Ministry of Energy Top Issues - June 15, 2016

From: "Cvjeticanin, Dan (ENERGY)" <dan.cvjeticanin@ontario.ca>
To: "@ENERGY All" <energy-all2@msgov.gov.on.ca>
Date: Thu, 15 Jun 2017 06:59:48 -0400

Good morning,

Here's what's making news:

- Ontarians won't settle for hydro rate hikes: Brown -- Toronto Sun
- Angus releases strategy to tackle climate change; NDP leadership candidate aims to move past pipelines, offers 'carbon budget' plan -- Toronto Star, pg. A8
- Hydro One applies for rate increase over five years -- Orleans News, pg. A7
- Energy Minister responds to article -- Bancroft This Week
- West Grey supports natural gas in Ayton and Neustadt -- Mount Forest Confederate, pg. 1
- Judge approves plan to ship nuclear waste through Niagara -- Fort Erie Post, pg. 1
- Guelph moving ahead with possible hydro merger -- GuelphMercury.com

Ontarians won't settle for hydro rate hikes: Brown

Toronto Sun
2017-06-14
Byline: Shawn Jeffords. POLITICAL BUREAU CHIEF

The boxes weren't filled with fan mail for Ontario's Liberal government.

Progressive Conservative Leader Patrick Brown delivered more than 2,200 letters to the Ontario Energy Board on Wednesday protesting a proposed hydro rate hike. Standing outside the legislature's front doors with the letters in bankers boxes as his backdrop, Brown said the missives from angry Ontarians should send a message to Premier Kathleen Wynne.

"It's the right thing to do to stop (the increase)," he said. "Kathleen Wynne should be saying no."

Last week, Hydro One applied to the Ontario Energy Board to increase electricity rates to the average customer by $2 to $3 a month each year over the next four years. If approved, the rate changes would go into effect Jan. 1, 2018.

Thus far, the government has signalled it will not stand in the way of the requested rate hike from Hydro One. Last week, Brown wrote to Wynne asking her to reject the increase.

Brown said before any rate hikes are considered executive compensation at Hydro One should be "cleaned up." The top five executives at the electricity firm make $11 million a year combined. Brown called the salary figures "offensive."

"That's not what you pay in Ontario," he said. "That's not what you pay around Canada."

The OEB will hold public hearings across the province on Hydro One's application.

In a letter to Brown on June 7, Energy Minister Glenn Thibeault told the PC leader that regardless of the outcome of the application, bills will still be reduced because of the government's plan to slash rates by 25%.

"Despite claiming to support lowering electricity bills for Ontario families, you and your party all voted against the Fair Hydro Plan," Thibeault says in the letter to Brown. "It has been nearly 100 days since you promised to release an energy plan- but Ontarians are still waiting."

NDP energy critic Peter Tabuns said the proposed rate hike will hurt ratepayers. The steady hikes over four years will increase bills by 20%, he said.

"Kathleen Wynne can try to pass the buck, but the reason hydro prices are so unaffordable in our province is because her Liberal government, and previous Conservative governments, sold off, and privatized more and more of our electricity system," Tabuns said in a statement.

Angus releases strategy to tackle climate change; NDP leadership candidate aims to move past pipelines, offers 'carbon budget' plan

Toronto Star

Thu Jun 15 2017

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Byline: Alex Ballingall Toronto Star

NDP leadership candidate Charlie Angus says his opponents in the race are too focused on pipeline politics and proposes that Canada adopt a “carbon budget” to curb emissions in the long term instead of squabbling over particular resource projects.

“The only discussion we’ve had on the environment is ‘this pipeline versus that pipeline.’ There’s no talk about how we get to move forward or laying out the road map,” Angus said in an interview Wednesday.

“I’m saying: ‘Let’s look at the horizon and where we need to be, and let’s lay out the plan of how to get there.’ “

The MP from northern Ontario is one of five candidates vying to replace Thomas Mulcair as leader of the federal NDP.

Angus intends to release his plan to tackle climate change on Thursday. His campaign provided it to the Star in advance.

The plan is centred on a “carbon-budget” proposal, which Angus compared to the system in place in the United Kingdom. He said it would work like a hard cap on emissions, which would be mandated by legislation and determined on a sector-by-sector basis by a panel of experts and stakeholders.

Angus would also create a new crown corporation to advise Ottawa on where to invest money for clean technology and renewable energy, and, in this way, “take the politics” out of climate-change planning.

“Twenty years, we’ve talked about how we’re going to meet our international targets. There’s all kinds of positive platitudes and no plan, no direction for it, and, year after year, the greenhouse gas emissions continue to rise,” Angus said.

“We need a road map. We need a direction to go.”

The NDP has consistently attacked the Liberal government for maintaining targeted emissions reductions that were set under the previous Conservative administration. Canada has committed to reducing greenhouse gas emissions to 30 per cent below the 2005 level by 2030.

Angus and other New Democrats have also argued the Liberals aren’t doing enough to meet that target, while the government insists its incoming regulations on methane, the phase-out of coal-fired energy, a carbon-pricing plan and other measures will get the job done.

At the same time, environmental policies - particularly pipelines - have become a fault line in NDP circles, dividing supporters of a managed transition away from fossil fuels from those that want to halt projects that would increase emissions.

The most glaring example is Kinder Morgan’s Trans Mountain pipeline expansion, which will more than double the amount of oilsands bitumen it already carries from Alberta through B.C. to the Pacific Coast. The project was approved by the federal government last year and has provoked a family feud in the NDP, with Alberta Premier Rachel Notley at loggerheads with B.C. leader John Horgan, who has vowed to block the project.

Niki Ashton, a Manitoba MP who is also in the race for the federal NDP leadership, has called for a “united statement” of all candidates to oppose the pipeline expansion.

Fellow contenders Peter Julian and Guy Caron have said they don't want it to go through, while Ontario MPP Jagmeet Singh has not announced his position - despite some prodding by his opponents at the latest candidates' debate in Newfoundland on Sunday.

Angus said he's concerned the process that approved Trans Mountain "was broken" and didn't adequately address concerns from Indigenous groups as well as those surrounding increased oil tanker traffic off the B.C. coast. He said that, as leader, he would aim to bring the Alberta and B.C. members together to resolve their differences.

"This is not going to be a simple solution, but we're here because of an incoherent national energy strategy that's gone on for decades," Angus said.

Hydro One applies for rate increase over five years

Orleans News
Thu Jun 15 2017
Page: A7
Section: News
Byline: Brier Dodge

Hydro One has applied for a rate increase, which would affect customers in rural areas of Ottawa and parts of suburban Orléans who are not on Hydro Ottawa.

Hydro One has applied to Ontario Energy Board to raise rates starting in January 2018 through 2022.

The average residential user - who uses 750 kWh per month, according to Hydro One - would see a total increase of $11.75 a month by the end of 2022.

Hydro One has to apply to the Ontario Energy Board and have the increase approved before it can take effect.

The rate increases would be applied before the announced Fair Hydro Act 2017, due to take effect this summer. Hydro One bills are will drop this summer when it takes effect. Liberal MPPs have said the average user will see a 25 per cent reduction.

On June 6, Progressive Conservative party leader Patrick Brown sent Premier Kathleen Wynne a public letter urging her to have the minister of energy issue a directive to the Ontario Energy Board to reject the rate increase application.

He also asked Wynne to reduce spending on salaries for executives at Hydro One, and not to sign any more green energy contracts.

"This hydro rate increase, which begins Jan. 1, 2018, is extremely unfair and unaffordable," Brown said.

Orléans is served by both Hydro One and Hydro Ottawa, with areas in the Hydro One territory remaining with Hydro One after amalgamation.

The dividing line isn't always obvious - Place d'Orléans Shopping Centre is serviced in part by Hydro One, and in part by Hydro Ottawa.

Energy Minister responds to article

Bancroft This Week

2017-06-15

To the Editor,

Regardless of the outcome of the OEB's process, Hydro One customers will not see an increase to their bills. We've been clear that Ontarians will see a significant decrease in their overall bills this summer through Ontario's Fair Hydro Plan.

Our Fair Hydro Plan provides immediate relief in the short-term by reducing electricity bills by 25 per cent on average for all Ontarians — up to 40 to 50 per cent if you're a rural or low-income Hydro One customer. It then holds rates to inflation for the following four years, managing affordability in the medium-term. Our 2017 Long-Term Energy Plan will show Ontario families and businesses a snapshot of our future energy system, including supply, demand, and affordability, over the longer term.

We've also been extremely clear that Hydro One — like all utilities in Ontario — does not have the power to set its own distribution rates. It must submit an application with the Ontario Energy Board (OEB), an independent, quasi-judicial body with a mandate to protect Ontario energy consumers. The OEB does not approve all applications, and the Fair Hydro Plan will hold any increases to the rate of inflation for four years.

We also know that the PCs love to distract from the fact that they have absolutely no plan when it comes to managing electricity rates. In fact last week they voted against the Fair Hydro Plan, meaning he voted against reducing electricity bills by 25 per cent on average, and holding electricity rates to inflation – which is exactly what his letter seems to ask for. Nearly 100 days ago Patrick Brown said his energy plan was coming soon, but we are still waiting to hear how he would reduce electricity rates.

Energy Minister Glenn Thibeault

West Grey supports natural gas in Ayton and Neustadt

Mount Forest Confederate
Wed Jun 14 2017
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WEST GREY - West Grey council is supporting a plan by Union Gas to bring natural gas to Ayton and Neustadt.

The support involves a financial commitment on the part of the municipality for the next 15 years.

Company spokesperson Matt Jackson told council on June 5 that Union Gas is applying to the province for a share of the $100 million subsidy announced by the government for expansion of natural gas service in rural Ontario.

The Ayton-Neustadt proposal is one of 40 projects across the province for which the company is seeking provincial funding.

If approved by the province, the company would submit the proposal to the Ontario Energy Board which regulates all energy transactions in Ontario.

Under current regulations, existing customers are not expected to fund the cost of new projects. They are expected to pay an additional tariff to help offset the capital costs.

However, the municipality is expected to contribute the municipal portion of the property tax collected from Union Gas only on the new development in Ayton and Neustadt for a minimum of 10 years. It does not include the portion of the property taxes that go to Grey County or the local school boards.

Jackson estimates that would amount to about $9,000 a year.

Council approved providing the subsidy for 15 years. That would signal to the province West Grey's commitment to the project beyond the minimum 10 years.

The provincial subsidy is intended to simply to help offset the capital cost of construction. It doesn't include help with the customers' cost of converting from existing heating options, such as electricity, oil, or propane.

Jackson said the company has to complete its application to the province by July 1 and expects a notice of the government's decision by the fall.

If accepted, he expects construction would begin by 2019.

He estimates there are 700 potential customers in Ayton and Neustadt. There are also possible rural customers living along the line that would come from the Owen Sound main line near Dornoch to Ayton and between Ayton and Neustadt.

Jackson said the natural gas in Ontario comes from two sources. About half is from western

Canada, the other half comes from sources in the eastern United States.

He said the energy supply system between Canada and the U.S. is very well-integrated and Union Gas gets its product from whatever is the least expensive source.

Included in Union Gas's proposed projects are plans for expansion of service in Huron Kinloss, Kincardine, and Arran Elderslie.

West Grey councillors voted in favour of providing the subsidy for 15 years, calling the project a boon to economic growth in Ayton and Neustadt.

"This is needed. We want to support this and work with you," said Deputy Mayor John Bell." It's short-term pain for long-term gain."

Judge approves plan to ship nuclear waste through Niagara

Fort Erie Post
Wed Jun 14 2017
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Section: News

A proposal to ship highly radioactive nuclear waste through Niagara has been given approval from a U.S. judge.

The shipments were originally meant to begin last year, but legal intervention and protests sent the proposal to federal court. On Thursday, a federal judge in Washington ruled that the U.S. Department of Energy could legally move forward with its plan to import about 6,000 gallons of liquid nuclear waste. The department's proposal includes a trucking route which crosses the Peace Bridge between Fort Erie and Buffalo.

Moving the nuclear waste is expected to be a long, slow process, with documents suggesting it would take more than 100 truckloads over the next four years to move all the nuclear waste over the bridge.

The nuclear waste - which is of the highly-enriched weapons grade variety - originally came from the U.S. and was shipped to Canada decades ago. The liquid nuclear waste was imported by

Canada and sent to a nuclear research facility in Chalk River, Ont., where it is repurposed for medical procedures. Once processed, the weapons grade uranium can be broken down and used for the detection and treatment of various cancers.

According to judge Tanya Chutkan, the program has been running for decades without any problems.

"This program is part of a larger effort, dating back to 1950s, in which the United States has provided highly enriched uranium to foreign nuclear research reactors conditioned on the promise to not develop nuclear weapons, then later accepted the spent nuclear fuel and target material back from those foreign reactors to avoid the stockpiling of nuclear material in foreign countries and to ensure the safe processing and maintenance of the material in the United States," she wrote in the 18-page ruling which approved the plan.

The legal action was brought forward by Beyond Nuclear, a non-profit organization which promotes the end to nuclear weaponry. Since the nuclear waste could theoretically still be used to create a strong nuclear explosion, Beyond Nuclear opposed the movement of the material on the grounds that it proved too significant a risk to the environment, should something go awry on the 564-kilometre journey to the border, then over the Peace Bridge and back to the U.S.

After a series of expensive breakdowns and repair bills at the Chalk River nuclear facility in northern Ontario, the federal government announced in 2015 the entire operation would be shuttered. Built in 1954, the Chalk River facility houses the world's oldest operating nuclear reactor. Due to its age, the federal government commissioned a report which determined it would take more than $1 billion in upgrades to ensure the continued safe operation of the facility.

Instead, the facility is due to end nuclear operations in 2018. It will remain active for years to come, as engineers load thousands of gallons of liquid nuclear waste into what they call "casks" which would be used to transport the material. Every cask, an enormous metal cylinder, would hold a few hundred gallons of the liquid, and each would then be placed inside a regular shipping container, and individually sent via transport truck back to America.

With the green light from the government, the shipments could begin by the end of the month.

Guelph moving ahead with possible hydro merger

GuelphMercury.com
2017-06-14
Byline:

Guelph is continuing down the road to potentially merging its electricity provider with another municipally-owned company.

Following a vote by councillors during a special meeting of city council, the decision was made for the five-member strategies and options committee to keep exploring the possibility of having Guelph Hydro merge with one or more other electricity companies.

The reason behind a potential merger, explained Ron Clark, the solicitor for Guelph Municipal Holdings Inc. (GMHI), is to ensure the city's electricity provider is prepared for what he sees as a changing power landscape across the province.

"Mid-sized utilities, like Guelph Hydro, are looking for better ways to meet customer expectations, take advantage of modern technologies … cover costs of safe and reliable electricity service, fund local infrastructure maintenance and upgrades, and prepare and respond to more frequent and severe storms," he told councillors.

While still undecided on a merger, Coun. Phil Allt voted in favour of proceeding with exploring a merger, saying he wants to have the facts in front of him before making a final decision.

"I'm not inclined towards crystal ball gazing, I believe that's an art best left to those that do it quite well. I'm loath to do it, I'd prefer to depend on evidence-based decision-making, and that's the position we're at right now," he said.

"It's important to understand that we're not talking about a merger tonight, we're talking about exploring options, vis-à-vis evidence-based decision-making. I feel for us to do nothing at this point is actually quite irresponsible and potentially disrespectful to the citizens of Guelph that depend on us to make the hard decisions."

Coun. Robert Bell voted against moving forward, expressing his discomfort with both the timing and the utilities Guelph Hydro is exploring a merger with.

"I don't think that the right time to merge is now," he said, adding that with the growing use of electric vehicles and, thus, more power consumption, Guelph Hydro could be worth more in a few years time and be in a better standing.

"I'm also not comfortable with the potential merger partners that have been identified."

Mayor Cam Guthrie said that while he is not swaying one way or another at this point, he voted in favour so that all of the information could be brought forward to make a well-informed decision.

"We should be looking at all of our assets and determining with due diligence and full exploration what the path is to go down," he said.

The measure passed with Bell, Christine Billings and Andy Van Hellemond voting against.

Next steps

With the strategies and options committee being given the green light to continue to explore the merger, the next step will see a preliminary business case come before councillors this fall. Should the merger be approved, it is expected that transaction would close by mid-2018.

At this time, the potential merger partner or partners remains confidential, with Troy MacDonald, GMHI's financial adviser, saying that negotiations are not yet exclusive, so it could be damaging to Guelph should the name leak out.

Tara Sprigg, the general manager of corporate communications for the City of Guelph, says between now and the fall there will be a town hall question-and-answer session for Guelph Hydro employees.

Should the preliminary business case get the go-ahead this fall, there will be events to hear from the public as well, likely holding smaller pop-up events in public spaces. Sprigg said staff would look at the option of holding a town hall event for residents.

To learn more about the process, ask questions or submit comments on the process, visit energizingtomorrow.ca or email energizingtomorrow@guelph.ca.

Future of the industry

According to a slide shown to councillors, utilities operating under current business models face declining revenues as a result of two factors: customers reducing their electricity usage or finding ways to obtain electricity outside of the grid, such as solar panels or microturbines.

As a result of these complications, the presentation claimed, the utility loses revenue and then rates have to be raised to match, which in turn leads to a cycle of more people lowering their energy consumption or looking for off-the-grid alternatives.

Coun. Dan Gibson said he didn’t buy that, adding Guelph Hydro should instead be looking to embrace those alternatives and become the provider of them.

“What I’m hearing in business, and it will probably bleed into the residential side eventually, is people don’t necessarily want to be completely off the grid for reliability reasons, but they want to avoid some of the costs,” he said, later asking if the utility could explore the option of leasing out powerwalls - batteries that charge in the middle of the night, when electricity rates are cheapest, and then distribute that stored energy throughout the day - to consumers.