

Hon. Kathleen O. Wynne
Legislative Building
Queen's Park
Toronto ON M7A 1A1

May 23, 2017

Hon. Glenn Thibeault
Hearst Block 4th Floor
900 Bay St
Toronto, ON M7A 2E1

Dear Premier Wynne and Minister Thibeault,

We are writing to express our disappointment in the introduction of the *Fair Hydro Plan*, specifically the name of the Clean Energy Adjustment.

Electricity prices are causing challenges for many Ontarians. We recognize this issue, and the government's desire to act. However, with the introduction of the *Fair Hydro Plan*, it has been made public that a charge associated with refinancing the Global Adjustment will appear on hydro bills. That adjustment has been named the Clean Energy Adjustment. We are urging the government to reconsider this decision.

Naming the charge the Clean Energy Adjustment will reinforce the persistent and erroneous belief that renewable energy contracts are the primary reason that electricity prices have risen over the past decade. While it is true that renewables (namely wind and solar) have played a role, they are only one factor.

The Global Adjustment represents the difference between the total contract cost of the various contracts it covers (for the prescribed generating assets, Bruce Nuclear, gas plants, renewable generation, CDM, etc.) and the market value of contracted generation. Wind and solar only comprise about one-quarter of the costs in the Global Adjustment.

It will take approximately 20 years for the costs of refinancing the global adjustment charge to be recouped. Therefore, the Clean Energy Adjustment will send a monthly message to all electricity consumers in Ontario that the government's foray into green energy is the reason their bills are so high.

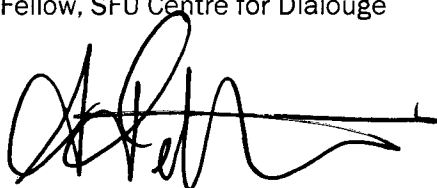
There are many factors that contribute to electricity price escalation: an unreliable and neglected system, nuclear refurbishments, a mismatch between supply and demand, repeated interventions by government of all stripes to mask the true cost of power in Ontario, and phasing out coal.

We therefore would ask that the Ontario government select a name that better reflects the many investments that contribute to our electricity system, including the refinancing of the Global Adjustment which includes costs for nuclear power, hydro, gas, as well as wind and solar.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Merran Smith
Executive Director, Clean Energy Canada
Fellow, SFU Centre for Dialogue

A handwritten signature in black ink, featuring a stylized 'S' and 'P' followed by a long horizontal line.

Sarah Petreva
Senior Policy Advisor, Clean Energy Canada