

Afternoon Energy Media Summary - October 23, 2017

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Good afternoon,

Here is a roundup of the day's news:

- Kelly McParland: Ontario's flailing Liberals resort to desperate tactics – *National Post*
- ANALYSIS: Ontario's war on truth – *Global News*
- More legal action on wind turbines – *Quinte News*
- Let's get caught up on Trillium Power case – *The Kingston Whig-Standard*
- Northwestern Ontario First Nation finds alternative to diesel fuel – *CBC News*
- Anti-wind group hosting public meeting – *Wallaceburg Courier Press*
- EDITORIAL: Ontario's hydro shell game – *Waterloo Region Record*

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

Oct. 23, 2017
Today in Twitter

[@Ont_ECO](#) - Ontario's Long-Term Energy Plan to be released October 26. For background consider ECO recommendations <https://eco.on.ca/reports/developing-2017-ltep/> ... [#LTEP](#) [#ONpoli](#)

[@ACarterglobal](#) - Peering through the fog of (accounting) war between [@Kathleen_Wynne](#) & Ontario's Auditor General. [#onpoli](#)

[@cityofguelph](#) - Good jobs would stay in [#Guelph](#) and more would come at southwest Ontario operations hub & green energy & technology centre cc [@guelphhydro](#)

[@Lewwwk](#) - This was the point of the green energy act in Ontario. Stimulate targeted adoption, and local capacity and competency for this future.

[@WindConcernsONT](#) - ICYMI Romney Wind pwr plant moved ahead in [@ONenvironment](#) approval process, 60 MW of intermittent unneeded pwr. \$425MM cost for [#Ontario](#)

Ø Meanwhile, 42% of wind in Western Ontario constrained/paid for but not used in September. Cancellation, not approval the right move

[Kelly McParland: Ontario's flailing Liberals resort to desperate tactics](#)

Kelly McParland
National Post
Oct. 23, 2017

Ontario's government has reason to be thankful for the media's recent obsession with the struggles of the federal finance minister: while it may involve ritual humiliation for a fellow Liberal, it has also provided a much-needed screen for the Ontario party's latest embarrassments.

Only a few months remain before the province is consumed by campaigning for next spring's election. It's a time Premier Kathleen Wynne's government would presumably like to spend building a case for yet another re-election. Instead, little new has emerged to lift the Liberals from the depths of unpopularity they've occupied for much of their latest mandate. Instead, they find themselves fighting newly emerging challenges, even as old ones remain unresolved.

Perhaps most representative of the core issue facing Wynne is the ongoing criminal trial against two former top Liberal aides, accused of deliberately destroying emails and documents related to a gas plant scandal that helped drive former premier Dalton McGuinty from office. Legal counsel for former McGuinty chief of staff David Livingston spent much of last week trying to fend off testimony from Ontario's former top civil servant, Peter Wallace. Wallace testified that he had tried repeatedly to make clear to Livingston that the chief of staff had a legal responsibility to protect and hand over all material related to the case. Wallace testified that he emphasized, both orally and in writing, that Livingston had no option but to provide the documents demanded by a committee investigating McGuinty's billion-dollar decision to cancel two gas plants in mid-campaign.

Livingston, Wallace said, dismissed his warnings as "political bullshit" and asked for the administrative password that would provide special access to computers in the premier's office. Soon after, a non-government IT expert — the spouse of Livingston's deputy — allegedly wiped clean computer hard drives in McGuinty's office. More than 630,000 files were deleted on 20 computers.

The trial continues, but however the eventual verdict goes, the testimony further adds to the notion that the 14-year-old Liberal government has become a cynical, self-serving political wrecking ball devoted to little more than self-preservation. The trial carries distinct echoes of Sen. Mike Duffy's successful argument that, in the absence of hard rules, politicians and their aides shouldn't be expected to let ethics or basic honesty get in the way.

While the Livingston trial was underway, Ontario's auditor-general released yet another scathing report on Liberal accounting practices. Bonnie Lysyk noted that Wynne's government borrowed \$26 billion in new debt to finance its "Fair Hydro Plan," a subsidy scheme to cut the province's soaring hydro costs in the lead-up to the election. The government wants to claim that it has balanced the budget — a key promise it hopes will win votes — but needed to keep the \$26 billion off the books to do so. Its remedy was to borrow through Ontario Power Generation, the provincial energy utility, which will have to pay off the money with higher rates down the road.

The debt remains, and will fall on the shoulders of the same taxpayers, but thanks to accounting rules won't have to be included on the bottom line come budget time. "The government created a needlessly complex accounting/financing structure for the electricity rate reduction in order to avoid showing a deficit or an increase in net debt," said Lysyk. In addition, since OPG can't borrow at the same low rates as the government, Ontarians will face an additional \$4 billion in borrowing charges.

The government dismissed the report, as it has done with numerous critical reports from the independent bodies that monitor its finances. Judging by the Liberals' history, none of the official bodies set up to act as nonpartisan monitors of government activity can be trusted to get things right. They fought an extended war with the former provincial ombudsman, Andre Marin. They have habitually ignored warnings from the Financial Accountability Office, which reported last week that the Liberals can't hope to keep their budget promises without higher taxes or dramatically reduced spending. And they regularly wave off Lysyk's criticisms as accounting gobbledygook.

Though the Liberals may yet have campaign surprises up their sleeve, its approach so far has consisted largely of trying to smear opponents, or to trap them into undermining themselves. Opposition leader Patrick Brown avoided another snare when Progressive Conservatives joined Liberals and New Democrats in denouncing Quebec's new face-covering law. Foiled in that attempt, Wynne — who recently testified in yet another Liberal corruption trial — had her lawyers serve Brown with a libel notice after he suggested that the premier herself (and not just Liberal operatives) were on trial.

"You have refused to retract or apologize for those defamatory statements, and have made further defamatory statements about Premier Wynne," the premier's lawyer complained in a letter to Brown.

Politicians always look particularly vapid when they start suing one another for the nasty things they say. As part of their effort against Brown, Wynne's Liberals have been running television ads portraying him as a hardline social conservative out to rob women of their right to choose. While Brown voted in favour of a new study of abortion while serving as an MP in Stephen Harper's federal government, he says he was merely obeying the party line as expected of backbenchers, and is firmly pro-choice. That Liberals see fit

to continue the misleading ads while launching libel suits over some standard-issue political rhetoric suggests a government desperate for something to lift it off the bottom.

[ANALYSIS: Ontario's war on truth](#)

Alan Carter
Global News
Oct. 23, 2017

The damning report from Ontario's auditor general on Premier Kathleen Wynne's Fair Hydro Plan isn't really about hydro at all.

It's about truth. Or more specifically, truth as perceived by bean counters.

This is not a difference of opinion between accountants, Auditor General Bonnie Lysyk said in her blistering remarks as she released her special report.

"This is far more serious."

Serious because this is what it sounds like when doves cry. Or rather accountants.

What Lysyk is warning about is actually a tried and true way of managing provincial finances, just not on the scale of the hydro plan. The government does not want and does not need to carry every bit of debt on its financial bottom line.

The war between Lysyk and the Liberals is whether the Fair Hydro Plan and its use of Ontario Power Generation as a debt vehicle is a sign of devious politicking or just the way things get done.

As the cliché goes, the first casualty of war is truth.

The Liberals have gone out of their way to paint the auditor as someone who is singularly offside on these key matters of accounting principles. The Ministry of Energy went so far as to personally contact journalists the day before her report was released to say the auditor's interpretation is flawed.

To be clear, this is a report the ministry had already read and knew was explosive.

When I told Lysyk during her news conference that the ministry had been questioning her basic accounting assumptions prior to the release of her report, she seemed both surprised and resigned to the matter.

"The public have a right to know the bottom line," she said.

The bottom line seems to be an increasingly frustrated auditor becoming increasingly activist.

Lysyk first was told by the Liberals her office doesn't understand the complexities of the energy sector, and then Wynne changed advertising rules that, according to Lysyk, makes the auditor's office a rubber stamp for partisan ads on the taxpayer dime.

Her reaction has to be to lower the public relations boom on the Liberal government with withering verbal fire.

"There is still time to do the right thing," Lysyk concluded in her remarks.

Doing the right thing, according to Lysyk, would mean Wynne undoing a plan the Liberals have placed all their electoral chips on.

It's not going to happen.

Both sides have lined up experts to corroborate their interpretations of the truth, and discerning where confrontational politics ends and reality begins is next to impossible.

The only clear thing is that truth, wherever it might be, is taking a beating.

[More legal action on wind turbines](#)

John Spitters
Quinte News

Oct. 23, 2017

The legal wrangling over industrial wind turbines coming to Prince Edward County has grown in scope.

The residents' group CCSAGE Naturally Green (County Coalition for Safe and Affordable Green Energy) has filed a Notice of Constitutional Question with the Ontario Superior Court of Justice, Divisional Court. .

In documents filed recently with the court, CCSAGE is challenging the validity of the province's Green Energy Act, Environmental Protection Act, Endangered Species Act, Ontario Energy Board Act, the Planning Act, and Electricity Act.

At issue is the not yet built White Pines wind farm by WPD near the hamlet of Milford in the county.

Named in the Notice of Constitutional Question are the Director of the Environmental Protection Act, the Minister of Natural Resources and Forestry and the Ontario Energy Board.

A hearing date has not been set.

Meanwhile, Prince Edward County council will deal with wind farm issues at a special meeting Tuesday, October 31, and another citizens' group, APPEC (Alliance to Protect Prince Edward County) has a Superior Court hearing trying to stop turbines in mid-November.

You can click [here](#) to read the CCSAGE application for judicial review, or click [here](#) to read the notice, which are filed under item 6.6 on the Committee of the Whole agenda.

[Let's get caught up on Trillium Power case](#)

David Reevely
The Kingston Whig-Standard
Oct. 23, 2017

Ontario government lawyers are making another run at dismissing a \$500-million lawsuit over the cancellation of a massive wind-power station that might have been built in Lake Ontario off Kingston. The government's lawyers say the case is "plainly devoid of merit" and should be tossed, in their formal notice of their intentions filed in September.

Trillium Power Wind Corp.'s lawyer says the government just doesn't want the evidence the company has to come out in court. The government's move to dismiss the case is to be heard Oct. 24.

The lawsuit is twisted up with the criminal trial going on in Toronto now involving former premier Dalton McGuinty's last chief of staff, David Livingston, and his deputy Laura Miller. They're facing charges they broke the law as the McGuinty team was headed out the door in early 2013, by getting Miller's computer-expert partner into government computers illicitly. The idea being examined in the trial was that they wanted to erase emails related to the costs of cancelling a pair of controversial gas-fired electricity stations near Toronto before the 2011 election. The two have pleaded not guilty.

Trillium alleges in its lawsuit that the government targeted Trillium's plans for that huge offshore wind farm with a freeze on all windmills in the Great Lakes, also in 2011. Trillium says that masses of evidence proving the point got swept up in a widespread deletion, You can't get out of paying for doing wrong by getting rid of the evidence, the company says.

This is the thread by which Trillium's lawsuit hangs, after an earlier round of legal fighting ended with the Ontario Court of Appeal dismissing claims related to the wind-farm moratorium itself.

Ontario, in its green-energy fervour of the 2000s, did encourage companies to get to work on Great Lakes wind farms, offering up rights to the lakebeds and starting to plan for how hundreds of megawatts of wind power out on the water would get into the provincial power grid.

Then the government changed its mind. Twice, in fact: first before the 2007 election, when it imposed one moratorium it eventually lifted, and then again before the 2011 election.

The official reason for the 2011 moratorium on Great Lakes wind farms is that the government became worried that plunking hundreds of windmills into the lakebeds would stir up decades of industrial toxins.

Anyway, the government can do what it did, the court of appeal ruled in throwing out most of Trillium's

case.

Trillium alleges that the government timed its decision stopping offshore wind farms so it came out the day Trillium was to seal a financing deal.

Tosh, says the government. The timing was a coincidence.

"Ontario did not know that the plaintiff was intending on securing its financing on the day it announced its policy decision," the province's filing says. "As such, there cannot be any evidence of Ontario's intention to harm the plaintiff because Ontario could not have formed such an intention."

There would be proof, responds Trillium, if you hadn't erased it.

The government's filing against Trillium says if the case does go ahead, Trillium should have to put up money that would cover the government's costs if Trillium loses, "which could be considerable" and which Trillium probably couldn't pay. The Catch-22s abound when you're going up against an opponent with a big legal team and bottomless pockets.

If the case does go ahead, it's due to go to trial next June 11, three days after the spring election.

[Northwestern Ontario First Nation finds alternative to diesel fuel](#)

Jackie McKay
CBC News
Oct. 23, 2017

The northwestern Ontario community of Whitesand First Nation is building a biomass and wood processing facility.

The federal and provincial governments announced on Friday in Thunder Bay that they will contribute a collective \$3.76 million towards the project.

"It's a privilege to support this project in going forward because this is exactly the kind of innovation that we need in terms of energy production for our country," said Patty Hajdu, minister of employment, workforce development and labour and MP for Thunder Bay- Superior North.

Whitesand First Nation is approximately 250 km north of Thunder Bay and has a population of about 500.

The community currently burns diesel fuel for energy and the new biomass plant will provide a greener alternative.

"Hopefully with this new plant we will have clean energy and keep the environment clean," said Allan Gustafson, chief of Whitesand First Nation.

The new plant will provide power to the town of Armstrong, as well as Whitesand and Collins First Nations and will help power the new wood pellet plant being built alongside the biomass plant.

"This has been a long project in the making going back to the early 1990s," said Michael Gravelle, Ontario's minister of northern development and mines and chair of the Northern Ontario Heritage Fund Corporation.

Initial talks of the biomass plant started in the 1990s but was put on hold for over 20 years.

Whitesand First Nation created a community sustainability initiative in 2009 and discussions around the plant began again.

The First Nation is building what they're calling a "Bio-Economy Centre", which will contain a wood yard, the biomass power generation facility and wood pellet facility.

"It allows them to develop an economy in their own community and provide employment for all of the residents that live in the area," Hajdu.

The facilities will provide 60 full-time jobs to Whitesand and the surrounding First Nations.

"We are short a lot of work up in our area and it will create forestry and everything back for the people of

Armstrong and Whitesand," said Gustafson.

Construction for the facilities starts Monday and they hope to have the plant up and running as soon as 2019, according to Gustafson.

Anti-wind group hosting public meeting

Wallaceburg Courier Press
Oct. 23, 2017

A group of local residents has formed a group named Wallaceburg Area Wind Concerns.

The group is hosting their first public meeting at the UAW Hall on Oct. 26 from 7-8:30 p.m.

Guest speakers include Keith Benn, a geoscientist; Warren Howard, who is on the Wind Concerns Ontario executive and MPP Monte McNaughton.

The group is advising anyone who may be adversely affected by the Otter Creek Wind Farm project to attend, as well as those who have concerns about property values, the wind turbines appearance and possible effect on water wells and the local environment..

The Otter Creek wind farm is proposed for north of Wallaceburg in Chatham-Kent.

EDITORIAL: Ontario's hydro shell game

Waterloo Region Record
Oct. 23, 2017

There are two things to remember as Ontario heads into a provincial election next year.

First, Kathleen Wynne's governing Liberals will swear they have — after heroic effort — erased deficits from Ontario budgets.

The books are balanced, they'll say, proudly patting themselves on the back.

The second thing to remember is that Ontario Auditor General Bonnie Lysyk — who's responsible for reviewing government accounts — insists the Liberal claim is garbage.

There is a budgetary deficit, but the government is hiding it with an elaborate hydro-accounting shell game, Lysyk said last week.

It will be up to voters to decide who's right — the Liberals or Lysyk.

But the public should closely examine this dispute.

It speaks volumes about the lengths to which the Liberals will go to sweep away messy controversies and cling to the power to which, after 14 years, they feel entitled.

Two of the biggest knocks against the Liberals are that they're reckless spendthrifts and that, thanks to their mismanagement, electricity costs had more than doubled in Ontario to become the highest in Canada.

But the ever-resourceful Liberals discovered creative ways to handle both criticisms.

Earlier this year, Wynne announced her government was cutting electricity bills by 25 per cent.

That move was initially popular.

Then it became clear this short-term consumer gain will be paid for by long-term consumer pain.

Yes, hydro bills will be lower than they otherwise would have been in coming years.

But the government will borrow heavily to make up the difference between what consumers are paying and the true energy costs.

And later next decade, the cost of repaying the debt with interest will go back onto ratepayers' bills, which will consequently be higher for nearly 20 years.

For now, of course, Wynne's happily wearing the mantle of public saviour. And she's also papered over the deficit controversy.

The way she did this, the auditor says, was to treat the billions of dollars borrowed to finance the electricity rebate as an asset to be sold to investors, and not as a debt.

Neither this new debt nor the additional revenue siphoned from future hydro bills to cover it will turn up in the government's financial books.

The Liberals say this is all kosher.

The auditor general says it violates Canadian public sector accounting standards.

Lysyk also says those temporarily cheaper hydro bills will, over time, cost Ontarians \$21 billion in accumulated interest. The unusual financing structure itself will cost an extra \$4 billion.

Many Ontarians will gratefully enjoy their temporarily reduced hydro bills and not worry about a seemingly arcane dispute between the government and auditor.

But they should ask themselves whether they really feel better paying less for hydro today knowing they — and generations to come — will pay a lot more in future.

And they should ask themselves if Ontario's finances are truly in better shape because the government was able to technically keep off its books a debt they'll still have to repay.

A resounding "no" should answer both questions.

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