Ministry of Energy Top Issues - December 07, 2017

From: "Cvjeticanin, Dan (ENERGY)" <dan.cvjeticanin@ontario.ca>
To: "@ENERGY All" <energy-all2@msgov.gov.on.ca>
Date: Thu, 07 Dec 2017 07:01:08 -0500

Good morning,

Here's what's making news:

- Hydro generators claimed thousands of dollars a year for expenses that 'have nothing to do with running power equipment,' auditor general finds -- National Post
- Staff sick days jump 29% at school boards; Watchdog also finds sloppy hydro oversight cost consumers $300 million in higher bills -- Toronto Star, pg. A1
- Power Plants Generate Extra Millions By Gaming The System -- Ottawa Citizen, pg. A3
- Ag Zaps $260M Power Payout Shocker -- London Free Press, pg. A1
- Ontarians pay millions for ineligible power generator costs, auditor finds; Ontario auditor questions power generator expenses -- The Canadian Press
- Auditor general finds Ontarians pay millions for ineligible power generator costs -- Global News
- Ratepayers Zapped; Raccoon traps, scuba gear charged to hydro customers -- Toronto Sun, pg. A4
- Ontario ratepayers pay millions in ineligible power generator expenses, auditor finds -- CBC News
- Power companies 'gamed' more than $100M; and other highlights of the Auditor General's Report -- Countylive.ca
- Auditor General Report Highlights Waste In Power Generating Costs -- Source: CKWS
- Auditor General Report Highlights Government Waste And Spending -- Source: CKVR
- Ontario ratepayers gouged by power generator expenses including staff car washes, scuba gear | Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, auditor finds -- TheSpec.com
- AG takes on energy, social housing; Ontarians pay millions for ineligible power generator costs, auditor finds -- The Sault Star, pg. A2
- Report says nuclear refurbishment plan is the most cost effective -- Hanover Post, pg. A27
- Ontario cap-and-trade auctions bring in nearly $2B this year; Ontario cap and trade brings in $2B this year -- Canadian Press
- Bruce Power awards Alba Power $4.3 million in Life-Extension work -- Kincardine News, pg. A3
- Bruce Power Fined Over Injury. | The Nuclear Power facility must pay 110 thousand dollars after worker was critically injured in 2016 -- Bayshore Broadcasting News Centre
- TransCanada Turbine Gets $5.9 Million Bruce Power Deal -- Blackburnnews.com
- Huron-Kinloss, South Bruce continue with three other communities in nuclear fuel storage studies -- Kincardine News
- Search narrowed to five northern Ontario locations for place to store used nuclear fuel -- Global News
- Fusion experiment on schedule; Nuclear project hails halfway milestone of most complicated machine ever built -- St. Catharines Standard, pg. C3
- No nuclear repository for Elliot Lake and Blind River -- The Sault Star, pg. A1

Hydro generators claimed thousands of dollars a year for expenses that 'have nothing to do with running power equipment,' auditor general finds

National Post

2017-12-06

Byline: Allison Jones / THE CANADIAN PRESS

TORONTO — Ontario electricity ratepayers are paying millions for power generators’ ineligible expenses — including scuba gear and raccoon traps — and are footing the bill for large industrial companies’ savings, the province’s auditor general reported Wednesday.

Auditor general Bonnie Lysyk said in her annual report that the Independent Electricity System Operator hasn’t implemented repeated recommendations from the Ontario Energy Board, including one that could save ratepayers $30 million a year.

Lysyk also wrote that teachers and other school board employees are taking more sick days — almost 12 days each per year up from nine days five years ago — that more families are waiting for social housing than are actually living in social housing, and that Ontario is paying tens of millions to send cancer patients to the U.S. for stem cell treatments that don’t exist in the province.

Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, Lysyk said, and about two-thirds of that has been paid back. One natural gas plant in Brampton, Ont., “gamed” the system for about $100 million, the OEB has reported.

Generators claimed thousands of dollars a year for staff car washes, carpet cleaning, road repairs, landscaping, scuba gear and raccoon traps, “which have nothing to do with running power equipment on standby,” Lysyk wrote. One generator claimed about $175,000 for coveralls and parkas over two years, she said.

The program was originally started in 2003, when Ontario’s grid had supply issues, though now the province has surplus power.

The OEB found in 2014 that the standby program was relied on less than one per cent of the time to meet domestic demand, and has recommended repeatedly that it be scaled back to stop reimbursing generators for certain operating and maintenance costs. Doing so would save ratepayers $30 million a year, the OEB says.

The IESO is working on a redesign of the electricity market, but Lysyk noted that some members of a working group advising the system operator on that work for companies that have claimed ineligible costs. One member resigned his post on Friday.

Lysyk also found that as electricity charges for large industrial ratepayers decrease under a program that gives them savings when they reduce consumption during peak demand, that results in higher costs for residential and small business ratepayers.

The Industrial Conservation Initiative reduced charges for the large ratepayers by $245 million in the first 10 months of its operation in 2011, and that same amount was directly added to residential and small business electricity bills, Lysyk wrote.

Since then, electricity charges for residents and small businesses have nearly doubled, while they have decreased for large industrial ratepayers, the auditor found.

Those charges come in the form of the global adjustment, a charge consumers pay for above-market rates guaranteed to power producers in long-term contracts. In 2016, the global adjustment accounted for 85 per cent of residential consumers' electricity charges, Lysyk said.

The energy ministry says lowered peak demand ultimately reduces system costs.

Lysyk also announced through her report that her office would be auditing the IESO's books. That comes amid one of two accounting disputes the auditor has been engaged in with the Liberal government.

She recently accused the government of purposely obscuring the true financial impact of its 25 per cent cut to hydro bills by keeping billions in debt used to finance that plan off the province's books. Lysyk said she will audit the IESO because of its role in the hydro plan's complex accounting scheme.

Lysyk has previously clashed with the government over how public pension plan surpluses are accounted for, suggesting that the government's method makes its bottom line look better and hides a deficit. The government disputes that and tapped an independent panel to look at the issue. It sided with the government.

The auditor has also frequently complained of the government's changes to advertising rules, which she says forces her office to rubber stamp government ads they feel are partisan.

In the 2016-17 fiscal year, the government spent a record $58 million on advertising — 30 per cent of which Lysyk would not have approved under the old rules, she said.

Some of that advertising, such as promoting the 2017 budget and ads about the creation of daycare spaces, could be seen as political given their timing just ahead of the 2018 election, Lysyk said.

Staff sick days jump 29% at school boards; Watchdog also finds sloppy hydro oversight cost consumers $300 million in higher bills

Toronto Star
Thu Dec 7 2017
Page: A1
Section: News
Byline: Robert Benzie and Rob Ferguson

School board employees are taking more sick days, hydro ratepayers are getting zapped and the government's books may not really be balanced, according to auditor general Bonnie Lysyk.

In her annual report to the legislature - the last one before the June 7 provincial election - Lysyk expressed alarm at the rising absenteeism among education workers. An end to the practice of banking sick days to be cashed out at retirement appears to be prompting teachers to take more leave.

"I would think, as a taxpayer, that in order to book a sick leave I need to be sick, right?" she told reporters at Queen's Park on Wednesday.

"With the increase that we're seeing, we're just saying: 'School boards, you need to monitor this to make sure that a sick leave program is in place, that is followed, that would withstand our scrutiny.' "

The auditor found the average number of sick days taken by employees at four Ontario boards of education randomly audited - the Toronto Catholic, Hamilton-Wentworth, Halton Catholic, and Hastings and Prince Edward - jumped to 13 in 2015-16 from 8.4 in 2011-12 to 13 in 2015-16. That includes teachers and support staff, such as custodians and administrative employees.

At the four boards audited, nearly 25 per cent of special-needs students wait longer than a year to get psychological assessments and some had been on the waiting list for more than two years. In the Toronto Catholic board, half of the $46.5 million earmarked for at-risk students was used to cover shortfalls on teachers' salaries and special education.

Lysyk slammed boards for being "ineffective" in dealing with the rise in absences, citing concerns that sick-leave plans are too generous.

Under changes from provincial bargaining in 2012, workers are allowed up to 131 days off with pay from a 194-day school year, with the first 11 days off at full salary and 120 days at 90 per cent.

However, Education Minister Mitzie Hunter said there have been “certain savings to the system” as a result of that change in 2012.

“Well-being is a priority for students as well as for staff. We want the whole school environment to be that place of well-being,” Hunter said.

The Ontario Public School Boards Association fired back at Lysyk, saying boards face growing financial pressures. “Contrary to the auditor general’s findings, school boards need more flexibility, not less,” president Laurie French said.

Lysyk also took aim at Premier Kathleen Wynne’s Liberals for lax oversight of electricity companies, which has cost consumers $300 million in higher bills.

That includes power plants billing for coveralls and parkas along with “staff car washes, carpet cleaning, road repairs, landscaping and raccoon traps, which have nothing to do with running power equipment on standby.”

The auditor castigated the province’s Independent Electricity System Operator for paying owners of natural gas-fired power plants about $30 million more than necessary for being on standby to produce electricity. She also found nine power-generation companies, using natural gas and coal, billed the province as much as $260 million between 2006 and 2015 in “ineligible costs,” of which only $168 million has been recovered.

Energy Minister Glenn Thibeault said “abuses within the system are completely unacceptable.

“That’s why they have been investigated, and where wrongdoing was present, costs have been recovered and returned to ratepayers,” he said.

Progressive Conservative MPP Lisa MacLeod (Nepean-Carleton) said Lysyk exposed “a disgusting display of Liberal entitlement and waste.”

NDP Leader Andrea Horwath said “there needs to be a crackdown” on private electricity suppliers fleecing the system.

Lysyk highlighted a litany of other problems, including Ontario paying more than other jurisdictions for generic prescription drugs while failing to cover the full cost of some cancer medications.

She noted there is a critical need for social housing with 185,000 households - this represents 481,000 people - on the waiting list while 170,805 households are now served.

Over two volumes and 1,119 pages, Lysyk outlines her concerns about spending on 812 vacant government buildings, 600 of them unoccupied for an average of eight years, which costs $19 million a year for operations and maintenance.

While many are up for sale, including the old Ontario Provincial Police detachments and jails, she urged the government to expedite the sell-off.

Even though a government-appointed expert panel of accountants concluded she is wrong about excluding the publicly owned assets of two joint-sponsored pension plans on the government’s bottom line, Lysyk continues to claim she is in the right on the actuarial tiff.

“This is, by far, the most serious value-for-money issue this year,” she said, disputing that government has “a pension asset worth $11.5 billion” and criticizing how the Liberals’ delivered a 25-per-cent rebate on hydro bills.

“We continue to disagree with the government’s proposed accounting for its 2017 electricity rate reduction that will keep billions of dollars in real costs of its policy decision from impacting the province’s deficit and net debt figures,” said Lysyk, who estimated there is a $4.5-billion hole in the budget.

Notwithstanding her assertions, the Conservatives, who lead in public opinion polls, are using the Liberals’ numbers for their fiscal forecasts should Tory Leader Patrick Brown topple Wynne next spring. That suggests the accounting kerfuffle will likely continue past the election.

Another recurring complaint from the auditor is the fact the Liberals amended the Government Advertising Act in 2015 limiting her office’s authority to veto commercials they deemed to be “partisan.”

She noted last year government advertising reached its highest level in a decade - at $58 million - with 30 per cent spent on ads that “appeared intended” to make Wynne’s administration look good. But overall ad spending is far lower than it was in 2006-07.

That included a $330,000-radio ad blitz to promote Finance Minister Charles Sousa’s spring budget. The campaign referred to Owen Sound, Parry Sound, Petawawa and Wawa, all of which are in ridings not represented by Liberal MPPs. No other communities were mentioned in the province-wide radio spots. But the names appear to have been chosen for rhyming reasons.

This year’s report also found homeowners are becoming increasingly frustrated in efforts to challenge their property-tax assessments.

A backlog in appeals had 16,600 households waiting for decisions as of last March, with more than 1,800 appeals outstanding for more than four years.

The Ontario Municipal Board, which adjudicates disputes about land-use issues by homeowners, developers and municipalities, takes heat from Lysyk for taking up to a year to issue decisions on about one-fifth of cases. However, 80 per cent of decisions are issued within 60 days.

Highlights

Sick days by employees at 50 school boards jumped 29 per cent in the past five years to an average of 11.6 days a year, up from 9.

Lax oversight of power producers by Ontario’s Independent Electricity System Operator has added hundreds of millions of dollars to hydro bills, including for staff car washes.

Government financial statements are “unreliable,” concealing a deficit of up to $4.5 billion.

Ontario is “not fully prepared” for large-scale emergencies, given that the last provincial risk assessment was based on 2009 conditions.

The province spends $19 million a year to maintain 812 vacant buildings.

Spending on government advertising is at a 10-year high.

Power Plants Generate Extra Millions By Gaming The System

Ottawa Citizen

Thu Dec 7 2017

Page: A3

Section: City

Byline: David Reevely

Ontarians have paid $1.5 billion extra on our electricity bills to compensate large producers and consumers for power we've made them waste, some of which they never actually wasted, Ontario's auditor general Bonnie Lysyk reported Wednesday.

We did this under a 15-year-old program that was supposed to be temporary, a program with flaws pointed out so frequently that one company took one of those warnings and used it as a manual for cheating the system.

It's not great work by the provincial government, when you get down to it.

Lysyk delivered her annual package of audit reports in a 1,000-page thump at mid-day, and the truth is the collection is not as damning as some have been. She's delivered some doozies over the years, documenting failures of accountability, competence and basic decency everywhere she looked. Billions of blown dollars.

This time, well, wait times for cancer care are a bit longer than we'd like but generally speaking the system treats patients well, Lysyk found. The province could be driving a harder bargain when it buys generic medications in bulk, but the pharmacare system that provides them to the poor or elderly works much as it's supposed to. The government is paying for some offices it's not using, but we're talking about $19 million a year - not nothing, but not a fortune considering the province's vast real-estate portfolio.

Then there's the Independent Electricity System Operator, the not-really-independent agency that buys electricity, makes sure there's enough juice to run the lights, and administers a patchwork of programs designed to keep private generators generating.

This includes something called the "Lost Profit Recovery Program." It's designed to deal with situations when the province asks a generating company to provide electricity to the Ontario grid and then changes its mind suddenly. There are legitimate reasons for why this happens but it's supposed to be unusual.

Back in 2002, the then-Progressive Conservative government had just made major changes to how Ontario bought and used electricity and this program was supposed to be a short-term solution to a problem that would be sorted out once everybody got some practice with the new system.

Fifteen years later, it's still going, paying out an average of $110 million a year.

"The concern is that the market participants involved may be submitting bids and offers into the market to create the conditions under which they can claim lost profits that they may not have incurred," the auditor's report says.

The Ontario Energy Board, the king of Ontario's energy regulators, has warned the IESO about this a lot, Lysyk says. Like, a couple of dozen times. But the IESO isn't actually required to do anything with what the OEB says, and it hasn't restructured the program to cut the risk of rip-offs.

One case involved Resolute Forest Products (the former AbitibiBowater), which is both a consumer and producer of energy at its various operations. Read for yourself: "The OEB panel reported that the company used one of the panel's past reports, which recommended that the IESO fix the rules, to learn how to misuse the rules," Lysyk reports.

That one cost $20 million. The IESO eventually got $11 million returned.

The OEB has also warned about a separate program that pays private generating companies to keep their plants on standby in case they're needed, even if we don't buy power from them in the end. This is also legit, in concept. But the IESO has not routinely reviewed the expenses they claim, Lysyk finds.

"Generators claimed thousands of dollars annually for staff car washes, carpet cleaning, road repairs, landscaping, scuba gear and raccoon traps, which have nothing to do with running power equipment on standby," her audit reports. (Scuba gear?) One company in Toronto, Goreway Power Station, charged

$6.5 million for gas to fuel a turbine that does not use gas.

The IESO itself found $260 million in questionable claims, approaching half of the $600 million it has paid out under the standby program. It has retrieved $168 million. The OEB has smacked the IESO's ears on this five times in seven years.

"Abuses within the system are completely unacceptable," Energy Minister Glenn Thibeault said in a prepared response to Lysyk's work. "That's why they have been investigated, and where wrongdoing was present, costs have been recovered and returned to ratepayers. We are also working together with our agency partners to review the potential for increasing legislative powers to assist our system operator in performing its critical responsibilities."

Lysyk looked at health care, too, where some of the same pathologies apply.

We have 75 community health centres in Ontario, for example, such as the ones in Centretown, Sandy Hill and Carlington. They're meant to fill gaps in basic health care for vulnerable people. They cost $400 million a year and they do a lot of good work, serving about four per cent of the population. But they're also ad hoc, a network that's grown since the 1970s but has never, in 40-plus years, been properly examined or brought into the rest of the health system.

"The Ministry (of Health) has not conducted an overall review to determine the most costeffective model or mix of models that would best meet the needs of Ontarians, how CHCs could be better utilized, and how CHCs fit strategically within the primarycare system," Lysyk found.

Stopgaps that become permanent features by benign neglect are almost never as effective as they should be. A provincial government is a big and complicated thing and there's always a lot to do, but when we're talking about nine-figure spending, maybe take a good look, huh?

Ag Zaps $260M Power Payout Shocker

London Free Press

Thu Dec 7 2017

Page: A1 / Front

Section: News

Soaring power prices, wind farms imposed on places that don't want them and now this: Ontario consumers being dinged by power companies for things such as raccoon traps, scuba gear and staff car washes.

Zapped before by the province's spending watchdog for its handling of the energy file, Ontario's Liberal government - heading into an election year - took it on the chin again Wednesday in Auditor General Bonnie Lysyk's annual report, which found ratepayers have footed the bill for up to $260 million in ineligible expenses under a provincial program that puts the producers on standby to generate power.

She also found ratepayers are paying the cost for large industrial companies'electricity savings, and that Ontario's Independent Electricity System Operator (IESO) hasn't implemented repeated recommendations from the Ontario Energy Board, including one that could save ratepayers $30 million a year.

Lysyk's latest report looked at a program that pays power generators for fuel, maintenance and operating costs when the IESO puts them on standby to supply energy. Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, Lysyk said.

about two-thirds of that has been paid back.

One natural gas plant in brampton "gamed" the system for about $100 million, the energy board, the province's regulator, has reported.

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One company claimed about $175,000 for coveralls and parkas over two years, she said.

"The program was such that bills could be submitted but without any support for the bills and the bills were being paid, and it wasn't until more requests were made for detailed information that (the IesO) became aware that there were costs behind that bill that probably shouldn't be reimbursed," Lysyk said.

Lysyk had previously skewered the Liberals over electricity, concluding customers paid $37 billion for the government's decisions to ignore its own planning process for new power projects, and that a $2-billion smart meter program spent double its projected costs and didn't ensure conservation goals were met. her conclusions about the smart meter program led then-energy minister bob chiarelli to say the auditor's numbers were less credible than his because the electricity system is complex and difficult to understand.

Lysyk spent 10 years working at manitoba hydro.

The program to pay costs when energy suppliers are put on standby began in 2003, when Ontario's electricity grid had supply issues, but now the province has surplus power.

The Oeb found in 2014 the program was relied on less than one per cent of the time to meet domestic demand, and has repeatedly urged it be scaled back to stop reimburs-ing generators for certain costs. doing so would save ratepayers $30 million a year, the Oeb says. energy minister Glenn Thibeault said the program is important.

“These are programs that ensure that when Ontario families and businesses need electricity, it's there for them,” he said in a statement. “If these programs were eliminated, reliability would be put at risk.”

The IesO is working to redesign the electricity market, but Lysyk noted some members of an IesO advisory group a work for firms that have claimed ineligible costs.

One member resigned his post on Friday.

Lysyk also found that as electricity charges for large industrial ratepayers decrease under a savings program when they reduce peak use, higher costs result for residential and small business ratepayers.

The program reduced charges for the large ratepayers by $245 million in its first 10 months of 2011, and that same amount was directly added to residential and small business bills, Lysyk wrote. since then, charges for residents and small businesses have nearly doubled, while they have decreased for large industrial ratepayers, the auditor found.

Those charges come in the form of the global adjustment, a charge consumers pay for above-market rates guaranteed to power producers in long-term contracts. In 2016, the global adjustment accounted for 85 per cent of residential consumers'electricity charges, Lysyk said.

Thibeault said the industrial program has succeeded in reducing peak demand - last year by about 1,300 megawatts, about six per cent of the province's peak demand.

"That means this program helped avoid the need to build costly new generation in the longer term, which is a benefit to all ratepayers across the province," he said.

Lysyk also announced through her report that her office would audit the IesO's books.

That comes amid one of two accounting disputes the auditor has been engaged in with the Liberal government. she recently accused the government of purposely obscuring the true financial impact of its 25 per cent cut to hydro bills by keeping billions in debt used to finance that plan off the province's books.

Other highlights Sick days up 29% over five years at 50 school boards, to 11.6 days per average employee, since Ontario stopped letting teachers bank sick days.

Long waits for key biopsies to diagnose cancer; only 46 per cent done within 14-day target.

More households waiting for social housing than people living in the units.

Ontario not ready for major emergency; no updates to preparedness or nuclear plans since 2008 and '09.

One-third of government advertising spending last year appeared meant to help make government look good.

Ontario paid almost $19 million last year to operate and maintain 812 vacant buildings.

Ontarians pay millions for ineligible power generator costs, auditor finds; Ontario auditor questions power generator expenses

The Canadian Press

2017-12-06

Byline: Allison Jones | Section: National, Ontario

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Lysyk has previously clashed with the government over how public pension plan surpluses are accounted for, suggesting that the government's method makes its bottom line look better and hides a deficit. The government disputes that and tapped an independent panel to look at the issue. It sided with the government.

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Auditor general finds Ontarians pay millions for ineligible power generator costs

Global News
2017-12-06
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Energy Minister Glenn Thibeault said the program and other similar ones play an important role in the electricity system.

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Some of that advertising, such as promoting the 2017 budget and ads about the creation of daycare spaces, could be seen as political given their timing just ahead of the 2018 election, Lysyk said.

Treasury Board President Liz Sandals said there was a $6 million increase in the government advertising budget, which is due to increased costs for digital ads, translation and meeting accessibility standards.

Ratepayers Zapped; Raccoon traps, scuba gear charged to hydro customers

Toronto Sun

Thu Dec 7 2017

Page: A4

Section: News

Byline: Antonella Artuso

Hydro customers were charged for raccoon traps, landscaping and staff car washes through a poorly monitored program to compensate gas and coal companies to operate on standby, Ontario Auditor General Bonnie Lysyk says.

Design weaknesses in both the Standby Cost Recovery Program and the Lost Profit Recovery Program are inflating people's bills, she said.

"Some market participants have exploited these flaws, resulting in millions of dollars of additional costs for residential ratepayers," Lysyk said Wednesday, on the release of her 829-page annual report that included 14 value-formoney audits on government responsibilities such as cancer care, emergency preparedness and the Independent Electricity System Operator (IESO).

The Standby Cost Recovery Program pays generators to keep their equipment going on standby in case the electricity is needed.

After pointed prodding by the Ontario Energy Board (OEB), the IESO audited the program and found that of the $600 million paid out, $260 million was for ineligible claims.

"Generators claimed thousands of dollars annually for staff car washes, carpet cleaning, road repairs, landscaping, scuba gear and raccoon traps which have nothing to do with running power equipment on standby," the auditor's report says. "One generator claimed about $175,000 for coveralls and parks at one facility over a two-year period."

About $168 million in ineligible claims has been recouped.

Overall, Ontarians could have saved millions on their hydro bills if the IESO had followed through on recommendations made to it by the OEB, the auditor found.

Because generators were shutting down their equipment, and restarting it in two hours to take advantage of the Standby Cost Recovery Program, hydro ratepayers paid $19 million more in extra electricity costs in the summer of 2010, the OEB reported.

The OEB estimates hydro customers could save about $30 million a year if the program was revamped to eliminate coverage for some maintenance and operating costs.

The Lost Profit Recovery Program, another compensation program for electricity market players, is also vulnerable to exploitation, the auditor found, with one generator claiming $11 million for non-existent ‘lost profits.’ “Both programs have evolved over the years, and costs have been constrained substantially,” Energy Minister Glenn Thibeault said in a statement. “Abuses within the system are completely unacceptable. That’s why they have been investigated, and where wrongdoing was present, costs have been recovered and returned to ratepayers.”

Ontario ratepayers pay millions in ineligible power generator expenses, auditor finds

CBC News
2017-12-06
Byline: The Canadian Press

Ontario electricity ratepayers are paying millions for power generators' ineligible expenses — including scuba gear and raccoon traps — and are footing the bill for large industrial companies' savings, the province's auditor general reported Wednesday.

Auditor general Bonnie Lysyk said in her annual report that the Independent Electricity System Operator hasn't implemented repeated recommendations from the Ontario Energy Board, including one that could save ratepayers $30 million a year.

In the energy file, a frequent target of Lysyk's, her report looked at a program that pays power generators for fuel, maintenance and operating costs when the IESO puts them on standby to supply energy.

Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, Lysyk said, and about two-thirds of that has been paid back. One natural gas plant in Brampton, Ont., "gamed" the system for about $100 million, the OEB has reported.

Thousands of dollars claimed for unrelated expenses

Generators claimed thousands of dollars a year for staff car washes, carpet cleaning, road repairs, landscaping, scuba gear and raccoon traps, "which have nothing to do with running power equipment on standby," Lysyk wrote. One generator claimed about $175,000 for coveralls and parkas over two years, she said.

"The program was such that bills could be submitted but without any support for the bills and the bills were being paid, and it wasn't until more requests were made for detailed information that (the IESO) became aware that there were costs behind that bill that probably shouldn't be reimbursed," Lysyk said.

The program was originally started in 2003, when Ontario's grid had supply issues, though now the province has surplus power.

The OEB found in 2014 that the standby program was relied on less than one per cent of the time to meet domestic demand, and has recommended repeatedly that it be scaled back to stop reimbursing generators for certain operating and maintenance costs. Doing so would save ratepayers $30 million a year, the OEB says.

Energy Minister Glenn Thibeault said the program and other similar ones play an important role in the electricity system.

"These are programs that ensure that when Ontario families and businesses need electricity, it's there for them," he said in a statement. "If these programs were eliminated, reliability would be put at risk."

The IESO is working on a redesign of the electricity market, but Lysyk noted that some members of a working group advising the system operator on that work for companies that have claimed ineligible costs. One member resigned his post on Friday.

Lysyk also found that as electricity charges for large industrial ratepayers decrease under a program that gives them savings when they reduce consumption during peak demand, that results in higher costs for residential and small business ratepayers.

Electricity charges nearly doubled for some

The Industrial Conservation Initiative reduced charges for the large ratepayers by $245 million in the first 10 months of its operation in 2011, and that same amount was directly added to residential and small business electricity bills, Lysyk wrote.

Since then, electricity charges for residents and small businesses have nearly doubled, while they have decreased for large industrial ratepayers, the auditor found.

Those charges come in the form of the global adjustment, a charge consumers pay for above-market rates guaranteed to power producers in long-term contracts. In 2016, the global adjustment accounted for 85 per cent of residential consumers' electricity charges, Lysyk said.

Thibeault said the industrial program has successfully reduced peak demand — last year by about 1,300 megawatts, about six per cent of the province's peak demand.

"That means that this program helped avoid the need to build costly new generation in the longer term, which is a benefit to all ratepayers across the province, both residential and commercial," he said in a statement.

Lysyk also announced through her report that her office would be auditing the IESO's books. That comes amid one of two accounting disputes the auditor has been engaged in with the Liberal government.

She recently accused the government of purposely obscuring the true financial impact of its 25 per cent cut to hydro bills by keeping billions in debt used to finance that plan off the province's books. Lysyk said she will audit the IESO because of its role in the hydro plan's complex accounting scheme.

Lysyk has previously clashed with the government over how public pension plan surpluses are accounted for, suggesting that the government's method makes its bottom line look better and hides a deficit. The government disputes that and tapped an independent panel to look at the issue. It sided with the government.

Power companies 'gamed' more than $100M; and other highlights of the Auditor General's Report

Countylive.ca

2017-12-06

Among key findings of the annual report by Ontario's Auditor General, Bonnie Lysyk, is the determination that Ontario electricity ratepayers are paying millions to power generators who gamed Ontario's electricity system to pay for things like scuba gear, parkas and car washes.

“Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, and about two-thirds of that has been paid back,” said Prince Edawrd Hastings MP Todd Smith, the PC Caucus Energy Critic. “One natural gas plant in Brampton “gamed” the system for about $100 million (in start-up and other costs). All of which Ontario ratepayers are on the hook for.”

Lax oversight of power producers by Ontario’s Independent Electricity System Operatorý (IESO) has added hundreds of millions of dollars to hydro bills, according to the report. Lysyk also said the IESO hasn’t implemented repeated recommendations from the Ontario Energy Board that could save ratepayers $30 million a year.

Her office will exercise its legal authority to audit the Dec. 31, 2017 financial statements of the IESO. Lysyk said an independent audit by her office is in the public interest because of the IESO’s role in the government’s complex new accounting/financing design to keep the cost of the 25 per cent electricity discount off the province’s financial statements.

“Generators claimed thousands of dollars a year for staff car washes, carpet cleaning, road repairs, landscaping, scuba gear and raccoon traps which have nothing to do with running power equipment on standby,” said Smith.

In addition to inappropriate expenses that had nothing to do with the electricity system, the report highlighted the fact that several members of the group that the government put together to draft new rules for the electricity system were either under investigation for breaking existing rules or had billed for millions in inappropriate expenses as well.

“The government is asleep at the switch on the electricity file. For years, the regulators have been raising red flags about accountability and the potential for abuse in the energy sector. Four energy ministers and two Liberal premiers ignored those warnings,” he said. “Now, they’re sending Ontarians the bill.”

Lysyk also stated the government's continued use of non-standard accounting could throw off the accuracy of the province's bottom line by up to $4.5 billion next year.

"There is a very real risk that the balanced books expected to be reported by the government using these accounting methods next year will conceal the true annual deficit and net debt," Lysyk said today. "This will seriously distort the true state of the province's finances."

In other finding highlights, Lysyk said teachers and school board employees are taking more sick days – about 12 each year, up from nine days five years ago.

– More families are waiting for social housing (185,000) than living in social housing (167,000).

– Ontario is paying tens of millions of dollars to send cancer patients to the United States for stem cell treatments that aren't available here.

– More than 800 of government-owned buildings are sitting empty.

– The government spent $58 million on advertising last year – nearly one-third of which was for ads designed "to make the government look good".

– Homeowners who appeal property assessments are stuck in an enormous backlog, even though the number of appeals filed has dropped in the past decade. 16,600 appeals are outstanding and some property owners are waiting four years for decisions.

– Only one of Ontario's four main farm-support programs – the Production Insurance Program – sufficiently helps farmers manage losses. However, the $100-million a year Ontario Risk Management Program often pays farmers with little regard to individual need. Only half of farmers who received payments between 2011 and 2015 actually reported either a loss or a drop in income in the year they received the payment.

– Province's emergency response plans have not been updated in eight years.

– There's room for more savings on generic drugs. While the prices have dropped in the past 10 years, the province still pays more than foreign countries.

– The province does not know whether Ontario's 36 public health units are making progress in the fight against preventable chronic diseases.

The report also highlights areas where things are working well.

– Most cancer patients are generally receiving treatment in a reliable manner.

– Accurate and timely lab results are being delivered to health-care professionals

-The Ontario Public Drug Programs have provided timely access for eligible recipients when their prescribed drugs are lited on the formulary

– More attention is being given to finding ways to improve emergency management in Ontario and updating the provincial Nuclear Emergency Response Plan.

Auditor General Report Highlights Waste In Power Generating Costs

Source: CKWS

Dec 6, 2017 6:08 PM

Anchor: Ontario ratepayers are forking out millions of dollars to cover power generating costs that should be deemed ineligible. That's according to Ontario's spending watchdog. In her annual report, provincial Auditor General Bonnie Lysyk says power generators claim thousands of dollars a year for things expenses such as staff car washes, carpet cleaning, scuba gear and raccoon traps. The expense claims were made while the power generators were placed in a standby mode but Lysyk says the expenses have nothing to do with running power equipment on standby. The Auditor also singled out healthcare. She found that while many patients in the province are well served, there are still long wait times for key biopsies to diagnose cancer.

Bonnie Lysyk, Ontario Auditor General: An audit of cancer treatment services found that Ontarians needs were not fully being met in the areas of radiation treatment, pet scans and wait times for some urgent surgeries and diagnostic services. In addition, the province's limited capacity to perform stem cell transplants was first identified as an issue in 2009. In the next six years, this issue led to excessive wait times and costly out of country procedures.

Anchor: The auditor also took aim at the policy that stopped teachers from banking their sick days. As a result, Lysyk says teachers and other school board employees are taking more sick days, an average of nearly 12 a year.

Auditor General Report Highlights Government Waste And Spending
Source: CKVR
Dec 6, 2017 6:00 PM

Anchor: Good evening. Ontario's cancer patients deserve better. That's essentially one of the messages from the Auditor General today who says the government is falling short of its goals to tackle waiting lists and get procedures done. She's also red flagging a laundry list of other problems that she says have cost taxpayers too much money. Here's CTV's Paul Bliss.

Reporter: It hits tax payers with a thud. 830 pages of revealing government waste and spending.

Unidentified [clip]: Which one do you think is gonna be easier in this case?

Reporter: Among the highlights, teachers now taking an average 11.6 sick days a year, up from nine days four years ago. At the Toronto Catholic Board, educational assistants average nearly 21 days absent. Sick days now use up 5.3 per cent of school boards' payrolls. Teachers only needing a doctor’s note if they miss five days in a row.

Bonnie Lysyk, Ontario’s Auditor General: I would think as a taxpayer that in order to book a sick leave, I need to be sick, right.

Reporter: The Auditor General states teachers are allowed 11 sick days at 100 per cent pay, another 120 days at 90 per cent salary, adding teachers get 131 sick days when their year is only 194 days. The cost of paying for those days averaging $49 million a year at four boards surveyed. The Education Minister pointing the finger at the boards.

Mitzie Hunter, Minister of Education: School boards have the responsibility to oversee attendance management and that's something that is expected of school boards.

Reporter: The Auditor says the absenteeism problem got worse after the government removed teachers rights to bank sick time until retirement. Some times they were cashing out up to $40,000 worth of unused sick days. The report also shows some gas plants have been using your hydro bill like a credit card charging you for scuba gear, raccoon trap, $175,000 for parkas, employee car washes, coveralls, $300,000 in landscaping and carpet cleaning. Plus the Goreway power plant in Brampton charged you $17 million without any receipts, $6.5 million dollars for gas to fuel a steam turbine that doesn't even use gas. Fictitious costs for equipment worth $27 million it had no intent of using.

Todd Smith, PC MPP: I mean the warning signs were out there for years and the government did nothing about it. We had four different energy ministers who were in charge. They all ignored it.

Reporter: The government is promising the loopholes will be closed to prevent similar opportunism in the future. Paul Bliss, CTV News.

Anchor: As mentioned, there is also plenty of criticism about cancer care services in Ontario, wait lists and the time it takes for procedures to get done. You can see a list of more of the highlights from the Auditor General's report by heading to our website, Barrie.

Ontario ratepayers gouged by power generator expenses including staff car washes, scuba gear | Nine generators claimed up to $260 million in ineligible costs between 2006 and 2015, auditor finds

TheSpec.com

2017-12-06
Byline: Allison Jones / THE CANADIAN PRESS

TORONTO — Ontario electricity ratepayers are paying millions for power generators' ineligible expenses — including scuba gear and raccoon traps — and are footing the bill for large industrial companies' savings, the province's auditor general reported Wednesday.

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AG takes on energy, social housing; Ontarians pay millions for ineligible power generator costs, auditor finds

The Sault Star

Thu Dec 7 2017

Page: A2

Section: News

Byline: Allison Jones

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Report says nuclear refurbishment plan is the most cost effective

Hanover Post

Thu Dec 7 2017

Page: A27

Section: News

Byline: Antonella Artuso

A report by an independent financial watchdog has concluded that the province's nuclear refurbishment plan is the most cost efficient option to provide base electricity power for decades to come.

Environmentalists are criticizing the report by the Financial Accountability Office of Ontario (FAO), saying it failed to take into account that nuclear refurbishment projects routinely go over budget and that cheaper electricity is available from Manitoba and Quebec.

Energy Minister Glenn Thibeault said in a statement on Nov. 21 that the report confirms that his government has carefully considered the nuclear projects at Bruce Power and Ontario Power Generation (OPG).

The FAO report also makes it clear that there is currently no alternative clean, emissionfree generation which could replace nuclear generation at a comparable cost for Ontario ratepayers,"Thibeault said.

Ontario plans to refurbish 10 nuclear reactors and prolong the life of six more at the Pickering Nuclear Generating Station.

The FAO, which assesses pending government expenditures, estimates that the $25 billion plan would likely provide long-term electricity at an average price of $80.70 per MWh in 2017 dollars, more than the current price for nuclear power but still cheaper than the other options.

According to the Ontario Energy Board, water power is currently the only electricity generation that's cheaper than nuclear as bio energy, wind, gas and especially solar are all dramatically higher in cost.

While some contracts for wind and solar have come in at much lower prices, replacing nuclear base power with these renewables would be far more expensive than refurbishment, the report says.

Meanwhile, Quebec is forecasting less surplus electricity in the future, the FAO says. "Based on the FAO's review, there are currently no alternative generation portfolios that can provide the same supply of low emission, base load electricity generation at a comparable price to the nuclear refurbishment plan," Chief FAO Financial Analyst Jeffrey Novak said.

Jose Etcheverry, a Green Party of Ontario candidate, said the report completely misses the mark.

"This report would not even get a passing grade as an undergraduate paper," Etcheverry said. "It doesn't compare other options; it doesn't consult with anybody that doesn't have a nuclear staking."

Jack Gibbons, of Ontario Clean Air Alliance, said that hydro bills will go through the roof if the government heeds this report.

"Every nuclear project in Ontario's history has gone massively over budget on average by two-and-a-half times,” Gibbons said.

Ontario cap-and-trade auctions bring in nearly $2B this year; Ontario cap and trade brings in $2B this year

Canadian Press
Wed Dec 6 2017
Section: Business,Ontario
Byline: Allison Jones

TORONTO - Ontario’s cap-and-trade auctions brought in nearly $2 billion in its first year, ahead of entering a joint market with Quebec and California next year.

The final auction took place last week and results released Wednesday show that 83 per cent of current credits were sold, giving the province $422 million.

That means that the province’s system aimed at lowering greenhouse gas emissions has brought in $1.9 billion for green projects in 2017, such as energy efficient improvements at hospitals, green rebates for homeowners, and bike lanes.

Environment Minister Chris Ballard said in a statement that Wednesday’s results show the system is functioning as it should.

It puts caps on the amount of pollution companies in certain industries can emit, and if they exceed those limits they must buy allowances at auction or from other companies that come in under their limits.

Ontario’s three previous auctions sold out of current credits. The government has previously said it didn’t expect every single auction to sell out, as the market fluctuates.

Keith Brooks of Environmental Defence said the latest results are a strong showing, considering the uncertainty around the future of cap and trade in Ontario.

“I think it shows that cap and trade is off to a really good start,” he said. “I think it shows that businesses have understood how the markets are going to work.”

The Liberal government has signed an agreement to link with Quebec and California’s carbon market on Jan. 1, but the Progressive Conservatives, who are ahead in the polls, have promised to dismantle the program and instead implement a carbon tax if they win next year’s election.

Critics in Ontario have slammed both cap-and-trade’s cost to consumers - an extra 4.3 cents per litre to the price of gasoline and about $80 a year to natural gas home heating costs, as well as indirect costs - and the potential cost to the economy.

The auditor general has said that when Ontario links its market with Quebec and California, an estimated $466 million will leave the Ontario economy over three years, because it will be cheaper to buy allowances from those jurisdictions.

But the Liberal government has staunchly defended the plan, saying it is far more cost effective and is more effective at reducing emissions than a carbon tax. The Tories decry the Liberals’ cap-and-trade program as a “cash grab.”

Bruce Power awards Alba Power $4.3 million in Life-Extension work

Kincardine News
Thu Dec 7 2017
Page: A3
Section: News
Source: Kincardine News

Bruce Power and Alba Power has entered into a $4.3 million agreement with Alba Power for work on the nuclear Life-Extension Project.

The UK-based nuclear services company recently opened a new service centre and workshop in Hamilton to handle the increased activity in the Canadian market, said Neil McKenzie, director of Alba Power.

“The service centre will initially support the overhaul of power turbines from Bruce Power, but is fully capable of handling a wide range of turbine-related activity up to and including overhaul of compressors,” McKenzie said. “It is Alba Power‘s intention to use the new facility to support all of its customers in Canada, which the company sees as one of its major growth markets. The new facility will allow us to carry out a wide range of work scopes and will provide a base for our field service operatives in Canada and other parts of North America.”

Kevin Grant, Alba Power‘s Account Manager for Bruce Power, said it is the company’s intention to recruit and train employees locally.

“This will allow us to run the facility using local Canadian expertise,” Grant said. “This and our branch in Newfoundland demonstrate our commitment to an increasingly important market for Alba Power.”

Mike Rencheck, Bruce Power‘s President and CEO, is encouraged by Alba Power‘s expansion into Ontario, creating jobs and investing in the provincial economy as Bruce Power extends the life of its site to 2064.

”Bruce Power invests $4 billion annually into Ontario’s economy, creating and sustaining 22,000 jobs directly and indirectly every year,” Rencheck said. “We welcome our new partnership with Alba Power and wish them every success as they expand their operations into Hamilton.”

Bruce Power Fined Over Injury. | The Nuclear Power facility must pay 110 thousand dollars after worker was critically injured in 2016.

Bayshore Broadcasting News Centre
2017-12-07
Byline: Kevin Bernard

Bruce Power has been fined 110 thousand dollars after a worker was injured at the Nuclear facility at Tiverton.

A worker suffered critical injuries while doing maintenance on a generator at the power plant on February 1st, 2016.

The incident happened at Bruce "B".

A hole was being drilled in the Unit 8 generator in order to remove a bore plug.

Flames shot out of the drilled hole, injuring the worker.

A Ministry of Labour investigation found the flames resulted from the release of hydrogen from pressurized containment inside the rotor core.

The generator uses hydrogen gas as a cooling medium .

Investigators found Bruce Power failed to follow the manufacturers instructions on purging the unit of hydrogen, and failed to notify the worker about the hazard involved.

The company was fined in Owen Sound court on December 6th.

Below is some background on the incident, and then Bruce Power's response to the ruling.

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Background

•A hole was being drilled in the plant's No. 8 Generator in order to remove a bore plug on a rotor undergoing maintenance.

•As workers were drilling the first hole, flames emanated from the drilled hole and injured a worker.

•A Ministry of Labour investigation found that the flames resulted from the release of hydrogen from pressurized containment inside the rotor core.

•The generator uses hydrogen gas as a cooling medium and a mixture of hydrogen and air was created as the compressed hydrogen escaped through the freshly-drilled hole. The mixture of hydrogen and air was within the flammable range for hydrogen and came into contact with mulitiple ignition sources capable of igniting the mixture, such as the motor of the drill or a work light. This resulted in the flames that emanated from the drilled hole.

•GE, the manufacturer of the generator, had prepared and made available a technical information letter which discussed the potential hazards associated with trapped hydrogen gas.

•It had recommended that the rotor core be tested and purged of hydrogen, not pressurized before plug removal, and the removal of potential sources of ignition.

•This information was not known to the team involved in the work, including the injured worker, and its recommended method was not followed.

•Bruce Power Inc. failed as an employer to acquaint a worker with any hazard in the work and in the handling, storage, use, disposal and transport of any article, device, equipment or a biological, chemical or physical agent at a workplace located at 177 Tie Road, Tiverton, Ontario, contrary to section 25(2)(d) of the Occupational Health and Safety Act.

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Bruce Power response.

The most important thing we do at Bruce Power is to make sure everyone arrives home safely at the end of their shift. In this case, despite risk assessments, a pre-job briefing and safety meeting, a risk in a process was not sufficiently identified to Bruce Power, and the company did not in turn inform its workers.

The company has since done a full reassessment of our safety practices related to this type of work and made a number of improvements to ensure this type of injury never happens again. This stands as an important reminder that safety is about people and we must remain vigilant and look out for each other, especially when hazards are present.

The company will pay an $110,000 monetary penalty plus a 25% victim fine surcharge related to the incident, which resulted in burns to a worker when gas was ignited while he was performing maintenance work in the turbine hall on the non-nuclear side of the plant. The worker was treated for burns and fortunately was able to return to work in May, 2016 and was back on full duties after a period of accommodation while he recovered.

TransCanada Turbine Gets $5.9 Million Bruce Power Deal

Blackburnnews.com
2017-12-06

Byline: JANICE MACKAY

A $5.9 million dollar deal between Bruce Power and TransCanada Turbine will help ensure standby generators are ready in the event of a power loss.

Over the next five years, Bruce Power will be working to improve the Avon engines, power turbines, main reduction gearboxes, and electrical generators.

“Our team is thrilled to be able to continue our long working relationship with the Bruce Power facility,” says Darcy Simonelli, Vice President, TransCanada Turbines. “The award of this new contract is a very significant event for our Canadian operations team who are extremely proud to be involved in the maintenance and support of critical Canadian infrastructure.”

Bruce Power CEO and President Mike Rencheck says the improvements are imperative to ensure safe operations at the site.

Huron-Kinloss, South Bruce continue with three other communities in nuclear fuel storage studies

Kincardine News
2017-12-06
Studies will continue in Huron-Kinloss and South Bruce, as the two Bruce County communities are included amongst the five remaining as Canada researches a permanent home for used nuclear fuel.

The Nuclear Waste Management Organization (NWMO) has eliminated the communities of Blind River and Elliot Lake from studies and will focus its efforts in the site selection process for a used fuel deep geological repository on the two Bruce communities, as well as Ignace, Manitouwadge, Hornepayne in northern Ontario from the original 22 that expressed interest in participating.

“We are grateful to have worked with communities in this area and for the outstanding leadership they have shown on behalf of all Canadians through their involvement in this process,” said Dr. Mahrez Ben Belfadhel, NWMO's vice president of site selection. “The decision to narrow our focus is part of an ongoing, rigorous process to identify a single, safe site in an area with an informed and willing host and strong potential for the partnerships that will be required to implement the project.”

Technical studies and engagement with people in the area identified a number of factors that would pose challenges in siting a repository.

These include complexities associated with the geology, limited access and rugged terrain, and low potential to develop the breadth of partnerships needed to implement the project.

In recognition of their leadership, the municipal and First Nation communities that led siting activities in the area will be eligible for funding to support investments in community sustainability and well-being. Blind River, Elliot Lake and Sagamok Anishnawbek First Nation will receive $600,000. The neighbouring communities of Spanish and The North Shore will receive $300,000.

The contributions will be made to their community well-being reserve funds.

Since 2010, the NWMO has been engaged in a multi-year, community-driven process to identify a preferred site for a deep geological repository for Canada's used nuclear fuel. The NWMO expects to be in a position to select a preferred site by about 2023.

The purpose of the NWMO is to develop and implement, collaboratively with Canadians, a management approach for the long-term care of Canada's used nuclear fuel that is socially acceptable, technically sound, environmentally responsible and economically feasible.

The NWMO was created in 2002 by Canada's nuclear electricity producers, with 2017 marking 15 years of operations. Ontario Power Generation Inc., NB Power Nuclear and Hydro-Québec are the founding members, and along with Atomic Energy of Canada Limited, fund the NWMO's operations. The NWMO operates on a not-for-profit basis and derives its mandate from the federal Nuclear Fuel Waste Act, which came into force in November 2002.

Search narrowed to five northern Ontario locations for place to store used nuclear fuel

Global News
2017-12-06
Byline: Colin Perkel, The Canadian Press

TORONTO – Waste management authorities have ruled out one part of northern Ontario as a suitable site for a bunker to store used, but highly radioactive, nuclear-reactor fuel rods.

In a statement on Wednesday, the Nuclear Waste Management Organization said the Elliot Lake and Blind River area between the cities of Sudbury and Sault Ste. Marie are out of the running.

"Technical studies and engagement with people in the area identified a number of factors that would pose challenges in siting a repository," the organization said. "These include complexities associated with the geology, limited access and rugged terrain, and low potential to develop the breadth of partnerships needed to implement the project."

Three other communities in northern Ontario remain as potential sites: Ignace about 250 kilometres northwest of Thunder Bay, Manitouwadge, about 395 kilometres east of Thunder Bay, and Hornepayne, about 480 kilometres east of Thunder Bay.

The other two remaining potential sites – South Bruce and Huron-Kinloss – are close to the Bruce nuclear reactor on the Lake Huron shoreline near Kincardine, Ont., site of a long and ongoing battle by Ontario Power Generation to win approval for a deep geologic repository for low and intermediate level radioactive waste.

Dan Marchisella, mayor of Elliot Lake, expressed disappointment at the exclusion of his community after five years, calling it a "huge potential loss" for the entire district.

The former mining town, once known as the uranium capital of the world, felt that putting itself forward was the responsible thing to do given the vexing question of how best to safely store waste that remains toxic for thousands of years, he said.

"The footprint of that geology they were looking for is not large enough," Marchisella said in an interview. "It's very difficult to access that area."

The hunt for a place to permanently store used nuclear fuel rods – about 2.7 million bundles currently exist – began in earnest in 2010, with 22 communities expressing interest. The dangerous material is currently stored in pools of water or in vaults on site at reactors in Ontario, Quebec, New Brunswick and Manitoba. The envisaged repository would be about 500 metres underground.

"The decision to narrow our focus is part of an ongoing, rigorous process to identify a single, safe site in an area with an informed and willing host and strong potential for the partnerships that will be required to implement the project," said Mahrez Ben Belfadhel, a vice-president with the waste-management organization.

While the organization expects to be able to choose its preferred site by about 2023, winning any approval for an underground bunker is likely to go years beyond that date if Ontario Power Generation's odyssey is anything to go by.

The utility took years to win tentative approval in 2015 to build a bunker at the Bruce site near Lake Huron for material that is far less toxic than nuclear fuel rods but has made little progress since.

Federal Environment Minister Catherine McKenna is now waiting for Indigenous communities in the area to weigh in – a process likely to take at least another year. In addition, scores of communities around the Great Lakes have decried any suggestion the site so close to the lake is suitable – paving the way for what could be years of court battles.

In defence of its choice, Ontario Power Generation has said transporting radioactive material to long distances to a storage site would only add costs and increase the risk of toxic releases.

Marchisella, who said nuclear material already moves safely up and down Canada's highways every day, did express concern at storing waste anywhere near a Great Lake, as OPG is proposing for its facility.

"As the planet gets warmer, we know that water levels continue to rise," Marchisella said. "So when you look at the northern communities further up north, we're higher up in altitude."

To ease the pain of rejection, the waste organization said it would make up to $600,000 available to Blind River, Elliot Lake and Sagamok Anishnawbek First Nation, and another $300,000 for Spanish and the North Shore for community projects.

Fusion experiment on schedule; Nuclear project hails halfway milestone of most complicated machine ever built

St. Catharines Standard
Thu Dec 7 2017
Page: C3
Section: News
Byline: Frank Jordans

A vast international experiment designed to demonstrate that nuclear fusion can be a viable source of energy is halfway toward completion, the organization behind the project said Wednesday.

Construction of the International Thermonuclear Experimental Reactor, or ITER, in southern France has been dogged by delays and a surge in costs to about $30 billion.

ITER's director-general, Bernard Bigot, said the project is on track to begin superheating hydrogen atoms in 2025, a milestone known as "first plasma."

"We have no contingency plan," he told The Associated Press in a phone interview from Paris.

Scientists have long sought to mimic the process of nuclear fusion that occurs inside the sun, arguing that it could provide an almost limitless source of cheap, safe and clean electricity. Unlike in existing fission reactors, which split plutonium or uranium atoms, there’s no risk of an uncontrolled chain reaction with fusion and it doesn’t produce long-lived radioactive waste.

A joint project to explore the technology was first proposed at a summit between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev in 1985, with the aim of “utilizing controlled thermonuclear fusion for peaceful purposes … for the benefit for all mankind.”

It took more than two decades for work to begin at the site in Saint-Paul-les-Durance, about 50 kilometres northeast of Marseille.

The project’s members - China, the European Union, India, Japan, South Korea, Russia and the United States - settled on a design that uses a doughnutshaped device called a tokamak to trap hydrogen that’s been heated to 150 million degrees Celsius for long enough to allow atoms to fuse together.

The process results in the release of large amounts of heat.

While ITER won’t generate electricity, scientists hope it will demonstrate that such a fusion reactor can produce more energy than it consumes.

There are other fusion experiments, but ITER’s design is widely considered the most advanced and practical. Scientists won’t know until 2035, following a decade of testing and upgrades, whether the device actually works as intended.

Still, fusion experts said Wednesday’s milestone was noteworthy.

“The glass is half full, rather than half empty,” said Tony Donne of EUROfusion, a consortium of European research organizations and universities that provide scientific advice for ITER.

Donne said the appointment of Bigot had helped the project overcome what he called a “very difficult period” during which political considerations had hampered construction of what some consider the most complicated machine ever built.

Cost remains an issue, though, and Bigot was visiting Washington on Wednesday to drum up support from the United States, which contributes about 9 per cent of the budget. Much of the funding goes to suppliers in the member states - in the case of the U.S. that includes General Atomics, which is building the central solenoid, an 18-metre electromagnet that's powerful enough to lift an aircraft carrier.

Bigot said most other members, including the European Union which pays 45 per cent of the budget, had pledged their financial support for years to come and he was hopeful the Trump administration would see the benefits of staying on board.

“All countries including the United States know that their energy supply is not sustainable beyond this century,” said Bigot, who was previously France's nuclear energy chief.

Should Washington cut its funding, the project won't collapse, he said. “It's too important for the other members. But there would be some delay.”

Gerald Navratil, a professor of applied phy sics at Columbia University, said fusion could help solve the problem of how to reliably produce large amounts of electricity without emitting greenhouse gases, noting ITER's current cost is comparable to that of developing a large passenger aircraft.

“Energy is such an important part of our technological society that expenditure of 20 billion to develop a new energy source is really not out of line,” he said.

No nuclear repository for Elliot Lake and Blind River

The Sault Star

Thu Dec 7 2017

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Section: News

Blind River and Elliot Lake have been dropped as possible sites for a deep geological repository for used nuclear fuel.

The Nuclear Waste Management Organization (NWMO) made the announcement in a release Wednesday.

Instead, the NWMO will focus its efforts on fewer areas in the process to select a site for its used nuclear fuel repository.

Five communities, including Ignace, Manitouwadge and Hornepayne in Northern Ontario, South Bruce and Huron-Kinloss in southern Ontario, are still being considered. A total 22 communities expressed interest in participating in NWMO's site selection process.

As for Blind River and Elliot Lake, the NWMO said "technical studies and engagement with people in the area identified a number of factors that would pose challenges in siting a repository. These include complexities associated with the geology, limited access and rugged terrain, and low potential to develop the breadth of partnerships needed to implement the project."

Mahrez Ben Belfadhel, vice president of site selection, thanked those who have taken part in the process so far.

"The decision to narrow our focus is part of an ongoing, rigorous process to identify a single, safe site in an area with an informed and willing host and strong potential for the partnerships that will be required to implement the project," Belfadhel said.

And although Blind River and Elliot Lake have been struck from the list to host the spent nuclear fuel, they won't go home emptyhanded.

"In recognition of their leadership, the municipal and First Nation communities that led siting activities in the area will be eligible for funding to support investments in community sustainability and well-being," the NWMO said. "Blind River, Elliot Lake and Sagamok Anishnawbek First Nation will receive $600,000. The neighbouring communities of Spanish and The North Shore will receive $300,000. The contributions will be made to their community well-being reserve funds."

The NWMO has been engaged in a multi-year, community-driven process to identify a preferred site for a deep geological repository for Canada's used nuclear fuel since 2010. The NWMO said it expects to be in a position to select a preferred site by about 2023.

Spent rods are now housed at each of Ontario's nuclear power plants. They spend about 10 years cooling down in large pools before they're encased in 73-tonne steeland-concrete canisters designed to last for more than a century.

More than 2.6 million bundles of these hot rods lie beneath Ontario's nuclear power plants - enough to fill seven hockey rinks to the halfboards with all of Canada's spent nuclear fuel, radioactive for hundreds of thousands of years. More than 90,00 spent rods are added each year.

"Our generation, which has benefited from this (nuclear power), must take action now," Michael Krizanc, spokesperson for the Nuclear Waste Management Organization, told Postmedia last year. "We have an ethical responsibility to manage the waste that we have produced, and not leave it to our children and grandchildren to deal with."

NWMO officials emphasize the existing storage is secure but temporary. The solution, they believe, is a giant, deep repository to safeguard the rods through ice ages and the long march of time for as long as a million years.

"We have a responsibility" to find a permanent home for them, said Krizanc. "We can't leave this at the surface forever and ever."

Andre Vorauer, a senior technical specialist with the NWMO, said part of the plan is to entomb the rods in five layers of defence against corrosion, including being buried in dense rock more than 500 metres below the surface.

But critics aren't impressed.

A safe, deep vault is just wishful thinking, say some opponents.

"It is not a robust design specific to the long-term task of safeguarding highly radioactive nuclear waste," Brennain Lloyd of the group Northwatch in Northern Ontario, told Postmedia last year.

Instead, she said, the answer is to continue to improve storage on site in bunkerized facilities with engineered barriers so their performance can be measured over time.

NWMO officials have stressed a repository would go only into a willing community, in partnership with nearby aboriginal groups. Krizanc said NWMO didn’t go looking for communities and instead asked communities to approach it if interested.

They’re now at stage three of a nine-stage exploratory process, with a host site selection expected no earlier than 2023. Further tests would then be done for about five years, after which the NWMO or the potential host community may still decide it’s not suitable. Any plan would still need several layers of federal approval.