

Ministry of Energy Top Issues - May 31, 2016

From: "Cvjeticanin, Dan (ENERGY)" <dan.cvjeticanin@ontario.ca>
To: "@ENERGY All" <energy-all2@msgov.gov.on.ca>
Date: Wed, 31 May 2017 07:02:32 -0400

Good morning,

Here's what's making news:

- Hydro One undergoing 'intense transformation' -- Windsor Star, pg. A 10
- Ontario's untapped waste-water power; Commissioner urges province to invest in turning plants into hubs of renewable energy -- Toronto Star, pg. A7
- Ontario has once-in-a-generation opportunity to reduce the energy and climate footprint of municipal water use -- ECO/Huff Strategy (press release)
- Lake Huron site best fit for nuclear-waste dump: report, The Globe and Mail, pg. A9
- Minister defends rate hikes; Thibeault tells Chamber audience soaring hydro rates were needed to rebuild infrastructure, Northern Daily News (Kirkland Lake), pg. A2
- Generator delivered to Parry Sound generating station project, Parry Sound North Star, pg. 1

Hydro One undergoing 'intense transformation'

Windsor Star

Wed May 31 2017

Page: A10

Section: City & Region

Byline: Tamar Harris

Hydro One is embarking on a new era for its nearly 1.5 million customers and 8,000 employees, the company president and CEO said Tuesday.

In remarks to the Windsor-Essex Regional Chamber of Commerce, Mayo Schmidt said the 18 months have been 'a time of intense transformation of an organization that has 100 years of history as a Crown corporation.'

Privatization has created a greater sense of accountability to the customer, Schmidt said.

Ontario now holds only 49.9 per cent of Hydro One's common shares. The province plans to sell 2.5 per cent of its shares to First Nations, bringing the province's total ownership of Hydro One to 47.4 per cent.

In opening up Hydro One ownership, but remaining the largest shareholder, the government announced \$9 billion in gross proceeds, with the extra revenue to be invested into infrastructure.

Schmidt said the move to privatization has been a positive one.

'Let's keep in mind that the customers in the province are also shareholders,' he said. The largest shareholder base we have is in the province of Ontario.

'So it's simply the structure that's changed, but not really the ownership. It's the citizens'. It continues to be 49 per cent owned by the province; but it gives us a commercial licence to be more effective and more commercially sensitive by reducing our costs.'

Some Ontario residents have been battered by rising electricity prices.

'For some families, it's gotten to the point where they must choose between keeping the lights on and keeping food in the fridge,' Premier Kathleen Wynne said in a statement announcing cost reduction measures.

'That's unacceptable.' Schmidt said that lowering costs is one of Hydro One's main areas of focus.

'We as an organization are responsible for 30 per cent of the cost of running this complex system across the province, with the OEB (Ontario Energy Board) responsible for setting the cost of power across the province,' he said.

'Since the move towards privatization, Hydro One has reduced our cost by tens of millions of dollars.'

Schmidt said 'a number of conversations with the province' resulted in the Fair Hydro Act.

The legislation would reduce electricity bills by 25 per cent on average for residential customers.

Matt Marchand, president and CEO of Windsor-Essex Regional Chamber of Commerce, said electricity prices are 'a huge factor' for businesses.

'If we want to have a business attraction strategy, part of the attraction strategy is that we may be a little bit more expensive than other jurisdictions - you don't necessarily have to be the cheapest, you don't have to be the lowest - but we need to be competitive,' Marchand said.

'Right now we're sort of getting into that out-of-bounds range.'

Schmidt said Hydro One is not naive about the challenges it faces.

'We know the relationship between Hydro One and its customers has been strained in the past, and our relationships need to be rebuilt,' he said. 'That can only be achieved with meaningful action and advocacy

for our customers at Hydro One.'

Ontario 's untapped waste-water power; Commissioner urges province to invest in turning plants into hubs of renewable energy

Toronto Star

Wed May 31 2017

Page: A7

Section: News

Byline: Rob Ferguson Toronto Star

Ontario needs more 'poo' power, says Environmental Commissioner Dianne Saxe.

The province's municipal water systems, for both drinking and sewage, are energy-hogs, but can turn the tables with some smart investments to reduce consumption, improve conservation and make bio-gas from human and food waste, Saxe wrote in a new report Tuesday.

'Many can become renewable energy centres that capture the hidden energy in sewage, and put it to productive use,' Saxe said of waste-water treatment plants.

'Bio-gas from sewage can offer renewable, low-carbon energy, replacing fossil fuels for heating, for electricity generation and for transportation,' she added after publishing 'Every Drop Counts,' her annual report on energy conservation.

'To create even more bio-gas, waste -water plants could process food-type wastes along with the sewage. This would also keep food-type wastes out of landfills, where they release methane, a powerful greenhouse gas.'

About 30 waste-water plants in the province are large enough to make bio-gas production viable through anaerobic digestion, Saxe told a news conference.

Toronto, London and Simcoe County are considering such systems, while Hamilton now fuels some buses with bio-gas from human sewage and Waterloo is making bio-gas from dog feces.

In response to the report from Saxe, Glen Murray's Ministry of Environment and Climate Change said extreme weather patterns, population growth and future development will put 'increased pressure' on water sources.

'Her advice is clear : We will need to do a better job of managing what resources we have. We agree and will be looking at new ways to improve Ontario 's already robust water conservation and environmental protection policies.'

On average, drinking water and waste-water treatment plants account for 38 per cent of a municipality's energy use - a huge proportion, Saxe said. Most were designed in an era when energy costs were not a consideration, but should now be redesigned with full 'life-cycle' costs in mind as governments upgrade infrastructure, she added.

'This gives Ontario municipalities a once-in-a-generation opportunity to cut the energy and environmental footprints of their water and wastewater systems.'

Energy could also be saved by reducing leaks in municipal water systems - as much as 30 to 40 per cent in some areas - and by shifting electricity use away from peak periods when it is most costly, she said.

As the need for water conservation becomes more prevalent, municipalities should find smarter ways to deliver water for different purposes, noting that pure drinking water isn't needed to water lawns, for example, Saxe said.

'As you saw from last year's drought, we have to get serious about water conservation,' Saxe said. 'Little of the treated water is used for purposes that require potable water.'

Ontario has once-in-a-generation opportunity to reduce the energy and climate footprint of municipal water use

ECO/Huff Strategy (press release)

2017-05-30

Water and wastewater systems account for almost 40% of reported municipal energy use in the province

Toronto, May 30, 2017 - Ontario's municipal water and wastewater systems use unnecessarily large amounts of energy. Thankfully, there is a huge opportunity to reduce the energy and greenhouse gas footprint of delivering these services to residents. That was the message delivered today by Dianne Saxe, Environmental Commissioner of Ontario (ECO), at the release of her new report, *Every Drop Counts: Reducing the Energy and Climate Footprint of Ontario's Water Use*.

Every Drop Counts, Volume One of the ECO's Annual Energy Conservation Progress Report, looks at the energy use, greenhouse gas emissions, impact on fresh water, and financial costs of operating Ontario's municipal water and wastewater systems. Although these systems are often a municipality's largest energy users, energy efficiency has not historically been a priority.

With federal, provincial and municipal governments all planning major investments in water infrastructure renewal in the coming years, the time to rethink how these systems work is now. The report recommends that the Ontario government require municipalities to find and implement solutions that reduce energy use and greenhouse gas emissions in water and wastewater infrastructure projects that are supported by provincial funding. "If long-term energy costs are included in these infrastructure decisions, and if the money is spent wisely, Ontario municipalities have a once-in-a-generation opportunity to cut the energy costs and environmental footprints of these systems," stated Saxe.

Municipalities spend roughly \$260 million every year in energy costs to operate water and wastewater systems, and unless action is taken, this cost is likely to rise. Every Drop Counts identifies solutions for municipalities and the province, such as: addressing leaks of treated drinking water (as high as 40% in some communities), using more efficient pumps, adopting high-efficiency water fixtures, shifting the timing of electricity use, and targeting summer outdoor water use.

The report also examines the related opportunity for municipal wastewater plants to become renewable energy centres. Producing low-carbon energy from sewage combined with food waste can generate energy for heating, electricity and transportation. In Ontario, municipalities including Hamilton, London, Stratford and Simcoe County, as well as the Toronto Zoo, are already taking steps to harness the energy of these wasted resources.

"I hope that this report and its recommendations help the Ontario government and municipalities shine a brighter spotlight on energy efficiency and cost-saving opportunities for municipal water and wastewater systems," concluded Saxe.

Lake Huron site best fit for nuclear-waste dump: report

The Globe and Mail

2017-05-31

Byline: COLIN PERKEL | Section: News | Page: A9

A new report from Ontario Power Generation overwhelmingly affirms the utility's long-held position that the best place for a nuclear-waste bunker is on the Lake Huron shoreline.

One of the biggest problems with burying the hazardous waste somewhere else would come from having to truck it up to 2,000 kilometres, increasing the risk of radiological accidents and pollution, the 143-page analysis concludes.

The only minor advantage - amid many disadvantages - to locating a bunker elsewhere might be less disturbance to Indigenous heritage sites, the report finds.

Even so, the impact on Indigenous peoples is likely to be lower if the deep geologic repository is built, as proposed, at the Bruce nuclear plant near Kincardine, Ont., the report states.

Alternative nuclear burial sites would be cost-prohibitive, adding anywhere from \$381-million to more than \$2-billion to the current cost projection of \$2.4billion, the report says.

The new study comes in response to a request from the Canadian Environmental Assessment Agency, which has yet to make a final recommendation to Environment Minister Catherine McKenna on whether to approve the project. The agency, along with critics of the proposal, had slammed OPG's previous report on feasible alternative locations as superficial and inadequate.

Scores of groups and communities, in both Canada and the United States, have decried the current plan to store the waste underground about 1.2 kilometres from Lake Huron. OPG's new report did little to assuage their concerns about the potential for catastrophic pollution of a major drinking-water source.

Minister defends rate hikes; Thibeault tells Chamber audience soaring hydro rates were needed to rebuild infrastructure

Northern Daily News (Kirkland Lake)

Wed May 31 2017

Page: A2

Section: News

Ontario Energy Minister Glenn Thibeault said Friday he is ready and willing to face Ontario voters next year over the issue of soaring hydro rates because rebuilding Ontario's electrical system is something that had to be done.

Thibeault, who is also the MPP for Sudbury, was guest speaker at a business lunch hosted by the Timmins Chamber of Commerce.

Part of his speech touched on new legislature, Ontario's Fair Hydro Act 2017, which is due to be passed next week. A news released distributed by the minister said the act would result in lower electricity bills for all residential customers.

Thibeault said this would be a 25% reduction on average. People with lower-incomes and those living in Northern Ontario and rural areas could qualify for even greater reductions of 40 to 50%, he said.

Given that the Queens Park Liberals have come under a storm of criticism over hydro rates, is Thibeault ready to face the voters of the Sudbury riding and the rest of Ontario in the next provincial election, in June of 2018? Thibeault said yes. 'People will see and understand that we brought forward a plan that has brought forward 25% off on their bills, right,' he said. 'They've already seen 17% and now if this bill passes next week, we will see a 25% reduction on everyone's bills in this province by July 1st.'

He added that Northerners are expected to get even more of a discount.

'If you're outside of the city core in Timmins or Sudbury and if you're a Hydro One customer or some of the other ones I mentioned, you can see anywhere between 40 and 50%.'

Thibeault said the Liberals have invested heavily in hydro infrastructure since 2003 because prior to that, very little was done and the hydro system was 'in tatters'.

'No one invested in the electricity system, in (power) lines, in generation. We used to have to spend \$700-million a year, just to buy power from the U.S.'

He said Ontario did not have the generating capacity back then to meet its daily needs. He said that's when the government decided to spend the money to rebuild the hydro system in a bid to make it cleaner, greener and self-sustaining.

'So, yeah I am fully prepared and happy to defend this decision and the decisions that we have made in our electricity system.'

He said regardless of what party was in power in the past 15 years, something had to be done to restore Ontario's hydro infrastructure.

'Every government of every stripe kicked the electricity issue to the curb. No one was actually talking about making sure you pay the real cost of electricity. People were freezing rates. Other parties were talking about we will do this or we will do that. But no one actually talked about rebuilding the system.'

He added that Ontario had no choice. The province was experiencing power outages and rolling brownouts regularly.

'Some of us can remember being told as a business owner, please don't turn your air-conditioning on and shut your lights off during the day today, otherwise our system is going to crash ,' he recalled.

'And then in 2003, the system crashed . We had to make these investments. We had to.'

As part of his presentation, Thibeault took questions from the audience.

Marc Lauzier, the general manager for Goldcorp Porcupine Gold Mines said mining companies often consider capital investments in Northern Ontario and that energy pricing is always a consideration.

He asked Thibeault to comment on the security of long term energy pricing needed 'to attract the capital investment for jobs in Northern Ontario.'

Thibeault said he understood the importance of the issue especially for Northeastern Ontario.

'Yeah, I am the Minister of Energy for the province but I am also the MPP for Sudbury and mining is paramount for both of us that do live in our communities,' he said.

Thibeault said the province still has the Northern Industrial Electricity Rate program, also known as NIER, which offers discounted hydro rates. While many Northern Ontario companies qualify for the discount rates, Thibeault admitted many do not. But things could change, he said.

'We are working hard and we will have some very good news , knocking on wood, in the very new future,' said Thibeault.

'When it comes to long term energy pricing, right now we are working hard on the 2017 long term energy plan.'

He said the government is still trying to get a better handle on where energy prices are headed this year, and whether the government can find more cost savings. He said savings so far have resulted in roughly a 4% savings for large mining companies.

Thibeault said it is his belief that in the longer term, there will be more savings.

'We're looking at again billions of dollars in savings that we should be able to have in place by 2021.'

Thibeault also said Ontario should be proud of the current hydro system that is built and being improved on because it is a safe, secure and reliable system.

'Others have been looking to us to see how we have been able to build the system that we've built ,' he said. 'Now my focus is on affordability and making sure that our large industries can continue to stay here and expand and grow and that our families are able to afford it.'

Generator delivered to Parry Sound generating station project

Parry Sound North Star

Mon May 29 2017

Page: 1

Section: News

PARRY SOUND - It was a seamless production from start to finish.

On the afternoon of May 23, a generator for the Cascade Street Generating Station project

arrived in Parry Sound.

Equipment Express delivered the 38-meter-long, 3.9-meter-wide, and four-meter-high trailer to a William Street parking lot, where it spent the night.

The next morning a crane lifted the generator onto a self-propelled trailer, driven by an operator walking behind the trailer using hand-held controls, down William Street, to the Cascade Street project.

From start to finish, the move took about 90 minutes.

'It was seamless. They had all the right equipment, all the right staff, it was very well done,' said Peter Brown, town director of public works. 'I was quite impressed with them.'