Afternoon Energy Media Summary - November 20, 2017

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Date: Mon, 20 Nov 2017 15:01:58 -0500

G ood afternoon,

Here is a roundup of the day's news:

- ANALYSIS: The power of change in Ontario's Power – *Global News*
- Privatized Hydro One wants to hike families' bills again, NDP opposes increase – *Wawa-news.com*
- Ontario must pull the plug on painful electricity-related policies – *PLANT*
- Alfred community solar project hosts open house – *The Review Newspaper*
- Cambridge Memorial Hospital copes with rising electricity bills despite falling usage – *Canada Free Press*

Please see below **Today in Twitter** for news articles.

Nov. 20, 2017
Today in Twitter

@GlobalNational - Analysis: The conundrum for a future Ontario government will be how to pay the bill if a significant number of people leave the grid. That won't be helped by the high electricity prices the current government is passing along, writes @ACarterglobal http://glbn.ca/HVL7as #ONpoli

@paigesellis - Hydro One could take a $885M hit from a decision by Ontario's energy regulator. CEO Mayo Schmidt warns it won't affect hydro rates, but it could affect provincial coffers and taxpayers.

@IESO_Tweets - CEO Peter Gregg speaking at #APPrO2017 **today. He talks about two areas of focus: Ensuring a reliable and efficient province-wide power system today and into the future; and informing policy and fostering innovation.** @APPrOntario

@dwrightman - It was poor policy for the Ontario government to allow taxpayer funded institutions like schools, hospitals & municipalities to bid on overpriced FIT solar contracts. Using hydro ratepayers as taxpayers to fund public institutions was a mistake. Now we deal with the consequences

@HelenaJaczek - As winter settles in, Ontario takes measures to protect low-income households from the cold. Find out more about the electricity disconnection ban and your payment responsibilities https://www.oeb.ca/newsroom/2017/ban-disconnection-homes-winter-customers-electricity-distributors-frequently-asked …

@CLTrentHighland - The Ontario Electricity Support Program can help people on social assistance lower their bill. http://fb.me/PY1Z9YOv

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ANALYSIS: The power of change in Ontario's Power
Alan Carter
Global News
Nov. 20, 2017

Greek philosopher Heraclitus gets credit for first saying the only constant in the world is change.

Can you imagine what the ‘Dark Philosopher’ from 500BC would make of our times where perpetual change has accelerated to dizzying speeds?

In the past decade alone, technological advances have changed basic assumptions about what is a viable business. Ask a taxi company owner if their business is less valuable now. Ask a traditional mattress retailer if online disruptors like Casper or Endy have eaten into their bottom line.

Already, memories of physically going to a video rental store seem sepia-toned, as if all those hours browsing in Blockbuster happened to someone else in a long distant past.

It’s those same forces of change that are about to alter how we generate and consume power.

Except this time it won’t be taxi companies or department stores feeling the pain, but instead, it will be the owners of massive power plants.

And that is us.

What is on the horizon are developments in energy storage, allowing small micro generators to capture and keep green energy for use when needed. It’s conceivable in the coming years that an Uber-style company could help underwrite capital costs of solar panels and energy storage for consumers, who, in return, could remove themselves from the grid and stop paying the local utility.

That’s one less ratepayer (a fancy way of separating those who pay for electricity from the general tax base) to share the burden of the cost of transmission lines, power plants and nuclear refurbishment.

To compound the problem in Ontario, the recently passed Fair Hydro Plan will pass on a mountain of accumulated debt in a decade’s time, just around the time technological change is expected to fundamentally alter things.

The conundrum for a future Ontario government will be how to pay the bill if a significant number of people leave the grid. That won’t be helped by the high electricity prices the current government is passing along.

The recently released Long-Term Energy Plan addresses these issues but has no real answers for our future leaders.

“While we know that our electricity system will continue the trend towards smaller, more distributed energy resources, for the foreseeable future it remains impractical to fully disconnect from the grid,” said Colin Nekolaichuk from the Ministry of Energy.

The government says the Fair Hydro Plan has variables programmed in it to allow for changes in energy consumption and prices, but the debt will still remain and getting consumers to pay it will be tough if there are other better cheaper options.

Which means it could eventually be future taxpayers paying for the hydro we’re using now.

A dark prediction perhaps, but one Heraclitus would likely recognize.

Privatized Hydro One wants to hike families’ bills again, NDP opposes increase
Wawa-news.com
Nov. 20, 2017

In question period on Monday, Ontario NDP Energy critic Peter Tabuns called on the Liberal government to stop a plan that will force Ontario families to pay even higher bills for electricity. The recently privatized Hydro One is now seeking a rate increase of over $140 per household by 2022.

“Last week, the CEO of the privatized Hydro One defended sharp rate increases he is seeking to benefit investors,” said Tabuns. “He told the Empire Club that the rate increases were needed for capital investments to keep the system reliable. But the Ontario Energy Board did not believe this, and told Hydro One to reduce its revenue demands. Hydro One basically refused, and came back with nearly the same demand.

“Let’s be clear — Hydro One is not seeking this money to improve service. It wants this money so it can build an empire, including its ridiculous $6 billion purchase of Avista.”

The $6.7 billion purchase is of Avista Corp, an energy corporation based in the United States serving customers in Washington State, Oregon, Idaho, Alaska and Montana, which also owns one of the largest dirty coal-fired power plants in America.

The $140 rate increase is on top of Hydro One's claim for 100 per cent of the $2.6 billion tax benefit gifted by the Ontario government, leaving nothing to be passed onto ratepayers through savings.

"Two years ago, the premier promised that Hydro One would lower hydro rates after it became a private corporation," said Tabuns. "But the privatized Hydro One refuses to lower rates, even after the premier gave it a $2.6 billion tax break. In fact, Hydro One is taking the Ontario Energy Board to court so it can keep 100 per cent of this tax break, and leave nothing for ratepayers."

Tabuns said Ontarians can't afford to keep being let down by Wynne. Instead of the disappointments, he pointed to the NDP's plan to bring Hydro One back into public hands, lowering rates substantially and keeping them down.

Ontario must pull the plug on painful electricity-related policies
Ross McKitrick
PLANT
Nov. 20, 2017

Ross McKitrick is a Canadian economist specializing in environmental economics and policy analysis. He's a professor of economics at the University of Guelph, and a senior fellow of the Fraser Institute.

Ontario manufacturers are feeling the pinch from high electricity prices, but how high are industrial rates relative to other jurisdictions?

Ontario has the highest residential electricity costs of all Canadian provinces. Prices increased twice as fast as the national average over the past decade, and the average Toronto resident in 2016 paid $60 more a month than the average Canadian.

That takes us back to industrial electricity rates, which are paid by industries including manufacturing (automakers, for example) and mining. A recent Fraser Institute study showed that in 2016, out of 16 major cities, Toronto and Ottawa ranked third and fourth behind only New York and Boston.

Small industrial consumers (with a power demand of one megawatt and monthly consumption of up to 400 megawatt hours) in the Toronto area paid, on average, 16.27 cents per kilowatt hour, nearly double what comparable-sized firms paid in Montreal (9.11 cents) and Vancouver (9.49 cents), and nearly three times what they paid in Calgary (6.53 cents).

And although industrial electricity costs in New York and Boston remain higher than those in Ontario cities, the differential is shrinking over time as Ontario cities experience faster increases. In 2010, for example, electricity costs for small industrial users in Toronto were 85% lower than in New York. By 2016, the differential had shrunk to 51%.

The same pattern exists with large industrial consumers. In 2016, large users (with a power demand of five megawatts and monthly consumption of 3,060 megawatt hours) in Toronto and Ottawa paid almost three times more than consumers in Montreal and Calgary and almost twice what large consumers in Vancouver paid. Even some select large industrial consumers (Class A) that were granted rate reductions from the provincial government still paid higher rates than large users in Quebec, Alberta and BC.

Between 2010 and 2016, electricity costs paid by large industrial consumers rose 53% in Ottawa and 4% in Toronto compared to 14% in the rest of Canada. Montreal saw a modest increase of 10%, while costs dropped in Edmonton (-7%), Calgary (-5%) and Chicago (-19%).

Out of 16 cities examined, the fastest rates of increase were in Portland and Seattle. But even with their rapid growth, their electricity costs for large industrial consumers were significantly lower than Toronto's in 2016 (71% lower in Portland and 62% Seattle).

So what's caused surging electricity prices for residents and industries in Ontario?

Government policy choices are to blame, in particular the province's aggressive promotion of renewable energy sources (solar, wind and biomass). Other policy decisions – including poor structuring of long-term contracts with generators and phasing out coal – have also contributed to the pain.

To finally lower electricity bills for current and future ratepayers, the government should look at electricity costs in other jurisdictions and pursue meaningful policy reform.

Alfred community solar project hosts open house
The Review Newspaper
Nov. 20, 2017

On a brisk November day, a curious crowd visited a recently completed 500 kilowatt solar power project in the heart of Alfred.

This project is the first of its kind in Canada thanks to the innovative partnership between the Ottawa Renewable Energy Co-operative and the Keewaywin First Nation.

Francis Drouin, MP for Glengarry-Prescott-Russell; Jean-Pierre Cadieux, deputy mayor of the Township of Alfred-Plantagenet; and members of the co-operative learned about the project's technical aspects and community benefits from Vadim Belotserkovsky, a member of its board of directors, and David Mazur-Goulet, its communications manager.

The Township of Alfred-Plantagenet will receive a percentage of the project's annual revenue for the use of the land at 66 Du Moulin Street. Furthermore, this solar power system will feed 890,000 kWh of clean electricity into the Ontario grid annually for the next 20 years. This is equivalent to the power necessary to continuously power 100 homes for a year.

Hundreds of individuals invested as little as $2,500 to finance the project, making it the first community-owned solar power project in Prescott-Russell. Residents of Eastern Ontario will have the opportunity to invest in this project along with the entirety of the Co-operative's portfolio this coming January.

Cambridge Memorial Hospital copes with rising electricity bills despite falling usage
Canada Free Press
Nov. 20, 2017

TORONTO, ON: Documents obtained by the Canadian Taxpayers Federation (CTF) reveal that the electricity bills for Cambridge Memorial Hospital have faced a steep increase over the last six years.

The documents show bills that are steadily increasing, growing from $728,065 in 2011-12 to $1,397,804 in 2016-17, an increase of 92 per cent. During the same period, actual usage of electricity fell by 1,296,799 kW, or 6.7 per cent.

"How is Cambridge Memorial Hospital expected to manage their budget when electricity bills are rising by hundreds of thousands of dollars, despite reduced consumption?" asked CTF Ontario Director, Christine Van Geyn. "The more the hospital has to spend keeping their lights on, the fewer resources they have for patients."

Ontario has seen dramatic increases to the cost of electricity, with bills for residential consumers more than doubling in the last decade.

"Families across the province all feel the pain of rapid increases to the cost of electricity when they pay their home electricity bill. But what many people don't think about is the cost of the Ontario government's failed electricity policy to the institutions we all rely on, like Cambridge Memorial Hospital," continued Van Geyn. "Instead of paying $669,739 for inflated electricity bills, Cambridge Memorial Hospital could have paid to medically treat 575 ectopic pregnancies. That's something that Ontario patients expect their health care system to spend money on, rather than wasting money on this government's hydro rip-off."

The documents detailing Cambridge Memorial Hospital's electricity bills can be found HERE.

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