RE: EXTERNAL - RE: Ministry of Energy Top Issues - March 2, 2017

From: ROWE Jennifer -CORPAFFAIRS <jennifer.rowe@opg.com>
To: "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Date: Thu, 02 Mar 2017 17:02:43 -0500

Hi Andrew,

I sent you a couple of updates earlier – they must have got caught up in the flurry. Mike Martelli, our President of Renewable Generation & Power Marketing, had a call with the Mayor at 2:30 this afternoon. He said the call went well and the Mayor appreciated hearing from him. The plan is still to announce to employees on Monday and the Mayor didn't press Mike for an official confirmation of the content (I think he knows that the information is pretty reliable). He also said that while he understands our position, we will need to continue to fight it.

Let me know if you need anything further.

Jennifer

From: Teliszewsky, Andrew (ENERGY) [mailto:Andrew.Teliszewsky@ontario.ca]
Sent: Thursday, March 02, 2017 4:42 PM
To: ROWE Jennifer -CORPAFFAIRS
Subject: EXTERNAL – RE: Ministry of Energy Top Issues - March 2, 2017

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi.

Sorry – wondering if this is possible, please?

705-494-5294
Al McDonald | Mayor
North Bay

From: Teliszewsky, Andrew (ENERGY)
Sent: March-02-17 8:46 AM
To: ROWE Jennifer -CORPAFFAIRS
Subject: Fw: Ministry of Energy Top Issues - March 2, 2017

Good Morning:

Busy day. Connected with Minister this morning and we'd really appreciate it if Jeff could please call the Mayor, perhaps later today, please?

Many thanks, in advance.

Andrew Teliszewsky
416-327-3550

From: Hendy, Adam (ENERGY) <Adam.Hendy@ontario.ca>
Sent: Thursday, March 2, 2017 7:11 AM
To: @ENERGY All
Subject: Ministry of Energy Top Issues - March 2, 2017

Good morning,

Here's what's making news:

- Lower hydro bills will still cost you in the long run; As they plummet in the polls, the Liberals are attempting to buy off voters with their own money – Toronto Star
- Hydro fix, or fiasco?; Wynne's haste on rates likely too late for 2018 vote, and plan has possible negative long-term effects – Globe and Mail
- Cheaper hydro now electoral chip; Will Liberals' gambit persuade Ontarians – National Post
- Kathleen Wynne announcing plan to cut Ontario hydro bills - CBC
- Don't get fooled again by Liberals – Ottawa Sun
- Cuts will help beat the heat; Slashes to come this summer as part of the province's 25-per-cent reduction plan –Toronto Star
- Rewriting the past; Kathleen Wynne Tries To Outrun Her Own 'Suboptimal Outcomes' – National Post
- Buying today's votes with tomorrow's money- Ottawa Sun
- Liberals will raise your taxes to offset hydro costs – Ottawa Sun
- Ontario to cut hydro bills 17% more: report – Ottawa Citizen
- Just Hot Air?; Opposition MPPs slam Grit hydro rate cut plan – Ottawa Sun
- Hydro prices: Critics say reported Ontario plan to slash electricity rates by 25 per cent is a 'shell game' – London Free Press
- Details on hydro bill relief plan expected; Thibeault would prefer changes 'all at once' – Canadian Press
- Minister mum on plan to slash rates 25 % - Sault Star
- A real response to real pain – Toronto Star
- Wynne, Thibeault to announce plan to cut Ontario hydro bills today – CP24
- Transcript: Update: Ontario To Refinance Global Adjustment Fee To Lower Hydro Rates
- Mayor unable to confirm possible OPG job losses – North Bay Nugget
- UPDATED, MAYOR'S COMMENTS, Looks like Ontario Power Generation will gut North Bay Operation – North Bay Toddday
- Transcript: High Hydro Bills Are Taking Its Toll On Ontario Business Owners – Global News
- Transcript: High Hydro Rates Threatens Ice Cream Business In Huntsville
- Hydro Rates could be slashed 25 per cent – Bayshore Broadcastin

For more top issues, please see today's eClips:
http://206.75.155.171/eClipsMin/eClips.asp?M=ENE

Lower hydro bills will still cost you in the long run; As they plummet in the polls, the Liberals are attempting to buy off voters with their own money
Toronto Star
Thu Mar 2 2017
Page: A1
Section: News
Byline: Martin Regg Cohn
Source: Toronto Star
Call it the 25 per cent solution - electrical and political.

That's how much your hydro bill will be reduced by Premier Kathleen Wynne this year.

That also happens to be the percentage level her Liberal government has been reduced to in recent public opinion polls. Rising rates and plummeting polls have jolted Wynne into an emergency response.

Reaching for the political equivalent of a defibrillator, the premier is deploying a high-voltage electrical shock to revive her government on its deathbed.

When it is formally released today, her plan - first revealed by my Star colleagues - will be dissed and dismissed, dubbed a shell game within a political game.

The critics will be right. But when a province falls victim to hydro hysteria - wrongly accused of having the highest electricity rates in North America, and wrongly blamed for killing jobs - well, two wrongheaded criticisms can still make the critics sound right in the end.

Not so much a self-fulfilling prophecy as self-serving hypocrisy.

For we would be wise to abide by the old adage: Be careful what you wish for.

Ontarians have long bought into the dream that we could all buy low-cost electricity in perpetuity, as in neighbouring Quebec and Manitoba. Never mind that we lack their geography, with their bounty of cheap hydro power.

Lacking their abundant resources, we opted for resourcefulness: financial engineering to pay for our nuclear engineering.

Now, the Liberals are dipping into the well again, buying off voters with their own money. Ontarians wanted cheaper hydro and, henceforth, they shall have it.

But lower prices, as we learned long ago, come at a cost. Financial shortcuts have long-term consequences.

Consume now, pay later. It’s the Ontario way.

Whether or not you think the latest plan is necessary, it’s not necessarily nutty. Experts have told the government that most of our electricity infrastructure has a much longer useful life than the 20 years it has typically been banking on.

Like homeowners who grow weary of an overly aggressive amortization that pays down their mortgage in 20 years instead of 25 - leaving them house-rich but cash-poor - ratepayers are looking for relief. The government’s remedy is to smooth out the cost curve, stretching out the amortization of our electricity assets - nuclear and gas-fired power plants or wind turbines - further into the future, so that ratepayers don’t have to bear as much of the burden upfront.

The Liberals are also shifting an electricity subsidy for low-income ratepayers onto the tax base, on the grounds that it’s a social program, not a hydro program. In total, the government expects to reduce bills for all ratepayers by roughly 17 percentage points.

And as previously announced, they are rebating the 8-per-cent provincial portion of the much-hated HST on electricity, as demanded by the opposition over the years. Taken together, it hits the psychological hurdle of a 25-per-cent drop in hydro bills.

Will voters buy it? Or grumble about being bought off with their own money?

Urban residents who barely noticed their hydro bills - Internet and mobile bills are rising faster - will wonder about the windfall. Rural ratepayers who complain about higher delivery charges probably won’t be pacified.

Will hydro’s high price points remain a talking point, right up to the next election in 2018? Or will this perennial issue fade away, as it has in previous years, now that the Liberals have cauterized the electrical burn?

Rightly or wrongly, the Liberals realized they couldn’t do nothing. Unlike the Progressive Conservatives under Opposition Leader Patrick Brown, who have said nothing about how they would reduce hydro bills (beyond overstating the alleged costs).

The New Democrats pre-empted the government earlier this week with a quickie plan of their own to reduce hydro bills even more - by up to 30 per cent. Their proposal came only after years of conspicuously avoiding any concrete solutions beyond an HST holiday (they keep counting on Ottawa to forgive the rest of the tax).

A more valid criticism is that the Wynne government is merely deferring costs, not cutting them. Fair point, though the usual targets - renewable energy, cancelled gas-fired power plants and nuclear rebuilds - are not quite the culprits that critics love to lambaste (and in fairness, the Liberals have dialed down some of the more costly green energy programs in recent years).

Like all three major parties in government, the Liberals are guilty of their fair share of blunders - notably what I've called the stealth privatization of power plants over the years, and the sell-off of Hydro One. But the real reason rates rose so rapidly is that the Liberals rebuilt a crumbling electricity infrastructure, and tried to pay down the hated debt retirement charge - both inherited from the Tories.

Eventually, the bills come due and repairs become overdue. By and large, the big cost increases of the past decade can't simply be wished away - until election day.

If you're a voter dreaming of paying less for hydro, your wish may soon come true. For better or for worse.

Martin Regg Cohn's political column appears Tuesday, Thursday and Saturday. mcohn@thestar.ca, Twitter: @reggcohn

Hydro fix, or fiasco?; Wynne's haste on rates likely too late for 2018 vote, and plan has possible negative long-term effects

The Globe and Mail
Thu Mar 2 2017
Page: A7
Section: News
Byline: ADAM RADWANSKI

Kathleen Wynne's Liberals are frantically trying to make up for lost time in addressing public fury over soaring hydro bills heading into next year's Ontario election.

But if not too little, exactly, the governing party's new-found urgency on the matter may very well be too late - both to help it recover from its dismal poll numbers, and to provide the province with a serious solution to a pricing problem decades in the making.

Courtesy of a plan brought before provincial cabinet on Wednesday, the Liberals are set to claim that residential hydro bills will soon be fully 25 per cent lower than this time last year. To achieve that, they have settled - in addition to a rebate of the 8-per-cent provincial sales tax announced last fall - on a "smoothing out" of energy costs that stretches costs of powergeneration contracts over a longer period than the contracts currently allow.

It's not a crazy idea, in theory.

In an op-ed published earlier this week in The Globe and Mail, approvingly cited by a source in the Premier's office, a quartet of professors from Ivey Business School made a reasonable case that the useful lifespans of generation assets such as wind turbines and gas-fired power plants - on which Ontario utilities have spent billions of dollars over the past decade - will exceed contracts that are typically for 20 years. So it makes sense, the authors argued, to try to spread some of those contracts' costs to after that 20-year period - possibly by offering generators with existing contracts the opportunity to bid on new, longer ones.

But while reopening the contracts might have been an enticing option for the Liberals if they had moved on it sooner, it would not fit their political needs now.

They need savings to be felt by ratepayers before the 2018 campaign starts, and protracted negotiations would not allow that.

That leaves the government, the source acknowledged, embracing a second option raised by the Ivey professors: using public funds to subsidize rate cuts by energy utilities, until those expensive existing contracts have expired.

In the op-ed, even this latter option sounds fairly logical. Subsidies would be designed to equal the difference between annual amortization under the current contracts, and what that amortization would be if calculated according to assets' actual lifespans. It would purportedly be an easy cost for the government to absorb even if it contributes to a budget deficit, given historically low interest rates.

But as the actual policy is rolled out by the province, the timing and early messaging - as well as history - offer ample cause for skepticism.

A party facing imminent defeat, and already flailing about trying to make pocketbook angst go away (most obviously with a recent about-face on the merits of road tolls), does not seem ideally suited to crafting a sophisticated model to flatten costs over decades.

The 25-per-cent figure - in which a few other surprise mechanisms to come are also supposed to play a role - does not provide reassurance. Maybe the government was happily surprised to find that its proposed measures arrived at such a nice, round number, but it might also be that it is trying to make complicated policies fit an arbitrary target.

And if you're familiar with past intersections of Ontario's elections and its energy system, the echoes are eerie. There is a long, sorry record of governments trying to buy goodwill (or ease anger) by trying to manipulate hydro prices - both Bob Rae's NDP and Ernie Eves's Progressive Conservatives doing the system huge damage with rate freezes as they unsuccessfully tried to hold office.

The Liberals have flirted with similar stuff for years, with Dalton McGuinty (in 2010) and Ms. Wynne (last year) using public funds to pay for energy rebates - a somewhat problematic premise, since it uses money collected from all taxpayers to the particular benefit of those who consume the most electricity. But what they're now pitching is a more structurally significant attempt to change the way energy is priced.

At this point, they might feel they don't have much choice.

Overdue but expensive investment in the energy infrastructure during Mr. McGuinty's first term, followed by a disastrous gamble on green energy in his second, has given way to public demand for something dramatic to be done about prices that have risen wildly above inflation. And the opposition parties - the NDP already making a dubious promise of a 30-per-cent rate cut, the PCs for now playing coy - will inevitably make it sound all too easy to turn back the clock to when power was relatively cheap.

But if one of those parties wins office, it will at least have to live with the consequences of its own decisions. The worry with the Liberals, who might be too late now to atone with voters for past mistakes no matter what they do, is that their last-ditch clean-up attempt will just add to the mess that the next government wades into.

Cheaper hydro now electoral chip; Will Liberals' gambit persuade Ontarians?
National Post
Thu Mar 2 2017
Page: A9
Section: News
Byline: Chris Selley ,
Source: National Post

In eighteen months, the Ontario Liberals will attempt their moon shot: re-election, even after all they've done. At the moment, it seems nothing will hinder them in that endeavour - apart from all the other stuff - so much as the remarkable surge in Ontarians' hydro bills in recent years. And so, hydro customers of Ontario, your votes are now up for auction.

Would 25 per cent off tickle your fancy? According to a Toronto Star report on Wednesday, that's what the Liberals are aiming for with a plan to refinance the government's contracts with electricity producers - essentially paying less every year, but for more years. The 25 per cent would reportedly include the eight per cent "rebate" - which is to say a taxpayer subsidy to ratepayers - announced in September Energy Minister Glenn Thibeault would neither confirm nor deny any specific plans on Wednesday, but a recent analysis by researchers at the Ivey Energy Policy and Management Centre at Western University suggested such a plan might save the province $1.7 billion in energy-production costs in 2018, or about eight per cent of the total.

Of course, refinancing your house doesn't make your house cheaper. "The quid pro quo is that consumers would pay more for electricity in the future to reflect the longer amortization period," the researchers wrote in the Globe and Mail, "specifically during the years beyond the end of the original contract and up to the useful life of the generation assets."

Feh. Surely we can do better than that. Do I hear 32 per cent? That's what the NDP is flogging, along with its special orange sauce. "(The Liberal) plan is to help bankers; our plan is to directly help people," deputy leader Jagmeet Singh told reporters Wednesday. (Hey there, friend - don't you hate bankers?) It's a very NDP plan. In addition to the standard poking around in contracts in search of escape clauses and cheap methods of renegotiation or cancellation, they want the province to sell electricity the way it sells alcohol - that is, they think customers should pay the same for the juice no matter how much it costs to get the juice to them. Thus the 32 per cent discount would benefit rural Ontarians, who currently pay more for juice transport; the average reduction would be 17 per cent.

Being New Democrats, they also dislike the supplyand-demand component of the current system: they would scrap peak and offpeak pricing, because it stresses out senior citizens, moms and other sympathetic stock characters and their stock families. They would buy back the portions of Hydro One we've already sold off, both for its profits and on principle, and consider shutting down the Pickering nuclear plant ahead of schedule in the face of huge surplus supply. They would ask Ottawa to knock the HST off electricity, in exchange for … well, how about a commemorative plaque? And they would strike a panel of pennypinching experts to find yet further lucrative savings, because they're always in the last place you look.

The Progressive Conservatives, as yet, have nothing to offer you except a guarantee that an offer is coming. If either of their opponents' plans (as reported in the Liberal case) were particularly impressive, one might say they had missed the boat. As neither of them is, one might simply hope the Tories are taking their time to come up with something better - which might well not mean bigger.

The chances are pretty slim that salvation awaits via any plan short of legislating contracts out of existence. Surely Liberals have been desperate enough for long enough to pick and eat any low-hanging fruit. That's not to say your hydro bills mightn't go down - and soon. The Liberals are desperate, and when the Liberals are desperate they make things happen. But a lower hydro bill isn't much use if Queen's Park is taking the money out of your other pocket while you're turning the air conditioning back up.

If the election were tomorrow, this would all be fair enough: it's a policy debate on an important issue. But the Liberals will want to be able to point to cheaper hydro bills, not just promise them, and they have time to make that happen. Thibeault insists he wants to "get it right" - but it depends what "it" is. The last circumstance in which you want any government crafting policy on a tricky file is in a panic, tied with pink eye in the polls and with an election looming. Knowing what the Liberals specifically are capable of in that circumstance, and on this very file, one worries shortterm relief might come at even greater long-term cost.

cselley@nationalpost.com Twitter.com/cselley

Kathleen Wynne announcing plan to cut Ontario hydro bills
CBC News
2017-03-02
Byline: Mike Crawley

Premier Kathleen Wynne is set to unveil her government's plan to slash electricity prices for Ontario households and businesses.

Wynne will make the announcement at Queen's Park at 9:30 a.m.

"We're going to bring forward immediate relief," Energy Minister Glenn Thibeault told the Legislature Wednesday. He refused to confirm or deny a report in the Toronto Star that the plan will result in a 17 per cent cut to hydro bills, on top of an eight per cent rebate on HST that began January.

The Liberals have said repeatedly they would bring forward further reductions in hydro costs before tabling this year's budget. Originally, Wynne signalled the cuts would be **targeted to people hurt the most** by high electricity costs, but she has since shifted to promising **lower rates across the board**.

The average monthly hydro bill in Ontario has doubled over the past decade. The biggest single spike happened last year, when a taxpayer-funded hydro subsidy of 10 per cent expired, followed by summertime increases in the price of electricity.

As hydro bills rose in 2016, pollsters found electricity grew to become the **top issue of concern** among Ontario voters. **Wynne's popularity dropped** to record lows, and she acknowledged in November that she'd **made a mistake** by "not paying close enough attention" to the impact on people's lives.

The bulk of the hikes in electricity costs since the Liberals came to power in 2003 are due to long-term contracts that pay private power producers guaranteed prices for their electricity. Some $50 billion is being spent building new power plants and refurbishing old ones, including nuclear, hydro, natural gas, wind and solar plants.

CBC News **revealed last month** the government was looking at reducing bills primarily by stretching the costs of building those power plants over a longer period of time, similar to getting a longer amortization period for a mortgage. At the time, sources indicated the government was aiming for cuts to hydro bills of at least eight per cent.

Experts in the energy field are skeptical that a cut of 17 per cent can be achieved without using taxpayer funds or taking on debt.

"There's no obvious way in the short term to produce that kind of reduction except by moving the costs somewhere else, which will then have to be paid for down the road," said Mark Winfield, a professor at York University and co-chair of its Sustainable Energy Initiative.

Energy analyst Tom Adams sees no evidence the Liberals have developed a plan that will reduce the actual costs of generating power.

"This is deficit-financed electricity," said Adams in an interview with CBC News. "The costs aren't going to change, the rates are going to go down. Something has to make up that difference."

'Not fixing the root problem'

After hammering the Liberals over hydro prices for months, the opposition parties are now faced with the prospect the government has figured out a way to bring bills down.

"Seventeen per cent, if they can achieve it, would be a wonderful thing for people, but the problem is they're not fixing the root problem," Progressive Conservative energy critic Todd Smith told reporters.

The PCs have not put forward a plan for cutting hydro bills.

Earlier this week, the New Democrats **released an electricity plan** they said would reduce rates by as much as 30 per cent for some households. A centrepiece of that plan is buying back shares of Hydro One that the government has sold to private investors.

"Public ownership of the hydro system benefits everyday Ontarians, and it benefits all of us," deputy NDP leader Jagmeet SIngh told the Legislature Wednesday.

"The NDP has no idea how our energy system in this province works," Thibeault responded.

Don't get fooled again by Liberals

Ottawa Sun
Thu Mar 2 2017
Page: A8
Section: News
Byline: Lorrie Goldstein
Source: Ottawa Sun

Why would anyone trust Premier Kathleen Wynne’s Liberal government to make good on its reported plan to reduce electricity rates by 17%, in addition to the 8% provincial portion of the HST it removed Jan. 1? Of course Wynne and Co. will act in the short term, because if they don’t, their chances of being re-elected next year are slim.

So expect them to get rates down before the election by shifting some electricity costs to the general tax base - in other words, robbing Peter to pay Paul - and going into more debt by extending the time period they’ll take to pay for power contracts.

But what about after the election, if they win another majority government? How long will that 17% rate cut reported by the Toronto Star last then? Remember when the Wynne Liberals, before the 2014 election, said they would cut auto insurance premiums an average of 15% by August, 2015? Remember how, when they failed to achieve even half that, Wynne said the 15% cut had always been a “stretch goal?” Until recently, the Liberals insisted there was no need to lower hydro rates in Ontario because, they said, they were in the middle of the pack in North America.

Never mind that a survey of major North American cities in 2016 by Hydro Quebec showed Ontario’s electricity rates were the highest in Canada.

Never mind that Brady Yauch, executive director and economist with the Consumer Policy Institute, wrote in the Sun last year that electricity prices in Ontario over the previous nine years had increased at a faster rate than anywhere else in North America.

Never mind that in 2015, Auditor General Bonnie Lysyk reported the Liberals overpaid $9.2 billion for wind and solar power alone, and that Ontarians were paying twice the U.S. average for wind and 3½ times the U.S. average for solar.

Never mind that the Liberals drove up hydro rates by 80% between 2004 and 2014.

Never mind that two auditors general - Jim McCarter and Lysyk - found the Liberals ignored the advice of their own experts on issues such as feed-in-tariffs for wind and solar power, failed to develop credible business plans and politically interfered in the electricity file.

While all that was going on, constituents contacting Liberal MPPs to complain about skyrocketing hydro rates were sent smug responses like this one, which one disillusioned hydro ratepayer passed along to me: “Hydro rates as a province are right in the middle of the pack … Hard to rebuild a hydro system ($23 billion) and handle a stranded debt ($28 billion) without some adjustment on rates. Fortunately we’re through the worst of it. On the Green front - the Green Energy Act has replaced coal and encouraged conservation, but has added 2% on all our hydro bills. We’ll keep working on it. Changes to Hydro One should help.”

See? According to the Liberals, everything was peachy keen.

Until, that is, Wynne’s very recent conversion on the road to Damascus, where she flip-flopped and acknowledged electricity rates were too high, at about the same time her approval rating plummeted to just above “Elvis is alive” levels. Remember when the Liberals won power in 2003 with then-leader Dalton McGuinty promising not to raise taxes, after which - as premier with a majority Liberal government - he imposed one of the largest tax hikes in Ontario’s history? Don’t get fooled again.
lgoldstein@postmedia.com

Cuts will help beat the heat; Slashes to come this summer as part of the province's 25-per-cent reduction plan

Toronto Star
Thu Mar 2 2017
Page: A9
Section: News
Byline: Rob Ferguson and Robert Benzie Toronto Star

Premier Kathleen Wynne will slash electricity prices this summer - just in time to cool ratepayers’ anger over hydro bills that soar due to air conditioner use.

Wynne will unveil the plan for an additional 17-per-cent reduction in hydro rates Thursday at Queen’s Park. That’s atop the 8-per-cent rebate on the provincial harmonized sales tax launched two months ago, the first phase of the Liberals’ 25-per-cent solution.

“When we’re making significant changes to the electricity sector … people are expecting us to do this right,” Energy Minister Glenn Thibeault said after a three-hour cabinet meeting Wednesday where the plan was finalized.

“I’m making sure that we don’t have to ever do this again,” Thibeault said.

As first disclosed Wednesday by the Star - before the measure had even gone to cabinet - Wynne’s plan is designed to turn down the political heat on the Liberals. With hydro rates doubling over the past decade, the governing party is struggling in the polls with an election 66 weeks away - on June 7, 2018.

Opposition parties seemed blindsided by the Liberal proposal, claiming that saving money by spreading the costs of electricity generation contracts over a longer time period is a “shell game.”

The tactic will save ratepayers money now but cost more down the road and do little to tackle high underlying costs in the electricity system, critics insisted.

“The money needs to come from somewhere. Will this government come clean and acknowledge that?” Progressive Conservative Leader Patrick Brown said in the legislature’s daily question period.

“They have created a mess,” said Brown, whose electoral fortunes are largely riding on voters being upset with the Liberals and demanding a change next year.

The New Democrats are also banking on Wynne’s popularity remaining low to defeat the Liberals, who have been in power since 2003.

“What they’re proposing are short-term, stopgap measures,” deputy NDP leader Jagmeet Singh later told reporters.

“The interest payments are going to put more money in the hands of bankers,” Singh said.

Thibeault evaded specific questions on how much the longer amortization of costs - which he called “snowplowing” - could add to hydro bills down the road.

He slammed a plan released by the NDP on Monday to cut rates between 17 per cent and 30 per cent as unrealistic and criticized the Conservatives for not having a proposal.

Tory MPP Todd Smith, his party’s energy critic, said that manifesto will come sometime after a policy convention in November.

Sources told the Star the Liberals’ reduction in rates will come mostly from “smoothing out” the financing costs of electricity generation contracts over longer periods of time.

It is essentially refinancing a mortgage to take advantage of lower payments over a longer term on nuclear reactors, natural gas-fired power plants and wind turbines.

By extending the amortization periods over the life of nuclear, natural gas and wind and solar projects instead of a 20-year time period, officials say the cost of contracted generation could be slashed by more than $1.5 billion annually.

Rewriting the past; Kathleen Wynne Tries To Outrun Her Own 'Suboptimal Outcomes'

National Post
Thu Mar 2 2017
Page: A11
Section: Issues & Ideas
Byline: Kelly Mcparland
Source: National Post

Coming soon to a province named Ontario near you: Kathleen Wynne’s Marvellous Magic Re-election Show! See Prof. Wynne bedazzle voters, making 14 years of Liberal baggage disappear! See her produce large sums of money nobody previously knew existed! See the Great Liberal Electricity Mess solved, as people forget why they were so angry.

You will marvel at the Wonder of a political party reborn. You will learn the Wisdom of the Ages as Prof. Wynne explains why, despite a list of costly mistakes as long as your arm, you really want to give the Liberals four more years in office. You will see that taking a chance on Patrick Brown is a Path leading to Danger and Woe! Alberta waited 43 years to tire of an exhausted party, why should Ontario be any different? Just close your eyes, lay back, free your mind of negative thoughts, and let Prof. Wynne explain … explain … explain … It’s 16 months before they must face the electorate, but Ontario’s Liberals are already doggedly paving over the past in hopes voters can be convinced to put aside their deep discontent with Kathleen Wynne’s government and give it yet another chance.

They have been labouring at it for months. Teachers unions have quietly been granted a generous extension to the generous agreements they reached less than two years ago, avoiding the danger of an embarrassing confrontation as the government seeks re-election next year. The final bastion fell last week when the often-troublesome secondary school teachers reached a deal. Elementary, French and Catholic teachers had already graciously agreed to stand down in return for more pay and benefits. The hated “net zero” rule, which required that any pay increases be offset with other savings, has been dropped, signalling that public-sector workers can again begin demanding more.

To get their message out, the Liberals have quashed restrictions - which they brought in themselves - limiting their access to public advertising budgets to promote Liberal causes. Wynne, albeit reluctantly, has banned the egregious fundraising practices that saw “donors” squeezed for “contributions” in return for access to the premier and her senior ministers. Moderate subsidies have been introduced - $6 on a $160 electricity bill - in hopes of tempering some of the anger at the spiralling cost of electricity, and Wynne has promised additional measures in the upcoming budget.

Finance Minister Charles Sousa has proudly announced that this year’s deficit will be down to $1.9 billion, the lowest in almost a decade, paving the way for a balanced budget just before voters go to the polls. And for the first time there’s beer and wine available in grocery stores, by Jaysus. If that doesn’t convince the poor simple folk of Ontario to forgive and forget, well, Kathleen Wynne and Charles Sousa don’t know what will.

Will it be enough? Liberals have to be optimistic, as the alternative - an end to their lengthy stay in office - is too dismal to contemplate. They continue to promise great things ahead for a deeply disenchanted electorate, though each new pronouncement seems to quickly run up against the accumulated baggage of their past performance.

While Sousa may claim provincial finances have temporarily ceased to bleed red ink, the party is likely to be short-lived. The Liberals have amassed more than $300 billion in debt through years of enthusiastic spending, financed with borrowed money. It now costs $1 billion a month just to cover the interest costs. “Balance” has been achieved through accounting manoeuvres, quick fixes and asset sales, which sacrifice future revenue for some quick cash.

Wynne has pledged an ambitious multibillion-dollar spending spree on transit and infrastructure, with no certainty where the money will come from. She recently reneged on a promise to support tolls on Toronto highways after giving her word to Mayor John Tory, producing bitter words in a city the Liberals need for any chance to retain power, and demonstrating, once again that Liberal pledges are always subject to change without notice.

Simmering anger at the burgeoning cost of heating homes and keeping the lights remains their biggest hurdle. Frustration at the situation recently brought a Peterborough-area woman to tears as she sought help from Prime Minister Justin Trudeau during a stop on his listening tour. “I now not only work 75 hours a week, I stay and work 15 hours a day just so I don’t lose my home,” sobbed Kathy Katula, a mother of four who said her electricity bill totals more than $1,000 a month.

Trudeau gave the woman a hug and explained he was helpless to act, as energy is a provincial mandate. The government is scrambling for remedies, but the anger runs deep. The Liberals have twice turned to subsidies to soften the impact of their high-cost venture into green energy experiments, to little effect. Wynne’s most recent rebates were swiftly nullified when her government introduced a carbon tax in January that offset the savings. It can be no comfort to consumers that plans are progressing for a power line under Lake Erie, directly linking the province to New York, promising Americans even easier access to cheap power subsidized by Ontario businesses and householders.

In a speech last week Energy Minister Glenn Thibeault promised measures to “reshape the foundations of the electricity sector” by changing the way providers bid for contracts and altering the top-down system in which the government dictates how much power is to come from hydro, natural gas, nuclear or other sources. But trying to pin the blame on power providers will be tough in a province accustomed to years of political interference and ministerial micro-management.

Opposition leader Patrick Brown has taken to calling the situation “Kathleen Wynne’s hydro crisis.” NDP leader Andrea Horwath used a telling phrase when she observed, “Electricity isn’t a luxury. It shouldn’t be priced like one.”

And the Liberals appear uncertain which way to turn: they continue to deny there’s a crisis, while simultaneously pledging to correct it.

It may already be too late. Opinions may have hardened, making Ontarians resistant to the denials and pledges of improvement.

Wynne’s people will continue to make them nonetheless. Thibeault conceded Friday that past decisions “led to a number of sub-optimal outcomes.”

The Liberals have a narrowing window to appease voters before an election that could prove sub-optimal to their future.

Buying today's votes with tomorrow's money

Ottawa Sun
Thu Mar 2 2017
Page: A9
Section: News
Byline: David Reevely
Source: Ottawa Sun

“Smoothing out” the costs of Ontario’s energy system by taking longer to pay off generating contracts, as the Ontario Liberals are reportedly planning to do, means borrowing from the future to make ourselves more comfortable now.

The Toronto Star reported the government’s plan Wednesday morning, citing unnamed sources speaking before Premier Kathleen Wynne had made sure her cabinet was on board. “We will make sure that we have immediate relief for Ontarians in the very near future, but no decisions have been made at this time,” Energy Minister Glenn Thibeault told the legislature.

As described, the plan is like refinancing a mortgage, taking longer to pay it and increasing the total amount you owe in exchange for smaller monthly payments now. A typical power contract pays off the generating company’s capital expenses, plus operating costs and profit, over 20 years. If that contract pays the company 10 cents a kilowatt-hour, maybe we can extend it a decade but lower the price to eight cents a kilowatt-hour.

Yes, we’re locked in for 10 more years and the contract will be worth more to the company in the end, but boom: we’ve cut the immediate cost by 20 per cent.

The idea makes political sense. After 15 years in power the Liberals will be in rough shape for 2018 no matter what, but no single thing hurts them more than the monthly bills we get full of cryptic arithmetic that always seems to add up to higher and higher numbers. Extending contracts is essentially a finance gimmick, but it would make an immediate difference.

When he was the energy minister, Ottawa West-Nepean MPP Bob Chiarelli would talk about how we were suffering through a temporary bulge in our hydro bills. This was misleading, in that the bulge would never narrow again, but at least years of eye-bugging increases would be followed by relative stability. We’d get a lot of expensive things done, like upgrading those nuclear plants and replacing dirty coal-fired generating stations with windmills and gas, and then ease up.

A Liberal policy of overspending on greenenergy contracts is part of the problem. Mis-estimating demand and buying more generation than we need is part of the problem. But also, and more than anything else, Ontario’s power system got rickety because of decades of underspending on both generating plants and transmission wires and we had to make up for it. Even worse, the Ontario Hydro of old undercharged customers even for its underinvestment, so there was a gap to make up there, too.

The Ontarians of the past stole from the Ontarians of 2005 and the Ontarians of 2005 decided not to do the same to the Ontarians of 2030. Now the Ontarians of 2017 are saying whoa, whoa, whoa, let’s not go overboard on the virtue here.

This is, for better or for worse, a plan. Progressive Conservative leader Patrick Brown experimented with calling the posited Liberal move a “shell game” Wednesday. “The member opposite hasn’t produced any plan whatsoever,” Finance Minister Charles Sousa shot back, gleefully.

As policy, well, it’s not necessarily bad. It doesn’t mean subsidizing the hydro system with tax dollars, which really would be a shell game. It doesn’t mean tearing up contracts, which leads to spending money on nothing. There’s a plausible argument for it.

We’re spending $26 billion to refurbish nuclear plants at Darlington and on the Bruce Peninsula, a truly massive amount of money that’s supposed to extend the lives of the reactors involved by 30 to 35 years. But the standard is to cover the expenses over 20 years. That’s prudent and cautious: If the reactors need to be shut down early for some reason, at least they’ll have been paid off.

Extending the payingoff period so it more closely matches the time we expect to use the reactors means deciding the cushion isn't worth the price we're paying for it. This isn't crazy, but it is a choice with consequences.

It means taking a chance that 20 years down the line we'll still be paying for power plants we don't want. Twenty years is a long time. Maybe breakthroughs in conservation or solar technology will have changed everything. Maybe we'll have perfected cold fusion. In that case, the government's move now won't be like extending a mortgage on a house we want to live in, it'll be like making payments on a car that's gone to the scrapper. dreevely@postmedia.com twitter.com/davidreevely

Liberals will raise your taxes to offset hydro costs

Ottawa Sun
Thu Mar 2 2017
Page: A9
Section: News
Byline: Patrick Brown
Source: Ottawa Sun

Kathleen Wynne and her Liberal government will try to make you believe they are fixing this electricity mess, but every time they touch it, they make it worse.

Don't be fooled by them: The Liberals will pay for their scheme by raising your taxes, and your electricity rates will increase again the moment they have the chance.

Their plan will only end up punishing Ontarians by putting us on the hook for their colossal failure that has led to skyrocketing electricity prices.

Ontario once had some of the most competitive electricity rates in North America. We've plummeted to having some of the highest and fastest rising.

The cost of electricity when the Liberals took power was 4.3 cents. It's now gone up to 18 cents, or in other words a 400% increase - the fastest rising rates in North America.

Don't forget, it was this Liberal government that caused this problem. They introduced the Green Energy Act, otherwise known as the Bad Contracts Act.

The global adjustment, otherwise known as Wynne's mismanagement cost, was also introduced by Liberals and has magnified the cost of hydro to new heights. This pays for the cost of their bad contracts. Since 2009, we've given away $6 billion in surplus energy as a result, to places like Michigan, Pennsylvania, Ohio and New York.

It has only been the Ontario Progressive Conservative Party to call for the repeal of this act. We will not sign any more of these contracts, and we will dig into each one of these contracts for exit clauses.

We will also review and rein in exorbitant executive salaries in the electricity sector, which the Liberals defend while Ontarians suffer financially month to month. The Hydro One CEO should not make $4 million a year.

And we will stop the fire sale of Hydro One because it means we will lose control of rate increases in the future.

Wynne admitted that she made this mistake last fall, and this was echoed last week by her energy minister.

However, they never felt a hint of regret when they collected enormous political donations from wind and solar companies. Between 2009 and 2016, the Wynne Liberals shelled out 30 green energy contracts to companies that collectively have donated $1.3 the province w million to the Ontario Liberal Party.

Ontarians cannot be fooled: The Wynne Liberals will negotiate more of these bad, overpriced wind and solar contracts with their donor friends, and it will come at a huge cost to taxpayers.

Your rates will go up again. Your taxes will go up.

The Liberals don't have a history of listening to ratepayers, or our auditor generals, on this issue. They snubbed the auditor general in 2011 who warned these bad contracts would rapidly escalate electricity rates. They snubbed the auditor general in 2015 who pegged the cost to Ontarians at $37 billion in overpayments, with a price tag of $133 billion by 2032. And they have snubbed every ratepayer who has been suffering with hydro bills for years.

The Liberals had a chance to exit the very costly Samsung wind energy contract and save taxpayers billions, but instead rejected that option.

Ontario's energy system is not the envy of North America. We are the laughing stock, and businesses across ill tell you why this is damaging our province.

Don't let them say to you that this is a commitment to green energy. We aren't running our hydroelectricity plants at full tilt, including Niagara Falls and plants in Northern Ontario. This is very reliable and underused green energy.

The Wynne Liberals are only concerned about this crisis because they want to get re-elected in 2018. This is why they didn't act years ago.

Brown is the leader of the Ontario PC Party

Ontario to cut hydro bills 17% more: report

Ottawa Citizen
Thu Mar 2 2017
Page: A8
Section: City
Byline: Allison Jones
Source: Ottawa Citizen

A reported Liberal government plan to further cut Ontario electricity rates with a move akin to re-amortizing a mortgage is being slammed as a "shell game" that would lead to more costs down the road.

The Toronto Star reported Wednesday that the plan is to slash soaring hydro bills by another 17 per cent largely by financing the costs of electricity generation contracts over longer periods.

The Liberal government faces no bigger political issue at the moment than hydro bills, which have about doubled in the last decade, and Premier Kathleen Wynne has promised that further relief - in addition to an eight-per-cent rebate that took effect Jan. 1 - will be announced before the spring budget. The Star reports that the plan was to be presented to cabinet Wednesday.

Progressive Conservative Leader Patrick Brown said the reported plan would just shift costs from people's hydro bills to tax bills.

"The money needs to come from somewhere," he said. "Will this government come clean and acknowledge that in their leaked plan, taxes are going to go up? They're simply playing a shell game."

In response, Finance Minister Charles Sousa said the government would be balancing its upcoming budget.

Energy Minister Glenn Thibeault played equally coy after question period, refusing to confirm or deny the Star's report. But he did note that Ontario Power Generation did something similar to reduce nuclear refurbishment cost increases.

"It's something that OPG has recognized that works, but for us in terms of our smoothing - or our rate mitigation plans - we're not putting anything out there right now," Thibeault said before heading into a cabinet meeting.

Energy consultant Tom Adams said in a blog post that the plan would create a "big new electricity debt" in order to make rates "appear" to decrease.

"In a nutshell, Wynne's plan is to stretch out the recovery of current electricity generation costs over a longer time period than currently is the case," he wrote.

It's not clear whether the underlying contracts would be extended or if the Ontario Electricity Financial Corporation, which manages the debt of the former Ontario Hydro, would fund the difference, Adams wrote.

The Star reported the benefit from the plan would be more than $1.5 billion a year, reflected in decreased global adjustment costs.

The global adjustment, which accounts for up to 70 per cent of electricity rates, is the charge consumers pay for above-market rates paid to power providers in 20-year contracts meant to ensure a steady supply.

Auditor general Bonnie Lysyk has estimated the global adjustment cost $50 billion between 2006 and 2015 and increased by 1,200 per cent between 2006 and 2013 - meanwhile, the average electricity market price dropped by 46 per cent.

NDP deputy leader Jagmeet Singh said the reported plan wouldn't address the root causes of problems within the electricity system, such as the high-paying, long-term contracts.

"When they talk about smoothing out payments … that means extending a bad contract and by extending it the interest payments are going to put more money in the hands of bankers," he said.

The NDP on Monday presented its plan to lower hydro bills, and it included renegotiating power contracts they say have led to high costs and an oversupply of energy.

The government will also shift the Ontario Electricity Support Program for low-income customers to the tax base, rather than being funded by other ratepayers, the Star reported.

Just Hot Air?; Opposition MPPs slam Grit hydro rate cut plan

Ottawa Sun
Thu Mar 2 2017
Page: A8
Section: News
Source: Shawn Jeffords Political Bureau Chief

With the Ontario government's anticipated hydro rate cut coming Thursday, opposition MPPs warned residents to be wary of a Liberal "shell game."

Media reports suggested the government will lengthen amortization periods for its contracts with private power producers to reduce rates by as much as 25%. Lengthening payment schedules for those contracts would allow the government to score shortterm savings by paying the companies smaller amounts each year over a longer period of time.

Tory MPP Todd Smith cautioned that extending contracts for short-term savings will prove to be a costly venture in the long run.

"(Electricity) is going to be more expensive under a Liberal government. This isn't the solution we need," he insisted.

Smith warned that the government has "to tackle the root cause of the problem, which is the expensive fixedenergy deals that mostly are in the renewable-energy sector."

With Premier Kathleen Wynne's government sagging in popularity, the Liberals have moved to offer relief to those who have been cut off from hydro.

The anticipated rate cut is meant to address the outcry over skyrocketing electricity bills.

NDP deputy leader Jagmeet Singh slammed the Liberals, saying meddling with energydeal amortizations fails to address the real cause of the problem.

His party has hatched a plan to cut rates by 30%.

"We know that to actually improve conditions for people in Ontario we need to actually address the root cause," he said. "We need to address the system and fix the system, as opposed to extending the bad system."

Energy Minister Glenn Thibeault was coy Wednesday about his government's plans.

He is scheduled to attend a Thursday morning press conference with Wynne and socalled "energy system partners."

Leaving a cabinet meeting Wednesday, Thibeault refused to confirm anything but said efforts to find savings by extending energy contracts was on the table. sjeffords@postmedia.com

Hydro prices: Critics say reported Ontario plan to slash electricity rates by 25 per cent is a 'shell game'

The London Free Press
2017-03-02
Byline: Hank Daniszewski, The London Free Press and The Canadian Press

Critics are slamming it as a “shell game” and an act of political desperation.
The ruling Liberals were saying little Wednesday, despite a news report about what’s up their sleeve.

Thursday, Ontarians will find out how the government plans to cut soaring electricity bills that have basically doubled in a decade, angering many Ontarians and zapping Premier Kathleen Wynne’s popularity.

The Liberals, facing an election in a little more than a year, are reportedly ready to slash electricity bills by another 17 per cent on top of an eight-per-cent cut made when they took the provincial sales tax off the HST charged on power bills, a Toronto newspaper reported.

The move would be akin to refinancing a mortgage, drawing costs out over a longer time frame, and comes just days after the New Democrats rolled out their own plan to cut power rates by 30 per cent, setting the stage for an election showdown.

The Liberals face no bigger political issue than hydro bills, and Wynne had promised that further relief — besides the eight-per-cent rebate that took effect Jan. 1 — would be announced before the spring budget.

After a cabinet meeting Wednesday, Energy Minister Glenn Thibeault wouldn’t say whether relief would come all at once or in phases, but he and Wynne are expected to make their announcement Thursday morning.

“I would like to see it all done at once to ensure that we can get the best bang for every ratepayer’s dollar,” Thibeault said.

It could take some time to take effect, if regulatory changes or legislation are needed, Thibeault said, but it could perhaps be made retroactive.

Critics, including from Southwestern Ontario, were quick to pounce on the Liberals’ move as “too little, too late” from a premier whose approval ratings in the polls ave run to record lows.

“Will their plan to lower electricity rates just be a shell game where they increase the debt and raise taxes to pay for it?” said London-area Progressive Conservative MPP Monte McNaughton.

The Lambton-Kent-Middlesex MPP, McNaughton also called for the Green Energy Act — which plunged Ontario headlong into wind and solar energy — to be scrapped, saying the government has lost all credibility on the energy file.

The Liberals have come under fire from the province’s auditor general on energy, over smart metres with time-of-day pricing that haven’t reduced peak demand for electricity, and for billions of dollars above market prices that consumers have paid for power.

A 25-per-cent hydro rollback is “better than nothing,” but doesn’t solve basic problems, said Gerry Macartney, chief executive of the London Chamber of Commerce.

He said hydro costs are being driven up by long-term contracts that pay unreasonably high prices to producers of renewable energy.

Many of those contracts were signed with wind energy producers in Southwestern Ontario, home to the largest wind farms in Ontario and the largest number of wind turbines.

“I think they should cancel some of these contracts and not just extend them. I would rather take my chance in court,” said Macartney.

London West MPP Peggy Sattler said the government isn't making any structural changes to fix hydro rates.

"This is political desperation. They are just moving money around," the NDP MPP said.

With an election looming in June 2018, the Liberal are being battered by anger over soaring hydro costs.

Near Chatham on Wednesday, NDP leader Andrea Horwath toured a quail farm hammered by high hydro costs and said part of the NDP plan to get hydro costs back under control would be to bring Hydro One, the provincial power distributor, back under complete public ownership to stem the impact privatization of the electricity system has had on rates.

"We've allowed our system to have more and more private profits built in," Horwath said.

The Liberals are selling a majority ownership stake in Hydro One to raise money for transit and other infrastructure spending.

Deputy Premier Deb Matthews of London, the London North Centre MPP, declined comment until Thursday's announcement. "We will bring forward a plan that will have immediate relief for Ontarians in the near future, and we look forward to that announcement," her office said in a statement.

Progressive Conservative Leader Patrick Brown said the reported plan would just shift costs from people's hydro bills to tax bills.

"The money needs to come from somewhere," he said. "Will this government come clean and acknowledge that in their leaked plan, taxes are going to go up? They're simply playing a shell game."

Energy consultant Tom Adams said in a blog post that the government's plan would create a "big new electricity debt" in order to make rates "appear" to decrease.

It's not clear whether the underlying contracts would be extended or if the Ontario Electricity Financial Corporation, which manages the debt of the former Ontario Hydro, would fund the difference, Adams wrote.

The global adjustment, which accounts for up to 70 per cent of electricity rates, is the charge consumers pay for above-market rates paid to power producers in 20-year contracts meant to ensure a steady supply.

Auditor general Bonnie Lysyk has estimated the global adjustment cost $50 billion between 2006 and 2015 and increased by 1,200 per cent between 2006 and 2013 — meanwhile, the average electricity market price dropped by 46 per cent.

With files by Ellwood Shreve, Postmedia News
hdaniszewski@postmedia.com

Details on hydro bill relief plan expected; Thibeault would prefer changes 'all at once'
The Hamilton Spectator
Thu Mar 2 2017
Page: A1
Section: Local / News
Byline: Allison Jones The Canadian Press
Ontario electricity ratepayers will learn Thursday how the Liberal government plans to reduce their bills, which reportedly includes a move akin to refinancing a mortgage that's being slammed as just kicking costs down the road.

The plan is to slash soaring hydro bills by another 17 per cent largely by paying the costs of electricity generation contracts over longer periods, the Toronto Star reported Wednesday.

The Liberal government faces no bigger political issue at the moment than hydro bills, which have nearly doubled in the last decade, and Premier Kathleen Wynne had promised that further relief - in addition to an eight per cent rebate that took effect Jan. 1 - would be announced before the spring budget.

Wynne and Energy Minister Glenn Thibeault are set to make their announcement Thursday morning. After a cabinet meeting Wednesday afternoon, Thibeault wouldn't say whether relief would come all at once or in phases.

"I would like to see it all done at once to ensure that we can get the best bang for every ratepayer's dollar," he said.

It could take some time to take effect, if regulatory changes or legislation are needed, Thibeault said, but it could perhaps be made retroactive.

Progressive Conservative Leader Patrick Brown said the reported plan would just shift costs from people's hydro bills to tax bills.

"The money needs to come from somewhere," he said. "Will this government come clean and acknowledge that in their leaked plan, taxes are going to go up? They're simply playing a shell game."

Thibeault said Ontario Power Generation did something similar to reduce nuclear refurbishment cost increases. "It's something that OPG has recognized that works, but for us in terms of our smoothing - or our rate mitigation plans, we're not putting anything out there right now," he said.

Energy consultant Tom Adams said in a blog post that the plan would create a "big new electricity debt" in order to make rates "appear" to decrease.

"In a nutshell, Wynne's plan is to stretch out the recovery of current electricity generation costs over a longer period than currently is the case," he wrote.

It's not clear whether the underlying contracts would be extended or if the Ontario Electricity Financial Corporation, which manages the debt of the former Ontario Hydro, would fund the difference, Adams wrote.

The Star reported the benefit from the plan would be more than $1.5 billion a year, reflected in decreased global adjustment costs.

The global adjustment, which accounts for up to 70 per cent of electricity rates, is the charge consumers pay for above-market rates paid to power producers in 20-year contracts meant to ensure a steady supply.

Auditor general Bonnie Lysyk has estimated the global adjustment cost $50 billion between 2006 and 2015 and increased by 1,200 per cent between 2006 and 2013 - meanwhile, the average electricity market price dropped by 46 per cent.

NDP deputy leader Jagmeet Singh said the reported plan wouldn't address the root causes of problems within the electricity system, such as the high-paying, long-term contracts.

The NDP on Monday presented its plan to lower hydro bills, and it included renegotiating power contracts they say have led to high costs and an oversupply of energy.

The government will also shift the Ontario Electricity Support Program for low-income customers to the tax base, rather than being funded by other ratepayers, the Star reported.

Wynne has previously signalled that more savings will be coming for rural and northern ratepayers and Thibeault has suggested that changes are on the way for time-of-use pricing.

Minister mum on plan to slash rates 25%

The Sault Star
Thu Mar 2 2017
Page: A1 / Front
Section: News
Source: Postmedia Network

Liberal Energy Minister Glenn Thibeault was tight-lipped about whether his government plans to slash hydro rates by 25%.

Thibeault was responding to reports that cabinet plans to set the "rate mitigation plan" at its meeting Wednesday and unveil it Thursday. Asked repeatedly to confirm when the announcement will be made and what it will mean for sky-rocketing hydro rates, the minister wouldn't say.

“I can’t confirm or deny what was out in the media today,” he said. “But what I can confirm is that we are working hard on immediate rate relief for all Ontario families and businesses. We’re working hard on getting that out as soon as possible, but no decisions, and I’ll repeat that, no decisions have been made yet.”

Thibeault said that “snow-plowing” or lengthening the amortization rate has worked for Ontario Power Generation when it’s come to their costly nuclear refurbishment projects. Reports say that the government could use the same technique on electricity generation contracts to help ease hydro rates.

“It’s something OPG has recognized that works,” Thibeault said. “For us, in terms of our smoothing of our rate mitigation plans, we’re not putting anything out there right now.

“We’ve got to find what’s going to be the best solution for all of the ratepayers and province.”

Thibeault’s silence was immediately pounced upon by Progressive Conservative energy critic Todd Smith. The government’s plan is “misleading,” he said.

“If you continue to pay producers of electricity over a longer period of time it’s going to end up costing more,” Smith said. “The number that they’re using is completely unrealistic.

“They’ve talking about 25%.

Well, 8% of that is already happening right now as a result of the HST cut.”

Meanwhile, an Ontario hydro distribution company is saying enough already with the highpriced wind and solar energy the province keeps buying despite a glut of electricity in the system.

The board of Niagara-on-the-Lake Hydro released an open statement Wednesday that asked Energy Minister Glenn Thibeault to kill the FIT 5 program - the latest round of renewable energy procurement - before the contracts are signed.

NOTL Hydro says the program guarantees 20-year contracts to wind and solar energy suppliers at above-market rate prices.

“We are not against renewable generation, we are against the method of how the province is procuring it,” Jim Ryan, chairman of NOTL Hydro, said in the statement. “We cannot continue to add $30 million here and $20 million there to the overall cost and not realize that this is going to have a cumulative impact. Today’s high prices are evidence of this.”

The distribution company says it analyzed the financial impact of FIT 4, the last round of mostly solar renewable procurements, completed last June.

“Ontario electricity consumers will be paying an estimated $27.4 million a year over and above the already high cost of electricity in Ontario and will contribute another $61 million to the Global Adjustment each year,” the statement says.

“The generation being built under these contracts, predominately solar, will begin producing electricity in 2017 and 2018 and will continue to generate highpriced electricity over the 20-year life of these contracts.”

The board went on to say that it believes in renewable energy but argued it should be procured based on the “market demand at commercially acceptable prices.”

A real response to real pain
Toronto Star
Thu Mar 2 2017
Page: A12
Section: Editorial
Premier Kathleen Wynne’s move to cut Ontarians’ hydro bills by 25 per cent should offer welcome relief both for ratepayers and for a provincial government that has been wearing this issue like a millstone.

While the cut is far too long in coming, Wynne deserves credit for acting decisively after she took personal responsibility last fall for rising public anger over hydro rates, calling it her own “mistake.”

The move, apparently approved by cabinet on Wednesday, is a constructive response. It's better thought-out than the New Democratic Party's plan to cut hydro prices, and miles ahead of the few unhelpful ideas put forward by Progressive Conservative Leader Patrick Brown.

The Liberals, according to exclusive reporting by the Star's Robert Benzie and Rob Ferguson, plan to stretch the financing costs of the wide array of electricity generation contracts that Ontario has signed over the years to pay for nuclear reactors, natural gas-fired generators, wind turbines, solar panels and hydroelectric power.

This is similar in principle to arranging for lower mortgage payments in exchange for taking a longer time to pay. While the move doesn't erase the miscalculations and bad deals made over the years, it should achieve two goals - making sure the lights stay on while bringing real relief to consumers.

True, the rate cuts amount mainly to rejigging how we'll pay, not the total amount. While Ontarians will pay less now, we will still pay the same amount eventually and it will take longer to dig out from under the legacy of bad decisions made by governments of all political stripes over many years.

Nevertheless, taking longer to pay is a reasonable response to real pain. It's consistent with Energy Minister Glenn Thibeault's comments in the legislature that the much-needed rebuilding of Ontario's electrical system "actually came at the expense of many families."

Recognizing that modernizing the system costs money and that the burden should be shared reasonably puts Ontario's energy policy on a better track. It's the right approach to improving infrastructure: we constantly repair and improve our roads, for example, but we stretch the cost over time to make it more affordable. And we expect all taxpayers, not just drivers, to shoulder the cost. It's a sensible approach that is sadly missing from both NDP and Tory proposals to deal with high hydro rates.

The NDP's 13-page plan misses the mark by a wide margin. It heads in the wrong direction by calling for the unelected Ontario Energy Board to have a wider mandate to review political decisions on energy, which is the job of voters.

The NDP also relies on asking the federal government to stop charging its 5-per-cent portion of the HST on hydro bills. (Wynne's Liberals have already removed the 8-per-cent provincial portion.) Does NDP Leader Andrea Horwath truly believe the federal Liberal government would come to the rescue of her party on this issue?

The other area where the NDP misses the point is in linking the privatization of Hydro One to hydro bills. While there are good reasons to question the government's selloff of the utility and how that's being done, when it comes to rates privatization is a red herring. Rates began climbing and bad decisions were made while Hydro One was entirely in public hands; there's no evidence that keeping it public would make this particular problem any better.

As for the PCs and Brown, their response to the real hardship many Ontarians have suffered from their bills is just sad. Brown has repeated the lie that Ontario's hydro rates are the highest in North America. They're not and he knows it.

He criticizes the plan because "the money needs to come from somewhere." Indeed it does - but so what? Unlike Wynne, he won't say how much he would lower rates. His party promises a plan next fall. That's far too late; the debate is going on now.

The weak response from the PCs is inadequate for people who aspire to lead Ontario. While Wynne's plan may not be perfect, it's a step in the right direction.

Wynne, Thibeault to announce plan to cut Ontario hydro bills today

CP24 Toronto's Breaking News
2017-03-02
Byline:

TORONTO -- Premier Kathleen Wynne and Energy Minister Glenn Thibeault are set to tell electricity ratepayers today how the Liberal government plans to reduce their bills.

The Toronto Star reported Wednesday that the plan is to slash soaring hydro bills by 17 per cent largely by paying the costs of electricity generation contracts over longer periods.

The move would be akin to refinancing a mortgage and is on top of an eight per cent rebate that took effect Jan. 1.

Thibeault wouldn't say Wednesday whether relief would come all at once or in phases.

Thibeault says it could take some time to take effect, if regulatory changes or legislation are needed, but adds it could perhaps be made retroactive.

Progressive Conservative Leader Patrick Brown says the reported plan would just shift costs from people's hydro bills to tax bills.

NDP deputy leader Jagmeet Singh said the reported plan wouldn't address the root causes of problems within the electricity system, such as the high-paying, long-term contracts.

And Energy consultant Tom Adams said in a blog post that the plan would create a "big new electricity debt" in order to make rates "appear" to decrease.

Transcript: Update: Ontario To Refinance Global Adjustment Fee To Lower Hydro Rates
Source: Global
Mar 1, 2017

Anchor: Tomorrow morning the provincial government will announce its plan to cut Hydro bills. A report today says it will be a 25 per cent Hydro rate cut.

Glenn Thibeault, Ontario Energy Minister: I can't confirm or deny what was out in the media today.

Anchor: Now the Minister can't confirm or deny what the government has really openly been saying for months. It's long been known that one of the ways the government can lower bills right away is by something called snowploughing.

[Video clip of snowploughing]

Anchor: No, no, not that kind of snowplough. I'll let the Minister explain.

Minister Thibeault: Snowploughing is basically the same thing as re-amortizing your mortgage.

Anchor: Now your mortgage is a good example, except in the energy system it's long-term contracts that are all bundled together in the global adjustment fee. And that global adjustment fee came into effect in 2009 a part of Ontario's Green Energy Act. It is the difference between the fair market value for electricity and what energy producers are paid, and it's hidden on your residential bill. But you're on the hook to pay the difference. Now snowploughing basically means you take that contract and smooth it out. Instead of paying more money now, the snowplough lowers the cost but extends the payments and almost always incurs more overall costs. Now the advantage to the Liberals here is they'll be able to lower the rates pretty right away. But the NDP says the government should park that snowplough and instead renegotiate those contracts. But wouldn't there be a problem that?

Anchor: And just saying that well we're going to cancel them or renegotiate them without cost isn't really unrealistic, is it?

Jagmeet Singh, NDP Deputy Leader: Well what the government is doing is not fixing the problem. They're continuing the broken system. We're saying, listen, a real plan is a plan that actually talks about who do we fix the system?

Anchor: Now while the NDP are being accused of wishful thinking, there is someone missing at the table.

Todd Smith, PC Energy Critic: This is going to be more expensive under a Liberal government, electricity. This isn't a solution we need, and we know the NDP plan that they put out was more of a public relations exercise than it was an actual plan to reduce the cost of electricity.

Anchor: Where's your plan?

MPP Smith: Our plan is in the policy – Hi Alan. Our plan is in the policy stage.

Anchor: Now the Minister's staff will outline the official government detail plan on Thursday morning and expect plenty more baffling terms like snowplough.

Anchor: Is there anything in the energy sector that is English?

Minister Thibeault: [Laughter] Rate reductions for all ratepayers is coming .

Mayor unable to confirm possible OPG job losses
The North Bay Nugget
2017-03-01
Byline: JENNIFER HAMILTON-MCCHARLES

North Bay Mayor Al McDonald has been trying to confirm if employees at the Ontario Power Generation plant in North Bay are slated to be transferred to other plants across the province.

McDonald said he's been working on this for about four weeks, but couldn't confirm the news.

“We need the province to do the right thing and keep the jobs in North Bay.”

It's estimated there are more than 60 employees who work for the North Bay Ontario Power Generation plant - of those 44 could be transferred.

“No one is talking,” McDonald said. “I called their (OPG) director of corporate relations, but he refused to give me any information and they would not tell me anything,” he said.

McDonald went a step further and contacted the Minister of Energy last week.

“He had not heard anything either, but he was going to check and get back to me.”

Calls and emails sent to OPG have not yet been returned.

nugget.ca will update the story

UPDATED, MAYOR'S COMMENTS, Looks like Ontario Power Generation will gut North Bay Operation
Baytoday.ca
2017-03-02
Byline:
Ontario Power Generation won't confirm or deny, but the Crown corporation is apparently getting ready to transfer almost all of its local employees to Timmins and Cornwall, basically idling the North Bay office and plant on Eloy Road.
OPG is wholly owned by the Government of Ontario and is responsible for approximately half of the electricity generation in the Province of Ontario.
An employee says up to 70 local jobs could be affected. Only some mechanics will remain apparently, with pretty much everyone else being moved out. OPG has 10,840 employees province-wide.
BayToday has been trying to get OPG to comment for the past number of days, calling both local contact Bretton Christensen and OPG media relations in Toronto multiple times. Calls were not returned, but this afternoon the corporation sent this brief email from Neal Kelly, Director Media, Issues, Information Management.
"OPG does not comment on rumours. We value our employees, and when we make announcements we speak with them first."
Kelly would not deny the reports however.
Nipissing MPP Vic Fedeli says he's also heard the reports but cannot get confirmation from anyone.

Meanwhile, Mayor Al McDonald has also been rebuffed by OPG.
He spoke with the OPG Director of Corporate Relations in Toronto this afternoon but the director refused to tell McDonald anything.
McDonald says he also reached out to the Minister of Energy Glenn Thibeault last Thursday for help and the Minister promised to get back to him.
"I'm still waiting to hear back from him. He told me he would look into it.
"I'm going to do everything I can to keep the jobs here but I'm going to need political support from the Province. You don't want to lose one job...you work so hard to support business and bring jobs in. It's very frustrating. You're working hard and having some success and then someone snaps their fingers and moves jobs out of your community without even approaching you or even having any say.
"I'm doing everything I can from a political perspective to save the jobs including contacting the Minister. It's unfortunate that OPG would refuse to discuss with the mayor any plans or any changes that they're going to make."
OPG's Central Hydro Plant Group is headquartered in North Bay and has facilities at a number of locations in the region and service centres in North Bay, Gravenhurst, Campbellford, and Sudbury, according to its website. Some of those facilities have been part of the local community for over a hundred years .

Transcript: High Hydro Bills Are Taking Its Toll On Ontario Business Owners

Global News
March 1, 2017

Anchor: A cut Hydro rates would be sweet news for a small business owner in Huntsville. The ice cream factory has seen its electricity bills climb higher and higher each month. Sean o'shea has more on the difficulty of doing business in Ontario.

Reporter: You see frozen treats. But entrepreneur Shelley Westgarth sees her profits melting.

Shelley Westgarth, Belly Ice Cream Company: So it's having a reverse effect for us, trying to grow the business, we're actually trying to lay as low as possible.

Reporter: Spiralling hydro bills are bad for her Huntsville, Ontario business. A 400 per cent increase since she opened two years ago. Rising Hydro costs prompted her to seek relief so she signed up with an energy reseller, a move Hydro One says only made her bills worse. And it's not even summer yet. When she she'll really be cranking up consumption because of air conditioning.

Allan O’Dette, President of the Ontario Chamber of Commerce: In the case of Shelley who owns the ice cream parlour, she has to keep that ice cream cold and frozen. No choice.

Westgarth: We have to keep it cool in here and it's tough, I’m not sure how we're going to swing it so that we can manage it without raising prices

Reporter: And it's not just the Belly Ice Cream Company that's feeling the pain. Business owners throughout Ontario have the same concern. And have been speaking out.

O’Dette: Members have clearly told us that electricity input costs are very problematic to running businesses in Ontario.

Glenn Thibeault, Minister of Energy: We also know that our small and medium sized businesses can use some rate relief.

Reporter: And it's not just consumption prices. To make matters worse for Shelley, she says she accidentally underpaid one bill by 31 cents. A keystroke error. That triggered a Hydro reaction. The next month, she was hit with a $1600 security deposit by provider Hydro One, the utility expressing concern she couldn't meet rising bills.

Westgarth: So that month, the bill came to $3,000.

Reporter: It took months to get the security deposit refunded, she says, cold comfort as she struggles to keep the lights on and the machines cranking out cool treats. Sean O'shea, Global News.

High Hydro Rates Threatens Ice Cream Business In Huntsville
Global News
Mar. 1, 2017

Anchor: A cut in Hydro rates would be sweet news for a small business owner in Huntsville. The ice cream factory has seen its electricity bills climb higher and higher every month. Sean O'Shea has more on the difficulty of doing business in Ontario.

Reporter: You see frozen treats. But entrepreneur Shelley Westgarth sees her profits melting.

Shelley Westgarth, Belly Ice Cream Company: So it's having a reverse effect for us trying to grow the business. We're actually trying to lay as low as possible.

Reporter: Spiralling Hydro bills are bad for her Huntsville, Ontario business, a 400 per cent increase since she opened two years ago. Rising Hydro costs prompted her to seek relief as she signed up with an energy reseller, a move Hydro One says only made her bills worse. And it's not even summer yet, when she'll really be cranking up consumption because of air conditioning.

Allan O'Dette, President of Ontario Chamber of Commerce: In the case of Shelley who owns the ice cream parlour, turns out you might have to keep that ice cream cold and frozen, so you really have no choice.

Westgarth: We have to keep it cool in here and it's tough. I'm not really sure how we're going to swing it so that we can manage to have it without actually having to raise our prices.

Reporter: And it's not just the Belly Ice Cream Company that's feeling the pain. Business owners throughout Ontario have the same concern and have been speaking out.

O'Dette: Members have clearly told us that electricity input costs are very problematic to running businesses in Ontario.

Glenn Thibeault, Ontario Energy Minister: We also know that some of our small and medium sized enterprises can also benefit from some rate relief.

Reporter: And it's not just consumption prices. To make matters worse for Shelley, she says she accidentally underpaid one bill by 31 cents, a keystroke error. That triggered a Hydro reaction. The next month, she says she was hit with a $1,600 security deposit by provider Hydro One, the utility expressing concern she might not be able to meet rising bills.

Westgarth: So that month, we came in at a $3,000 bill.

Reporter: It took months to get that security deposit refunded, she says. Cold comfort, as she struggles to keep the lights on and the machines cranking out cool treats.

Hydro Rates could be slashed 25 per cent
Bayshore Broadcasting News Centre
2017-03-02
Byline: Ian MacLennan

Kathleen Wynne cabinet to approve plan today

How would you like 25 per cent taken off the cost of electricity rates?

The Toronto Star is reporting the move will be finalized by Premier Wynne's cabinet today in an effort to rein in soaring hydro bills.

Sources say the massive reduction in rates will come mostly by 'smoothing out' the financing costs of electricity generation contracts over longer periods.

Details could come as soon as tomorrow