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From: John Cannella [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CD667C6D53774DD0A749783BB02AE89D-JOHN CANNEL]
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Today's News

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Date: Tuesday, May 15, 2018
Edited by: John Cannella (John.Cannella@ieso.ca)

Contact Editor

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Utilities must shift gears to keep up with EVs; Affordability of electric vehicles will force a change in the way we see energy management

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Executive vice-president and global head of energy and utilities for Capgemini, a leader in consulting, technology services and digital transformation Recent advancements in energy technology should come as a wake-up call to Canadian utility ...

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Cargill Ltd. takes advantage of Halton Hills Hydro incentive program

Independent Free Press - Mon May 14 2018 **Page:** 1

A local cocoa and chocolate product company is reaping the benefits of its energy efficiency projects after receiving a $27,360 incentive payment from Halton Hills Hydro.

Cargill Limited facility manager Ryan Browne said the company has a strong commitment to sustainability and is committed to address climate change through reducing greenhouse gas intensity and improving energy efficiency.

"Working with Halton Hills Hydro has helped us achieve those goals at our Georgetown Plant," he said.

"It represents 20 per cent of our project and it goes a long way."

The plant replaced compressors with new energy efficient variable frequency drive compressors and made repairs to eliminate compressor system leaks. Annual electricity savings are estimated at 216,939 kWh - enough to power 21 Ontario homes for a year.

This retrofit will also help Cargill achieve its climate change goals by reducing greenhouse gas emissions. Expected reductions are 144.7 tonnes of CO2, 642.6 kg of SO2 and 134 kg of NOx.

This project qualified for funding incentives equalling up to 50 per cent of the installed system cost. Funding comes from Halton Hills Hydro through the Independent Electricity System Operator saveONenergy program.

Halton Hills Hydro president and CEO Art Skidmore said several other local businesses have expressed interest in taking part in its conservation programs.

"We've just passed our halfway point of our six-year program and we're at about 63 per cent of our target," he said.

"It's great that businesses of Halton Hills are participating in saveONenergy programs and we encourage more of them to take advantage of something like Cargill did. It really increases their return on investment."

Halton Hills Hydro offers a variety of energy conservation programs for both commercial and residential customers through the saveONenergy programs. Visit HaltonHillsHydro.com.

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Yes. Borrowing now ensures future capacity; Should hydro rates be subsidized?

Toronto Star - Tue May 15 2018
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Mention hydro rates and the most gentle of friends are tempted to raise the fist. Hydro rates have become such a lightning rod for public anger that any room for rational debate appears to be vanishingly small. If there is any time to pay close attention to context and relevant evidence, now is the time as we choose our next government.

Ontario electricity prices have increased steadily at rates above inflation over the last decade. An investment in the order of $50 billion for renewal of Ontario's aging infrastructure is the direct cause. Recovery of the debt obligations of the investment

through hydro rates is the primary mechanism.

After a prolonged period of underinvestment and "rate freezes" through the 1990s, Ontario's electricity infrastructure was in need of repairs and refurbishment that culminated in a major supply crisis in 2005. A broad political consensus across all parties had also emerged - when Mike Harris was the premier - to shut down the coal stations. Coal power plants produced cheap energy but contributed heavily to air pollution in southwestern Ontario. The coal plants and numerous smog days are now all gone. Replacing old dirty generation with new has come at a cost, but we benefit from a cleaner environment and low overall health impacts.

Upgrades to the power grid for reliability and integration of new renewable generation capacity are part of these costs. We now have a clean generation supply mix and a robust delivery system not teetering on the brink of a crisis. Replacing an old "rust bucket' of a car with a newer one will always come at a higher cost. So, why do people go apoplectic over hydro rates for costs incurred to modernize the system?

Some suggest that the headlong rush into "pricey" green energy contracts for wind and solar have contributed disproportionately to hydro rates. There is truth to this observation, although the benefits of low-carbon energy have yet to be realized. Early warning signals, circa 2009, were there and red flags had gone up to reduce the impacts of high "feed-in" tariffs for green generation. Subsequent actions have resulted in a measured approach to promoting efficiency and clean energy solutions, but the fact remains that the early "high" cost of contracts are part of the price we pay for electricity. Not a single party leader has raised the spectre of tearing up the contracts. This would be costly and disastrous policy for future investments in the sector.

In response to the public demand for relief, the government's Fair Hydro Plan was implemented last year to deliver a 25-per-cent decrease in hydro rates. Ontario Progressive Conservative Leader Doug Ford dismisses this plan as a "scandal" and then, without missing a beat, accepts the 25-per-cent reduction and goes on to promise an additional 12-per-cent decrease in rates. This combines shame and scandal into one punch: disingenuous at best and not helpful at all as a policy prescription for the future.

The Fair Hydro Plan provides relief now but increases the total cost over a longer period, equivalent to stretching a mortgage. Is this an undue burden on future generations? Not exactly. We all benefit - children, adults and businesses from the investments made to ensure reliability of service well into future.

The burden of high hydro rates is particularly painful for low-income groups and seniors on fixed incomes. It is reasonable to allocate the cost of support through lower rates to these groups in the tax base as social assistance.

For rural and remote communities, the high cost of delivery is a simple feature of Ontario's vast geography. A subsidy program for these customers has been in place for over five decades and has remained unchallenged by governments of all stripes.

If we accept the principle that the cost of debt obligations of the electricity system must be paid for by users of electricity service, then hydro rates will increase in step with required investments. Policy choices that governments make for job creation, economic development and other goals must be "ring-fenced" out of hydro rates. This much is relatively simple.

Yet the public narrative on hydro rates has become so corrosive with assertions of malfeasance and bad faith, it simply breeds cynicism. Time has come to immerse our collective heads in a bucket of cold water and allow the possibility of rational political discourse to flourish.

Jatin Nathwani is the founding executive director of the Waterloo Institute for Sustainable Energy (WISE) and holds the prestigious Ontario Research Chair in Public Policy for Sustainable Energy at the University of Waterloo.

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No. It would be unfair to future generations

Toronto Star - Tue May 15 2018
Byline: Brady Yauch
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Soaring electricity rates have become a financial burden to both households and businesses across Ontario. Rather than tackle the root causes of high hydro rates, policies such as the recently passed Fair Hydro Plan - which offers residential electricity customers a 25-per-cent reduction on their monthly hydro bills - create more problems than they solve.

A low-rate-at-any-cost policy such as the Fair Hydro Plan kicks the financial burden of today's hydro rates to future generations, undermines the regulatory system that is supposed to protect consumers from public utility excesses, supports further political intervention and divorces the cost of energy from the price that consumers pay for it. It also undercuts the hundreds of millions of dollars being spent annually on conservation programs. In short, it's a Band-Aid solution that, rather than helping heal the wounds that have been inflicted on the province's electricity sector, actually makes the cuts even deeper and the damage more long-lasting.

First, there's the simple fact that the lowering of today's rates is a mirage. There is no plan to lower the cost of generating and delivering power in Ontario.

Instead, the difference between the cost of generating and delivering power to customers and the 25-per-cent reduction being promised to ratepayers is accomplished through issuing debt that future ratepayers will be left to pay off. None of the costs of generating and delivering power have been reduced.

Early estimates from the province's Financial Accountability Office (FAO) show the Fair Hydro Plan rebates will "save" ratepayers $18.4 billion over the next decade, but those savings will ultimately cost future ratepayers $39.4 billion (the original amount plus $21 billion in interest). If interest rates move higher, as is increasingly looking likely, the costs of the deferral will only grow larger. The full amount of the next decade's "rebate" and tens of billions in interest costs won't be fully paid off until the 2040s.

In short, today's lower rates will cost ratepayers more in the long run and the risk that the cost of the deferral will be larger than is currently anticipated is significant.

Second, the Fair Hydro Plan destroys the credibility and mandate of the "independent" regulator, the Ontario Energy Board (OEB), which, in the wake of the

collapse of Ontario Hydro, was tasked with protecting consumers from excesses that resulted in double-digit rate increases. Prior to the Fair Hydro Plan, the OEB ensured that the price consumers paid for electricity was based on the actual cost of generating and delivering that power.

But economic regulation has been thrown out the window, with the OEB now left to rubber-stamp demands from the province to set rates based on an artificial reduction, even though the regulator has in the past often blocked deferral of this kind by the electric utilities it regulates.

Unfortunately, this isn't the first policy that undermines the independence of the OEB, but rather the culmination of more than a decade of transferring nearly all decision-making in the electricity sector from independent agencies staffed by experts to political staffers at Queen's Park. The Fair Hydro Plan merely caps off this trend, making it clear to consumers and producers that the price they pay for power is increasingly a political football rather than one based on real-world economics.

Third, artificially lowering rates today undermines the province's spending of $2.2 billion on conservation programs. Any consumers who have spent either their own money or provincial subsidies on investments needed to reduce their energy consumption (and offset soaring hydro bills) are seeing the savings from those investments being whittled down. Consumers may lose interest looking for ways to more efficiently consume power now that their monthly hydro bill has been reduced by 25 per cent. While the province celebrates the need for conservation in the energy sector, the Fair Hydro Plan rebates offer the strongest incentive to customers not to conserve.

An electricity rate reduction that increases hydro bills for future Ontarians, divorces the price of electricity from the real-world cost of producing and delivering it and works against the very conservation policies that consumers across the province have been told are good for the environment should hardly be celebrated.

Brady Yauch is the executive director and economist at the Consumer Policy Institute, a division of Energy Probe Research Foundation.

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Ontario's Green party releases platform, focus on energy conservation; Green party releases election platform

Canadian Press - Mon May 14 2018
Byline: Allison Jones

TORONTO - Ontario's Green party released its platform Monday, with billions promised for energy conservation grants and mental health supports.

The Greens say they would move to a clean economy by supporting jobs in cleantech and would commit to a 100 per cent renewable energy supply by 2050. A centrepiece promise is a $4.2-billion program to give grants and loans to businesses and homeowners for energy conservation.

The platform says it can be funded in part by saving $1.1 billion by closing the

Pickering Nuclear station this year and buying hydro power from Quebec.

"We need to skate to where the puck is going, and not where it's been," Leader Mike Schreiner said. "The other parties are clinging to an old economy, but we see a better way forward - one where we tackle climate change, lower energy costs and spark a whole new generation of clean, well-paying jobs that will serve our children well into the future."

The party would also spend $4.1 billion over four years on mental health services, which they say they could help pay for by improving collections and reducing tax avoidance.

The Greens also support a basic income, which the Liberal government has been running a pilot project on, and would spend $3.4 billion next year to increase social assistance rates in the pilot as a first step to implementing it provincewide. They would pay for it by cancelling the government's hydro plan, which gives ratepayers 25 per cent off their electricity bills by borrowing billions of dollars.

The Greens are proposing to raise corporate taxes by 0.5 per cent, and increase the income tax rate for the top one per cent of earners by one per cent.

They would also mandate 20 per cent of units in new housing builds be affordable, expand the protected land known as the Greenbelt, and spend more money on transit.

The party says it is running a full slate of candidates and that 52 per cent of them are women.

Schreiner is running in Guelph, where incumbent former cabinet minister Liz Sandals is not seeking re-election, and where Schreiner came in a close third in 2014 behind the Progressive Conservative candidate.

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Solar power cushions customers: PUC; OEB to take about six months to decide on bid to increase distribution rate

The Sault Star - Tue May 15 2018
Byline: Jeffrey Ougler
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The sun is apparently shining on PUC customers.

The utility says solar farms housed in Sault Ste. Marie should have a favourable impact on customers, and will ease overall bill impacts once the current bid for a distribution rate increase is ironed out.

PUC Distribution filed a Cost of Service application with the Ontario Energy Board March 29, a process that happens every five years and determines what each electric utility may charge for its distribution rate.

PUC is applying to increase its rate by $6.98 per month, resulting in a net increase of $1.94 per month for the average provincial customer consuming 750 kWh per month. The difference between the OEB advertised distribution rate hike of $6.98

and the $1.94 total bill increase is due to a combination of regulatory changes and a number of benefits specific to Sault Ste. Marie, PUC says.

For example, the distribution rate change will result in a $0.62 per month increase for an average PUC customer consuming 910 kWh thanks to solar farms connected to the system, resulting in a credit to customers'accounts, which reduces the overall bill, PUC says.

One-third of residential customers will actually see a decrease in their monthly bill, says Rob Brewer, PUC president and CEO.

"(Solar farms) are embedded within our distribution area," Brewer told The Sault Star during an interview Monday.

Solar farms on Black Road and Base Line have a total capacity of 59.8 megawatts.

Wind turbines, Brewer said, are connected to the transmission grid, resulting in related charges.

But with solar, there is neither a transmission nor wholesale transmission charge, two components of bills refunded via credits.

"We like to communicate what the impact will actually be to our customer, rather than a number they're not actually going to encounter," Brewer said. "When you net everything out, it's a very modest increase."

Earlier this year, PUC asked customers to provide feedback on the proposed rate increase by completing an interactive survey. Brewer said when that call was put out, a slightly larger increase was cited, indicating the average 750kWh residential electricity bill would increase by about $2.17 per month. The 750kWh figure is "not typical" to Sault Ste. Marie, PUC says. The prescribed increase stands at $1.94.

Survey results indicated customers are concerned about the "affordability" of power, Brewer said.

"So, we've done what we can to reduce costs where we could in that application," he said, adding feedback included "good things" about service.

"The people who represent us out in the public are doing a good job … And they're always nice things to hear as the CEO," Brewer said.

Brewer said PUC "totally understands" customers'concerns about proposed increases.

"(But) it's a reality that things go up year to year," he added, citing inflationary costs.

"We see those in terms of material we buy, that labour that we have," Brewer said.

PUC is also contending with "very significant" infrastructure aging issues, similar to that of other Ontario local electricity distribution companies.

"That infrastructure is coming of age and needs to be replaced," Brewer said. "And it's not an inexpensive process to deal with that."

Following an application, OEB takes four to six weeks to do an initial review.

Information is to be posted on PUC's website and media advertisements placed.

A town hall meeting is slated for June 19 at Royal Canadian Legion Branch 25 at 96 Great Northern Rd., from 6:30 to 8:30 p.m. OEB is slated to deliver a presentation outlining the rate-setting process, after which PUC will outline its application. A question and answer period will follow.

Hearings will then take place. "It goes through a rigorous process with interveners," Brewer said.

An OEB decision is expected in August or September.

Brewer said he expects "back and forth" dialogue between PUC and OEB regarding proposed numbers.

"So, that's really the role of the interveners in the process is to look at our data and say if we've gotten something wrong, 'Here's what we think the correct version is,'" he added. "It's never the exact (figure) for what the application is. There's always a little bit of give and take."

Preparing the 1,500-page application has been a year-long process of pegging ongoing costs.

"And that's really what the cost of service is … what's the costs for us to operate a utility," Brewer said. "There's very little profit motive in municipally owned LDCs." jougler@postmedia.com On Twitter: @JeffreyOugler

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Alectra receives Novinium Environmental Stewardship Award for second consecutive year; Alectra receives Novinium Environmental Stewardship Award for second consecutive year

Canadian Press - Mon May 14 2018

FOR: ALECTRA UTILITIES CORPORATION

VAUGHAN, Ontario, May 14, 2018 (GLOBE NEWSWIRE) — Novinium, provider of electrical cable rejuvenation for electric utilities, presented an Environmental Stewardship Award to Alectra Utilities for the second consecutive year.

The award was presented Friday to Norm Loberg, Board Chair, Alectra Inc.; Brian Bentz, President and CEO, Alectra Inc. and Max Cananzi, President, Alectra Utilities Corporation by Dean Stone, Regional Sales Manager, Novinium; Chris Sams, VP Sales &Marketing, Novinium at the Alectra Energy Solutions head office in Vaughan. This is the second time that Alectra has won this award, the first time being in November 2017 for the use of cable rejuvenation during 2016.

In 2017, Alectra rejuvenated more than 76,000 meters of underground power cables mitigating 968 metric tons of CO_2 that would have otherwise been released into the environment. Rejuvenating existing electrical cable allows it to be recycled in place, eliminating the waste created by otherwise abandoning and replacing failing electrical cable.

"We are honoured to receive this recognition from Novinium for our efforts in rejuvenating cable infrastructure throughout our service territory," said Brian Bentz, President and CEO of Alectra Inc. "Our commitment to sustainable initiatives is a cornerstone of the values we adhere to at Alectra."

The Environmental Stewardship Award was established by Novinium to honour the environmental commitment of electrical utilities that choose rejuvenation of their electrical cables over replacing aging, underground power networks. Based on the number of meters of electrical cable rejuvenated in 2017 and the resulting CO2 mitigation, Alectra Utilities is the only Ontario-based utility and one of 10 in North America being presented this award.

"Our mission at Novinium is to help the electrical industry rehabilitate its aging infrastructure at a fraction of the capital cost of replacement and to do so in a way that is safer and more environmentally friendly than replacement alternatives," says Glen Bertini, CEO of Novinium. "This award recognizes the commitment by electrical utilities to choose a solution that is good for the planet and their clients."

About Alectra's Family of Companies

Alectra's family of energy companies distributes electricity to nearly one million customers in Ontario's Greater Golden Horseshoe Area and provides innovative energy solutions to these and thousands more across Ontario. The Alectra family of companies includes Alectra Inc., Alectra Utilities Corporation and Alectra Energy Solutions.

Media Contact: Rachel Bertone, Media Spokespersonrachel.bertone@alectrautilities.com 24/7 Media Line: 1.833.MEDIALN

A photo accompanying this announcement is available at resource.globenewswire.com

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Utilities must shift gears to keep up with EVs; Affordability of electric vehicles will force a change in the way we see energy management

The Globe and Mail - Mon May 14 2018
Byline: PERRY STONEMAN
Page: B4

Executive vice-president and global head of energy and utilities for Capgemini, a leader in consulting, technology services and digital transformation

Recent advancements in energy technology should come as a wake-up call to Canadian utility companies.

The rise of electric vehicles (EVs) in particular is already an indicator of change as batteries become more affordable, ubiquitous and desirable. According to the World Energy Markets Observatory report, new registration of battery and plug-in hybrid electric vehicles recently reached a record high with more than 750,000 sales worldwide. The prevailing rise of gas prices, the cost of EVs dropping and the convenience of battery and charging technology are all important factors.

This disruption within the energy industry will affect Canadian business leaders and consumers alike. If Canadian utilities are not studying what is happening around the world regarding new energy business models resulting from major advancements from batteries and electric vehicles, they risk getting left behind.

For example, in countries with a higher adoption of EVs, we are now seeing the evolution of new business models around residential communities and vehicle fleets. The Nordics are leading the way with a fleet of plug-in cars that is the largest per capita in the world. Car owners are beginning to have easy access to charging stations through housing co-ops.

Using an app, co-ops can bill drivers for individual usage of charging stations and consumers can keep track of their electricity usage while providing visibility into the distribution of energy across the grid.

But what about the rest of the world? The Cars Online report that studies behaviours in the automotive sector asked 8,000 consumers from eight countries what would drive them to buy an electric car - 43 per cent of respondents said that charging or exchanging the battery would have to be as quick and easy as filling up their tank with gasoline.

Assuming the average Canadian automobile commuter travels about 50 kilometres a day, companies such as Tesla are already capable of supercharging an EV battery quickly enough to meet the average commuter's needs.

And while battery technology is already disruspting transportation, it will have its biggest impact on the energy and utilities industry. Those who own the batteries and the charging infrastructure will play a significant role in the future of energy management.

Consider this energy management scenario in the not-so-distant future. Imagine an EV with an 85-kilowatt-hour (kWh) battery. The average home in Canada consumes between 25 kWh and 30 kWh a day, depending on where they live. As a result, a fully charged 85-kWh EV battery represents almost three times more power than one needs to run a home daily. The typical commuter's electric vehicle only uses a small amount of its battery every day - to go to work, run a few errands and go home. Most people with electric vehicles would have energy capacity to spare at the end of an average day's commute.

Consumers would be able to drive EVs to work the next day, plug in and have the building or parking lot buy the excess energy at lower time-of-use rates from their battery, to a limit they approve. The building could then use that energy to feed their

facility's own energy needs. Better still, consumers could use excess battery capacity to power their homes.

As EVs grow in numbers and magnitude, they will have greater impact on how we view sources of energy and transform the model for how energy is supplied and who supplies it.

Here in Canada, utilities should look forward to this change and view it not only as a threat but also an opportunity to provide new business models in more innovative and environmentally sustainable ways.

Canadian utility executives must decide if they are going to be at the heart of this change and proactively be part of developing the infrastructure needed in the future or if they will stay on the sidelines and simply react to the disruptions. Government and regulators need to play the part of making energy transition easier for utilities as well.

Utility companies are already well positioned to be part of creative and positive solutions. For example, further developing the approach to solar renewable energy could include a business model that gives consumers fractional ownership. Alternatively, the growing number of EVs on the road could mean that vehicle fleet operators partner with utilities to repurpose second-run batteries to offer consumers backup energy during storms and emergencies (at a fraction of what it would cost the homeowners to put in batteries themselves).

Staying ahead of the game, looking at renewables and distributed energy storage assets are all ways of remaining relevant in the new energy economy. As consumer and corporate sentiment drives Canada toward new energy mixes, executives must put more emphasis on emerging technologies or risk getting left behind.

Once a consumer is on board for an alternative to the traditional model, they are likely gone forever. Once they disconnect from the grid completely, utilities - and even regulators - won't be able to stop them.

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