

Evening Media Scan: Cap and Trade - February 27, 2017

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TV Transcripts (6pm)

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GUELPH MERCURY TRIBUNE ARE WE GETTING THE WHOLE PICTURE ON THE RISING COST OF HYDRO?

By: Elizabeth Snell

<https://www.guelphmercury.com/opinion-story/7162294-are-we-getting-the-whole-picture-on-the-rising-cost-of-hydro-/>

Many blame the cost of solar and wind power for Ontario's higher electricity costs. But that's akin to the blind man touching the elephant's tail and declaring the elephant is a rope. You have to inspect more parts to know what you have.

The elephant's back: The biggest portion of the average residential bill is delivery.

Why is delivery so high and increasing? York University professor and energy expert Mark Winfield attributes higher delivery costs to necessary infrastructure maintenance that had been neglected for 20 years, keeping past rates artificially low.

But looking at the power generation component, Ontario's Independent Electricity System Operator finds that solar, wind and biofuel account for 12 per cent of the bill while providing 13 per cent of the electricity. So renewables are slightly cheaper than the average of all sources.

This trend will only intensify: wind and solar power costs are plummeting. Energy input is free for solar and wind energy, a stark contrast to fossil fuel and nuclear energy. Nuclear generation is already 24 per cent of the average bill; refurbishing Darlington will boost nuclear costs further.

The elephant's leg: According to an Environmental Defence study, the annual premium Ontario's Auditor General calculates that we pay for renewable energy is one-tenth the estimated \$4.4 billion annual savings in health and environmental costs from phasing out coal generation.

A great return on that investment, plus big savings on our taxes and lungs.

The elephant's ear: Government green energy policies have created tens of thousands of good Ontario jobs and made the province a leader in renewable energy investment.

It's the way of the future: the US Department of Energy recently reported that solar energy employs more people for US electrical generation than coal, gas and oil combined. Wind energy is a major employer too. Solar energy jobs are far outpacing the US economy. Ontario got a head start.

The elephant's trunk: Ontario's closing of coal plants and its push to renewable energy will ease the price impact of the new carbon cap-and-trade system. This fee is a cost on waste. Fossil fuels emit harmful carbon. Nuclear waste is an enormous headache that remains to be solved at unknown cost. Solar and wind emit nothing.

No doubt there are efficiencies possible in the management of our electrical system. Conservation alone can bring big savings. But renewable energy is not the main culprit.

The Environmental Defence report shows that on an average bill we pay more than Western provinces; similar amounts to PEI, Quebec and Nova Scotia; and less than New Brunswick, Newfoundland and Labrador.

The Financial Post points out that Ontario's rates easily beat out those of major American cities like New York, Boston and San Francisco. We're far below Europe's. And many of those jurisdictions still have to deal with elimination of coal. Maybe our bills aren't so out of line.

What about the other side of the elephant: the issue of affordability? Those with an adequate income can complain as we pay up. But if electricity rates are relatively reasonable, there must be an income problem when our low-income neighbours desperately scramble to cover their bills.

The Wynne government deserves credit for some initial steps to address this side of the elephant.

Ontario has an electricity support program that reduces bills of low-income households. People can apply online at ontarioelectricitysupport.ca/ or by calling 1-855-831-8151.

The province is also planning a Basic Income Guarantee pilot.

If everyone had a livable income, experience shows health levels improve and costs fall, education levels rise leading to better jobs and greater self-reliance, and bureaucracy shrinks as complex welfare programs are less necessary.

Plus everyone can pay their basic household bills.

So scanning the whole elephant, maybe we're doing pretty well and the government is getting some things right.

As for the elephant's tail, renewable energy is just a small part of the cost picture... but a much bigger part of the benefit one.

Elizabeth Snell is a Guelph-born writer with a 40-year career working on environmental issues.