ENERGY media calls

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Good evening,

We had two requests in to IESO from CP and QPB today, both regarding the AG's statements at committee last week. A summary of their response is below.

Further down there is a request in to our ministry from a student paper, and a request in to OEB regarding the East-West Tie. Nothing significant to flag.

Let us know if you have any questions. Apologies for the formatting.

Cheers,
Colin

IESO response re AG:

IESO responded to both reporters by clarifying that it was fully cooperating with the AG and ensuring that her office had all information necessary to do their audit. This included the following key messages:

- The IESO has cooperated fully throughout the special audit process.
- Over a twelve week period, IESO staff met with OAGO staff on over 40 occasions and responded to over 225 information requests.
- The IESO also arranged for working accommodations for 7 OAGO staff on IESO premises, complete with access to a private meeting room for their sole use, as well as direct access to IESO employees.
- Further, the IESO designated a staff member to assist in coordinating meeting and information requests to ensure they were done in a timely manner.
- Any information that was shared with KPMG along with all other information relevant to the 2017 financial statements was also shared with the OAGO. We also instructed KPMG that any information that they shared with us, they share as well with the AGs office.
- The management representation letter and signed audit planning report for the 2017 fiscal year financial statement audit had already been signed with KPMG, an independent third-party auditor that was engaged by the IESO's Board. As this letter and report had already been signed with KPMG, it could not also be signed by IESO for the AG, as the AG had not been formally engaged to perform the IESO's 2017 financial statement audit. However, copies of these documents signed with KPMG were shared with the AG.
- To be clear, the IESO acted throughout this process in a manner that was entirely consistent with our responsibilities as an arms-length agency of the Government of Ontario who already has a contractual audit relationship with independent auditors.

Ministry: 1 inquiry

Topic: Curling clubs - - hydro costs

Reporter & Outlet: David Dengis (student reporter), Durham Chronicle newspaper

Response Type: Ministry spokesperson

Questions:

I'm working on a story about curling clubs closing due to high energy costs. There has been a trend of curling clubs closing or facing closure over the past few years. A member of the board for the Ontario Curling Association and the mayor of Oshawa, John Henry, have indicated to me that the high cost of energy in the province is a central reason for this situation because rinks need to run power 24/7 to maintain the ice.

Mayor Henry talked about his experiences with the municipality of Oshawa and their Legends Centre arena, which also requires power to run 24/7 to maintain ice. He says the global adjustment charge that was introduced in 2007 has invented $600,000 worth of additional costs that never existed prior to that. He says that isn't a negligible amount, even for a bigger city like Oshawa, so smaller clubs, especially in rural communities, can't even hope to manage it and are being literally driven out of their businesses and livelihoods.

Also, curling is a Canadian heritage sport so, again, especially in smaller communities the curling clubs tend to be centres of civic activity. Case in point, Kathleen Wynne actually holds some of her town hall meetings for these rural communities in curling clubs. So Mayor Henry suggested the irony that the only places suitable for Premier Wynne to hold her political functions are the very places that can't keep the lights on because of the high cost of energy.

In relation to the global adjustment charge, I would also be curious about the rationale behind Ontarians paying such high prices for energy. From what I gather in my research, deals were made with energy producers for guaranteed revenue. Ontarians are being asked to conserve energy but these energy companies get paid the same no matter how much energy is conserved. So the less energy used, the higher the global adjustment fee is to ensure the energy producers still get their guaranteed money. Also, Ontario exports energy to the United States at cost. So Ontario residents are paying through the nose for their power all so those we export to don't have to pay those same additional fees. The energy situation seems to be inflicting a degree of undue strain on Ontarians, and nobody else, and this all ties back into these curling clubs being unable to stay open.

I just wanted to know how the government felt about tall this and what its position was regarding it. Please let me know in your response who specifically is making the comment, whether it's the minister or whether it's a broad official government statement.

Response:

TBD

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Agencies: 1 inquiry

Agency: OEB

Topic: East-West Tie Line

Reporter & Outlet: Terrance Bay/Schreiber News

Response Type: OEB spokesperson

Questions:

1. Many people are under the impression that NextBridge was already awarded the contract to build/complete the EastWest Tie; is this the case?

2. During my interview with representatives from the LakeSuperior Link/Hydro One, I was informed that Hydro One does not set the useage rate for hydro, just the delivery charge. Who then sets the useage rate?

3. Why would another developer be allowed into the project so late in the game after NextBridge has come so far and is expected to have shovels to the ground in November of this year?

4. Are there any plans in the near future to fully utilize the hydro dams in the Nipigon River area and the Hays Lake area?

Response:

TBD

Deadline: April 6