Saturday Media Scan: Hydro Rate Reduction Plan - October 28, 2017

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Saturday Media Scan: October 28, 2017

MEDIA SCAN:HYDRO RATE REDUCTION PLAN

October 28, 2017

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Print Coverage

Owen Sound Sun Times: Mixed reviews of energy plan; United Way head says changes will help; Tories say it will cost more in the end; A3; 2017.10.28

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Mixed reviews of energy plan; United Way head says changes will help; Tories say it will cost more in the end

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The head of the local United Way says there's good news for lowincome families in the provincial Liberal government's Long-Term Energy Plan.

The document reconfirms measures in Ontario's Fair Hydro Plan - which reduced residential electricity bills by 25 per cent on average this summer - including the promise to hold any increases to the rate of inflation for four years.

"That's really good. It means that families can budget, they're not going to see big jumps," Francesca Dobbyn, executive director of the United Way of Bruce Grey, said in an interview.

"It also holds the utility companies accountable in that they have to work within their own budgets rather than going, 'Hey we'd like to go do this or we'd like to try that.'It puts the onus back on the utility companies for them to also manage their costs because they're not going to get the raises in rates."

Dobbyn said she was invited by the Ministry of Energy to the launch of the Long-Term Energy Plan in Toronto because of the work the local United Way has done in the past to assist the province with its efforts to make electricity more affordable.

The Bruce Grey Poverty Task Force, a project of the United Way, also submitted suggestions for the energy blueprint.

Dobbyn said one of the plan's most significant new initiatives - which the United Way advocated for - is the one that will enable the Ontario Energy Board to both increase its oversight of sub-metering companies, which meter and send bills to residents in multi-residential buildings for the energy they consume, and bring in new consumer protection measures.

About 326,000 apartment and condominium units in Ontario use sub-meters, also known as suite meters, and Dobbyn said the new oversight will be especially beneficial to low-income residents that reside in those units.

"This is really important for us because we have suite meters in Owen Sound for sure, the 28th Street apartments for example, where tenants pay their own hydro bills. And the OEB right now only has control to the meter to the building, they don't have any regulations about what happens inside the building. So we have companies that charge $25 a month if you haven't paid off the previous bill in terms of a fee for carrying a balance, which is really hard on low-income people," she said.
"They're also not wrapped up in any moratorium on disconnections so they were disconnecting people in March of last year."
As a result of the Fair Hydro Plan, the updated Long-Term Energy Plan says electricity prices are forecast to remain below the level projected in the previous energy blueprint from 2013. For example, the province says, the previous plan forecast that typical residential monthly electricity bills would reach $200 in 2027, but the new plan projects the cost to be about $19 less.
The plan also says electricity rates will rise gradually, by an average of about five per cent annually from 2021 to 2027.
"The significance of that, again, is the predictability of it," Dobbyn said.
The Long-Term Energy Plan includes several initiatives that the province says will assist with its commitment to avoid sharp increases in electricity costs.
They include a promise to maximize the use of Ontario's existing energy assets and only securing new power when it's needed.
Bruce Power says the plan reiterates the importance of its life-extension program, which will see the site near Tiverton provide "low-cost, carbon-free and reliable electricity" through 2064.
In a statement, Mike Rencheck, Bruce Power's president and CEO, said it is important to have stable government policy in place so Bruce Power can make long-term investments to secure low-cost electricity for families and businesses.
"We are encouraged by the trust the government continues to have in Bruce Power to provide over 30 per cent of Ontario's electricity at 30 per cent less than the average cost to generate residential power, while producing zero carbon emissions," Rencheck said. "Our life-extension program, which began on Jan. 1, 2016, is on time and on budget, and continues to boost Ontario's economy in every corner of the province."
Bruce Power says the plan also recognizes the electricity company's other attributes, including its production of medical isotopes.
Bruce Power says its investment programs and operations create and sustain 22,000 jobs directly and indirectly each year, while injecting $4 billion into the economy annually.
Ontario PC Leader Patrick Brown, in a statement about the Long-Term Energy Plan, said "despite Liberal spin," electricity rates will continue to skyrocket to the highest they've ever been after next year's provincial election.
He also mentioned a special report by Ontario's auditor general, which said the provincial government created "an unnecessary, complex financing structure to keep the true financial impact of most of its 25 per cent electricity-rate reduction off the province's books." The report said the Fair Hydro Plan could cost Ontarians up to $4 billion more than necessary in interest costs over the next 30 years.
Brown said: "The Wynne Liberals are untrustworthy, especially when it comes to Ontarians'electricity bills. Every single time they've played games with the electricity sector it has left families working harder, paying more, and getting less.
"The 2017 LTEP (Long-Term Energy Plan) does not show the real costs of their 'unfair'hydro scheme. It is nothing but a Wynne Liberal re-election campaign document that does nothing to calm the nerves of families worried about their future."

The Chronicle Journal: [Hydro bills to rise after initial cut THE CANADIAN PRESS TORONTO - Ontario's Liberal government is]; 2017.10.28

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[Hydro bills to rise after initial cut THE CANADIAN PRESS TORONTO - Ontario's Liberal government is]

Hydro bills to rise after initial cut
THE CANADIAN PRESS
TORONTO - Ontario's Liberal government is aiming to keep hydro bills, a source of widespread public anger, lowered through next year's election, but its long-term energy plan released this week details how they will then rise again over the next two decades.
Electricity bills had roughly doubled in the last decade, helping send Premier Kathleen Wynne's approval ratings to record lows, when the Liberals decided to introduce a 25 per cent cut earlier this year.
The move - which involved a complex borrowing scheme that will cost Ontarians billions in extra interest - has led bills to drop by an average of $31 this year, just ahead of the 2018 general election.
In its long-term plan, the government said that for most of the next two decades, it aims to keep increases gradual, rather than lower or freeze rates.
Average hydro bills are projected to rise to $197 in 2032. That's a slower progression than the government's previous long-term plan in 2013, which expected bills to hit that mark by 2026. But much of that is due to the 25 per cent rate cut, the energy minister admitted.
"We're starting from a lot lower place than where we would have in 2013," said Glenn Thibeault.
The front-loaded decreases in electricity costs prompted the opposition parties to decry the government's energy plan as a political document.
"This was written for the election," said NDP critic Peter Tabuns. "This is not a planning document."
Thibeault said he would have loved to have announced rates were being frozen, but Progressive Conservative critic Todd Smith said this plan essentially does freeze rates, just in the very short term.
"This is all about getting Kathleen Wynne re-elected next year," he said. "They're freezing rates to get us through the next election period because they know how detrimental this whole energy crisis is for Ontario."
Wynne denied that the energy plan was about the election, saying it was about giving people relief now in the form of the 25 per cent cut, but also trying to slow the rise in prices after that.
"The long-term energy plan demonstrates that we will hold those costs down, that there will be increases but that the trajectory of increases is flatter than it was in the last long-term energy plan," she said.
The government said it plans to avoid sharp increases to bills through initiatives including only securing new power when it's needed and allowing more people to produce their own green energy to power their homes.
From 2021 to 2024 bills are projected to rise by around $10 or $12 a year, which is for the most part much higher than annual increases projected in the last long-term energy plan.
The plan projects a shortfall in electricity supply starting a little after 2020, when one nuclear generating station reaches the end of its life, others are removed from service for refurbishment and some supply contracts expire.
But that doesn't mean the government is anticipating widespread blackouts. New generation for that time period just hasn't been selected yet. Ontario plans to close that supply gap largely through moving away from 20-year contracts, instead trying to procure new electricity supply through more competitive processes which could help save up to $5.2 billion between 2021 and 2030.
"That means that any time we need to secure new supply resources, we will choose the most cost-effective option," Thibeault said.
Another potential $1.2 billion in savings exists if more of the province's utilities amalgamate, Thibeault said.
The government is also looking at ways to reduce regulatory barriers to energy storage, used for example to provide solar power throughout the day rather than just when the sun is shining, he said.
The demand for electricity is expected to rise toward the end of the plan, partly due to an increase in electric vehicles - which the government assumes there will be 2.4 million of by 2035. There are currently fewer than 15,000 registered electric vehicles in the province.
The increased demand is expected to be offset by energy efficiency improvements and better conservation initiatives.

Orillia Packet & Times: Opposition offers energy criticism, but not options; A4; 2017.10.28

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Opposition offers energy criticism, but not options

The average Ontario household's electricity bill will reach nearly $200 a month before levelling off in 2030, the provincial government predicted as it released its latest long-term energy plan Thursday morning.
This is the first overhaul to the province's electricity forecast in four years. It promises more options for people who are willing to change their habits to cut their costs, more rewards for innovations that cut consumption or generate power more cheaply, and more competition among power companies to meet Ontario's needs. But also, in spite of all of that, prices that continue rising.
The increase is less than the government promised in 2013, when the average bill was supposed to hit $200 a month a few years earlier in 2027. An even earlier forecast had bills at $200 a month by 2020.
The hikes on the average household will be smaller at first, thanks to all the money the government is borrowing to pay electricity bills over the next few years, then we'll see sharper price increases starting 2022.
The plan also assumes we'll use less power at home - 750 kilowatt-hours a month in the average household instead of the 800 the government has previously assumed - thanks to conservation and more efficient appliances. That's part of why the forecast prices have dipped.
But it's a trick: If you cut your food expenses by not eating, that doesn't mean food gets cheaper.
Millions of electric cars will take up the power we don't use in our houses and apartments, along with heavyduty electric transit systems like the City of Ottawa's light-rail lines.
Charging an electric car takes a lot of juice at once. Charging is usually done at night, which is good because that's when demand is low, but also potentially stressing the power supply to residential neighbourhoods.
Local distribution companies might have to beef up their systems, and charge more for the upgrades.
Some companies are already experimenting with more flexible supply plans for consumers to try to smooth out demand. If you charge an electric car at night, maybe you pay less for a kilowatt-hour after 9 p.m. but agree to pay a lot more during the day, for instance. Or vice-versa.
Of course, smart meters were supposed to make it easier for us to take control of our electricity use. They sort of did, but the benefits of shifting your electricity use to cheaper times haven't been huge, and the base price of power kept going up.
London Hydro is experimenting with a program called Green Button, which collects masses of information on household power-use so people can compare themselves to neighbours and relatives, understand how much electricity different appliances really use, and potentially be rewarded for saving electricity.
The provincial government is doing away with long-term contracts for power generation. When a contract expires or it's time to close an old nuclear reactor, the province wants more bidding, more competition among would-be suppliers.
All of this is, still, about slowing the rate of increase to people's power bills. There's no prospect of lowering them, unless you have a roof you cover with solar panels or can install windmills in your yard.
"The Wynne Liberals are untrustworthy, especially when it comes to Ontarians'electricity bills," Progressive Conservative leader Patrick Brown said in response. "Despite Liberal spin, it's clear: rates will continue to skyrocket to the highest they've ever been after the next election."
"It's shocking to see a government doubling down on overpriced private contracts when the people of Ontario have said clearly that they are against privatization of the hydro system, and when we know it will mean higher prices and less control over our hydro bills," New Democrat energy critic Peter Tabuns said.
But these are criticisms, not alternatives.
Ontarians would be better served with conservative and progressive options for the province's secondbiggest challenge after health care, but we need our conservative and progressive parties to provide them. It's the opposition's job to oppose and criticize.
But with an election imminent in the spring, it's now also their job to offer real alternatives.
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