FW: Ministry of Energy Top Issues - May 12, 2016

From: "Teliszewsky, Andrew (ENERGY)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
To: "Matt Whittington (Matt.Whittington@ontario.ca)" <matt.whittington@ontario.ca>
Date: Fri, 12 May 2017 08:32:13 -0400

From: Berry, James (ENERGY)
Sent: May-12-17 8:24 AM
To: Teliszewsky, Andrew (ENERGY); Bevan, Andrew (OPO); Beaudry, Jennifer (OPO); Forgione, Andrew (OPO); Nekolaichuk, Colin (ENERGY)
Cc: Ghiassi, Ali (MOF); Jancik, Mike (TBS)
Subject: RE: Ministry of Energy Top Issues - May 12, 2016

Yep, will get something out in the next few minutes.

From: Teliszewsky, Andrew (ENERGY)
Sent: May-12-17 8:23 AM
To: Bevan, Andrew (OPO); Beaudry, Jennifer (OPO); Forgione, Andrew (OPO); Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY)
Cc: Ghiassi, Ali (MOF); Jancik, Mike (TBS)
Subject: RE: Ministry of Energy Top Issues - May 12, 2016

Good Morning:

Tory's (external legal) reviewed, edited and approved my earlier bullets. Enclosed below.

- Quiet Period prevents Government, as Shareholder, from saying anything to influence or prime the markets. But on process, this is what's going on:
- Under the firm commitment transaction we have signed with the underwriters, they have agreed to purchase the shares we plan to sell at the agreed price.
- The Province gets the same deal, even if there are changes in market conditions or it takes time for investor demand to build.
- It can take more time for the market to digest a larger transaction, like this one.
- We are full steam ahead.

James – can you do a quick note to Caucus, I'd hate for Members to misunderstand the ROB story, please.

Atel/

From: Teliszewsky, Andrew (ENERGY)
Sent: May-12-17 7:13 AM
To: Bevan, Andrew (OPO); Beaudry, Jennifer (OPO); Forgione, Andrew (OPO); Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY)
Cc: Ghiassi, Ali (MOF); Jancik, Mike (TBS)
Subject: Fw: Ministry of Energy Top Issues - May 12, 2016

Hydro One. ROB clip. We need to be VERY careful not to spook the market. Process is unfolding as we anticipated.

Ali. Not sure where your Minister is, but he also needs to be tight today if asked.

Lines:

• Quiet Period forbids us as Shareholder from doing anything to influence or prime the markets. But on process, this is what's going on:
• the firm transaction we announced puts risks on dealers (RBC + CIBC)
• this was anticipated to occur given the size of this particular offering (~20%; was a bit larger than our previous two transactions)
• if you go back and look at what happened in April 2016, this same sort of thing occured, took a while for the full offering to "get placed" (that's Bay Street lingo for shares being purchased by institutional and retail investors).
• we're full steam ahead.

We can NOT go further because of quiet period restrictions.

Atel/

From: Cvjeticanin, Dan (ENERGY) <Dan.Cvjeticanin@ontario.ca>
Sent: Friday, May 12, 2017 7:02 AM
To: @ENERGY All
Subject: Ministry of Energy Top Issues - May 12, 2016

Good morning,

Here's what's making news:

- Electricity rates will soar after 4 years: secret document -- The Toronto Star, pg. A1
- Ontario Liberals roll out legislation to lower hydro bills for 10 years - but consumers will still pay for it later -- National Post
- Ontario hydro bills to fall then ultimately leave consumers paying more; Ontario hydro bills to fall then spike -- The Canadian Press
- Hydro One stock sale hits wall -- The Globe and Mail, pg. B1
- Hydro selloff shocks MPP -- Northern Daily News (Kirkland Lake), pg. A1
- Wynne talks hydro rate reductions, wants 'shovel in the ground' at Ring of Fire -- Baytoday.ca
- Concern Over A Plan To Bury Radioactive Waste in The Ottawa Valley -- Source: CJOH
- City against proposed DGR -- Cornwall Standard Freeholder, pg. A1
- Compressed air energy storehouse approved for old Goderich salt cave -- CBC.CA News

- Energy East Pipeline review to possibly include issue of greenhouse gas emissions -- Globalnews.ca
- Tories claim emissions test could doom Energy East -- The Daily Gleaner, pg. B1
- Chamber of Commerce calls for axing of cap-and-trade in Ontario; Windsor chapter warns firms will move to coal-burning states in U.S -- Windsor Star, pg. SR1

Electricity rates will soar after 4 years: secret document

The Toronto Star
2017-05-12
Byline: Rob Ferguson Toronto Star | Section: News | Page: A1
The short-term gain of a 25-per-cent hydro rate cut this summer could lead to long-term pain as a leaked cabinet document forecasts prices jumping again in five years.

In the briefing materials first revealed by the Star and obtained by the Progressive Conservatives, rates will start rising 6.5 per cent a year in 2022 and top out at 10.5 per cent in 2028, when average monthly bills hit $215.

That would be up from $123 this year once the rate cut - the subject of long-awaited legislation unveiled Thursday by Energy Minister Glenn Thibeault - takes full effect. There will be another 17-per-cent cut in addition to the 8 per cent taken off bills in January when the provincial portion of the HST was waived.

The leaked papers overshadowed Thibeault's efforts to tout the price break, which will be followed with four years of hydro rate increases at 2 per cent, roughly the rate of inflation.

Thibeault charged that the Conservatives used an "outdated" document to distract from the fact that they are the only major party without a plan for dealing with skyrocketing hydro rates, with a year to go until next June's provincial election.

"It's not a coincidence," he told reporters, denying any plans for an eventual 10.5-per-cent rate hike and promising the government's new long-term energy plan, due in a few months, will have better numbers.

"We are working hard right now to continue to pull costs out of the system."

Opposition parties said the Liberal plan doesn't deal with the underlying problems that have made electricity expensive and simply borrows money to spread the costs over a longer period of time, with $25 billion in interest charges over 30 years.

“The price of electricity is going to skyrocket after the next election,” warned Conservative MPP Todd Smith.

“The government isn’t being honest with the people of Ontario when it comes to the price of electricity .”

The documents show average monthly bills peaking at $231 in the year 2047, before falling back to $210 the following year once the 30 years of interest payments are over.

Conservative sources say they obtained the papers stamped “confidential cabinet document” from a whistleblower after Thibeault’s rate-cut plan was presented to cabinet ministers in early March. There is no date on the document, which the energy minister alternately dismissed as “inaccurate” or possibly one of many that have been prepared with different options in mind.

“We’ve had hundreds of briefings with hundreds of documents … I can’t comment on one graph when we’ve been looking at hundreds of scenarios.”

New Democrats, who have proposed a scheme to cut hydro rates by 17 to 30 per cent if elected, also called the plan an election ploy with Liberals lagging in the polls.

“We’re going to take on a huge debt so (Premier) Kathleen Wynne can look good on the hustings in the next few months, and for decades we’re going to pay for it,” said MPP Peter Tabuns (Toronto-Danforth).

Thibeault acknowledged the Liberal plan will start repaying borrowed money in the mid- or late 2020s and it will show up on hydro bills as the “Clean Energy Adjustment.”

He compared the borrowing plan, which spreads the costs of upgrading the electricity system by closing coal-fired plants and using more clean sources of power over a longer period, with a homeowner extending a mortgage.

Aside from setting up an entity to do the borrowing, the legislation expands subsidies for remote rural residents and low-income families and shifts their costs to the tax base, instead of leaving them for ratepayers to cover, as is the case now.

Smith, his party’s energy critic, said the Clean Energy Adjustment is akin to the recently axed debt retirement charge from the old Ontario Hydro, but “on steroids” and in place until the year 2047, according to the leaked documents.

“The debt retirement charge was $4 or $5 on the average residential bill. This one is going to reach $21 by the year 2028 … that’s a huge hit,” he added.

“This is the Kathleen Wynne retirement charge that’s going to appear on bills for not just my generation but our kids’ generation.”

Thibeault insisted the government can continue to trim costs from the electricity system as it has for several years, during which the Samsung clean power agreement was renegotiated and some renewable projects were halted. In the 2010 long-term energy plan, for example, the average monthly bill was forecast to be $178 by now. That was lowered to $170 in the 2013 long-term energy plan. The average monthly bill is now $156.

He said a new system of “capacity auctions” in which generating companies will be asked to bid will save money over the traditional system in which the government mandated how much power would come from nuclear, hydroelectric, natural gas, wind and other renewable sources.

Opposition parties also accused the government of trying to force the legislation through with little scrutiny in the eight remaining days the legislature sits before rising for the summer recess on June 1.

“This is just jamming it through at the end of the session,” Tabuns said.

Ontario Liberals roll out legislation to lower hydro bills for 10 years - but consumers will still pay for it later

National Post
2017-05-12
Byline: The Canadian Press Section: Canada

Ontarians will see lower hydro bills for the next 10 years, but then pay the price for that decrease for the following 20 years under new legislation introduced today.

Electricity bills in the province have roughly doubled in the last decade, and have sparked increasing anger among Ontarians, leading to plummeting approval ratings for Premier Kathleen Wynne.

Ten weeks after announcing a plan to lower hydro bills, the Liberal government has introduced its legislation to lower time-of-use rates, take the cost of low-income and rural support programs off bills and introduce new social programs.

Time-of-use rates are being lowered by removing from bills a portion of the global adjustment, a charge consumers pay for above-market rates to power producers.

For the next 10 years, a new entity overseen by Ontario Power Generation will pay that difference and take on debt to do so.

Then, the cost of paying back that debt - which the government says will be up to $28 billion - will go back onto ratepayers' bills for the next 20 years as a "Clean Energy Adjustment."

Ontario hydro bills to fall then ultimately leave consumers paying more; Ontario hydro bills to fall then spike

The Canadian Press

2017-05-11

Byline: Allison Jones

TORONTO - Ontarians will see lowered hydro bills for the next 10 years, but will then pay higher costs for the following 20 years, under new legislation introduced Thursday.

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Ten weeks after announcing a plan to lower hydro bills, the Liberal government has introduced its legislation to lower time-of-use rates, take the cost of low-income and rural support programs off bills, and introduce new social programs.

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Then, the cost of paying back that debt - which the government says will be up to $28 billion - will go back onto ratepayers' bills for the next 20 years as a "Clean Energy Adjustment."

The legislation also holds rate increases to inflation for the next four years. After that, they'll rise more quickly, as illustrated by a leaked Liberal cabinet document the Progressive Conservatives unveiled Thursday.

The Liberals dismissed the document as containing outdated projections, but confirmed that it went before cabinet at some point before the government decided to go ahead with the hydro plan.

The document shows the average bill rising about 6.5 per cent a year after rates are no longer tied to inflation and 10 per cent the year after that - when consumers would start paying off the debt associated with the plan - then plateauing.

From about 2027 onward, Ontario electricity consumers will be paying about 12 per cent more than they would without the Liberal government's plan to cut costs in the short term, the government document projected.

But that was just one of many projections, said Energy Minister Glenn Thibeault.

"We have been working on this plan for months, and as we worked on it the documents and calculations evolved," he said.

The government's long-term energy plan is set to be updated this spring, and Thibeault said it will provide a more accurate look at how the hydro plan will reduce rates.

Hydro One stock sale hits wall

The Globe and Mail

Fri May 12 2017

Page: B1

Section: Report on Business

Byline: TIM KILADZE, JEFF LEWIS

Ontario's move to unload a $2.8billion stake in Hydro One Ltd. has hit a standstill after investors balked at the stock sale, leaving underwriters with as much as half of the shares unsold.

The province's cash-strapped Liberal government announced the huge offering Monday, selling 120 million shares at $23.25 apiece to a syndicate of investment banks on a bought-deal basis. That means the shares were purchased up front by the underwriters in hopes of reselling them quickly to public investors.

But tepid investor demand for the issue means the underwriters, led by Royal Bank of Canada and Canadian Imperial Bank of Commerce, were holding as much as $1.4-billion worth of stock as of Thursday, according to people familiar with the situation.

Because such a large slice of the deal remains unsold, the underwriters will likely be forced to cut the already discounted offering to unload the rest. On Thursday, the stock closed at $23.08 in Toronto, down 4 per cent from Monday's close. CIBC declined comment. RBC did not reply to a request for comment.

Under the bought deal, the Ontario government received its funds up front. It's the underwriters who are liable for any unsold stock, and it is unusual for such a large portion to remain.

The weak appetite stands in stark contrast to a string of recent share sales in the oil patch that have sold briskly. TransCanada Corp., Cenovus Energy Inc. and others have issued equity to fund major acquisitions in hopes of cutting costs as oil prices languish, generating hefty fees for investment banks.

Hydro One is viewed differently. This is the third time Premier Kathleen Wynne's Liberals have unloaded shares, lowering the province's stake in the utility to 49.9 per cent.

Investor fatigue has set in following an initial public offering in November, 2015, and a subsequent sale in April, 2016 - which means this isn't a new story, such as a takeover, for investors to get excited about. Meanwhile, Hydro One lacks exposure to investors in the United States enjoyed by big energy firms, making it tougher to sell.

Last week, president and chief executive officer Mayo Schmidt said the utility saw potential opportunities tied to consolidation of Ontario power distributors.

He also cited "terrific opportunities" for partnerships in the U.S., without elaborating.

"We are also poised for growth in new markets where our deep scan over the past number of months has identified opportunities that we believe would be accretive on every measure," he told analysts on a conference call.

The bought deal announced Monday includes an over-allotment option for banks to sell as much as 12 million extra shares over 30 days.

The sale of Hydro One shares has been politically unpopular for Ms. Wynne, whose support has flagged ahead of an election next year, partly due to concerns over sky-high electricity prices.

Yet selling its stake in the Crown utility has netted the debt-saddled province nearly $9-billion so far, money the Liberals have earmarked for key infrastructure projects.

Hydro One (H)

Close: $23.08, down 5C/

Hydro selloff shocks MPP
Northern Daily News (Kirkland Lake)
Fri May 12 2017
Page: A1 / Front
Section: News
Byline: Brad Sherratt
Source: Northern Daily News (Kirkland Lake)
Timiskaming-Cochrane MPP John Vanthof is upset with the Liberal Government's announcement that is will be selling off another batch of shares in Hydro One.

In a statement to the Northern News, Vanthof said "Sadly, despite the opposition of the vast majority of Ontarians, the Wynne government continues the sell off of Hydro One. Over the long term, this wrongheaded decision will increase the cost of electricity, and will ultimately cost Ontario taxpayers money as well. It just does not make any sense to sell off a public asset that makes an annual profit for the government. The Government's budget clearly shows that Ontarians have already lost over a billion dollars of dividend revenue since the start of the Hydro sell-off.

Experience tells us that private companies do not focus their attention on areas with lower populations like the North. For Northerners, privatizing Hydro One could mean less access to service and limited maintenance, on top of increased energy costs.

Adoption of the NDP plan would stop any further sales of Hydro One and start bringing this precious resource back into public hands where it belongs."

During question period Tuesday Andrea Horwath blasted Premier Kathleen Wynne for ignoring the vast majority of Ontarians and businesses who want her to stop hiking already sky-high hydro bills by further privatizing Hydro One.

"Families, business owners, municipalities, NGOs - they have all told the premier, loud and clear to stop this wrong-headed sell-off," Horwath said.

"People need relief from soaring energy bills, not to hear that the premier is doing more damage to our already broken system.

"Why does the premier insist on moving ahead with this ridiculous sell-off?" Yesterday the Wynne government announced it is selling off yet another batch of shares in Hydro One that will give away majority control of Ontario's most valuable public asset, Horwath said.

"Ontarians didn't vote for this.

The premier has no mandate to sell-off our public hydro utility, and Ontarians have been clear that they don't want this sell-off to continue," Horwath said.

"Electricity isn't a luxury, and it shouldn't be priced like one. By giving up the province's majority stake in Hydro One, the premier is guaranteeing that Ontario families will continue to see their bills go up.

"Why does the premier want to drive up hydro bills for families, businesses, and municipalities?" Horwath said that the premier put her opinion ahead of 80 per cent of Ontarians who oppose the privatization of Hydro One.

"She puts the interests of her party and her powerful Liberal friends and insiders ahead of the people of Ontario. Every. Single. Time.

"How arrogant and out of touch do you have to be to completely ignore 80 per cent of your constituents?
"Why won't the premier stop looking out for the people at the top, and stop her wrong-headed Hydro One sell-off and finally show Ontarians the respect they deserve?"

Wynne talks hydro rate reductions, wants 'shovel in the ground' at Ring of Fire

Baytoday.ca
2017-05-11
Byline: Stu Campaigne

During a question and answer period involving Premier Kathleen Wynne and the northeastern municipal delegates, one woman in the crowd brought up the subject of hydro rates. Said the woman: "Why do we in Northern Ontario pay such high delivery charges for our hydro?" After the applause from the audience subsided, she continued by asking, "Why must this aging population, living on a pension, have to make a decision between paying the hydro bill or buying food?"

Wynne replied, "We are making changes, residential ratepayers will see a 25 per cent reduction by summer. A number of utilities where the distribution charges have been very high, those are coming down. People who are paying those high distribution charges in the rural and remote communities will see up to a 40 or 50 per cent reduction because the distribution charges will be taken down to what they would be paying in a large urban centre."

Jason Corbett, a board member with the Northern Ontario Heritage Fund served as moderator for the chat with the Ontario Premier Thursday. Wynne was the keynote speaker at the FONOM/Ministry of Municipal Affairs (MMA) Northeastern Municipal Conference, being held until Friday at Nipissing University.

Regional points of interest from the moderated portion of the event included Wynne's position on the Ring of Fire. The Premier went off script with Corbett, saying that she would like to address the mining development that has been beset by delays and controversy before moving on to health care.

PC Leader Patrick Brown, in his address to the same delegates (and later in a question and answer period with local media) on Wednesday, stated that claims from Minister of Energy Glen Thibeault that a $70 budget million cut from the Ministry of Northern Development and Mines was a one-time cost were "government spin."

Brown continued, saying "it's categorically incorrect. It's a $70 million cut. I understand that he [Thibeault] has to take his marching orders from the Premier's office back to Northern Ontario. I would hope that he, instead of regurgitating Kathleen Wynne's talking points, would stand up for Northern Ontario."

Said Wynne, "I just want to set the record straight on the Ring of Fire. We have one billion dollars that is available to invest in infrastructure in the Ring of Fire, particularly to get roads, or, a road built."

Wynne said that working with the Indigenous people in the area is an important and necessary phase, adding "As recently as two weeks ago, I met with [one of] the Chiefs and we're working to find consensus. It's not easy because the communities aren't evenly lined up around the Ring of Fire. There are many different needs," for the different communities.

"The money is there and nobody wants a shovel in the ground more than I do," declared Wynne.

Brown, on Wednesday, spoke about the $1 billion commitment. "I think they're running out of excuses." Brown elaborated, saying that the Liberals could no longer blame their halted progress on Stephen Harper's government. "They've lost someone to point a finger at, and I think it's pretty apparent that they've given up on the project, and I think it's sad because this is a tremendous generational opportunity for Northern Ontario."

Transitioning to health care, Corbett referenced the Premier's announcement earlier in the day at One Kids Place of an initiative to offer a free prescription drug plan to young Canadians until age 25, beginning in 2018 . Wynne told the assembled delegates that "we recognize that even though there has been an increase in the budgets every year, it hasn't been enough."

"For North Bay, in particular, there will be a $30 million injection because they're undergoing some restructuring needs," said Wynne, "we recognize that hospitals have undergone a lot of change." The Premier noted that people are looking for more care in the community and this shift has "taken its toll," on hospitals.

Concern Over A Plan To Bury Radioactive Waste in The Ottawa Valley

Source: CJOH

May 11, 2017 6:13 PM

Anchor 1: The plan to bury radioactive waste in the upper Ottawa Valley is raising concerns all along the Ottawa River.

Anchor 2: Many wondering what years' worth of contaminated material will do to the soil and the waterway. The planned disposal site will be on the grounds of the Chalk River Nuclear Laboratories located between Pembroke and Deep River. CTV's Catherine Lathem is here now with this story. Cathy.

Reporter: The Chalk River Atomic Energy Plant is a crucial part of the valley's economy. One of the largest employers, second only to the military base, but to stay current the plant must go through a major renovation. They're tearing down buildings and that creates a lot of contaminated waste. But it's what they plan to do with all of that waste that has many concerned. These ladies meet at this Deep River coffee shop to catch up nearly every day. Pat Meadowcroft would tell you these days, there's one thing that's become the talk of the town.

Pat Meadowcroft, Resident [clip]: It makes me nervous because this is such a beautiful area.

Reporter: Nervous over Canadian Nuclear Laboratories plan to build a near surface landfill that would hold low to medium level radioactive waste. Nestled along the Ottawa River and Chalk River, the proposed site would be one to two kilometres from the water way, and hold contaminated waste like decommissioned buildings, radioactive soil, and debris. CNL says safety is their priority.

Kurt Kehler, CNL Decommissioning & Waste Management Vice President [clip]: The people that are behind this, the scientists, the engineers that are doing this, we live in the community. We use the river. We believe this is the best approach to take care of the past liabilities.

Reporter: Deep River Reeve Glenn Doncaster supports the waste facility.

Glenn Doncaster, Deep River Reever [clip]: Putting the stuff into an engineered controlled facility that will be contained and monitored over time will protect future generations.

Reporter: The decision to build this site isn't just getting the attention of the people here, but also downstream, in communities all along the Ottawa river.

Meredith Brown, Ottawa River Keeper [clip]: There's an incredible legacy of contamination at that site.

Reporter: CNL says any leeching would be treated. Sophisticated liners would prevent exposure to the ground water. But Ottawa River Keeper Meredith Brown wonders if those safety measures are enough.

Brown: Consequences are high. These radio radionuclides will be around for not just hundreds of years but tens of thousands of years.

Reporter: The landfill would also take waste from other sites in Manitoba and Quebec, and ship out highly radioactive materials to the US. That has the chiefs of Ontario concerned.

Chief Clinton Phillips, Iroquois Caucus [clip]: We are saying no to transporting this liquid waste. We are saying this is our territory. This is our traditional lands. This is our waterways. Enough is enough.

Reporter: Back at the coffee shop, Cindy Smith thinks her community doesn't have a choice.

Cindy Smith, Resident [clip]: I don't know what we can do with it that would be safe. I mean, no one else is going to want to take what they call our waste.

Reporter: The public can have their say on the project until June 1. Public hearings will also be held in the new year. Graham and Patricia.

City against proposed DGR

Cornwall Standard Freeholder

Fri May 12 2017

Page: A1 / Front

Section: News

Byline: Alan S. Hale

An interest group opposed to a nuclear waste repository that Ontario Power Generation is proposing to build near the shores of Lake Huron asked for public support from the City of Cornwall.

In a letter sent to Mayor Leslie O'Shaughnessy last month, Stop the Great Lakes Nuclear Dump asked for Cornwall city council to pass a resolution publicly stating the municipality's public opposition to the project. The group claims that 187 municipalities have supported similar resolutions so far.

"We have recently launched a new initiative that seeks to leverage the 187 resolutions that have been passed opposing OPG's plan," wrote Frank Fernandez from the group. "Specifically, we are encouraging mayors of communities that have passed resolutions to sign an open letter to (federal) Minister (of the Environment and Climate Change Catherine) McKenna. Our goal is to have at least 100 mayors sign the attached letter."

The project in question is one that would see a long-term burial facility created 400 metres underground near the Bruce Nuclear Generating Station in Kincardine, Ont. Once built, it would store spent nuclear fuel and other byproducts from Ontario's nuclear power plants for the many thousands of years the material needs to decay safely.

The proposed site is one kilometre inland from Lake Huron's western shore, which is what has many people worried that radioactive material could leach out over time and contaminate the great lakes.

This would expose millions of people across the great lakes and St. Lawrence River to radioactive material if a breach of the proposed site ever occurred.

The issue has been percolating for several years now, as Ontario Power Generation went through a process to determine eligible host sites, conduct consultations and reach a decision on its preferred site.

Ontario has three nuclear power stations- Bruce, which is leased out to a private-sector company, Darlington and Pickering. All three are located on the shores of a great lake. Currently, the spent, radioactive fuel rods are securely stored on each plant's property.

Cornwall would also urge the federal and provincial governments to reject the project, with a copy of the resolution sent to the premier, prime minister, and various other political officials.

Compressed air energy storehouse approved for old Goderich salt cave
CBC.CA News
Thu May 11 2017, 7:19pm ET
Section: Kitchener-Waterloo
Goderich city council has approved a proposal by a Toronto company to pressurize an abandoned salt

cavern and later release the compressed gas to create clean energy.

The decision comes despite some opposition from residents who said they were concerned not enough is known about the project ? a first in the world.

The project is being touted by NRStor, a private Toronto company that operates a project near Guelph involving flywheels. Their flywheel project uses cheaper energy, for example at night, and rotates a steel drum which stores kinetic energy. Later, the spinning drum is rotated to release its energy and generate power.

Jason Rioux, vice president and chief development officer for NRStor, said they have been working with various government agencies to make sure the compressed air project is safe and viable.

“In the case of new technology, ‘What does this mean for neighbours? How noisy will the project be? What does it look like? How big can it get,’ were some concerns we did hear,” Rioux said.

Hot air

Goderich is known for its rock salt mines. The cavern where this project would take place is located on property owned by Compass Minerals in a mine located 550 metres under Lake Huron ? the largest underground salt mine in the world.

As part of the project, compressed air will be kept in the sealed cavern and heat generated from compressing the air will be stored in tanks. Later, when there’s a need for energy, the compressed air will be heated using the stored heat and then released into a generator. The electricity created will feed into the provincial energy grid.

It’s similar to projects in Germany and the U.S., Rioux said. However in other installations, natural gas is used to heat the compressed air.

“The big novelty for this project is the ability to store the heat while we’re compressing, so we don’t waste that heat, and then we use that heat for the power side of the project and not have any air emissions. So this project doesn’t have any carbon emissions,” he noted.

Researchers at the Waterloo Institute for Sustainable Energy at the University of Waterloo are involved in the project.

Maurice Dusseault, a professor in engineering geology, said in a presentation last September the salt conditions along the Ontario coast of Lake Huron are ideal for massive renewable energy storage.

He argued the project is environmentally sustainable and it would benefit the province's power grid.

'Needs to be explained'

Goderich family doctor Stan Spacek has raised concerns about the project and what it could mean for the community. He said too little information is known about the project and in April, he asked city council to reject the proposal.

"It is clear to me that much more needs to be explained about this project, including its immediate and longer term consequences and risks," Spacek said in a release after his presentation to council.

The projects in Germany and U.S. are in remote and isolated areas, he argued.

"This type of project does not belong in an urban centre," he said, adding the land where the heating facility would be built should instead be reforested and restored to its natural habitat.

Rioux said they've heard the concerns of residents, but they've been working with the provincial government and UW experts to ensure what they're doing won't negatively affect the community or the environment.

Energy East Pipeline review to possibly include issue of greenhouse gas emissions

Globalnews.ca
2017-05-12
Byline: Andrew Cromwell | Video Journalist | Global News

The National Energy Board (NEB) is looking at allowing the issue of greenhouse gas emissions to enter the discussion over the proposed Energy East Pipeline project.

It's part of a list of draft issues it could address during the hearing phase.

Emissions from both the extraction and transport phase to emissions after the crude has made it to market would be looked at.

It's something the NEB says it typically doesn't do.

"The National Energy Board really needs to evolve with the times," said NEB spokesperson

Sarah Kiley. “What they’ve done in this case is say, ‘OK we’re very interested in this topic, we want to know more. What do others think?’”

TransCanada spokesperson Tim Duboyce told Global News the company continues to go over the material contained in the draft list of issues. He adds that TransCanada remains a full participant in the review process and the company continues to support the project.

Pipeline opponent Lynaya Astephen of Saint John has been a staunch opponent of the project from the beginning. She said she’s pleased greenhouse gas emissions are entering the fray, saying it’s a global issue.

“When we look at what’s going on in the U.S, unfortunately a lot of environmental regulations are being cancelled,” Astephen said. “We need to look at home and we need to make sure that we’re doing the proper thing for climate change in future generations.”

The City of Saint John continues to recognize the importance of the Energy East project, but Mayor Don Darling says it’s too soon to speculate on the greenhouse gas issue in detail.

“This is another piece of the puzzle would be the way that I’d say it,” Darling said. “I’ll certainly be looking for our staff and our working group to make some comment over the next number of weeks.”

The public has until May 31 to give their input to the National Energy Board.

Tories claim emissions test could doom Energy East

The Daily Gleaner

Fri May 12 2017

Page: B1

Byline: Adam Huras

The Gallant government says the addition of a greenhouse gas emissions test to the Energy East pipeline review process is “not surprising,” stating that all future investment decisions must now factor in the environment.

But the Progressive Conservatives are warning that the new test could stop the proposed pipeline from going ahead, believing it will be “very easy” for the country’s energy regulator to find that the project doesn’t fit within a national climate change strategy.

Meanwhile, a New Brunswick environmental group doesn’t believe the National Energy Board’s newly proposed parameters to assess the proposed 4,500-kilometre pipeline amount to a final nail in the project's coffin on its own.

Instead, the New Brunswick Conservation Council contends it's another important factor in the consideration of a project with plenty of other hurdles standing in the way.

The country's energy regulator announced on Wednesday that it may now factor in both upstream and downstream greenhouse gas emissions in deciding if TransCanada's Energy East pipeline project should be approved.

That would be a first.

It has asked the public to weigh in by the end of the month on whether emissions should be part of the review.

The scope of the review is expected to be finalized by early summer.

The National Energy Board also said on Wednesday that it intends to consider federal and provincial energy and greenhouse gas strategies, policies, laws and regulations in determining if Energy East should be built.

Any changes to the amount of oil production resulting from the project operations and any changes to oil consumption brought on by the project are also considerations.

Progressive Conservative Energy critic Glen Savoie said the changes amount to moving the "goal posts" for approving the project to something that may now be out of reach.

"This now opens the project to every imaginable claim from activist groups that are opposed to the pipeline," Savoie said. "Frankly, this appears to be a way for Justin Trudeau to finish off the Energy East pipeline to placate Quebec as it will be very easy for the board to find that upstream and downstream emissions generated from the oil the pipe will carry doesn't fit with Trudeau's climate plans via the Paris agreement."

The Trudeau government has maintained the opposite, believing that public confidence in the process is needed. If done right, Liberal minister Dominic LeBlanc believes the federal cabinet will be in a position to consider approving the project.

But Savoie believes the Gallant government should have actively advocated against having emission as part of the review.

“This is the slippery slope we warned Brian Gallant about when he blindly followed Liberal (Ontario and Quebec) Premiers (Kathleen) Wynne and (Philippe) Couillard stating that taking upstream and downstream emission into consideration was ‘reasonable,’” Savoie said in an email to the Telegraph-Journal.

The premiers of Ontario and Quebec said in 2014 that Energy East’s impact on global warming needed to be considered if it was to gain their support.

Gallant told the Telegraph-Journal at the time that “it’s normal for each province to want assurances that the Energy East pipeline project be done the right way and will benefit as many people as possible.”

The premier added that he would continue to “drive home the message to other provinces that this is a major national project that benefits the whole country, including New Brunswick and the provinces of Ontario and Quebec.”

Energy Minister Rick Doucet said in an email on Thursday that the Gallant government is “pleased” that the National Energy Board is now taking the next steps to restart the Energy East review process.

Doucet didn’t show any concern with the potential new parameters of the review.

“Given the federal government’s commitment to combating climate change, it is not surprising to see the National Energy Board considering the possibility of including the potential impacts of greenhouse gas emissions to its review,” Doucet said. “New Brunswick is aware that all future investment decisions in the country will have to factor in greenhouse gas emissions as part of the business case and ensure that projects meet strict standards to eliminate or avoid emissions where possible.”

Doucet said that the federal Environment department had previously announced that it would conduct a study of upstream greenhouse gas emissions of pipeline projects independent of the National Energy Board process.

Now the energy board wants to take that role over.

He didn’t directly answer whether the project is any less viable with emissions factored in, only that the government would be evaluating the information provided by the National Energy Board on Wednesday “and respond as appropriate.”

New Brunswick Conservation Council executive director Lois Corbett said in an interview with the Telegraph-Journal on Thursday that the addition of a greenhouse gas emissions test amounts to “a significant change to the assessment of the environmental costs of the project."

"Any comprehensive review of a project of this size should have always had included an assessment of what this means to the climate from tailpipe to tar sands," Corbett said. "But is it the final nail in the coffin for Energy East? No, I don't think so.

"I think the price of oil and the economic aspects, as well as crossing First Nations land, going through Montreal, all those issues weigh significantly too."

She added: "At the end of the day, the National Energy Board and ultimately the federal cabinet are going to have to take a close look at all of those issues."

Corbett said that Energy East may not end up increasing greenhouse gas emissions in New Brunswick, meaning it may not impact the province's carbon reduction targets.

The volume of oil to be processed at the Saint John refinery may not increase.

The Alberta oil could just end up offsetting the import of foreign product.

"It depends on if production at the refinery goes up significantly or is the oil just passing through New Brunswick?" Corbett said.

For its part, Irving Oil spokesman Sam Robinson said in an email that it remains committed to the proposed project, although not specifically addressing whether the project is any less viable with emissions factored in.

"We are proud to be a joint venture partner with TransCanada on the proposed Canaport Energy East Marine Terminal and we look forward to further participation in the National Energy Board process," Robinson said. "We remain committed to listening and responding to our community on a project of such significance to our region and country."

Chamber of Commerce calls for axing of cap-and-trade in Ontario; Windsor chapter warns firms will move to coal-burning states in U.S

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Byline: Trevor Wilhelm

The Windsor region's Chamber of Commerce has joined forces with others from across Ontario to demand the province kill its cap-and-trade program, saying it is having a devastating economic impact on local business.

Matt Marchand, president and CEO of the Windsor-Essex Regional Chamber of Commerce, said Sunday the stakes are high in Essex County. He said the potentially high cost of working under the cap-and-trade system could have businesses, such as Essex County's greenhouses and agrifood operations, fleeing to coalburning jurisdictions like Ohio.

"It's the layering of all these costs - the 400-per-cent increase in electricity prices, now greenhouses have to pay hundreds of thousands of dollars a year in carbon taxes," said Marchand.

"And to what end? All we end up doing is shipping the jobs to Ohio so they can plug into a coal plant. I think at some point you have to ask yourself, does this make a lot of sense? I think the collective answer is no it doesn't."

The resolution calling on the government to suspend cap-andtrade passed over the weekend at the Ontario Chamber of Commerce annual general meeting in Sarnia. The Windsor-Essex Regional Chamber of Commerce was among nine chambers to cosponsor the resolution.

"It's really a collective effort of all chambers across Ontario coming together to speak with one voice on the detrimental impact of cap-and-trade on our ability to drive investment and jobs here in Ontario," said Marchand.

Cap-and-trade is a government-mandated effort to reduce pollution by giving economic incentives for reducing emissions.

The government sells permits allowing businesses to produce pollutants. Organizations that want to increase emissions must buy more permits from others willing to sell them.

The chambers argue that with the introduction of cap-andtrade to Ontario on Jan. 1, businesses and communities are at risk of being unable to transition to a low-carbon economy and still remain viable.

He said businesses like greenhouses that use a lot of energy are more exposed to the effect of capand-trade, and are at risk of subsidizing other industries instead of making the intended transitions.

The chambers maintain that such businesses are not being given enough opportunity to develop new technology and processes to meet the carbonemission targets.

They argue these industries will pay significant fees for credits while facing major technological hurdles to reduce carbon emissions that will cost millions of dollars.

While the companies are facing these costs, Marchand said there is a risk that cap-and-trade proceeds could be directed away from their industries, giving little support in the development of low-carbon technologies.

If the government won't suspend the system, the chambers have several suggestions for mitigating the "risks."

Those suggestions include investing in local economies an amount equal to what was drawn through cap-and-trade.

The chambers want to ensure that cap-and-trade proceeds from exposed industries are used to develop processes and technologies to help them meet emissions targets. They also want the government to allow adequate time for more research and development or give credit to companies that are developing low-carbon technology.

The chambers are also urging the government to recognize other environmental priorities and regulations so businesses are able to meet all emission targets.

Finally, they want increased cost offsets and support from the government to ensure small businesses can stay competitive.

Marchand said the system puts Ontario at a disadvantage because the only U.S. state using cap-and-trade is California, which recently raised the cost of its credits.

"Essentially, at the moment, we're just doing cap-and-trade with ourselves," he said.

"So the end result of all this is Ontario is just too expensive to do business. It hurts consumers paying more at the pump.

"And, as the auditor-general points out, it's not going to have any impact or little impact on emissions. It's one of those ideas that sound good when you talk about it in theory. But when you apply it, it actually makes things worse."