Message

From: John Cannella [/O=IMO/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=20DB4B5A136D438883367EB6060C2578]
Sent: 2017-03-31 6:37:50 AM
Subject: Today's News - Friday, March 31, 2017

Today's News

powered by:

Date: Friday, March 31, 2017
Edited by: John Cannella (John.Cannella@ieso.ca)

Contact Editor

IESO Mentions

News - 1 Results

Kathleen Wynne's $50 billion power spend adds up to little for Ontario ratepayers

Financial Post - Thu Mar 30 2017
Byline: Parker Gallant, Special to Financial Post

Ontario Energy Minister Glenn Thibeault claimed his government spent $35 billion fixing a broken electricity sector since coming to power in 2003. Premier Kathleen Wynne says it was $50 billion. But neither of them provided an accounting ...

Back to Top

Industry News

News - 6 Results

Hydro One CEO's $4.84M salary won't affect promised 25% cut to hydro bills

thestar.com - Thu Mar 30 2017
Byline: Rob Ferguson

The "very large" $4.84 million pay packet of Hydro One boss Mayo Schmidt won't stand in the way of a promised 25 per cent rate cut(...

Ontario's energy minister defends Hydro One CEO salary

CBC.CA News - Thu Mar 30 2017, 12:16pm ET
Byline:CBC News

Ontario's energy minister says despite repeated questions in the legislature about the salary of the CEO of Hydro One, the millions being paid in compensation has no effect on people's energy bills. "The rates are set by the Ontario ...

Hydro One CEO $4.5M salary 'not part of the equation' of bill cuts: minister; Ontario 'sunshine list' to be released Friday

Canadian Press - Thu Mar 30 2017
Byline: Allison Jones

TORONTO - The $4.5 million in pay received by Hydro One's CEO is not a factor in the government's plan to cut electricity costs for consumers, an Ontario cabinet minister said Thursday amid opposition concerns about the executive's ...

Possible sale of Wasaga utility heading for a public meeting

Collingwood Enterprise-Bulletin - Fri Mar 31 2017
Byline: Gisele Winton
Page: A1 / Front

No one can accuse Wasaga Beach of having apathetic citizens. The Wasaga Beach council chamber was filled to standing room only again at Tuesady's meeting, many of whom support the Keep Wasaga Hydro Public group. Mayor Brian Smith began the meeting ...

Insult to injury in Dutton Dunwich

Sarnia Observer - Fri Mar 31 2017
Byline: Santo Giorno
Page: A4

Regarding the story on the Sarnia Observer's website, March 23: Rural residents protest planned construction of 16 to 20 turbines despite strong vote opposing it. It's understandable that the council and residents of Dutton Dunwich are ...

Trump can't stop the clean energy movement, expert says

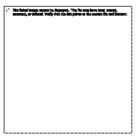
CBC.CA News - Thu Mar 30 2017, 5:07pm ET
Byline:CBC News

A new report from a B.C.-based energy think tank says clean energy is here to stay ? no matter what U.S. President Donald Trump does. On March 28, Trump signed an executive order to roll back Obama-era climate change regulations in a move he ...

Back to Top

IESO Mentions

Full Articles



Kathleen Wynne's $50 billion power spend adds up to little for Ontario ratepayers

Financial Post - Thu Mar 30 2017
Byline: Parker Gallant, Special to Financial Post

Ontario Energy Minister Glenn Thibeault claimed his government spent $35 billion fixing a broken electricity sector since coming to power in 2003. Premier Kathleen Wynne says it was $50 billion. But neither of them provided an accounting as to exactly what the money was spent on, and how it benefitted ratepayers.

Thibeault's $35 billion would represent spending $8,000 per residential ratepayer; Wynne's $50 billion $11,000 per ratepayer. Bear that in mind as you travel through my computations. Some of these are estimates from reasonable and reliable sources. The spending, initiated via more than 100 directives issued by a succession of Liberal energy ministers over the past 12 years, often had no connection to fixing anything, or generating electricity.

Total spending for frills and shiny baubles - $7.4-billion

First we have our "frills and shiny baubles" spending category, essentially money spent that neither created new generation nor improved transmission nor reduced blackouts or brownouts.

Spending on "smart meters," which Ontario's Auditor General in her report of December, 2014, concluded was basically wasted since "many of the anticipated benefits of Smart Metering have not been achieved and its implementation has been much more costly than projected." $2 billion

The smart grid was supposed to work in conjunction with smart meters. Consumers are all billed for the costs of developing the smart grid but the benefits accrue to only a few select individuals and companies. $1.2 billion

Closing the coal plants required Ontario Power Generation to write off the remaining value of the plants with the last one closed in 2014. $600 million

Costs of conservation programs, in which some consumers are paid to not consume while the costs between $300 million and $400 million annually are passed on to all ratepayers. $2.5 billion

Gas plant moves, from Mississauga and Oakville to Lambton and Bath, Ontario. $1.1 billion

Total spending for "frills and shiny baubles": $7.4-billion

Second, we have our "intermittent and unreliable" category, in which the province added wind and solar capacity that is unable to deliver generation when the wind isn't blowing and the sun's not shining.

Ontario's independent system operator shows the province will have installed wind and solar capacity of more than 7,000 MW as of March 31, 2017, including 4,650 MW of wind at a capital cost of $2.2 million per MW. $10.2 billion

Solar generation as of March 31, 2017 will total approximately 2,400 MW at a capital cost of $2.6 million per MW. $6.2 billion

Transmission spending by Hydro One to connect wind and solar to the grid and for embedded connection expenditures. $5 billion

Total spending for "unreliable and intermittent": $21.4-billion

Related

Kevin Libin: Kathleen Wynne's sleazy, desperate hydro ploy to fool Ontarians is, well, brilliant (business.financialpost.com)

Terence Corcoran: Canada's green electricity bailouts make the Bombardier giveaway look like peanuts (business.financialpost.com)

The Ontario power system's 'broken': Auditor General (business.financialpost.com)

Our third category is "photo-op generation," money spent on large hydro infrastructure projects producing little power but presenting politicians with great photo-ops.

Big Becky hydro power expansion, which went $600 million over budget to squeeze 150 MWs of capacity from Niagara Falls. $1.5 billion

Mattagami hydro power project, originally estimated at $1.6 billion to increase the rated capacity by 438 MW, went over budget by $1 billion. Before these two hydro projects were completed, OPG produced 30.6 TWh (terawatt hours) of hydro generation. Despite the addition of 588 MW of capacity, hydro generation in 2016 fell to 29.5 TWh. Generation data from March 21st indicates Mattagami generated power at about eight per cent of rated capacity, while all other hydro was operating at an average of about 50 per cent of rated capacity. $2.6 billion

Total spending for "photo-op generation": $4.1-billion

The fourth category is "value for money." Some of the claimed investments in generation actually provided some value.

The Bruce Nuclear refurbishment of two units came at a cost of $4.8 billion but, according to Ben Chin, former VP of the Ontario Power Authority, the cost to ratepayers was limited since shareholders were forced to accept a portion of the over-budget costs. $3.4 billion

Grand total to the end of 2016: $36.3 billion

This estimate comes reasonably close to the $35 billion claimed by the energy minister. But more spending is in the pipeline over the next 18 months, including another 500 MW of wind capacity with an estimated capital cost of $1.1 billion, 100 MW of solar for $300 million and 1,300 MW of gas at a rough cost of $900 million.

Total for what's still to come: $2.3 billion

Even if one includes the money still to be spent, the total investments (most of them wasted) are over $11 billion shy of the $50 billion Wynne claims has been spent.

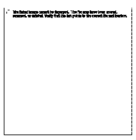
We need to see Thibeault's accounting, and Wynne's too, to allow Ontario's taxpayers and ratepayers to determine whether the spending has provided the claimed value for tax dollars.

Parker Gallant is a retired bank executive who looked at his power bill and didn't like what he saw.

Back to Top

Industry News

Full Articles



Hydro One CEO's $4.84M salary won't affect promised 25% cut to hydro bills

thestar.com - Thu Mar 30 2017
Byline: Rob Ferguson

The "very large" $4.84 million pay packet of Hydro One boss Mayo Schmidt won't stand in the way of a promised 25 per cent rate cut (www.thestar.com) on electricity bills, says cabinet minister Liz Sandals.

As opposition parties howled in outrage over $11 million (www.thestar.com) in salary and incentives shared by Schmidt and his four top executives, Sandals said Thursday that the cost has no impact on skyrocketing hydro bills.

That's because the money is a fraction of the cost of operating Ontario's multibillion dollar electricity system.

"The CEO's salary is not part of the equation," said Sandals, who controls the government's purse strings as president of the treasury board for Premier Kathleen Wynne.

"We recognize that it is a very high salary . . . regardless of salary, we will be making a 25 per cent cut for the residents," she added shortly before walking away from reporters.

Controversy over the Hydro One pay - released earlier this week as required under securities laws - foreshadowed Friday's release of the annual "Sunshine List" of provincial public sector workers earning $100,000 or more.

That list, which grows every year as more workers cross the threshold, has become a lightning rod for concerns about levels of public sector pay.

The Liberal government has repeatedly refused calls (www.thestar.com) from the Progressive Conservatives and New Democrats to force Hydro One to resume reporting the salaries of thousands of its employees earning $100,000 or more.

This will be the second year Hydro One is no longer on the Sunshine List because it became exempt when shares were first sold to the public.

The executive salaries are "proof just how out of touch the Wynne Liberals have become," said Progressive Conservative MPP Todd Smith, his party's energy critic.

NDP Leader Andrea Horwath said it is ironic the Liberals say on one hand that the government maintains majority control of Hydro One and yet Sandals acknowledges the CEO's compensation is huge.

"What it truly shows is that the Liberals have been talking out of both sides of their mouth when it comes to control over Hydro One," Horwath charged.

"It just shows the duplicity of this government."

Hydro One issued a statement earlier this week saying the new executive team has cut $25 million in costs - more than double their annual compensation - and improved customer service.

Smith said a Conservative government would introduce legislation ordering Hydro One back on the Sunshine List if elected next spring, but acknowledged that would be impossible if the Wynne administration sells more shares to lower its stake to 50 per cent or less.

So far, the government has sold 30 per cent of the shares in Hydro One (www.thestar.com) and is planning to sell another 30 per cent, leaving taxpayers with a 40 per cent stake.

The government says it will maintain majority control because no other shareholder is allowed to take more than a 10 per cent stake in the transmission utility.

Wynne is selling the shares to raise an estimated $9 billion to improve public transit and other infrastructure, as well as pay down debt in the electricity system.

Back to Top

Ontario's energy minister defends Hydro One CEO salary

CBC.CA News - Thu Mar 30 2017, 12:16pm ET
Byline:CBC News

Ontario's energy minister says despite repeated questions in the legislature about the salary of the CEO of Hydro One, the millions being paid in compensation has no effect on people's energy bills.

"The rates are set by the Ontario Energy Board, they're not set by the company," Glenn Thibeault said.

"The salary of the CEO has nothing to do with the rates that we're seeing on our bills."

Mayo Schmidt, the CEO of Hydro One took home more than $4.85 million last year in salary and benefits. The combined five-person executive made a total of $11 million.

"If we were to take all the salaries out, it still wouldn't even take one full cent off of everyone's bills," Thibeault said.

The Progressive Conservatives and the NDP have been asking questions about those salaries when people are struggling to pay their bills.

Thibeault touted the Liberals' 'Fair Hydro Plan' as a response to those complaints about the cost of electricity. The plan promises to reduce hydro bills by 25 per cent by refinancing long-term projects.

A complex system

Thibeault called Hydro One a complex organization, adding that qualified people need to be in charge. That costs money, he said.

"I know the salaries are high, especially when you compare it to everyday Ontarians, but the way I'm also looking at it is the CEO salaries are big on paper, but there is value in it becoming a better run company," he said.

The new executive has made strides in areas like advocating for cost reductions and conserving energy, he added.

"I get that it's concerning for people but really, if we were to look at taking all of the salaries away of all the executives, we wouldn't be addressing one cent on any one bill," Thibeault said.

Back to Top

Hydro One CEO $4.5M salary 'not part of the equation' of bill cuts: minister; Ontario 'sunshine list' to be released Friday

Canadian Press - Thu Mar 30 2017
Byline: Allison Jones

TORONTO - The $4.5 million in pay received by Hydro One's CEO is not a factor in the government's plan to cut electricity costs for consumers, an Ontario cabinet minister said Thursday amid opposition concerns about the executive's compensation.

Treasury Board President Liz Sandals made her comments on the eve of the release of the province's so-called sunshine list.

The annual disclosure of public-sector salaries over $100,000 will be released Friday, but Hydro One salaries such as that of company boss Mayo Schmidt won't be on it.

Though the government still owns most of Hydro One - 30 per cent has been sold - the company is required to follow the financial disclosure rules of publicly traded companies, which means disclosing the salaries of its CEO, CFO and next three highest-paid executives.

New filings show that Schmidt was paid $4.5 million in 2016 - an $850,000 salary plus bonuses - and those top five executives were paid a total of about $11.7 million.

"Clearly that's a very large amount," said Sandals.

Sandals wouldn't say whether or not she thought the pay was appropriate at a time when the government is trying to reduce system costs and cut people's hydro bills.

But she suggested the CEO's salary was not a factor in efforts to bring down hydro prices.

"The CEO salary is not part of the equation of will 'we be able to make the cut,'" she said. "Regardless of what those salaries are, we will make a 25-per-cent-off cut."

The cut coming this summer is actually an average of 17 per cent - the 25-per-cent figure factors in an earlier eight-per-cent rebate.

NDP Leader Andrea Horwath said the executive salaries are relevant to cutting hydro costs.

"All of this is cost of operating the electricity system, it's part of the operating of Hydro One and so of course those increased salaries are going to impact the cost of our electricity," she said.

Schmidt was appointed Aug. 31, 2015, and in the last four months of that year earned $1.3 million, but the former CEO was paid $745,000 in 2014. About 3,800 workers were paid over $100,000 that year, none of whom will be on the sunshine list this year.

Progressive Conservative energy critic Todd Smith has a private member's bill that would put Hydro One salaries back on the list.

"The Wynne Liberals don't want the people of Ontario to know that their rates have helped create a new millionaire's club at Hydro One," Smith said. "Hydro One is still under the majority ownership of the public, but Premier Kathleen Wynne has removed these salaries from the public's watchful eye."

The previous sunshine list showed 115,431 people were earning more than $100,000 - an increase of nearly 4,000 people despite the fact 3,774 Hydro One workers were not on the list for the first time.

Tom Mitchell, the former CEO at Ontario Power Generation who resigned last summer, topped the 2015 list at $1.59 million.

Back to Top

Possible sale of Wasaga utility heading for a public meeting

Collingwood Enterprise-Bulletin - Fri Mar 31 2017
Byline: Gisele Winton
Page: A1 / Front

No one can accuse Wasaga Beach of having apathetic citizens.

The Wasaga Beach council chamber was filled to standing room only again at Tuesady's meeting, many of whom support the Keep Wasaga Hydro Public group.

Mayor Brian Smith began the meeting by calling for respect from members of the audience and read the pertinent section of the procedural bylaw, saying that hecklers will be asked to leave.

The public consultation process regarding the possible sale of Wasaga Distribution Inc. has begun with a staff report calling for a public meeting in late April that would include seven speakers including Mark Rodger, a lawyer with Borden Lander Gervais LLP, who has a specialization in the sale of hydro utilities.

The staff report also calls for an expenditure of up to $45,000 that would cover the cost of the presentation and an online, telephone and in-person survey of public opinion regarding the possible sale of the town owned hydro utility, but the final decision will be made by council.

Since the sale was proposed to council last October, where Rodgers was one of the presenters supporting the sale, about 8,000 Wasaga Beach residents have signed a petition against the sale.

Robert Bortlisz said during the comment period that Wasaga Hydro is a "blue-chip stock that everyone would want to hold."

"A public meeting is a waste of time and money," he said, adding that perhaps the town should retain ownership and grow it rather than sell it.

Former Wasaga Beach Coun. Morley Bercovitch said that council asks for respect but doesn't give any to the citizens.

"This council has not respected the 7,000 people who signed a petition and the 3,200 people who put up a sign. They have given you a message and they should be heard," he said.

Bercovitch also said the panel for the meeting is slanted to the sell side by having Mark Rodgers on it.

"He has a vested financial interest in this process. If the sale goes through he stands to make $500,000."

Jenny Legget, communications and special projects co-ordinator, said later in the meeting, that the panel members were chosen to represent the status quo (not to sell), a merger option and the sale option, adding that the speakers' panel is not confirmed.

Her report states that Chris Litschko, CEO of Lakeland Holdings, will speak about a merger, Dennis Travale (former mayor Norfolk County) will speak to the sale and an eighth, unconfirmed, speaker Paul Ferguson, from Newmarket-Tay Power Distribution Inc, would speak about not selling.

Other speakers include Murray Elston, cabinet minister to Premier David Peterson, to speak about the economic valuation of local distribution companies (LDC) and Dr. Lawrence Murphy, of Henley International Inc., to speak about the economic valuation of LDC, Gordon Kaiser a former vicechair of the Ontario Energy Board and Tom Adams an independent energy consultant.

Bifolchi put forward a motion to stop the process of the public meeting and the sale of the utility.

It was defeated 4-3 with Deputy Mayor Nina Bifolchi,Coun. Sylvia Bray and Coun. Bonnie Smith voting for it.

Coun. Joe Belanger, who supported continuation of the possible utility sale process said the public should wait to hear about the economic benefits of the sale and to clear up any misconceptions.

"There has been a lot of misinformation presented to our public," he said.

Coun. Bill Stockwell said while he's made it public he doesn't support a sale but said it's important to gather the opinions of all members of the public through the survey process.

"The only thing that would change my mind is if the majority of the people say sell. We have a responsibility to listen to all the ratepayers."

However, Bifolchi pointed out that the phone survey company would consider a sample size of 200 to 300 to be statistically significant.

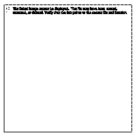
Bray moved a motion to delay the public meeting until the end of May, but keep it at the Wasaga RecPlex from 6:30 p.m. to 9:30 p.m. so that more snowbirds return home and staff has the opportunity to possibly change up the speaker line-up.

That was supported with a 6-1 vote, with Bifolchi voting against it.

Mark Winegarden, who has been leading the local Keep Hydro Public group said nobody in his group has been putting out erroneous information and that members have spent hours upon hours researching its facts and the electricity business.

He is organizing a bus from Wasaga Beach to go to Queen's Park April 8 to protest the province's push to consolidate LDCs. giselewintonsarvis@yahoo.com
Twitter.com/GiseleSarvis

Back to Top



Insult to injury in Dutton Dunwich

Sarnia Observer - Fri Mar 31 2017
Byline: Santo Giorno
Page: A4

Regarding the story on the Sarnia Observer's website, March 23: Rural residents protest planned construction of 16 to 20 turbines despite strong vote opposing it.

It's understandable that the council and residents of Dutton Dunwich are outraged. Despite an 84 per cent vote in favour of "not a willing host" status in a referendum, the province awarded a contract to Chicago-based Invenergy for its 54-MW Strong Breeze wind project in their community.

To add insult to injury, the provincial government has ignored a 1,400-signature petition asking for the cancellation of this project.

James Murphy, vice president of business development for Invenergy, stated: "We are well aware of the sentiment in the community and we are doing everything we can to help address it."

He's also well aware that the only way to address it would be to cancel the project, and that Invenergy will not give up the opportunity to vacuum an estimated $250 million directly out of the ratepayers' pocketbooks. His claim of "doing everything we can to help address it" consisted of parachuting hired experts into the community to offer vague assurances that the project will not cause harm.

Murphy also repeats the claim that this project has received 75 per cent support from adjacent landowners to the site. The word "support" is used a bit too loosely in this context and requires a closer look.

In what has been described as a pretence of giving some measure of participation to municipalities, the procurement process was amended so that projects with local support were supposedly given priority. This support could be a letter of endorsement from a municipal council, or, very coincidentally, from 75 per cent of the adjacent landowners.

Many developers offered financial incentives to municipalities that were willing to sign such letters. In Lambton County, the wind developers were quite blunt in their offers to municipal councils… sign a letter of support and if the project was approved, the developer would give the municipality a sum of money. If a letter of support was not signed and the project was approved anyway, the municipality would get nothing.

There have been anecdotal comments that much the same thing happened with adjacent landowners when leasing agents came looking for letters of support.

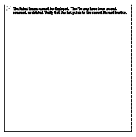
I would invite Mr. Murphy to acknowledge or refute that there was any payment offered for these letters. If money was indeed offered, then he's confusing resignation to the project's arrival as acceptance, and acceptance of Invenergy's blandishments as support.

Of all the municipalities suffering indignities by the wind industry and an indifferent provincial government, Dutton Dunwich surely stands out as one of the worst cases.

Santo Giorno

Camlachie

Back to Top



Trump can't stop the clean energy movement, expert says

CBC.CA News - Thu Mar 30 2017, 5:07pm ET
Byline:CBC News

A new report from a B.C.-based energy think tank says clean energy is here to stay ? no matter what U.S. President Donald Trump does.

On March 28, Trump signed an executive order to roll back Obama-era climate change regulations in a move he said will prioritize jobs in the oil and coal industry.

Merran Smith, the executive director of Clean Energy Canada at Simon Fraser University, says ultimately ? it won't make a difference.

"Donald Trump is not going to be able to fight back some of the basic facts about renewable energy," she said.

Smith said renewable, clean energy sources like solar and wind are increasingly cost-competitive.

Secondly, she said, the clean energy sector is a major employer.

According to a U.S. Department of Energy study, the number of jobs in the U.S. wind power industry rose by 32 per cent last year while solar power jobs rose by 25 per cent.

"Some of the biggest employers of solar and wind technicians are in Republican states ? places like Oklahoma, Iowa, Texas. These are jobs for rural people. They're electricians, they're welders, pipe fitters. These are Trump supporters that are being employed," Smith said.

"It's going to be challenging [to] bring coal jobs back."

Many environmental groups ? like the Pembina Institue and the Sierra Club ? have said the same thing, saying Trump is missing opportunities in the clean energy sector.

Fossil fuel producers, however, say the overturned regulations will give their industry a competitive advantage.

World at a tipping point

Smith's report says the clean energy movement has reached a tipping point.

It says some of the world's biggest polluters ? China, India and the United States ? are investing more heavily in clean energy technology rather than in fossil fuels.

Smith believes it's a good opportunity for Canada to get involved.

"There are big opportunities for Canada because we actually have a clean electrical grid [here]. Over 85 per cent of our electricity is non-emitting, non carbon polluting emitting, so we have a lot of expertise here," she said.

The industry, according to Smith, is practically unstoppable.

"With this growing energy demand, even Donald Trump can't kill this demand and the transition that's happening."

Listen to the full with Merran Smith on CBC's The Early Edition here:

Back to Top