

Afternoon Energy Media Summary - October 19, 2017

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Date: Thu, 19 Oct 2017 15:00:35 -0400

Good afternoon,

Here is a roundup of the day's news:

- * Ontario's energy minister defends Fair Hydro Plan accounting – *CBC News*
- * Wynne's hydro failures mount, Ontarians suffer – *Observer*
- * Durham Nuclear Awareness wants province to use 'off ramps' to halt Darlington refurbishment – *Clarington This Week*
- * New program is a one-stop-shop for business energy savings opportunities – *SaultOnline.com*
- * Letters to the editor – *Sault Star*

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

Oct. 19, 2017
Today in Twitter

[@robertbenzie](#) - We FOI-ed months of the auditor's testy emails to bureaucrats. Request denied. Then our FOI was FOI-ed.

[@RickNichollsMPP](#) - We must get to the bottom of this highly improper conduct. The [@OntarioAuditor](#)'s report on the Libs' hydro scheme is shocking & appalling.

[@Norsunenergy](#) - [@reggcohn](#) [@politicsfisher](#) Much more buried in the Ontario electricity file & OPG wonky accounting practices

[@CBCSudbury](#) - Ontario's energy minister defends Fair Hydro Plan accounting

[@WhatUpInSudbury](#) - CBC Sudbury News:Wynne Liberals accused of hiding hydro emails from auditor: While Ontario's spending watchdog is... <http://dlvr.it/PwWnM2>

[@SolarShare](#) - [@IESO Tweets](#) is holding forums in various [#Ontario](#) locales. Inform yourself about [#electricity](#) in our province: [http://www.ieso.ca/get-involved/regional-planning/regional-electricity-forums/forums-overview?utm_source=QUEST+Newsletter+List&utm_campaign=51da134007-EMAIL_CAMPAIGN_2017_09_11&utm_medium=email&utm_term=0_fb561def99-51da134007-222672953&mc_cid=51da134007&mc_eid=9fb0fdd3fe ...](http://www.ieso.ca/get-involved/regional-planning/regional-electricity-forums/forums-overview?utm_source=QUEST+Newsletter+List&utm_campaign=51da134007-EMAIL_CAMPAIGN_2017_09_11&utm_medium=email&utm_term=0_fb561def99-51da134007-222672953&mc_cid=51da134007&mc_eid=9fb0fdd3fe...)

[Ontario's energy minister defends Fair Hydro Plan accounting](#)

CBC News
Oct. 19, 2017

Ontario Energy Minister Glenn Thibeault says Ontario's Auditor General may not like the accounting behind the Liberal's Fair Hydro Plan, "but that's the way we've always done this."

This week, auditor general Bonnie Lysyk released her report on the the Liberal's "Fair Hydro Plan." That plan has reduced the average household electricity bill in the province by 25 per cent.

Lysyk's stated the government is "improperly" accounting for the \$26 billion in the debt the province is taking on to cut hydro bills in short term.

That money is being borrowed through Ontario Power Generation, so it won't appear on the province's books. Ontario residents will pay off that debt through electricity rate increases spread out over the next 30 years.

"We worked hard to come up with a plan that reduced bills by 25 per cent," Glenn Thibeault, the MPP for Sudbury and Ontario's energy minister said in an interview Thursday.

"It wasn't just us that agreed with the accounting of this. Our provincial controller, all of the Ontario public service accountants, all the bureaucrats, KPMG, Ernst and Young and Deloitte — all agree that the plan we put forward is the way we've always done this."

But Lysyk says if accounting maneuvers are all that's required for a government to be able to say they've got a balanced budget at the end of the day, "It's a slippery slope ... You might as well not have Canadian accounting standards, because governments will be able to choose the bottom line they want."

Lysyk also says the plan could result in Ontarians paying up to \$4 billion more than necessary in interest.

Thibeault disagrees with that prediction.

"We know that that number is going to be a lot lower," he said.

"This is an accounting dispute. We're going to continue to work with the auditor general's office. But we have all of our people too saying what we've done meets the public sector accounting standards."

Meanwhile, the Wynne Liberals are also being accused of hiding hydro emails from the auditor.

[Wynne's hydro failures mount, Ontarians suffer](#)

Steve Kannon
Observer
Oct. 19, 2017

It was not a good week for Kathleen Wynne on the energy file. Actually, it's never a good week for Wynne on the electricity front, and typically worse news for Ontarians.

First, a new study found skyrocketing electricity bills directly responsible for the loss of some 75,000 manufacturing jobs in the province. Then, a report from the Auditor General showed Ontarians will be on the hook for billions of dollars thanks to Wynne's attempts to buy votes with short-term reductions to hydro bills.

The news is just the latest evidence of Wynne's mismanagement, which extends well beyond electricity.

The report from the Fraser Institute found manufacturing jobs fell from 805,170 to 688,735 between 2008 and 2015, pinning 64 per cent of the blame on higher electricity costs, or 75,000 of the 116,435 positions lost.

Those numbers take into account global trends and the 2008 recession, from which every province but Ontario has recovered.

Auditor General Bonnie Lysyk, meanwhile, finds Ontarians are in for some long-term pain for the short-term gain of rate decreases ahead of next year's provincial election. She says the government created a complex financing structure to keep the true financial impact of most of its 25 per cent electricity-rate reduction off the province's books, a move that could cost Ontarians up to \$4 billion more than necessary in interest costs over the next 30 years.

That's in line with the Financial Accountability Office's prediction that Wynne's scheme could cost \$45 billion over that timeline, with direct savings to the ratepayers of \$24 billion — all of us being hit down the road for the \$21 billion shortfall, a case of pay me now and pay me later.

"The accounting proposed by the government is wrong and if used would make the province's budgets and future consolidated financial statements unreliable," said Bonnie Lysyk after the report was tabled. "This cannot be taken lightly."

“We’re not questioning the government’s policy decision to give Ontarians a discount on their electricity rates. What we are questioning is how the government is going to report the effects of that decision to the people of Ontario. There’s still time to fix it, and we’re encouraging the government to do so.”

Wynne is no stranger to criticism from the auditor general, who has found her government to be sweepingly incompetent and corrupt. Some Lysyk’s strongest language had been directed at the government’s handling of all things electricity. Hydro One’s transmission and distribution systems have become less reliable, yet their costs are increasing, for instance.

Ontarians are very familiar with the botched job Wynne has made of the electricity file. Quantified, Lysyk notes we paid a collective \$37 billion more than market rates between 2006 and 2014. In that time, the price paid by residential customers rose by 70 per cent. While prices reflected increased costs for dealing with an aging system, much of the overpayment can be traced to poor policies. The Liberals routinely ignored expert advice – and even common sense – in pursuit of ill-advised policies and political patronage and vote-buying, decisions that went well past the billion dollars flushed away on the gas plant fiasco.

Despite all the extra money we’ve been dumping into it, the electrical system continues to worsen, at a high risk of failure.

[Durham Nuclear Awareness wants province to use 'off ramps' to halt Darlington refurbishment](#)

Jennifer O'Meara
Clarington This Week
Oct. 19, 2017

BOWMANVILLE — Durham Nuclear Awareness said that despite assertions that Darlington Nuclear Refurbishment is under budget and ahead of schedule, they have major concerns about its management and oversight.

“Nuclear projects always go over budget and behind schedule. It seems this one is conforming to the usual pattern,” Janet McNeill, Durham Nuclear Awareness co-ordinator, said via email.

A recent television news broadcast suggested that problems with the construction of a heavy water storage facility at Darlington would cause refurbishment to be late and over budget.

Ontario Power Generation responded that the heavy water facility is late but will be ready before it’s needed in 2021. It is also going to cost significantly more than originally budgeted but OPG says the total \$12.8 billion budget includes contingency funds and other sub-projects have come in under budget.

McNeill said Durham Nuclear Awareness, a group of citizens concerned about nuclear issues and risks in the region, doesn’t trust OPG’s reporting on the refurbishment project.

She added the group also doesn’t trust the oversight being provided by the Ontario Ministry of Energy, after a recent auditor general report that criticized the province for intentionally creating an accounting system for the electricity rate reduction program that was designed to avoid reporting a budget deficit.

“We don’t need the power. We can’t trust the folks in charge. There is no way to deal properly with tons more (nuclear) waste,” said McNeill. “Let’s have the province live up to the promise made about 'off ramps' if this very kind of situation developed.”

The province has built potential “off-ramps” into the refurbishment plans. Work on the first reactor at Darlington has to come in on time and on budget before the government will approve going ahead with refurbishment of each of the remaining three units.

[New program is a one-stop-shop for business energy savings opportunities](#)

SaultOnline.com
Oct. 19, 2017

Know Your Power is a one-stop-shop for businesses seeking to learn about energy saving programs and energy efficiency opportunities. Businesses can find energy saving programs that suit their business needs and help improve energy efficiency and save money.

This initiative is a collaboration between the Ontario Chamber of Commerce and the Ontario Ministry of Energy. Visit www.yourpower.ca and check out the many programs that could help save your businesses

money, including:

- - natural gas programs
 - small business lighting
 - business refrigeration incentives
 - audit funding
 - retrofits
 - high performance new construction
 - process and systems
 - exhausting building commissioning
 - support and training

Letters to the editor

Sault Star

Oct. 19, 2017

Wynne can't be trusted, says Fedeli

One thing is abundantly clear following Auditor General Bonnie Lysyk's damning report on Kathleen Wynne's 'unfair' hydro scheme.

Kathleen Wynne and her government simply can't be trusted.

As a result of "incorrect" accounting methods, and cooking the books for politically-motivated reasons, Ontarians are on the hook for \$4 billion more than necessary.

The Auditor couldn't have been more blunt in her condemnation.

"The accounting proposed by the government is wrong and if used would make the Province's budgets and future consolidated financial statements unreliable," Lysyk said in her report.

"In essence, the government is making up its own accounting rules."

Make no mistake - this hydro scheme was a re-election ploy. We have seen hydro rates skyrocket to the highest across Canada, and if the Wynne Liberals are re-elected, rates will only continue to soar.

This is just the latest piece of evidence proving the Premier and her ministers are deliberately not being honest with Ontarians about the province's fiscal numbers, or the numbers on our hydro bills.

Just last month, the Auditor refused to sign off the government's Public Accounts, stating the deficit is actually \$1.4 billion higher than stated. Prior to that, the Financial Accountability Officer stated the government is using "unlikely assumptions" in its budget forecasts, and that future generations could be on the hook for up to \$93 billion in hydro costs. That came on the heels of a leaked Liberal cabinet document that showed hydro rates will rise to the highest levels we've ever seen.

So if the two independent financial officers of the Legislature don't trust the Liberals' numbers, why should Ontarians?

This hydro scheme is a sham drafted to benefit the Wynne Liberals, not the people of Ontario.

Everything they have touched in the electricity sector has made life more unaffordable, including:

- Overpaying \$9.2 billion for green energy contracts which were awarded to energy companies who donated \$1.3 million in donations to the Ontario Liberal Party.
- Creating a secret millionaires club at Hydro One, including paying the CEO \$4.5 million
- Hiding the egregious cost of the global adjustment on hydro bills
- Shelling out \$7 billion to purchase an American coal-burning utility, instead of cutting hydro rates
- Wasting nearly \$1 billion of surplus electricity last year alone.
- Using \$5.5 million of taxpayer funds to run political self-congratulatory ads promoting the hydro plan, instead of cutting hydro rates
- The \$1.1 billion gas plant scandal, and subsequent email deletion which is the subject of an ongoing criminal trial against two top former Liberal aides.

Life is already harder under the Wynne Liberals – Ontario families are paying more, and getting less.

Kathleen Wynne's cynical re-election schemes are only making it worse.

Vic Fedeli, MPP Nipissing

Good news for climate

The demise of Energy East is good news for the climate and all Canadians concerned about the pipeline's risks to our land, water and communities.

But the reason for TransCanada's cancellation of Energy East is simple: New tar sands pipelines don't make sense—economically or environmentally—in a world that is moving away from fossil fuels. Energy East couldn't be justified during a time of low oil prices, declining investment in the tar sands, and an unstoppable transition to renewable energy.

There is already enough capacity to transport Western Canadian oil. The economic case to expand the tar sands has evaporated, eliminating the need to build more pipelines.

Enough with the blame game over who's responsible for the death of Energy East. It's time for Canada to turn the corner on tar sands growth. Instead of pipelines, tar sands and tankers, let's accelerate our work to build a clean economy.

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