Ministry of Energy Top Issues - September 29, 2016

From: "Kourakos, Georgina (ENERGY)" <georgina.kourakos@ontario.ca>
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Date: Thu, 29 Sep 2016 07:12:29 -0400

Good morning,

Here’s what’s making news:

- Ontario’s renewable energy sector will grow despite suspension of new projects: energy minister - Toronto Star
- Numerous Hydro One Transformer Stations in Critical Need of Repair - CFTO
- Wynne government blocks hydro debate - North Bay Nugget
- Wind energy industry ready to move forward - The Chatham Daily News
- It's an ill wind that blows; Renewable energy sector rips Queen's Park policy reversal - Ottawa Sun
- MPP, group push Grits to scrap strong breeze - London Free Press
- Liberal plan a 'harsh call' - The Barrie Examiner
- 'We don't know where to turn'; Soaring hydro rates leave residents fearful, angry and frustrated - Niagara Falls Review
- Hydro protest lambastes Wynne - The Hamilton Spectator
- Conservation group says hydro increases send the wrong message - metronews.ca
- Keep Hydro One best bet and unload lotteries - Sudbury Star
- Distrust rising over Liberals ' energy moves , poll suggests - London Free Press
- Province won't block Toronto Hydro sell-off - Toronto Star
- Sell Toronto Hydro, because we'll get top dollar - theglobeandmail.com
- Canadians may see gas price increase up to 13 cents a litre by Friday, experts say - Toronto Star

Numerous Hydro One Transformer Stations in Critical Need of Repair
Source: CFTO
Sep 28, 2016 6: 07 PM (5)

Anchor 1: Now to a story you will only see here. A CTV news exclusive about weaknesses in our hydro grid.

Anchor 2: And the money you paid that was supposed to be used to fix this problem. Paul Bliss reports.

Reporter: It's pretty serious, Ken. HydroOne classified this equipment as being at a very high risk of failure, but what is angering critics is you've been sending Hydro One money from your electricity bill for years to repair this equipment, repairs that have not been made. Hydro One has been collecting hundreds of millions of dollars from electricity bills to fix key equipment. The CTV news has learned 111 vital aging transformer stations are still in dire need of repair. 97 are in poor condition at high risk of failure. 14 are classified as very poor condition at very high risk of failure. That's 15.4 percent of Hydro One's entire fleet.

Peter Tabuns, NDP Energy Critic: They are getting the higher rates and then they're not replacing them. It's totally irresponsible.

Reporter: NDP energy critic Peter Tabuns says what's worse is Hydro One applied for rate increases back in 2012 specifically to fix aging transformers. Two years later, it applied for another rate increase to fix many of the same transformers. The average age of the worrisome transformers is more than 60 years. Hydro One insists it's not charging us twice for the same projects, adding it makes repairs based on urgency. For example, on the coldest day of 2015, Toronto's Bridgeman transformer station failed, leaving much of the city without power for nearly four hours in -19 degree weather. Three years earlier, Hydro One asked for and received more money from your hydro bills to fix Bridgeman.

Daffyd Roderick, Hydro One Spokesperson: Ultimately our work program is set up so that we operate assets right up until the moment that they fail and then we take them out before that happens.

Reporter: Hydro One spokesman Daffyd Roderick said money often has to be redirected from projects like Bridgeman for emergency repairs like after the flood in the summer storms of 2013.

Roderick: We look at the maintenance costs of that asset. The criticality. Is it serving a hospital, a GM plant? Is the economy depending on it?

Reporter: Still, Hydro One says it has been rated as one of the most reliable transmission systems in the country. That transformer station in Toronto which failed on the coldest day of the year in 2015 was replaced by Hydro One months after the blackout. Live at Queen's Park, I'm Paul Bliss.

Transcript captured directly from source. Some typographical errors or omissions are to be expected.

Wynne government blocks hydro debate
North Bay Nugget
Thu Sep 29 2016
Page: A4
Section: Opinion
Byline: Victor Fedeli
Source: North Bay Nugget

To the editor: Once again the (Kathleen) Wynne government did what it does best - stifle debate, and put the interests of the Liberal party above the interests of the people of Ontario.

MPPs have been blocked from speaking to the Electricity Rebate Act. Shortly after introducing its new Energy Bill, the government stopped debate, and called for a vote.

They refused to allow almost the entire opposition to speak to the energy crisis in Ontario. They refused to listen to any stories about local families struggling from their skyrocketing hydro bills. And they refused to hear any potential solutions from the opposition.

Premier Wynne and Energy Minister Glenn Thibeault spent months denying an energy crisis existed in Ontario. Aided by mounting anger over skyrocketing hydro rates and the premier's own personal popularity hitting new lows, they suddenly saw the light and turned their attention to the hydro crisis.

They began with the major move of proroguing the legislature. All the resulting Throne Speech provided was a Band-Aid solution to remove the provincial portion of the HST on hydro bills. They squandered the opportunity to provide Ontarians with meaningful relief from skyrocketing hydro rates.

Since the Liberal government first took office, average households in Ontario are

paying $1,000 more a year on their hydro bills. Frankly, a rebate that saves ratepayers less than 36 cents/day is too little, too late. Nor does it address the systemic issues that have caused hydro rates to skyrocket in the first place, meaning rates will continue to rise.

The Wynne government's decision to stifle debate on this legislation means a number of important questions will go unanswered.

Why are we not addressing the root causes leading to Ontario having the highest hydro rates in North America?

Why are we generating surplus electricity and selling it at a loss to Quebec and the United States?

Why are we proceeding with the sale of Hydro One even though we know it will leave ratepayers and taxpayers worse off?

It's clear why the government doesn't want any of this debate to be heard.

For instance, the Ontario Energy Board (OEB) disclosed 567,000 families were behind in their hydro bill payments at the end of 2015, owing a total of $172.5 million. The OEB also revealed that 60,000 residential customers were disconnected from their hydro services in the past year, for being unable to pay their bills.

After spending months denying a hydro crisis even existed, the Wynne government now feels it's so urgent that it introduce a bill (that doesn't come into effect until 2017), but stifles debate by the opposition on real solutions.

Victor Fedeli Nipissing MPP and PC finance critic

Ontario’s renewable energy sector will grow despite suspension of new projects: energy minister | Ontario’s renewable energy businesses will keep growing despite decision to suspend new projects, Energy Minister Glenn Thibeault says
Toronto Star
2016-09-28
Byline: ROB FERGUSON
Queen's Park Bureau Section News Queen's Park

Ontario’s renewable energy industry will continue growing despite the suspension of plans for another round of wind, solar and hydroelectric projects, says Energy Minister Glenn Thibeault.

Companies that have been part of the green energy wave in Ontario since the Green Energy Act was passed seven years ago have been building customer bases outside the province, Thibeault said Wednesday.

“We’ve got Siemens in Tillsonburg that just signed a contract with the U.K. to export blades,” he told reporters a day after a $3.8-billion round of renewable energy procurement was axed to keep about $2.45 monthly off the average household hydro bill in the years to come.

“I think we’re going to continue to see jobs growing in this sector; we’re leaders in this.”

The procurement of 1,000 megawatts, equivalent to just under one-third the capacity of the 3,500-megawatt Darlington nuclear plant near Oshawa, was scrapped because the province’s electricity planning agency said it won’t be needed over the next decade.

While this means there will be fewer jobs created than expected in the sector, the Canadian Wind Energy Association noted 16 procurement contracts signed earlier this year for facilities producing 455 megawatts of renewable power will proceed across Ontario.

“We’re still building out projects that have been awarded contracts,” association president Robert Hornung said in an interview, adding that Tuesday’s decision has created “uncertainty” for renewable energy companies and disappointed the entire sector.

“It will cause people to diversify their operations outside the province.”

The renewable power industry is looking to the next iteration of Ontario’s long-term energy plan, due out next year.

It will set a roadmap for the electricity system over the next decade and more. Hearings to gather public input begin next month.

In the Legislature, Progressive Conservative Leader Patrick Brown accused the government of a exaggerating the importance of the $2.45-a-month that won’t be going on hydro bills, and that they were doing this to dampen public outrage over skyrocketing electricity bills.

“No one is saving anything. Did I save $25,000 this morning by not going out and buying a car?” he asked in an exchange with Premier Kathleen Wynne.

“We’re further moving to take costs out of the system,” replied Wynne, whose government is trailing in the polls and is up for re-election in the spring of 2018.

The decision not to award new wind farm contracts at this time could be seen as an “olive branch” to opponents of turbines on farmland, said Conservative MPP Vic Fedeli.

The Liberals have few seats in rural areas, where some residents complain about health effects of wind turbines. A 2014 Health Canada study found the turbines can be annoying but said there is no connection to medical problems.

Earlier this month, the premier promised to cut the 8-per-cent provincial tax on electricity bills starting in January, and a 20-per-cent cut to hydro bills for thousands of rural residents who pay high delivery charges for hydro, which they often use to heat their homes because natural gas is not available.

As well, another 1,000 companies will be allowed to join 300 large manufacturers in a program that provides lower hydro rates in return for dramatically reducing electricity use in peak periods.

Wind energy industry ready to move forward; Industry caught offguard by provincial move to halt development
The Chatham Daily News
Thu Sep 29 2016
Page: A3
Section: News
Byline: John Miner
Source: The London Free Press

The wind energy industry isn't about to give up on Ontario despite being caught offguard by the province's stunning move Tuesday to slam the brakes on wind energy development.

Instead, representatives of the industry said they now plan to roll up their sleeves and convince the wynne government that it needs more electricity and that wind energy is one of the best ways to get it.

"We remain confident when the government recognizes there is a need for new electricity supply that wind energy will be an obvious choice. it is clearly one of the most cost competitive sources of new supply available today," said robert Hornung, president of the Canadian wind energy association.

Ontario had already started the process to contract for an additional 600 megawatts of wind energy, requiring construction of about a dozen new wind farms, when it pulled the plug on the whole process. The province has 40 per cent of Canada's wind generation capacity.

"Obviously we are shocked and disappointed about the decision to suspend this procurement," Hornung said.

But Hornung said the industry will now focus on development of Ontario's long-term energy plan that is scheduled to be released in 2017.

"We will be very active participants in that process," he said. a key argument the wind industry plans to make is that wind is as economical for Ontario as any other energy source.

While Ontario agreed to pay as much as 13.5 cents a kilowatt hour for wind energy in the past, the most recent contracts included rates as low as six and a half cents a kilowatt hour.

"That is going to compete with any other form of new generation that you could build today," Hornung said.

The suspension of the procurement program was unwelcome news for the industry, but there are enough projects still in the pipeline to keep plants in Ontario operating, he said.

"Obviously uncertainty about the future is something that everybody feels less comfortable with. The sooner we can go through the long-term energy plan process and clarify precisely what contribution wind will make going forward the better."

Siemens, which operates a wind turbine blade manufacturing plant in Tillsonburg that recently turned out its 2,000th blade, called the suspension of the procurement program disappointing.

But david hickey, vice president of wind power and renewables at siemens, said despite the decision the Tillsonburg facility remains a key part of the company's global supply chain.

".. . Siemens looks forward to the government's plan for supporting domestic and export markets for wind energy going forward," hickey said.

It's an ill wind that blows; Renewable energy sector rips Queen's Park policy reversal
Ottawa Sun
Thu Sep 29 2016
Page: A9
Section: News
Byline: Shawn Jeffords
Source: Political Bureau Chief

Cana -da’s wind energy sector is “extremely disappointed” by the Liberal government’s move to cancel future large renewable projects.

Robert Hornung, president of the Canadian Wind Energy Association, said the move came as a shock to his members, adding the report the government is basing its decision on understates the need for future supply.

We asked Hornung on Wednesday about how the wind sector will deal with the development.

Q: What was your reaction to the Liberal government halting all new renewable energy procurements?

A: “Shock and disappointment. We believe that there is going to be a need for new electricity for going forward. Wind is very well positioned to provide that new electricity based on the fact that it’s cost competitive and also a clean source of electricity generation.”

Q: The government said it looked at the IESO (Independent

Electricity System Operator) report and doesn’t believe it needs the supply. It it wrong?

A: “The Ontario Power Outlook, which is the document the IESO produced, actually has several scenarios in it. In some scenarios, there’s not a lot of growth in electricity demand. In other scenarios, there is. What differentiates those scenarios is the assumptions you make … We will certainly be making the argument that there are a lot of strong reasons to be planning around some of the alternative scenarios that do envision growth going forward.”

Q: Will the government face any legal action, specifically from your members, over this decision?

A: “I can’t comment on that. I think the government has suspended a procurement process it initiated. It’s indicated fees companies paid to participate will be reimbursed. There were no contracts signed at this point in time … When something like this happens, it certainly does increase uncertainty for the industry. When there’s increased uncertainty, industry members obviously have to be looking at other opportunities for investment going forward.”

Q : The government announced Tuesday with some enthusiasm that consumers will essentially be receiving a $2.45 rebate on their bills as a result of the move. What do you think of the way that is being sold to Ontarians?

A: “Well, if Ontario chose not to refurbish its nuclear facilities, bills would go down as well. Clearly, if you’re choosing not to spend, the projected increase will decline.”

MPP, group push Grits to scrap strong breeze
London Free Press
Thu Sep 29 2016
Page: A4
Section: News
Byline: Jennifer Bieman
Source: London Free Press

With Ontario abruptly suspending plans to buy more green power, a Southwestern Ontario MPP and a fired-up group of anti-turbine advocates are pushing the Liberal government also to scrap a hotly to scrap a hotly contested wind farm imposed on a rural township that voted overwhelmingly against it.

The opposition of 84 per cent of Dutton Dunwich residents wasn ’ t enough to stop the Strong Breeze Wind Farm - the 57.5-megawattproject by Chicagobased energy giant Invenergy that got the green light from regulators in March.

Now, with the Liberal government ’ s surprise move Tuesday to back away from signing another $3.8 billion in green energy deals, Elgin-Middlesex-London PC MPP Jeff Yurek and the Dutton Dunwich Opponents of Wind Turbines are urging the province to renege on the thorny contract.

” For projects that haven ’ t started yet, they should take a look, especially with Dutton Dunwich. Cancel the contracts for energy we don ’ t need and can ’ t afford ,” said Yurek.

” They ’ re not willing hosts, so to me it makes sense to end the contract for energy that is being overproduced in this province .” Yurek said the approval process for the Strong Breeze project was unjust and deeply flawed.

After the controversial contract was awarded, Dutton Dunwich residents learned six Ontario First Nations communities - one near Hudson Bay, one close to the Manitoba border, all more than 1,000 kilometres away - helped give the proposal a boost with the Independent Electricity System Operator.

Though the Strong Breeze Wind Farm was rubber-stamped during the first phase of Ontario ’ s Large Renewable Procurement process - and the government has only vowed to suspend the second phase - Yurek wants the Liberals to take further action.

Liberal plan a 'harsh call'
The Barrie Examiner
Thu Sep 29 2016
Page: A3
Section: News
Byline: Ian Mcinroy
Source: Barrie Examiner

Hydro consumers won’t be forking over an additional couple of bucks after an announcement from the provincial Liberal government this week.

The province’s energy ministry said Tuesday it is cancelling plans to sign contracts for up to 1,000 megawatts of power from solar, wind and other renewable energy sources to help keep rates down for consumers.

Energy Minister Glenn Thibeault said the decision to suspend the second round of its Large Renewable Procurement (LRP II) process is expected to save the province up to $3.8 billion in costs from its 2013 long-term plan.

That will keep about $2.45 a month from being added to hydro bills.

Thibeault says the Independent Electricity System Operator’s planning outlook determined Ontario has a robust supply of electricity for the next decade and won’t need the additional power it had planned to purchase.

An Oro-Medonte Township resident who has been involved in the wind power industry for decades is leery of the plan.

Peter McArthur is president and founder of Canadian Green Power

Inc., which, in collaboration with Nextera, has developed four windpower projects that produce 285 megawatts of power on 65,000 acres along Lake Huron between Bayfield and Grand Bend and towards Strathroy.

Halting procurement in the LRP II could be short-sighted, he said.

“This does not mean that any contracts were signed. However, this does create policy uncertainty in the energy generation industry,” McArthur said. “It is never good when it costs developers ten of millions of dollars to prepare a project for submission into a program like LRP II. This will leave a very bad taste in developers’ mouths and they will not come back to the table willingly.

“This will likely cost them $50 to $100 million in stranded project assets and costs. The investment required to build 1,000 megawatts of wind generation is approximately $3.3 billion. This will be lost stimulus to the economy of Ontario.” He said the “harsh call” by the provincial government will affect the lives and livelihoods of many people.

“In fact, many people will lose their jobs,” McArthur said. “It’s unfortunate the government seems to make calls on important decisions, simply to attempt to win elections.”

In Question Period on Tuesday, Simcoe North MPP and Leader of the Official Opposition Patrick Brown was on the attack.

His Progressive Conservative Party issued a statement slamming the announcement.

“After years of denying that renewable contracts were a problem, today the Wynne Liberals finally admitted they were overcharging ratepayers for power and pledged to stop signing any future contracts," the statement read.

Brown chided the premier about her party's energy policies "Thank you for taking the Ontario PC Caucus' advice and cancelling any future green-energy contracts," he said. "But again, let's be clear. Just like the rebate announcement, today's announcement is too little and too late. Your government has plowed ahead for years signing contracts for energy we simply do not need."

Former Barrie Green Party provincial and federal candidate Erich Jacoby-Hawkins suggested Tuesday's announcement is being "overplayed."

"All that has really happened is the new demand forecast received earlier this month shows less projected demand than the previous forecast, so the province doesn't need to line up as much new power supply to meet it," he said. "And the savings estimate is extremely unreliable and should not even have been made.

"If people are paying for new generation outside of what they pay for supply, then there is something seriously wrong anyway," Jacoby-Hawkins said.

'We don't know where to turn'; Soaring hydro rates leave residents fearful, angry and frustrated
Niagara Falls Review
Thu Sep 29 2016
Page: A1 / Front
Section: News
Byline: Ray Spiteri
Source: Niagara Falls Review

Laura Birrell and Fran McLaughlin are overcome with fear when they see the mail carrier.

They're not afraid of the person delivering packages. They're horrified by what the cost of their next hydro bill might be.

On Wednesday, fear turned to anger.

As the Niagara Falls residents were preparing to sit down with reporters, Ontario NDP Leader Andrea Horwath and Niagara Falls NDP MPP Wayne Gates to discuss their skyrocketing hydro bills, Birrell and McLaughlin received their latest slip.

The total: $677. Up from the $372 they paid last month.

"We've been able to maintain bills, but now it's at a point where we don't know what to do, we don't know where to turn," said McLaughlin.

"We work hard to maintain our home because we are proud. We spend all of our time here. We don't go on vacations. We don't live an elaborate life. We just live to pay our bills, and to be comfortable."

Birrell said they have a small, apartment-sized fridge downstairs, which they haven't used this year.

"We kept it unplugged. We had closed the vents off so the central air would focus more on the main unit where we live. We do our laundry off peak. We're trying to be responsible. "This is my childhood home. We've entertained selling and moving out of province because the province is just going down the tubes."

They have a small outdoor pool, which they closed.

"There isn't any disposable income for us at this point. We do our best to conserve as much as we can. We try not to run the air conditioning too much, and we have switched our dryer to run on gas instead of hydro, but now even the price of gas is going up," said Birrell.

"It's putting a lot of strain on us financially, but also emotionally. We are always stressed about paying the bills."

Birrell said she went to Gates' constituency office after receiving the $372 hydro bill. She said Gates, who has been a vocal critic of the provincial government's handling of the hydro file and who recently invited people to talk to him about their hydro bills, was "fabulous and listened with empathy."

"I'm just one in I don't know how many people who are going through the same thing," said Birrell, adding they don’t have children.

She said she went to Project

Share to learn about a program that might be able to offset some of their monthly costs, but didn’t feel it was enough.

Birrell said she then went to Niagara Peninsula Energy for advice.

“Hydro had said, ‘you have an excellent payment history,’ and I said, ‘well, that’s about to change at this rate.’

“So (a hydro employee) said, ‘why don’t we put you on what’s called an Arrears Management Program,’ which would basically take that $372 and over a 10-month period of time, and tack it on to our other bills going forward.

“Ironically enough, the mail lady just left 10 minutes ago, Fran opened up our bill, and we’re looking at a $677 hydro bill now - that’s with the Arrears Management Program.”

Gates said he often hears stories similar to Birrell’s and McLaughlin’s from other constituents who have never been behind on a bill before.

“There’s close to 6,000 people in my riding alone that are behind on their bill,” he said.

“They don’t want to go to Project Share. They don’t want to go to the hydro and talk to the nice lady at the desk that’s saying, ‘well we can try and do a payment plan.’ No, I’ve been able to pay my hydro bill my entire life.’” Gates said when Birrell came into his office, “we both broke down because she was just so upset that she couldn’t pay her bill.

“In a province as rich as Ontario, this should never happen,” he said.

“It shouldn’t happen to families, shouldn’t happen to young families, shouldn’t happen to seniors.”

He said the Liberal government is not doing enough to take the burden off ratepayers. In fact, said Gates, they are making matters worse by continuing to sell off Hydro One, “which will drive rates even further up.”

Horwath said she, too, has been listening to people like Birrell and McLaughlin, and has put forward solutions to address the immediate needs of Ontarians who are “finding it harder and harder to build a good life in our province.”

She credited the Niagara Falls residents for sharing their story and putting a “face to the struggles that everybody is feeling.” Horwath said Birrell’s and McLaughlin’s hydro bill has tripled during the past couple of years, but instead of permanently taking the HST off hydro, the government is proposing a temporary rebate that they can’t count on, and refuses to stop the sell off of Hydro One.

Horwath said the NDP had called for the immediate and permanent removal of HST from hydro bills, and continues to push the government to stop its “wrong-headed” sell-off.

“The hydro system in this province has been systematically privatized by consecutive Conservative and Liberal governments,” she said.

“We have a government that is following the same failed path as the government that came before them. When you look at Quebec, and you look at Manitoba - I call them our book-end provinces - they are both charging rates that are less than half of what we’re charging.”

Horwath said the peak rates in Ontario have increased 50 per cent since Kathleen Wynne became premier in 2013.

“People are feeling like we’re hitting a tipping point, like we’re hitting a wall,” she said.

St. Catharines Liberal MPP Jim Bradley could not be reached for comment.

Earlier this week, the government announced it will be giving hydro ratepayers a $2.45 rebate on their bills every month by halting the purchase of $3.8 billion in large renewable-energy projects.

Energy Minister Glenn Thibeault said a new Independent Electricity System Operator report showed the province will have a steady supply for the next decade, so the change makes sense.

Tossing the toonie and change back to consumers adds up when combined with the government's recent move to slash HST from hydro bills, he said.

rspiteri@postmedia.com Twitter: @RaySpiteri - with files from Postmedia Network

Hydro protest lambastes Wynne; Issue of affordable electricity bills draws crowd to city hall calling for a system change
The Hamilton Spectator
Thu Sep 29 2016
Page: A11
Section: Business
Byline: Jon Wells The Hamilton Spectator

A rally against oppressive hydro bills attracted at least 100 protesters in front of city hall, and enough supportive horn honking on Main Street to sometimes drown-out speakers assailing Premier Kathleen Wynne's government.

Most notable were those mobilized enough by the issue to get downtown by 5 p.m. and who have never publicly protested anything before.

Home electricity bills have skyrocketed in the last five years: off-peak prices have increased 47 per cent, and on-peak prices have increased 67 per cent.

That's why Lori Balkom took part in her first protest, holding a sign standing close enough to the road to feel the breeze from cars driving by honking.

"My last bill was $850," she said. "Last summer it was $500 … There are people out there who can't afford food because of (their hydro bills). It's not right."

Her sisters Debbie Leblanc and Patti Glenn joined her. Leblanc lives in a building for seniors, and said at least one woman couldn't afford to turn on air conditioning this summer and had to hang out in a mall instead.

Jeff Coe happened upon the protest while out for a walk and was swept up in it and signed a petition.

"I'm all for conservation, I conserve my kilowatt hours, but the bill keeps going up," he said. "So that's why I'm here, too."

The focus of the rally was Wynne: signs called on her to resign, and labelled her government "corrupt or stupid." The most popular read: "Keep hydro public," a reference to calls for Wynne to reverse the privatization of Hydro One, the province's electricity transmission monopoly.

Politicians from the provincial Progressive Conservatives and NDP spoke, but the rally's organizer, Sarah Warry-Poljanski, was the focal point, dressed in work boots, bright orange hydro worker-style coveralls, and hard hat.

"With the cost of hydro we are all suffering … seniors and pensioners, people working two or more jobs just to get by," she shouted into the microphone. "This is unacceptable … The (government) needs to stop serving themselves, and serving us."

Showing her support was Dawn Danko, a friend and public school board trustee for Ward 7, who defeated Warry-Poljanski for that position in the 2014 election.

"She's a firecracker," Danko said, adding that she shares the hydro bill frustration. "We made changes in our house to conserve, we insulated, changed light bulbs, used timers, but there's never been a dent in the bill. I recognize it's a complex issue … but there is something wrong with the system."

Warry-Poljanski has two kids and is currently taking courses at Sheridan College in criminal psychology. Her Twitter page bio reads: "Education reform advocate. Angry tax payer. Trying to find Liberty in a world where Free Will isn't cheap."

The Spec asked if she believed that some taxpayers may ultimately revolt and stop paying hydro bills. She said she has heard of a movement in Northern Ontario to do just that come November, but added she would not advocate it.

“Deep inside I want to say, yeah, do it, but you never know what (the province) might do to retaliate against us. They might start giving us rolling blackouts and say, ‘It’s your fault.’”

Conservation group says hydro increases send the wrong message
metronews.ca
Wed Sep 28 2016
Section: METRO NEWS | NEWS | OTTAWA
Byline: Haley Ritchie – Metro

Hydro Ottawa submitted an application to the Ontario Energy Board to change the rates in mid-August.

Most electricity bills will see a modest uptick, but the increased rates don’t apply evenly.

Instead, households that use the smallest amount of energy will see the biggest increase, while large users of electricity will see the lowest increase.

Residential households that use 232 kWh will see an increase of $2.67 (a 15 per cent increase) in their distribution charge, while households that use 750 kWh will see their bill go up by 49 cents (a 0.16 per cent increase).

Michael Murr, executive director of EnviroCentre, said even if the rate increase only works out to be a couple of dollars, it sends a contradictory message to consumers.

“I would just simply say that it does send the wrong message to hydro customers who have worked hard to use less electricity,” he said.

EnviroCentre is a non profit that works with the City of Ottawa and Hydro Ottawa to encourage customers to reduce their consumption. Murr said people cut back their usage for a variety of reasons, some financial and some environmental.

“The one point I would keep in mind is for those users that have in fact used less electricity, it still doesn’t diminish the value of the work that they’ve done to reduce their electricity to date. Those families are still saving money, they’re still reducing their impact on the environment. So that’s a bit of a consolation,” he said.

In their strategic direction document, Hydro Ottawa notes that the business is moving toward “incrementally transitioning residential customers to a fully fixed distribution charge by 2020,” as directed by their board.

The only group to file an intervenor request so far against the application is the School Energy Coalition.

Legal counsel for the organization told Metro they aren’t necessarily opposed to the change, but regularly intervene on major rate applications and do a thorough review. The review for Hydro Ottawa’s application hasn’t been completed yet.

Keep Hydro One best bet and unload lotteries
Sudbury Star
Thu Sep 29 2016
Page: A10
Section: Opinion
Byline: David Reevely
Source: Sudbury Star

Ontario is still selling Hydro One but not its provincial lotteries.

It’s selling the thing it should keep and keeping the thing it should sell, making two wrong decisions because the government needs the money.

The Hydro One sale is carrying on in stages, one chunk at a time. The lottery disposal was scrapped last Friday when the Ontario Lottery and Gaming Corp. decided it couldn’t make enough off contracting it out.

It got plenty of interest, the agency reported, but “has determined that the selection of a single service provider would not provide increased value for the province."

"The province and the government looks at its assets and tries to maximize its value in a way that benefits all Ontarians," Finance Minister Charles Sousa told the legislature Monday morning, answering questions from New Democrat MPP Jagmeet Singh. "The process by which the OLG was proceeding recognized there was more value to the province to have it in-house because of the way it functions."

Later, Sousa used a slightly different line: "Ontario Lottery and Gaming's modernization process is about providing service delivery. It's not about privatizing the OLG."

In a sense, Sousa's right: The OLG was never planning to "privatize" the lottery. It just set out to find a private company that would run the lottery's day-to-day operations, come up with new lotteries and market them, recommend large-scale changes to the lottery business, and make a profit doing so. In exchange, the private company would give the OLG some money. And the whole thing was scuttled because nobody would give the OLG enough money.

Singh was trying to get Sousa to say the Liberal government has realized privatizing public things is a bad idea, which of course the finance minister would not do.

There's no principled reason for the government to run lotteries. It's a long and profitable habit, obviously (worth $2.2 billion last year) but there's no more reason the state should have a monopoly on lotteries than on movies or food.

Lotto 6/49 and its cousins are a different branch of the gambling business from online casinos, but it has the same problem. If it's easy to play and presented in a fun way, people will participate even though they know it's statistically a bad deal.

Now compare Hydro One, where there actually is a principled reason for the government to keep ownership and control. Nobody but Hydro One does what Hydro One does. We're not going to have competing networks of high-voltage wires crossing the province, linking generating stations and local distribution companies such as Hydro Ottawas. Rural customers who get electricity directly from Hydro One aren't going to get multiple sets of wires to their houses.

Instead, we're in the middle of selling a majority stake in Hydro One to private investors.

The provincial government will keep some important veto powers and a large minority stake, but this is explicitly about "unlocking" money in Hydro One shares, trading longterm operating profits for a shortterm cash payoffthat can be spent now. The bet is the $9-billion windfall, divided between paying off provincial debt and building new infrastructure, will produce more long-term benefits than Hydro One's perpetual profits. Ontario's budget watchdog has pegged the lost income at $500 million a year by 2025, so that's a lot of revenue to be made up, but it could work out.

Regardless, in the end we'll end up with (1) a government-owned gambling business battling forever against a lot of competitors and (2) a largely privatized utility with none. David Reevely is an Ottawa Citizen columnist. dreevely@postmedia.com

Distrust rising over Liberals ' energy moves , poll suggests

London Free Press
Thu Sep 29 2016
Page: A4
Section: News
Byline: Ashleycsanady
Source: National Post

Half of Ontario voters feel unprotected from price increases in the electricity system, a new poll suggests.

" Ontarians have never been this angry ," declares a presentation of the Innovative Research Group poll, revealed Wednesday at the Ontario Energy Association conference in Toronto. A draft of the presentation was shared with the

National Post and the results of the 600-person poll show a growing distrust in the Ontario government ' s handling of the energy file, in particular electricity prices.

The poll about provincial politics and energy rates was commissioned by the Ontario Energy Association - an industry group representing everything from gas to electricity companies - for its annual conference.

Asked if they feel " consumers are well-protected with respect to prices and reliability and quality of electricity service in Ontario ," 50 per cent of respondents " strongly disagreed " - the highest rate of dissatisfaction since the firm started asking the question in 2002. Another 20 per cent " somewhat disagreed " while just 19 per cent said they " somewhat " agreed and six per cent " strongly agreed ." Three per cent had no opinion and another two per cent didn ' t know.

Fifty-one per cent said a party ' s stance on electricity prices will influence their vote in the next election - a 17-point jump from 34 per cent who said the same in 2014.

That compounds trouble for Premier Kathleen Wynne ' s Grits.

The governing party used a throne speech this month to address concerns about raising electricity rates. They announced the expansion of a rate-cutting program for industrial consumers and a rebate of the eight per cent provincial portion of the HST on hydro bills.

On Tuesday, Energy Minister Glenn Thibeault announced a moratorium on new green energy projects to reduce future costs.

While those moves proved popular, they did little to shift voters ' views of the Liberals. Overall, 54 per cent of respondents said they feel the province is on the wrong track.

The poll and the government ' s focus on rates highlight the importance Ontario voters place on electricity prices about 18 months out from the expected June 2018 election. The poll also showed 30 per cent of voters identified electricityprices asakeypocketbookconcern, second only to 35 per cent who said their biggest worry was jobs and the economy.

Province won't block Toronto Hydro sell-off
Toronto Star
Thu Sep 29 2016
Page: A8
Section: News
Byline: Robert Benzie and David Rider Toronto Star

Premier Kathleen Wynne's Liberals will not stand in the way of any push by Mayor John Tory to privatize Toronto Hydro.

Under fire from the New Democrats, who also oppose her sell-off of Hydro One, Wynne said Wednesday it's up to Toronto city council to determine the fate of the municipal utility.

"If the member opposite wants to speak about Toronto Hydro, he will have to speak to the mayor of Toronto and the councillors on the city of Toronto council," the premier told New Democrat MPP Jagmeet Singh during question period.

Energy Minister Glenn Thibeault agreed, emphasizing that any sale "is totally a decision for Toronto city council."

Behind the scenes, senior Liberals say they are frequently urged by downtown businesses to do something about Toronto Hydro's aging infrastructure.

"They come to us all the time because they're worried," said a high-ranking official, speaking on condition of anonymity in order to discuss internal machinations.

The insider confided that many of the concerns heard at Queen's Park about the province's electricity system relate specifically to Toronto Hydro and big business's fear of outages as demands skyrocket due to increased density.

To allay those fears, the city-owned utility has a five-year $2.25-billion plan to upgrade its infrastructure.

Last week, the mayor said "we have an obligation to look at all the options, including unlocking the value that already exists in Toronto Hydro, while keeping it in public hands."

"We must … identify a way to pay for large-scale projects that are urgently needed," Tory said.

That suggests he may want to mirror what Wynne's government is doing with the sale of a 60-per-cent stake in Hydro One, the province's electricity transmission grid.

While a majority is being sold, the provincial government will remain the largest single shareholder and electricity rates will continue to be set by the Ontario Energy Board, an arm's-length regulator.

The Liberals are using the proceeds to bankroll billions in public transit, bridge and road construction.

Of the more than $9 billion expected to be raised from the shares, $4 billion is earmarked for transportation and $5 billion to pay off Hydro One's debt.

"Every dollar realized from our current assets will be reinvested in Ontario's infrastructure. This sale will support the single-largest infrastructure investment in Ontario's history," Thibeault said of the share offering.

Although Toronto Hydro pays the city an annual dividend - $56 million last year - it would lose its provincial tax-exemption status if more than 10 per cent of it is sold.

A sell-off would mean a 22-per-cent transfer tax hit, so if it sold for $1 billion, the city would owe the province $220 million.

Given that Finance Minister Charles Sousa announced a temporary decrease in that levy from 33 per cent in last year's budget - and only until the end of 2018 - it seems unlikely the city would receive another tax break.

The NDP's Singh (Bramalea-Gore-Malton) said Toronto ratepayers should be alarmed.

"Two years ago, the premier denied that she was privatizing Hydro One. Today, the premier isn't denying that she's planning to help the municipalities sell local hydro utilities," he said. "Ontarians are worried. They've been let down by the Liberals before and they're worried that they're going to be let down yet again."

Sell Toronto Hydro, because we'll get top dollar; Contrary to the popular rumours, Hydro One's sale was good for the province and Toronto should follow suit
theglobeandmail.com
Thu Sep 29 2016, 5:00am ET
Section: Business
Byline: TIM KILADZE

Because it's so easy to get trapped in downtown Toronto's elitist bubble, I pay attention to what relatives in the suburbs grumble about at family gatherings. For years, I endured speculation, and questions, about interest rates and house prices; today, they're prone to gripe about their hydro bills.

Such anger has become common. Across Ontario, people are plain mad because electricity costs have soared. Years ago, the province implemented green energy policies that promised clean electricity producers, such as wind farms, elevated rates to entice them to set up shop here. Taxpayers are now on the hook.

Somehow, Hydro One's recent privatization has been roped into the diatribes. The provincial Liberals took the province's massive electricity distribution utility public last year, valuing it at $12-billion, and now you can find lawn signs insinuating the deal somehow screwed us.

These rumours, partly stoked by Hydro One's exasperated union, are wrong. The IPO was a home run - so much so that Toronto Mayor John Tory has every reason to consider selling the city's own hydro utility, something he now says is on the table.

Talking about privatization in Ontario is tricky because people are quick to call out the province's sale of the 407 toll highway in 1999 as proof that taxpayers are bound to get screwed by asset sales. At the time, the ruling Progressive Conservatives sold the 407 at a cut-rate price - only to find out just a few years later that it was worth much more.

To prevent this from happening again, Ontario Premier Kathleen Wynne wisely listened to her advisers and decided to sell 60 per cent of Hydro One in chunks. By unloading four 15-per-cent blocks, the government stood to benefit if the utility's value rose over time, because future chunks would sell at higher prices. (The province would also suffer if the value dropped.)

Although there was no guarantee public investors would be comfortable owning only a 15-per-cent stake at first, the government rolled the dice and won. Taxpayers did, too. Investor demand for utilities is incredibly heavy right now, helping Hydro One's shares jump 27 per cent since they hit the market last November. That rise allowed the utility to sell a second 15-per-cent chunk ahead of schedule, and to earn even more for it than the first piece brought in.

If Toronto was considering selling a stake in its hydro utility in a fire sale, that would be stupid. But it isn't. Demand for utility assets is so strong - influencing the likes of Fortis to buy Michigan-based ITC Holdings for $6.9-billion (U.S.) in February - Toronto Hydro is likely to get a premium valuation.

How much it's worth is hard to pinpoint. However, hydro assets are commonly valued at a multiple of their rate base, or the net book value of their assets. The most expensive utilities will sell for 1.5 times their rate base. Being conservative and assuming Toronto Hydro is worth 1.2 times its own, that would equate to roughly $3.8-billion (Canadian), based on its recently approved rates.

One of the biggest misconceptions about power utilities is that privatizing them guarantees higher electricity costs, because private companies are profit-sucking beasts. In Ontario, though, the OEB, or Ontario Energy Board, sets the rates, and utilities must make their case whenever they want to raise prices. Toronto Hydro is no exception.

I'd rather not see public assets sold off, because it forces governments to forfeit future dividends in favour of a lump-sum payment up front. Last year, Toronto Hydro paid $56-million in dividends to the city, and $61-million the year before, the type of recurring revenue that will be desperately needed in years to come.

Privatization opponents often cite this very issue when they pipe up. Here in Ontario, they love using the provincial Auditor-General's report on Hydro One's sale, which suggested the province's net debt will be worse off in the long run, because we'll need to eventually borrow more to offset the missing dividends.

The problem with this conclusion is that it's, well, wrong. Read the full report and you'll see the Auditor-General acknowledges the answer isn't black and white (www.theglobeandmail.com) . In four different scenarios, two result in higher debt long-term, while the other two result in lower debt - it all depends on what Hydro One fetches in future sales

So far, it's gotten more than expected.

This may not even be an issue for Toronto Hydro, because half of the company could arguably get sold in one block. But even then, there's no escaping that the city needs funds now. We've got huge transit funding woes, and our community housing program - the largest in North America - is in a state of disrepair. The money's got to come from somewhere. And if we can get top dollar, why wouldn't we sell?

Getting approval won't be easy. Unlike Hydro One, whose privatization was backed by a majority government, Toronto Hydro's must be approved by a fickle city council. Even if councillors eventually give their blessing, it might come too late and the city could miss its window to obtain the best price.

But at the very least the mayor ought to try. The business case is there. We just need the political will.

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Expect pump shock after OPEC output cut; Canadians may see gas price increase up to 13 cents a litre by Friday, experts say
Toronto Star
Thu Sep 29 2016
Page: A3
Section: News
Byline: Laura Beeston, Toronto Star

Canadian consumers should brace themselves for gas prices to rise come Friday.

Experts warned that prices would jump as the Organization of Petroleum Exporting Countries (OPEC) has reportedly agreed to cut crude oil production for the first time in eight years.

In two days of round-the-clock talks in Algiers, the group agreed to drop production to 32.5 million barrels a day, according to a delegate briefed on the matter who asked not to be named because the decision isn't yet public.

The cut would amount to nearly 750,000 barrels a day less than it pumped in August. In reaction, global oil prices surged.

“It looks like Friday’s the day (for Canadians),” said Dan McTeague, Canada’s “Gas Guru” and senior petroleum Analyst for GasBuddy.com.

“Any sneeze, rumour, innuendo or intrigue immediately sends financial speculators for the buy button,” he told the Star Wednesday night. “Generally speaking, the impact will be felt almost immediately. … Traders are giddy but motorists won’t be.”

He predicts Toronto will be hit with three cents per litre increase by Friday, while motorists in Calgary can anticipate a hit of 13 cents per litre.

This is all based “on a what-if situation,” said Roger McKnight, one of Canada’s leading energy experts with EN-PRO International Inc. “I’m skeptical because the Saudis have increased production to record levels in August and now they want to cut back,” he said.

A 700,000-barrel cut would still leave a 500,000-barrels-a-day surplus “floating around the world with nothing to do.”

“It’s a large trial balloon the size of a Zeppelin.”

The point, he added, is that the Saudis will have to revert to flooding the market to get the sale prices back down. “It’s a never-ending circle.”

McKnight predicted that a higher price of crude will be good for Alberta’s oilsands and the shale industry in Saskatchewan, and will help boost the loonie. He did not believe the OPEC deal would help Canada’s eastern manufacturing operations, however.

The deal will also reverberate across the globe, say experts, brightening prospects for the energy industry, from giants like Exxon Mobil Corp. to small U.S. shale firms, and boost the economies of oil-rich countries like Russia and Saudi Arabia.

“The cut is clearly bullish,” said Mike Wittner, head of oil-market research at Société Générale SA in New York. “What’s much more important is that the Saudis appear to be returning to a period of market management.”

The agreement also signals a new phase in relations between Saudi Arabia and Iran, which have clashed on oil policy since 2014 and are backing opposite sides in civil wars in Syria and Yemen.

The stakes for OPEC, which pumps 40 per cent of the world’s oil, are high as the International Energy Agency has warned of a weak petroleum market next year.

Ian Taylor, the head of Vitol Group BV, the world’s largest oil-trading house, said that the crude market could remain oversupplied until 2018 unless producing countries stop flooding the market.

As OPEC agreed to limit its output, Russia smashed a post-Soviet oil-supply record, pumping 11.1 million barrels a day in September, up 400,000 from August, according to preliminary estimates.

While Russia participated in the Algiers talks, it is not party to the OPEC deal.

With files from Bloomberg