaction in the U.S. since it went public in late 2015.

Hydro One signs blockbuster deal to buy U.S. energy company Avista for $6.7B in cash (business.financialpost.com)

The purchase, "marks a proud moment for Canadian champions as we grow our business into a North American leader," Mayo Schmidt, Hydro One's chief executive, said, adding the transaction "will be accretive to earnings per share in the mid-single digits in the first full year of operation." More importantly the acquisition offers shareholders of Hydro One "a significant and stable increase to earnings and cash flow underpinned by fully regulated utility operations." Hydro One has promised to continue to pay out 70 to 80 per cent of its earnings as dividends.

If and when the transaction closes - and the two parties are targeting the second half of 2018 - the combined entity will have an enterprise value of $31.2 billion, and assets of $32.2 billion. It will rank in the Top 20 North American utilities that are focused on regulated transmission , electricity and natural gas local distribution and serve more than two million retail and industrial customers.

In entering the U.S., Hydro One is following the lead set by two East Coast utilities , Newfoundland-based Fortis Inc. and Nova Scotia-based Emera Inc.

And Hydro One is following the lead set by those two entities in the way it finances such acquisitions: it is selling $1.4 billion of 4 per cent convertible debentures represented by instalment receipts.

In that structure, investors will be paid one-third of the cost of each $1,000 debenture on closing with the balance ($667) being paid at a future date when all the conditions have been met. As a result, holders will receive an effective 12 per cent yield on the first installment. The rest of the purchase price will come from placing US$2.6 billion of debt.

When the transaction closes, Avista will be run as a Spokane-based stand-alone company. Synergies between the two companies are expected to be small given that "no workforce reductions" are planned. Instead efficiencies will flow through "enhanced scale, innovation, shared IT systems and increased purchasing power."

Hydro One flexes power in massive U.S. deal; Avista purchase puts firm in top 20 electric companies

Toronto Star
Thu Jul 20 2017
Page: A8
Section: News
Byline: Robert Benzie Toronto Star

Hydro One is buying a massive U.S. utility in a $6.7-billion deal being touted as a win by the Ontario government, which currently owns 49 per cent of the transmitter.

The Toronto-based company, the majority of which Premier Kathleen Wynne sold off to bankroll transportation infrastructure, announced Wednesday it was purchasing Avista, which operates in Washington state, Oregon, Idaho, Montana and Alaska.

"This marks a proud moment for Canadian champions as we grow our business into a North American leader," said Hydro One president and CEO Mayo Schmidt, who noted it would vault the firm into the continent's top 20 electricity companies.

Schmidt said the transaction "demonstrates the power and value of the transition into an investor-owned utility, by allowing for healthy expansion into new lines of regulated utility business and new jurisdictions, such as the U.S. Pacific Northwest which is experiencing customer and economic growth."

It will have no effect on electricity rates in the province, which are regulated by the independent Ontario Energy Board.

Energy Minister Glenn Thibeault, whose government has taken heat for privatizing Hydro One, said Queen's Park was "pleased" by the acquisition, which is subject to approval by U.S. regulators.

"In particular, 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," he said.

After the deal closes by the middle of next year, the province's stake in the company will drop to about 44 per cent. The Liberals have promised to retain at least 40 per cent of it.

"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," said Thibeault, stressing those proceeds are "above and beyond" the $9 billion the government has already made from selling off the majority share in the utility.

It's unclear how large those returns would be, but it could be in the tens to hundreds of millions annually.

Avista, based in Spokane, Wash., operates power plants fuelled by hydro, wind, biomass and coal.

It provides electricity to 379,000 customers and natural gas to 342,000 households and businesses.

The company said "no workforce reductions are anticipated as a result of this transaction."

By next year, the expanded Hydro One will be a utility with more than $32.2 billion in assets, serving two million customers.

Fraser Institute News Release: Ontario electricity prices fastest growing in Canada; Toronto bills highest nationwide

Marketwired

2017-07-20

TORONTO, ON--(Marketwired - July 20, 2017) - Ontario electricity prices increased twice as fast as the national average over the past decade, and the average Toronto resident now pays $60 more per month than the average Canadian for electricity, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian policy think-tank.

"Electricity is a necessity, and Ontario's high prices pose a serious burden for many families who, after paying their hydro bills, have significantly less money to spend on other important priorities," said Kenneth Green, Fraser Institute senior director of energy and natural resource studies and co-author of ***Evaluating Electricity Price Growth in Ontario*** .

The study also finds that electricity prices in Ontario increased 2.5 times faster than Ontario income levels between 2008 and 2015 (the latest year of income data).

In fact, electricity prices rose a staggering 71 per cent (from 2008 to 2016), more than double the national average increase of 34 per cent over the same time.

Consequently, Ontario cities have some of the highest monthly electricity bills in Canada.

For example, residents in Toronto (the city with the highest price anywhere in Canada) pay, on average, $201 per month (including taxes) -- an increase of $77.09 over the past six years. Ottawa residents pay $183 per month.

These high rates dwarf monthly electricity bills in Montreal ($83), Calgary and Edmonton ($109), and Vancouver ($114).

The study finds that Ontario's high prices are directly tied to the provincial government's phase-out of coal energy, poorly structured long-term renewable energy generation contracts and other policy choices.

What's more, to address the high costs faced by residents, Queen's Park has recently announced a plan to use debt-financing to artificially lower current electricity prices. However, this plan will result in new charges being added to future bills.

"The Ontario government and its energy policy decisions share a lot of blame for the current crisis in electricity prices," Green said.

"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."

Ontario's green energy plan in tatters

National Post
Thu Jul 20 2017
Page: A8
Section: Issues & Ideas
Byline: Kelly McParland

When former Ontario premier Dalton McGuinty visited the new Siemens Canada plant in Tillsonburg in 2011, he brushed aside protesters and boasted that the plant was part of the Liberal alternative energy plan that would “put us at the forefront in North America.”

The plant made windmill blades. Windmills were the future. Clean energy was what McGuinty’s two-yearold Green Energy Act was all about. It would free the province of old, dirty manufacturing and introduce new, cutting-edge jobs that would make Ontario the envy of the world.

Just six years later the plant is closing. Management says big changes in the wind industry make it no longer viable. The cutting edge plant that was to help lead Ontario into the Valhalla of a clean energy future can’t survive in a market that wants bigger blades.

McGuinty has long since faded into retirement. He chose to step down rather than endure further questioning about an earlier energy fiasco. There was no sign of his successor, Kathleen Wynne, outside the factory, Tuesday, as newlyjobless workers sought an explanation for the closure.

“There was quite a bit of anger in there because they shut the place down the other night and never really told anybody about it,” one complained to The London Free Press. “It was bang, everything was locked down.”

Wynne has been busy attending a meeting of the National Governors Association in the U.S., arguing against radical changes to the NAFTA free trade accord.

NAFTA is critical to Ontario, particularly given the flow of manufacturing plants leaving the province over high costs, increasing regulation and expensive electricity. At the same time that the Liberals announced a subsidized cut in power prices, they introduced a carbon tax that negates the savings and adds to the difficulties of small industries trying to keep afloat. Wynne also plans to impose a $15 minimum wage on employers, as well as a package of new labour laws, despite predictions companies will be forced to cut staff to absorb the higher costs.

Does anyone remember the last time anything positive emerged from Ontario's electricity industry, battered and bruised from 13 years of Liberal government manhandling? Hydro rates so punitive the Liberals have applied layer on layer of subsidies, borrowing the money or pushing debt onto future generations to do so. An estimated $45 billion extra in future costs so the government can reduce consumer bills now, as it campaigns for re-election. Billions lost selling power at a loss to the U.S., which will now be made easier by approval of a power line under Lake Erie.

Wynne's government has been steadily retreating from a green energy deal with Samsung, even while proclaiming its continued devotion to McGuinty's green vision. In 2013, it cut its planned purchase of electricity from Samsung projects by $3.7 billion, more than a third of the original agreement. In return, Samsung cut its planned investment by $2 billion.

In September, the Liberals ended plans for any new projects, admitting the power wasn't needed. They had little choice after a report by the Independent Electricity System Operator indicated the province had enough power to last a decade. Characteristically, Energy Minister Glenn Thibeault hailed it as evidence of the government's fiscal prudence, rather than proof of a colossal failure. "By putting our finger on the pause button it allows me to save $3.8 billion for ratepayers, and that's pretty significant in terms of helping ratepayers right across the province," he proclaimed.

Siemens Wind Power chief executive David Hickey was careful not to blame the Liberal change in plans for the Tillsonburg closing, but plenty of others were happy to. Companies like Siemens come for the subsidies, and when the subsidies disappear, so do they, said independent industry analyst Tom Adams.

Ontario has poured so much into its green energy dream the market is saturated, he said. Hickey said the market is shifting west: Alberta and Saskatchewan are "the key opportunities of the future."

Liberal energy strategy was always predicated on the belief that politicians could dictate to the market and control the outcome. Despite overwhelming evidence that governments do badly when they try to remove the freedom from free enterprise, Wynne and McGuinty plowed ahead in their determination to impose their vision on Canada's biggest province and most important economy.

The result has been a catalogue of disasters. The $2-billion smart meter program that proved a bust at reducing demand; the gas plant construction projects halted in mid-campaign to protect a few Liberal seats; the doubling of consumer electricity bills; the army of windmills marching across vast expanses of rural Ontario, defacing the landscape while producing pricey, unneeded power.

In September, the Consumer Policy Institute calculated that Ontario had paid $6.3 billion to ship electricity outside of the province, while Ontario's auditor general says hydro customers paid $37 billion more than necessary from 2006 to 2014 due to a catchall "adjustment" charge to cover the costs of past boondoggles.

Having brought about the disaster, the Liberals have little choice but to insist that some day, down the road sometime, Ontarians will be grateful for the far-sighted policies they maintain will eventually pay off. Maybe. And maybe Wynne and her energy minister can put their heads together and devise a way to declare the plant closing in Tillsonburg a blessing in disguise. How about this: without jobs, those 340 employees and their families will have to cut back their budgets, use less electricity, keep the car in the garage. Yet another victory for the Wynne Liberals'far-sighted crusade to reduce energy consumption in Ontario, no matter what the costs to Ontarians.

Taxpayers powerless; Ontarians overwhelmed by skyrocketing electricity costs

Ottawa Sun
Thu Jul 20 2017
Page: A10
Section: News
Byline: Lorrie Goldstein
Source: Ottawa Sun

As today's 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 2015-2016 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 phaseout 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'multi-billion 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 over 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.

Windmill plant closure a sign of Green Energy Act's painful demise

Ottawa Citizen

Thu Jul 20 2017

Page: A3

Section: City

Byline: David Reevely

Siemens is closing its windmillblade factory in Tillsonburg, kicking one of the struts out of the provincial Liberals'plan to remake Ontario into a manufacturing centre for green-energy equipment.

So long, Green Energy Act.

That was painful.

Not least for the 350 or so workers at the plant near London, most of whom are out of work immediately. Some will stay on for a few months to wind the operation up, but it'll be fully shuttered in 2018, Siemens says. They're just not selling enough of the 50-metre-long windmill blades the factory makes to stay in business.

The Tillsonburg factory was one of four children of the Green Energy and Green Economy Act of 2009 (the full title, though the second part usually gets dropped) and the province's multibilliondollar deal with Samsung to kick-start Ontario's wind-and solar-power industries. The government overpaid for electricity, on purpose, expecting the extra money to build the foundations of a permanent green-energy industry that would supply not only our domestic needs but others'as well. If someone in Ohio was building a wind farm, they'd be able to buy turbines from Ontario.

So Samsung did deals with partners such as Siemens to manufacture parts in Ontario for wind and solar farms it opened here: windmill towers in Windsor, blades in Tillsonburg, solar panels in London, inverters in Toronto. The Tillsonburg operation moved into a defunct carparts plant and quickly became the town's biggest employer.

Siemens boasted what a great thing it had in Tillsonburg in a 2014 marketing document it called a "trusted partner case study."

"When we decided on Tillsonburg, we could have just parachuted in many expats and moved forward," Jacob Andersen, the Dane in charge of Siemens'Canadian wind-power arm, is quoted as saying. "But from the beginning, we wanted to do things differently than that. We are an integrated part of the community - a local factory with local employees, making a major local contribution. We have invested a lot in employee training and education to make sure we could do it that way, and I know it has paid off.”

That year, the plant signed a major deal to supply 420 blades for a third-party wind farm on Lake Huron near Goderich. The future had arrived.

And then, close on its heels, so did reality.

Most of Ontario‘s wind farms have been resented as eyesores in the rural towns where they’ve been built; the Green Energy Act took away a bunch of local authority to resist them. Paying extra for the power they generate added injury to insult as electricity bills shot up, especially in those same rural areas.

Ontario has built a lot of wind farms. We could get nearly 4,000 megawatts of power out of them, at a theoretical maximum output, though it’s never actually that windy. Even if it were, wind would still be just 11 per cent of our power supply, which really depends on nuclear plants (13,000 megawatts), oil and gas (10,000 megawatts) and hydro (8,400 megawatts).

But the building boom is pretty much over. We have more electricity available than we need and now all the politicians care about is stomping down prices.

The Liberals scrapped a big round of planned new contracts for renewable electricity last fall (making Tory Leader Patrick Brown’s repeated promise to do the same thing silly, if not disingenuous). They show no signs of allowing wind farms in the Great Lakes, which could have meant a ton of business for parts makers. Also, Energy Minister Glenn Thibeault says Ontario will change its basic approach to buying power in the future to what are called “capacity auctions,” the most important feature of which is that they’re agnostic about how the power is generated. No coal, but other than that, whatever’s cheapest wins.

You can damn the Liberals for losing their nerve or for taking up this misbegotten plan in the first place. The facts support either case. Let’s take stock of where we are.

We have a lot more wind and solar farms than we used to. So there’s that.

We’ve made windmill parts here for our own use, in foreignowned factories. Never enough to create a self-sustaining domestic industry, let alone one that could compete internationally.

We have several hundred people trained in the blade-making business suddenly looking for work; maybe they'll go on to bigger things. Though the Tillsonburg plant didn't lose out to other Ontario blade factories that sprung up and learned to out-compete it - it's just closing, because making blades in Ontario only made sense when the government insisted on it and backed that demand with cash.

We have the three other factories born of the Green Energy Act, at least for now. The windmill-tower factory in Windsor is already down to one shift a day from three and is abruptly losing a major strategic partner. But it persists.

Not nothing. Not a lot to show for the billions of dollars we've spent.

CS Wind not impacted by Siemens plant closure

CTV News
2017-07-19
It appears the closure of the Siemens wind turbine blade plant in Tillsonburg will not have any bearing on CS Wind's operation in Windsor.

The company's local project manager, Paolo Piunno, says while the province's Feed-In Tariff program is coming to a close, they are focusing on finding new markets for the wind turbine towers produced at the Anchor Drive location.

Piunno tells CTV Windsor those markets include Saskatchewan and Alberta as well as several states in the U.S.

Ontario's FIT program guaranteed pricing for renewable energy production, offering stable prices under long-term contracts.

Siemens Wind Power Ltd. announced Tuesday the factory that employed 340 workers is not large enough to build the sorts of bigger turbine blades the company needs to stay competitive in an increasingly challenging market.

Although the factory won't be fully closed until early 2018, the majority of staff will feel the effects right away

Siemens says 206 staff are out of work effective immediately, with the rest being phased out over the rest of the year.

Siemens described the decision as a difficult one, but said the plant was simply not viable given drastic shifts in the demands and profitability of the industry.

Merger Approved Between Goderich Hydro and Erie-Thames

Blackburnnews.com
2017-07-20
Byline: BOB MONTGOMERY

Goderich council has voted to go ahead with a merger between Goderich Hydro and Erie-Thames Hydro.

Goderich board member Duncan Jewell explains the Province has been exerting pressure on smaller utilities to either merge or sell, and the Goderich model is no longer sustainable.

Jewell points out Goderich is the tenth smallest utility in the Province with the fourth highest costs and often relies on outside expertise to run the utility – and that comes from Erie-Thames.

Jewell says there will be no change in rates as a result of the merger for five to ten years, and that decision is up to the Ontario Energy Board.   He adds there will be increases in the commodity side and that's determined by the Province.

Current staff will be protected in their jobs and location for the next three years and the service centre on Huckins Road will be leased by Erie-Thames for at least the next ten years.

Crews will work out of that location, and other Erie-Thames operations could be transferred there.

Jewell says staff will now prepare a letter of intent to merge and begin further negotiations with Erie-Thames.

Decision 'imminent'; City expects to learn soon whether Ontario Energy Board will approve hydro sale

Orillia Packet & Times
Thu Jul 20 2017
Page: A5
Section: News
Byline: Andrew Philips

City officials are anxiously checking the Ontario Energy Board‘s (OEB) website these days.

That’s due to the feeling by staff and councillors a decision on the sale of Orillia Power Distribution Corporation (OPDC) to Hydro One could occur any day.

“We are expecting that the initial OEB decision’s imminent,” Mayor Steve Clarke said following a corporate planning session at the city’s new waterfront centre Wednesday.

City CAO Gayle Jackson offered a similar take.

“The city is hopeful that the OEB decision regarding the sale of Orillia Power Distribution Corporation will be sometime this summer,” she said.

“We hope its soon. It’s taken a little longer than we were expecting.”

Clarke noted while the negotiations with Hydro One took nearly 14 months to complete prior to last summer’s sale of OPDC to Hydro One for $26.35 million, many staff are still busy working on the project.

Under terms of the deal, the city will retain the generation arm of Orillia Power and will continue to benefit from its annual dividend. An Orillia “legacy fund” has been set up to take in the $26.35 million and another $10 million in OPDC debt picked up by Hydro One.

Jackson provided council with an overview of the complex sale process that not only requires an OEB decision on the initial sale but also a second OEB application relating to the back-up Ontario grid control centre/integrated systems operation centre (ISOC).

That project will be constructed on the 16.41 acres of the Horne Business Park Hydro One purchased for $3 million as part of the deal to bring the hub to Orillia, which also included the sale of the distribution arm of Orillia Power, for approximately $26 million.

According to an outline, the ISOC will be a multi-storey office building, featuring a gross-floor area of more than 100,000 square feet, a secondary guard house and, potentially, a helipad.

There is an option for Hydro One to purchase more property in the Horne Business Park, approximately 20 acres where a warehouse and operations centre could be built.

Jackson said the approval of the ISOC facility is completely separate from the OEB decision relating to the OPDC sale.

“There are two approval processes for the ISOC facility, one being a TX Rate (Transmission) approval, following the TX Rate approval, is the OEB DX Rate (Distribution) approval,” she said. “This process is underway for the ISOC facility.”

In her report, Jackson noted Orillia Power and Hydro One officials are also working on transitional issues.

The next steps, according to Jackson’s report, involve Hydro One also conducting due diligence and appraisals on parcels for a future warehouse facility and operations centre.

Jackson also noted staff are working with officials from the Association of Municipalities of Ontario and Municipal Finance Officers’Association of Ontario to “define the parameters of the Legacy Fund in anticipation of an early fall closing of the sale.”

Judgment in customer's lawsuit against Hydro One
Program: CTV News

He did what so many people have wanted to do with their electricity bills. He went to court and sued.

Today the results of the legal battle over the delivery charge on his hydro bill. It was David versus Goliath in this court battle and in this case, David got crushed. Kip Van Kempen was suing Hydro One for charging him a delivery fee even though the power line to his cottage had been severed during a storm. The judge ruled that if you're a customer of Hydro One, regardless of whether the hydro is delivered, you're stuck with the delivery charge. Plus Van Kempen was saddled with court costs of $1000 for fighting the behemoth.

Ontario's energy minister says Tories are without a plan for cutting hydro costs

Stoney Creek News
Tue Jul 18 2017
Page: 1
Section: News

Ontario Energy Minister Glenn Thibeault called the Tories' proposal to restrict selling electricity to nearby provinces and the United States and instead divert the excess power to local businesses so they can create jobs "back-of-the-napkin" thinking.

"It is no wonder they don't want to release a (hydro) plan," said Thibeault in a statement.

The energy minister was reacting to an interview Hamilton Community News had with Nipissing Tory MPP Vic Fedeli in June, who pilloried the Liberals' hydro strategy.

Fedeli in a speech and later in an interview castigated the Liberals' Fair Hydro Plan that took effect July 1 that they say will cut hydro rates by on average 25 per cent annually. The Tories, he said, would eliminate the Liberals' Green Energy contracts, reduce Hydro One officials' salaries, and halt the province from selling excess electricity to Quebec and other U.S. states, such as New York, Pennsylvania and Michigan.

"Essentially, (Fedeli) suggested Ontario should build a wall, banning all electricity exports," said Thibeault.

The Tories are not the only ones that have criticized the province for subsidizing the dumping of cheap electricity to neighbouring states and provinces. The NDP said the province in 2012 paid $1 billion to export electricity to Quebec and a number of U.S. states.

In 2012 the Council for Clean and Reliable Electricity published a paper stating that Ontario consumers subsidized out-of-province electricity buyers estimated to be about $1.2 billion over the previous three years.

Thibeault said Ontario “doesn’t have sufficient electricity demand at home to use up the electricity we export to other markets.”

He said Fedeli’s idea would mean building expensive infrastructure to “soak up this energy” and eventually make for “poor” long-term planning.

He said Ontario only exports excess electricity “when it’s economically viable and presents a benefit to our electricity system.”

Thibeault, citing the Independent Electricity System Operator (IESO), said exporting excess electricity has “lowered costs” to the province’s hydro system by between $200 million and $300 million every year since 2013, ultimately benefiting Ontario‘s consumers.

”Ontario makes use of strategy exports on a frequent basis to maintain the reliability of our grid and to keep costs low,” said Thibeault.

Thibeault went on to say the Conservatives “have consistently opposed our efforts” to improve the province’s electricity system over the last 15 years. He said the Tories voted against the Fair Hydro Plan that will provide “the largest cut to electricity rates in Ontario‘s history.

“It’s clear the Conservatives still have no plan for energy in this province,” stated Thibeault.

Ontario Tory Leader Patrick Brown told a crowd of business people at a June lunch meeting in Burlington that if elected in next year’s provincial election “I will fix this (hydro) mess.”

Brown said he will stop subsidizing excess electricity to nearby provinces and U.S. states, cut Hydro One executive salaries and reveal “secret” energy contracts that have been signed by the province. But Brown did not say when his party will release its own hydro plan to reduce electricity rates, something the Liberals and NDP have already done.

Brown promises lower hydro rates, plans to hold caucus retreat in Timmins

Sudbury.com
2017-07-19
Byline: Darren MacDonald

Ontario PC Leader Patrick Brown held a conference call with Northern Ontario reporters Wednesday, where he touted plans to hold his party's caucus retreat in Timmins on Aug. 24-25.

That marks the third year in a row the retreat has been held in the North, after stops in Kenora last year and Sault Ste. Marie the year before that.

Brown said he has been in the region 24 times since his election as party leader in 2015. Speaking from Thunder Bay, he said he was given a tour of the hospital there.

"It was a real eye opener for the diminished state of health care in Northern Ontario," he said.

He was planning to head to the Sault later Wednesday, before arriving in Sudbury for an evening barbecue in support of local Tory candidate Troy Crowder.

The Tory leader described Crowder as a star candidate who has a shot at unseating incumbent Glenn Thibeault in Sudbury. He compared it to the Soo, where the Liberal seat went to the PCs in a recent byelection.

"I have high hopes for Troy Crowder," he said. "I think what we saw in Sault Ste. Marie, frankly, we're going to see in Sudbury. Troy has an excellent chance."

Brown also promised to lower hydro rates, without the type of fiscal mismanagement he says the Liberals are guilty of doing. The Liberal plan to lower rates will add tens of billions of dollars in new debt, after which prices will skyrocket, he said.

"Borrowing is not a plan," Brown said. “If we're going to fix this, we have to look at the structural problems.

"(But) we're going to see a significant reduction in hydro rates under a PC government.”

In particular, he said he'll stop signing contracts for hydro and wind power. It makes no sense to add more supply to the system when we already generate far more power than we need.

"It means we have to give away hydro to the U.S.," Brown said.

He'll also address “extravagant” salaries paid to hydro executives and take aim at global adjustment fees on everyone's bills, which is where hidden costs are added.

Brown also said there's significant potential in harnessing hydro power in the North, which he said could power 500,000 homes a year.

"Clean, green Northern Ontario power is being wasted," Brown said. "The North has been ignored by Kathleen Wynne for too long. They always find a way to leave hard working families in Northern Ontario paying more and getting less.

"That will never happen under my leadership. I want Northern Ontario families to pay less and get ahead."

On other issues, Brown said he supported the concept of a higher minimum wage, but the recent hike by the Liberals to $15 an hour is too much, too quickly.

"Hiking minimum wage overnight doesn't give anyone proper notice," he said. "There should be a cost-benefit analysis and minimum wage hikes should only be done with proper notice, so job creators can adapt."

The way the Liberals handled it will mean low-income earners will lose jobs and working hours because employers can't afford to pay them.

"Young people won't have jobs," he said. "We all want to get to a higher minimum wage, but it has to be done at a slower pace."

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