

Rosemarie Leclair

From: Rosemarie Leclair
Sent: November 15, 2016 10:25 AM
To: John Bozzo; Lynne Anderson; Mary Anne Aldred
Cc: Neil Brodie
Subject: RE: OEB Morning News Summary - Tuesday, November 15, 2016

It seems to me the theme we should look into...is THESL and HONI...both are about profitability...and OEB rate making....
 Did HONI make out better because of their rate increase...
 Does the OEB "require" utilities to maintain a 60 -40..or is that just a deemed number...I expect many utilities are well beyond that...

Maybe something for Lynne's team at this point...then we can assess what our (standard) key messages are going to be for these and into the future ...

Rosemarie T. Leclair*Chair & CEO**Ontario Energy Board**2300 Yonge Street, Suite 2700**Toronto, Ontario**M4P 1E4**Tel: 416-440-7601**Fax: 416-440-7700**Email: rosemarie.leclair@ontarioenergyboard.ca*

From: John Bozzo
Sent: November-15-16 8:45 AM
To: Brian Hewson; Christine Long; Debra Hazelton; Elisabeth DaSilva; John Bozzo; Julie Mitchell; June Colman; Karen Nunno; Ken Quesnelle; Lynne Anderson; Martine Band; Mary Anne Aldred; Nancy Mintz; Neil Brodie; Peter Fraser; Rosemarie Leclair; Sarah Branco; Veronica Mendes
Subject: FW: OEB Morning News Summary - Tuesday, November 15, 2016

Good morning,

Here is the OEB news summary for Tuesday, Nov. 15.

OVERVIEW

The Toronto Star, Globe and Mail, CBC and Toronto Sun reported on yesterday's Toronto Hydro media release regarding cuts to the city's dividend. Reports suggest that bringing the dividend to \$25 million means the city is short \$35 million in its budget, which if spent, could be passed on to taxpayers. The Star reports the move was driven by Hydro's rising debt level compared to capital holdings — 63.3 per cent, above the ceiling favoured by the OEB and the bond-rating agencies that determine Toronto Hydro's borrowing costs. The Globe and Mail's story questioned the management of Toronto Hydro and reported that its CEO is denying the decision is connected to the company's push for privatization.

The National Post reports that Hydro One's revenues have risen six per cent year-over-year, citing changes in the OEB's approved distribution rates and unusually hot weather, which boosted peak transmission demand, as the main drivers.

Brian Hill reports at Global News that Ontario electricity customers could be subsidizing \$650 million in costs associated with connecting 16 remote First Nations communities to the province's electricity grid. The Wataynikaneyap Power transmission line will extend the province's electricity grid roughly 1,800 kilometres into northwestern Ontario at a cost of about \$1.9 billion, the article reports. Chair of Watay Power and the executive director of Shibogama First Nations Council is quoted in the article saying these communities are in a "crisis situation" and are in dire need of connection to the electricity grid. The Minister and IESO are quoted in the article and the RRRP is mentioned, but the OEB is not referred to.

Minister Thibeault was quoted in an article on Sudbury.com yesterday related to the Canadian Press' report on polling numbers showing 94 per cent of Ontarians want hydro relief. In the article, the Minister says the poll was not surprising and mentions the relief outlined in the Premier's Throne Speech as well as support programs like the OESP. The article can be read here: <https://www.sudbury.com/local-news/poll-results-calling-for-hydro-price-relief-not-a-surprise-said-thibeault-463999>

FLAGGED FOR DISCUSSION

**The following items will be discussed by the communications team on the daily media and issues call.*

- Brian Hill Story

SOCIAL MEDIA

There are no items of concern to report on social media this morning.

From: Infomart Newsletters

Date: Tuesday, November 15, 2016 at 7:52 AM

To: Jeff Blay

Subject: Morning News Clippings - Tuesday, November 15, 2016

[View in Browser](#)

Morning News Clippings

powered by: **infomart**

Date: Tuesday, November 15, 2016

Edited by: Lyan Khazanchi (Lyan.Khazanchi@ontarioenergyboard.ca)

[Contact Editor](#)

Clippings Summary

[News - 16 Results](#)



Toronto Hydro cutting dividend to City of Toronto | Toronto Star

www.thestar.com - Tue Nov 15 2016

Tone: **Neutral**

Permalink

Lyan Khazanchi noted on Tuesday, November 15, 2016

OEB mentioned

Toronto Hydro is slashing its annual dividend to the City of Toronto, blowing a \$35-million hole in the city's 2017 budget plan.



Hydro One upgraded after impressive results, large M&A seen ahead | Financial Post

business.financialpost.com - Tue Nov 15 2016

Tone: **Neutral**

Permalink

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Hydro One Inc. was upgraded to outperform from market perform at Raymond James following its easy beat of third quarter earnings expectations.



Toronto Hydro cuts city's dividend to \$25M - Toronto - CBC News

www.cbc.ca - Tue Nov 15 2016

Tone: **Neutral**

Permalink

Toronto Hydro announced Monday that it has reduced dividend payments to the City of Toronto to \$25 million per year, less than half of what it paid in 2015.



Canada's energy sector braces for rising threat from activists - The Globe and Mail

www.theglobeandmail.com - Tue Nov 15 2016

Tone: **Neutral**

Permalink

Canadian security experts are increasing their vigilance against activists' threats to the country's energy infrastructure, as civil-liberties advocates worry about the use of improper surveillance on peaceful opponents to major projects.



Toronto Hydro CEO denies dividend cut was related to privatization push - The Globe and Mail

www.theglobeandmail.com - Tue Nov 15 2016

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Permalink

Toronto Hydro says it is slashing the dividend it usually hands over to the city in order to deal with a cash-flow problem caused as the utility dramatically boosts spending on its aging power grid.



Ontario hydro customers could pay \$650 million to connect remote First Nations communities | Globalnews.ca

globalnews.ca - Tue Nov 15 2016

Tone: **Neutral**

Permalink

Despite recent promises from the federal government of more than \$185 billion in infrastructure spending over the next decade, Ontario electricity customers could soon be on the hook for up to \$650 million toward the cost of connecting 16 remote ...



December dates set to decide fate of Peterborough Distribution Inc.

Peterborough This Week - Mon Nov 14 2016

Tone: **Negative**

Byline: Jamie Steel

Ad Value: \$31

Reach: 47038

PETERBOROUGH - Despite a motion to defer, councillors have ratified the decision for staff to plan special meetings to deal with **Hydro** One's offer to buy Peterborough's **electricity** distribution company. At Monday's (Nov. 14) ...



Hydro gives city a \$35M headache

Toronto Sun - Tue Nov 15 2016

Tone: **Neutral**

Byline: Jenny Yuen

Ad Value: \$1,516

Reach: 171076 Page: A16

Hydro announced Monday it will reduce its \$60 million annual dividend payment to the City of Toronto - its sole shareholder - to \$25 million, leaving Toronto council with a \$35-million headache. Mayor John Tory and city councillors will ...



Ontario's good economic news still bad politics: Cohn

thestar.com - Tue Nov 15 2016

Tone: **Negative**

Byline: Martin Regg Cohn(<https://author.thestar.com/> »)

Reach: 999000

"The economy, stupid." That celebrated campaign credo helped Bill Clinton win the presidency in tough times a quarter-century ago. Today, that old Clintonian aphorism isn't sounding so smart. A growing economy didn't put Hillary Clinton (...



Oosterhoff, Brown talk hydro in Grimsby

St. Catharines Standard - Tue Nov 15 2016

Tone: **Neutral**

Byline: Maryanne Firth

Ad Value: \$1,399

Reach: 30196 Page: A3

When Tony Macri opened the Grimsby Diner three years ago, he didn't expect to have soaring **hydro rates** on his plate. But that's the reality the business owner is facing, with his **electricity** costs increasing up to ...

Political climate raises global temperatures

Toronto Star - Tue Nov 15 2016

Tone: **Negative**

Byline: Gillian Steward

Ad Value: \$24,922

Reach: 361323 Page: A13

What a difference a day makes. Last Tuesday, plans were firmly in place for a new carbon tax to be levied in Alberta in less than two months and likely in 2018 for the rest of the country. By Wednesday, with the election of Donald Trump as U.S. ...



Polling jolted wynne to action; 94% Of ontarians eager for hydro price relief

Ottawa Sun - Tue Nov 15 2016

Tone: **Neutral**

Byline: Allison Jones

Ad Value: \$1,463

Reach: 45442 Page: A5

The month before Ontario's Liberal government announced a **rebate** on **electricity** bills, internal polling suggested that a whopping 94 per cent of residents were eager for price relief. Polling commissioned by the government and ...

Upgrade to benefit company and province; Province contributes \$40-million grant to ArcelorMittal Dofasco energy-saving efforts

The Hamilton Spectator - Tue Nov 15 2016

Tone: **Neutral**

Byline: Mark McNeil The Hamilton Spectator

Ad Value: \$4,082

Reach: 103267 Page: A15

ArcelorMittal Dofasco is receiving \$40 million in government grants and incentives for **energy** upgrades that the company says will save enough **electricity** annually to **power** 19,000 homes. The technology being ...

CEO denies dividend cut was related to privatization push

The Globe and Mail - Tue Nov 15 2016

Tone: **Negative**

Byline: JEFF GRAY

Ad Value: \$16,031

Reach: 309154 Page: A7

Toronto **Hydro** says it is slashing the dividend it usually hands over to the city in order to deal with a cash-flow problem caused as the utility dramatically boosts spending on its aging **power** grid. But the decision, announced ...



No to public-private partnerships?

Toronto Sun - Tue Nov 15 2016

Tone: **Neutral**

Byline: Kevin Connor

Ad Value: \$1,167

Reach: 171076 Page: A5

Most Ontario residents want governments to stay away from public-private partnerships, according to a new poll. There is only 25% support for public-private partnerships when pursuing infrastructure development in Canada, says an Ipsos Reid poll ...



Political climate raises global temperatures: Steward

thestar.com - Tue Nov 15 2016

Tone: **Negative**

Byline: Gillian Steward(<https://author.thestar.com/> »)

Reach: 999000

What a difference a day makes. Last Tuesday plans were firmly in place for a new carbon tax(<http://www.alberta.ca/> ») to be levied in Alberta in less than two months and likely in 2018 for the rest of the ...

Clippings Summary

Full Articles



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[Ontario hydro customers could pay \\$650 million to connect remote First Nations communities | Globalnews.ca](http://globalnews.ca)

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[December dates set to decide fate of Peterborough Distribution Inc.](#)

Peterborough This Week - Mon Nov 14 2016
Tone: **Negative**
Byline: Jamie Steel

Ad Value: \$31
Reach: 47038

PETERBOROUGH - Despite a motion to defer, councillors have ratified the decision for staff to plan special meetings to deal with **Hydro One's** offer to buy Peterborough's **electricity** distribution company.

At Monday's (Nov. 14) council meeting, Peterborough's elected officials ratified the decision made at a special committee of the whole meeting on Oct. 31. The Halloween decision was to receive the recommendation to sell Peterborough Distribution Inc. and that the recommendation should be considered at a future special committee of the whole and special council meeting.

According to Allan Seabrooke, the City's chief administrative officer, those meetings will be Dec. 7 and Dec. 15, respectively, at Showplace and Market Hall.

Councillor Dean Pappas spoke against the earlier decision, urging his peers to defer the decision to host future meetings for consideration of the offer until February.

"I think it's premature at this point to direct staff to hold that special committee of the whole and council meeting," said Coun. Pappas.

"We haven't done our due diligence on this."

Coun. Pappas added he wanted staff to be able to compile all public feedback in a detailed report to council prior to any potential special meeting, doubting the current timeline would allow for adequate consideration.

When asked by Councillor Henry Clarke, Seabrooke confirmed the plan for the

December meetings would give staff enough time to build a comprehensive report for consideration.

"That says it all, I'm not supporting the deferral," responded Coun. Clarke.

Although Councillors Baldwin and Riel also spoke in favour of deferring the decision, noting they didn't understand the rush and felt additional time would allow for a more balanced report, the motion by Coun. Pappas failed and six votes carried the Oct. 31 decision.

At the special meetings, in addition to the compilation of the community feedback collected through the engagement process, council will also hear from Navigant Consulting, the firm hired to analyze the offer and possibly provide a recommendation about what action the City should take.

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Hydro gives city a \$35M headache

Toronto Sun - Tue Nov 15 2016

Tone: Neutral

Byline: Jenny Yuen

Ad Value: \$1,516

Reach: 171076 **Page:** A16

Hydro announced Monday it will reduce its \$60 million annual dividend payment to the City of Toronto - its sole shareholder - to \$25 million, leaving Toronto council with a \$35-million headache. Mayor John Tory and city councillors will have to fill that hole when they set the city's 2017 budget in February.

Hydro officials say they need to invest in infrastructure upgrades in order to maintain the safety and reliability of the **energy** grid.

Toronto **Hydro** "This isn't a new issue, but it's an issue we are signalling requires some action ... We get money from **rates** to make capital investments, but we pay the upfront costs. If we put a pole in and we pay \$10,000 and recover that over 40 years. you can imagine this upfront cost is putting pressure on our capital structure, particularly because we've been making a lot of investments in the grid to help with reliability," said spokesman brian buchan.

Keerthana Kamalavasan, spokesman for mayor "The mayor is concerned about the impact this will have on the upcoming budget. City staff and the budget committee will review this as part of the upcoming budget process. This decision only further underscores how the city is playing catch up when it comes to our outdated and ageing infrastructure. We took years off building transit, and repairing our roads and infrastructure. This is another example of how we need to make up for lost time ... Later this month, the city manager will release a report that will look at the financial health of our city, and what steps we can take to move forward. The mayor awaits that report."

Councillor Gord Perks: "**Hydro** recently had a **rate** increase so there's no reason they should be doing this. Their claim they're having trouble meeting their capital needs is just false.

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Ontario's good economic news still bad politics: Cohn

thestar.com - Tue Nov 15 2016

Tone: Negative

Byline: Martin Regg Cohn(<https://author.thestar.com/> »)

Reach: 999000

"The economy, stupid."

That celebrated campaign credo helped Bill Clinton win the presidency in tough times a quarter-century ago.

Today, that old Clintonian aphorism isn't sounding so smart. A growing economy didn't put Hillary Clinton (www.thestar.com) over the top in last week's presidential election.

And as goes America, so goes Ontario:

Our provincial economy grows stronger. Yet the Liberal government grows weaker.

By most measures, Kathleen Wynne has presided over a wave of unprecedented job creation, infrastructure investment and deficit reduction since becoming premier in 2013. But the good fortune of better economic numbers (www.thestar.com) has brought only bad political luck - and worsening polling numbers.

Look at the data in Ontario's annual fall economic statement (www.thestar.com), released Monday:

Unemployment, which keeps people (and politicians) awake at night, is falling to historic lows: 6.6 per cent this year, and declining steadily.

Economic growth, the elixir of employment, reached 2.5 per cent for all of last year - better than the rest of Canada (0.9 per cent) and Germany (1.7 per cent). It will reach the same level for 2016 (exceeding the 2.2 per cent projected just six months ago in the spring budget). Exports are also growing.

The province has kept its own public sector wage increases at a mere 0.6 per cent a year since mid-2012 - well below what Stephen Harper's Conservatives negotiated during the same period (1.7 per cent), or private sector pay hikes (1.9 per cent), while still maintaining robust economic growth.

And Queen's Park is cashing in on the controversial sale of **Hydro One** (www.thestar.com), its **electricity** transmission utility. Despite my past columns criticizing (www.thestar.com) the decision, I give privatization czar Ed Clark grudging credit for at least getting top dollar for the publicly owned asset, selling off two 15-per-cent tranches that have benefited from a rising share price to raise \$3.4 billion so far.

For all those reasons, the budget deficit, which peaked at \$19 billion after the 2008 economic slump, is down to \$4.3 billion today. Despite unexpected hurdles, it will still be eliminated next year - no thanks to the auditor general, who ambushed the government last summer with a sudden change to her own accounting rules (www.thestar.com) that wiped billions of dollars in pension surpluses off its books.

Queen's Park will balance the budget despite an expensive promise made in September - belatedly (and foolishly) acquiescing to opposition pressure for a tax **rebate** on **hydro** bills. Eliminating the 8-per-cent provincial portion of the **HST** will add \$1 billion a year to provincial spending, money that could and should have gone to paying down the debt.

Ontario still has a massive - and excessive - debt overhang of more than \$300 billion piled on from decades of overspending by all three parties in **power**. Interest on that debt will rise to more than \$12 billion a year, but would be much higher if borrowing **rates** weren't as attractive as they are today.

Part of that huge debt is deceptive, because it includes the tens of billions of dollars going into infrastructure investments that will pay economic and social dividends for decades. More than \$160 billion has been allocated through 2026

for public transit, road gridlock, hospitals, schools and child care.

True, uncertainty remains high in an era of precarious employment, de-industrialization and growing income disparities - not just demographic but geographic. Growth is concentrated in what I call the KW-GTHA-NCR corridor extending from Kitchener-Waterloo through Hamilton and the GTA to the National Capital Region. Rising costs, notably higher **hydro** bills, have stoked resentment.

But the overall numbers speak for themselves and are far removed from the doomsday scenarios many feared just a few years ago. This is about as good as it gets for a manufacturing and trading economy.

And yet on the political front, the numbers are about as bad as they get for a premier. A Forum Research poll (www.thestar.com) published by the Star last month shows the Liberals languishing at 24-per-cent voter support, essentially tied with the third-place NDP (23 per cent) while the Conservatives soared to 43 per cent. Wynne's favourable rating fell to 14 per cent, the lowest level ever recorded for a sitting premier.

As leading indicators go, that's a grim outlook. Wynne has averted an economic recession only to fall victim to a political depression.

All these years later, it's more than "the economy, stupid." While bad economic news can be good for insurgent politicians, good economic news doesn't inoculate incumbent political parties.

Welcome to the politics of economics.

Martin Regg Cohn's political column appears Tuesday, Thursday and Saturday. mcohn@thestar.ca (<mailto:mcohn@thestar.ca>), Twitter: @reggcohn

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The Standard

Oosterhoff, Brown talk hydro in Grimsby

St. Catharines Standard - Tue Nov 15 2016

Tone: **Neutral**

Byline: Maryanne Firth

Ad Value: \$1,399

Reach: 30196 Page: A3

When Tony Macri opened the Grimsby Diner three years ago, he didn't expect to have soaring **hydro rates** on his plate.

But that's the reality the business owner is facing, with his **electricity** costs increasing up to 30 per cent per month in 2016 over the previous year.

Macri, with **hydro** bills in hand, sat down with Ontario Progressive Conservative Leader Patrick Brown and Niagara West-Glanbrook byelection candidate Sam Oosterhoff Monday to share his concerns.

Brown was in town to give a boost of support to Oosterhoff, the 19-year-old social conservative whose name will appear alongside eight others on Thursday's ballot to fill the seat left vacant in September by longtime MPP Tim Hudak. Macri explained to the pair that his Main Street eatery, which serves up breakfast and lunch daily, is open mainly during **hydro's** peak **time-of-use** hours, making it difficult to find ways to save.

"I can't cook breakfast at nine o'clock at night," he said, adding there's little he can do to adjust his 7 a.m. to 3 p.m. operating hours. "There's no consideration for businesses that run that way."

Summer months have been particularly hard on the diner owner's wallet, with air conditioning running up his **hydro** bill.

In August 2015, Macri's **electricity** cost him about \$1,000. That same month this year, the cost climbed to just under \$1,400.

"That's a big jump right there," he said.

With no new equipment to credit for the change, he chalks it all up to skyrocketing **hydro rates**. To keep up with those inflated costs, Macri has had to increase his own prices twice in the past two years, which has caused a "trickle-down effect" felt by his customers.

Brown called the situation "unacceptable."

"Our worry is how does a small business succeed in this environment? It's too much weight. It makes it too difficult. The government has to do better by you."

People are "living in **energy** poverty," he said, and small businesses are struggling.

Brown, who wants to put a stop to what he called the "short-sighted" **Hydro** One sale, said change will begin with bringing forward real-life examples of the impact **hydro rates** are having on Ontarians.

"I'm hoping Sam can join me at Queen's Park to help push that."

Oosterhoff said **hydro** was by far the most prominent issue heard from residents while he was campaigning in the riding.

"It's hurting small business owners, large business owners, young families, all the way up to seniors on a fixed income," he said. "Everyone is hurt by this. Every community

is affected by it and it's a crisis. People are saying that across the board ... That comes up at every single door. We need change."

Oosterhoff said **hydro** costs are helping to drive jobs out of the province and making it near impossible for small manufacturers to remain competitive in the market.

And worse, Brown added, "we're subsidizing our competitors in the industrial manufacturing sector" by providing **electricity** to Michigan, Pennsylvania and New York. Ontarians "deserve better," Oosterhoff said, adding he's "excited to work with the PC caucus to bring a better reality."

Brown feels Oosterhoff, if victorious, will give the party "a lot of momentum" to continue the fight through to the 2018 provincial election.

"We're going to make sure we have competitive **energy** prices. This is our No. 1 priority."

In addition to Oosterhoff, Thursday's ballot will include Liberal Vicky Ringuette and New Democrat Mike Thomas. Also vying for the seat are Donna Cridland, Green Party of Ontario; Stefanos Karatopis, Ontario Libertarian Party; Martin Poos, independent; Arthur Smitherman, Canadian Constituents' Party of Ontario; Greg Vezina, None of the Above Party; and Queenie Yu, Stop the New Sex-Ed Agenda.

mfirth@postmedia.com Twitter: @mfirthStandard

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Political climate raises global temperatures

Toronto Star - Tue Nov 15 2016

Tone: **Negative**

Byline: Gillian Steward

Ad Value: \$24,922

Reach: 361323 Page: A13

What a difference a day makes.

Last Tuesday, plans were firmly in place for a new carbon tax to be levied in Alberta in less than two months and likely in 2018 for the rest of the country.

By Wednesday, with the election of Donald Trump as U.S. president, all those plans were looking more than a little wobbly and even irrelevant.

Trump is a **climate**-change denier and a big promoter of the petroleum and coal industries, two large-scale carbon emitters that have to be reined in if the disastrous effects of an overload of heat-trapping greenhouse **gases** in the atmosphere are to be avoided.

The U.S. is by far Canada's most important customer when it comes to selling oil. With Barack Obama and his push for policies that would decelerate **climate** change, it was wise for Canada and Alberta to adopt similar policies, such as carbon taxes and emission caps on oilsands extraction projects.

Both the Alberta government and industry leaders knew they had to do something to refute the notion that our oil, especially oil from the tarsands, is dirty and a leading source of greenhouse **gases** if they were to win public approval outside the province. But now what?

If Trump pulls the U.S. out of international **climate**-change agreements that were finally negotiated last year after overcoming decades of resistance, Canada's lone efforts to slow carbon emissions won't make much of a dent in the global picture. And it will leave us at an economic disadvantage because there won't be any carbon taxes hampering the industry in the U.S.

If Trump approves the controversial Keystone XL oil pipeline (he has said he would if elected), which would extend from Alberta to refineries on the U.S. Gulf Coast, would this negate the need for controversial Canadian pipelines, such as Trans Mountain to the West Coast and **Energy** East to the East Coast?

If Justin Trudeau gives the green light to Trans Mountain - a decision he has to make within the next month and before Trump takes office - will it ever be built?

Resistance among First Nations and environmentalists in B.C. is fierce. They are not going to sit by quietly if it gets the go-ahead. One only has to look at the protest camp in Standing Rock, N.D., to realize this could happen here. Trump's promotion of fossil fuels, no matter the consequences, will galvanize both indigenous and environmental activists here and in the U.S.

And then there is the question of employment and well-paying work.

That's one of the messages from the U.S. election that needs to be taken seriously in Canada as well.

For despite government leaders moving ahead with **climate**-change action plans that include carbon levies, shuttered coal plants and more **renewable energy**, it's hard to see at this point how and when the old jobs, many of which have already disappeared because of the plunge in the price of oil, are going to be replaced by newer and better jobs.

This applies to Ontario's manufacturing sector as well as western resource-based economies.

I've heard a lot of statistics about this. How the demand for **solar** and **wind** farms, for geothermal, will create thousands of jobs. But I am not yet convinced this is going to be an easy transition for people who need to pay rent or a mortgage and have long relied on a thriving oil industry for a paycheck. And I don't think they are convinced either.

It doesn't mean they can't be convinced, but at this point there is a big gap between what politicians are promising for the future and how we are actually going to get there without a lot of people losing out in the short term.

Trump took advantage of that gap in the U.S. and it paid off for him.

It could well pay off for politicians here, such as the Wild Rose Party in Alberta and the Conservatives in Ottawa, who lean to Trump's **climate**-change denial and promotion of the fossil fuel industry no matter the consequences.

Yes indeed, the political **climate** has changed drastically.

Gillian Steward is a Calgary writer and former managing editor of the Calgary Herald. Her column appears every other week. gsteward@telus.net.

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Polling jolted wynne to action; 94% Of ontarians eager for hydro price relief

Ottawa Sun · Tue Nov 15 2016

Tone: **Neutral**

Byline: Allison Jones

Ad Value: \$1,463

Reach: 45442 Page: A5

The month before Ontario's Liberal government announced a **rebate** on **electricity** bills, internal polling suggested that a whopping 94 per cent of residents were eager for price relief.

Polling commissioned by the government and obtained by The Canadian Press through a freedom-of-information request shows steadily increasing concern among Ontarians about their **hydro rates** in the months ahead of the Liberals' pledge to take eight per cent off bills.

The August survey had 83 per cent of people saying it was "very important" that the government control **electricity** prices. A further 11 per cent said it was somewhat important and a mere four per cent said it was "not at all" important, with a small number saying they didn't know. Fewer than half said the government was doing a good job of it.

The message in those responses was unequivocal, but even months before the September **hydro** relief announcement the numbers were bad for the Liberals.

In June, 90 per cent of respondents said they were concerned about the cost of **electricity**. And 64 per cent said the government should prioritize affordable **electricity** over **climate** change initiatives.

A month later, 94 per cent of people said it is important that the government control **electricity** prices. The same percentage said their **electricity** bills had become much more or somewhat more expensive in the past five years.

A Sept. 1 byelection loss of a Liberal seat prompted a contrite Premier Kathleen Wynne to say she heard loud and clear from voters that **hydro** bills were too high and she needed to focus on "helping people with their everyday expenses."

Days later, in her government's throne speech opening the fall session of the legislature, she announced that Ontario's eight-per-cent slice of the **HST** would be taken off **hydro** bills starting in January.

That polling had confirmed what the government already knew, Wynne said.

Electricity prices have become a major political problem for the Liberals. In addition to citing it as a factor in their byelection loss, rural Ontarians booed Wynne at the International Plowing Match when she mentioned **hydro**, and the Liberal candidate in a Niagara West-Glanbrook was booed and jeered at a recent debate over **hydro rates**.

The **rebate**, which will cost taxpayers about \$1 billion a year, is expected to save the typical Ontario household about \$130 a year, and the government projects additional savings of about \$540 a year for rural **electricity** customers.

The Liberal government also recently cancelled green **energy** plans that will keep \$2.45 a month from being added to **hydro** bills, and has scrapped the **debt retirement charge** and deferred construction of two new nuclear reactors at Darlington, avoiding up to \$15 billion in new construction costs.

But auditor general Bonnie Lysyk has said the **electricity** portion of **hydro** bills for homes and small businesses rose 70 per cent between 2006 and 2014, and critics note that the eight-per-cent **rebate** comes a year after the Liberals ended a 10-per-cent Clean **Energy** Benefit.

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Upgrade to benefit company and province; Province contributes \$40-million grant to ArcelorMittal Dofasco energy - saving efforts

The Hamilton Spectator - Tue Nov 15 2016
Tone: **Neutral**
Byline: Mark McNeil The Hamilton Spectator

Ad Value: \$4,082
Reach: 103267 **Page:** A15

ArcelorMittal Dofasco is receiving \$40 million in government grants and incentives for **energy** upgrades that the company says will save enough **electricity** annually to **power** 19,000 homes.

The technology being developed uses surplus steam and steam converted from waste **gases** that when fully operational will generate 170,000 MWh of annual **electricity** savings, the company says.

Ontario **Minister of Energy** Glenn Thibeault was in Hamilton Monday to announce the development, saying the government support is part of a series of initiatives to help companies reduce **energy** costs to help them become more competitive while at the same time lowering **electrical** demand on the grid and reducing greenhouse **gases**.

Sean Donnelly, president and CEO of ArcelorMittal Dofasco, says the government grants "allowed us to accelerate our plans and move various projects forward."

The announcement comes at a time when the Premier Kathleen Wynne's government is under fire for skyrocketing **electricity** costs across the province.

But Thibeault argued the grants to Dofasco and other companies are partly aimed at lowering **electricity** costs across the board.

"It means our entire system will actually see a savings, which actually drives down prices for everyone. Conservation is the key for us to ensure we meet demand and keep costs low," he said.

"Programs like this are saving the company tens of millions of dollars, at the same time conserving **energy**. And by doing that, it drives the **rates** down."

There are two projects at ArcelorMittal Dofasco receiving provincial support:

The first initiative - called the Turbo Generator 2 project - has been in service since April 1. It's a \$15-million upgrade that received a \$10-million grant from the provincial fund known as the Industrial Accelerator Program. The company says the project is creating 41 jobs annually and is anticipated to result in 49,000 MWh of annual **electricity** savings.

The second initiative - called the Utilities Boiler and **Power** Generation project - is just starting construction to go into operation at the end of 2018. It's a \$112-million project that will receive a \$30-million incentive from the Independent **Electricity** System Operator (**IESO**), which monitors and co-ordinates Ontario's **power** supply. The project is estimated to create 40 jobs annually and anticipated to result in about 129,000 MWh of annual **electricity** savings.

Donnelly said **electricity** costs Dofasco \$135 million a year, the third highest cost behind raw materials and labour.

The company, he said, is always looking at ways to save on **energy** costs. The two innovations announced Monday will save enough **electrical power** to meet the needs of a community the size of Newmarket, he said.

"In an **energy**-intensive, trade-exposed industry like steel, we are always looking for the best technology.

"Whatever technologies exist, we will do everything within our **power** to adopt and innovate technologies at Dofasco."

ArcelorMittal Dofasco is Hamilton's largest private-sector employer with more than 5,000 employees.

mmcneil@thespec.com

905-526-4687 @Markatthespec

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CEO denies dividend cut was related to privatization push

The Globe and Mail - Tue Nov 15 2016

Tone: **Negative**

Byline: JEFF GRAY

Ad Value: \$16,031

Reach: 309154 Page: A7

Toronto **Hydro** says it is slashing the dividend it usually hands over to the city in order to deal with a cash-flow problem caused as the utility dramatically boosts spending on its aging **power** grid.

But the decision, announced by Toronto **Hydro**'s board of directors on Monday, comes amid mounting talk of a possible sell-off of the publicly owned utility, which has been floated as a way for the city to raise money for public transit or affordable housing.

The dividend decision will cap the annual cheque the utility hands to the city, which is its sole shareholder, at \$25-million for both this year and next.

That's less than half the dividend from last year, which came in at \$56-million.

The move leaves a sizable hole in the cash-strapped city's budget. But it has also raised questions about Toronto **Hydro**'s financial management, and whether the move is partly aimed at smoothing the path toward the sale of at least part of the utility.

Toronto **Hydro** has reportedly hired political consultants who worked on Mayor John Tory's election campaign to drum up support for a sale. A city staff report on whether to sell part of the utility or other city assets, as well as to raise new fees or taxes, is due next week.

A key argument for city councillors who oppose a sale is the city's financial dependence on the dividend, which is used every year to plug holes in the operating budget.

Speaking to reporters on Monday, Toronto **Hydro** chief executive officer Anthony Haines denied that there was an ulterior motive behind the dividend decision, or that the move was part of a conspiracy designed to make privatization easier: "It's not the case. You asked me about a conspiracy theory and I am saying I am not aware of any."

Incoming Toronto **Hydro** board chairman David McFadden, an **energy** lawyer with Gowling WLG, said the board's move to slash the dividend was driven by its need to keep its debt-to-equity ratio in check. In order to keep its lenders and its regulators happy, the utility is supposed to maintain a 60-40 debt-equity ratio.

But Mr. McFadden said that, with the intense borrowing for plans to both fix aging infrastructure and meet the **power** needs of Toronto's growing downtown, the debt-equity ratio had deteriorated, with its debt sitting at 63 per cent.

The issue had been discussed at the board for almost a year, he said. Bond-rating agencies had warned Toronto **Hydro** in the spring that it faced a downgrade - meaning borrowing money would become more expensive - if it did not address the problem.

With the city unlikely to pitch in more equity, Mr. McFadden said, Toronto **Hydro** was left with the option of cutting the dividend. However, within three years, he said, the utility would likely be able to return to providing Toronto with a full dividend.

"We were stuck in a really difficult situation," he said. "... This is a short-term issue to try to get our debt-equity ratios in line."

According to a set of shareholder instructions approved by city council, Toronto **Hydro**'s board of directors is obligated to either hand over a dividend of a minimum of \$25-million a year or half of its net income, whichever is greater. But the declaration of dividends is still subject to the board's fiduciary duty to act in the utility's best interest.

Mr. Tory, who has ensured the appointment of numerous allies to Toronto **Hydro**'s board, was in Israel on a trade mission on Monday. His spokeswoman, Amanda Galbraith, said in a statement that the mayor was concerned about the effect of the dividend cut on the city's budget, and that staff and the budget committee would review the move.

Councillor Gord Perks, a left-leaning critic of the centre-right mayor and a former Toronto **Hydro** board member, said the dividend cut would make the city's 2017 budget much harder to balance without a steeper hike in property taxes.

He also said it appeared that the utility had dropped the ball on its own finances: "Two years in, and the mayor's hand-picked board of Toronto **Hydro** doesn't seem to know what they're doing."

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No to public-private partnerships?

Toronto Sun - Tue Nov 15 2016

Tone: **Neutral**

Byline: Kevin Connor

Ad Value: \$1,167

Reach: 171076 Page: A5

Most Ontario residents want governments to stay away from public-private partnerships, according to a new poll.

There is only 25% support for public-private partnerships when pursuing infrastructure development in Canada, says an Ipsos Reid poll conducted for the Ontario Public Service Employees Union.

The survey found that support for public-private partnerships dropped - from 70% to 25% - after the recent auditor general's report showed that, in the past decade, such deals have resulted in \$8 billion in extra costs for the province.

OPSEU - which wants organizations such as Ontario **Hydro** and the LCBO to stay in public hands - held a rally downtown Monday with about 100 supporters. The union launched its protest on the day Prime Minister Justin Trudeau was in town to meet with business people to discuss private-public partnerships. Premier Kathleen Wynne was also engaged in infrastructure talks.

OPSEU president Warren Thomas said there should not be any deals made behind closed doors.

"There is no surprise that (these) meetings on privatization and public-private partnerships are being held behind closed doors," he said.

"When people find out how much contractors are skimming off the top, they don't want anything to do with it. Unfortunately for the public, the Liberals in Queen's Park and in Ottawa are being led down the garden path by wealthy investors just looking for a pay day."

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Political climate raises global temperatures: Steward

thestar.com - Tue Nov 15 2016

Tone: **Negative**

Byline: Gillian Steward(<https://author.thestar.com/> »)

Reach: 999000

What a difference a day makes.

Last Tuesday plans were firmly in place for a new carbon tax (www.alberta.ca) to be levied in Alberta in less than two months and likely in 2018 for the rest of the country.

By Wednesday with the election of Donald Trump as U.S president all those plans were looking more than a little wobbly and even irrelevant.

Trump is a **climate** change denier and a big promoter of the petroleum and coal industries, two large scale carbon emitters that have to be reined in if the disastrous effects of an overload of heat-trapping greenhouse **gases** in the atmosphere are to be avoided.

The U.S is by far Canada's most important customer (www.eia.gov) when it

comes to selling oil. With Barack Obama and his push for policies that would decelerate **climate** change it was wise for Canada and Alberta to adopt policies, such as carbon taxes and emission caps on oilsands extraction projects.

Both the Alberta government and industry leaders knew they had to do something to refute the notion that our oil, especially oil from the tarsands, is dirty and a leading source of greenhouse **gases** if they were to win public approval outside the province.

But now what?

If Trump pulls the U.S out of international **climate** change agreements that were finally negotiated last year after overcoming decades of resistance, Canada's lone efforts to slow carbon emissions won't make much of dent in the global picture. And it will leave us at an economic disadvantage because there won't be any carbon taxes hampering the industry in the U.S.

If Trump approves the controversial Keystone XL oil pipeline (he has said he would if elected), which would extend from Alberta to refineries on the U.S Gulf Coast, would this negate the need for controversial Canadian pipelines, such as Trans Mountain to the west coast and **Energy** East to the east coast?

If Justin Trudeau gives the green light to Trans Mountain - a decision he has to make within the next month and before Trump takes office - will it ever be built?

Resistance among First Nations and environmentalists in B.C. is fierce. They are not going to sit by quietly if it gets the go ahead. One only has to look at the protest camp (www.cbc.ca) in Standing Rock, N.D., to realize this could happen here. Trump's promotion of fossil fuels, no matter the consequences, will galvanize both indigenous and environmental activists here and in the U.S.

And then there is the question of employment and well-paying work.

That's one of the messages from the U.S. election that needs to be taken seriously in Canada as well.

For despite government leaders moving ahead with **climate** change action plans that include carbon levies, shuttered coal plants, more **renewable energy**, it's hard to see at this point how and when the old jobs, many of which have already disappeared because of the plunge in the price of oil, are going to be replaced by newer and better jobs. This applies to Ontario's manufacturing sector as well as western resource-based economies.

I've heard a lot of statistics about this. How the demand for **solar** and **wind** farms, for geothermal, will create thousands of jobs. But I am not yet convinced this is going to be an easy transition for people who need to pay rent or a mortgage and have long relied on a thriving oil industry for a pay cheque. And I don't think they are convinced either.

It doesn't mean they can't be convinced but at this point there is a big gap between what politicians are promising for the future and how we are actually going to get there without a lot of people losing out in the short term.

Trump took advantage of that gap in the U.S and it paid off for him.

It could well pay off for politicians here, such as the Wild Rose Party in Alberta and the Conservatives in Ottawa, who lean to Trump's **climate** change denial and promotion of the fossil fuel industry no matter the consequences.

Yes indeed, the political **climate** has changed drastically.

Gillian Steward is a Calgary writer and former managing editor of the Calgary Herald. Her column appears every other week. gsteward@telus.net (<mailto:gsteward@telus.net>)

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