

We would like to respond to WUTC request for public input on the proposed “buy out” of Avista by the “Canadian” based Hydro One. Our opinions are based on the information found in the article below. Based on this information we have serious concerns that this “merger” will adversely affect both private house holds and commercial business currently using Avista as their source of electricity.

One has to seriously consider the consequences if the claims stated in this article are even partially true. The danger that families could loss their homes and property, and that businesses will close and industry move to friendlier locations seems very real. Then who will buy this devalued land and property? The “unnamed 51%” of Hydro One share holders? Leaves us wondering.....PLEASE REJECT THIS PROPOSAL FOR THE SAKE OF CURRENT AVISTA CUSTOMERS!!!!!!

The Way It Is With Hydro One

Hydro One, a provider of electric power in Ontario, Canada wants to acquire Avista Corp., the former Washington Water Power Company, headquartered in Spokane, in a CN\$6.7 billion July 2017 deal and approved by shareholders last month. The deal affects the way electricity is provided to Avista’s customers that stretch across a 30,000 square mile area. Following is what we have learned that affects Avista’s 377,000 customers in five states of Washington, Oregon, Idaho, Montana, and Alaska.

- Utility commissions in these five states must approve the merger with *HydroOne*, a review process that will begin in February 2018. A yet-to-be-named Canadian holding company will take ownership of Avista but it’s unclear how this shields Avista customers from human hardships and job-killing¹ experiences by Ontarians caused by Ontario’s **Green Energy Act, 2009**².

- *Hydro One's* electric costs rocketed to North America's highest cost electricity in 2015 at 29.9 cents/kilowatt hour (low density urban), a direct result of green energy laws. *Hydro One* already promised increases to 66.2 cents in 2018 and 83.9 cents in 2019, a level 12 times larger than Avista's 2016 small business rate of 7.1 cents per kilowatt-hour and 35 times larger than Washington's Chelan and Douglas County PUDs 2.36 cents/kwhr rate³.
- Ontario's seniors cannot afford *HydroOne's* electricity. One in 20 businesses closed, including grocers. Ruralites now rely on backyard generators and families must weigh paying electric bills against feeding children⁴. 59,000 households were cut off that couldn't pay bills.
- *HydroOne's* service is poor. It charges ratepayers more for deteriorating service yet ignored 10,000 complaints about high costs. Outages are 30% longer, 24% more frequent. Their transmission system is in considerable disrepair, the least reliable of Canada's distribution companies⁵. Ontario's Auditor General slams its electricity sector as dysfunctional and customers overpaid \$37 billion for electricity.
- 73% of Hydro One's utility charges are for *global adjustment and delivery fees* while just 27% is for electricity used. Ontario electricity powers energy poverty⁷. Economists and company CEO's say rates are causing 'serious harm.'
- *HydroOne* is a two-year-old quasi-private/public company, a monopoly, exempt from public oversight, FOIA requests, customer complaints and its Sunshine list. The Province's HydroOne ownership is 70%.



- If the deal is approved, Avista customers will share responsibility in Ontario's *Green Energy Act* and *HydroOne's* carbon emissions mandates that become increasingly cost-prohibitive on 2020, 2035 & 2050 timelines. This *Act* and the *Canada-wide* \$50 per ton tax on carbon do not represent Avista customer's best interest. The *Act* will increase customer costs another 1,230% by **Cap and Trade** (C&T) mandates beginning now. **Cap and Trade** is but an unregulated liberal-minded means of fleecing utility customers

for a useless purpose and under false pretense. For example, consumers are compelled to share pass-through costs for a carbon tax as they purchase Canadian products from, i.e., a B.C. company's 2016 \$55 million carbon tax bill.

- *HydroOne* now owns Avista's 13 hydro-electric dams (with 1,024 MW of capacity) on the Columbia River and in Alaska. In *Cap and Trade* terms, HydroOne may refashion Avista's hydro dam assets located in Washington, Idaho, and Montana into "clean energy credits", a maneuver enabling Hydro One to avoid paying California's (or Ontario's) \$8 billion climate exchange fees to satisfy the *Green Energy Act's* C&T 2020 mandate. The transfer of dams likely assures the Avista Territory's loss of preference to Avista's electric power on the Columbia River system⁸.
- Ontario's *Green Energy Act* prohibits its use of coal-fired plants, once its cheapest and most reliable electricity, but *Hydro One* has given Avista a pass for a time on retaining its 233 megawatts of thermal-coal generation in Montana which supplies 33% of Avista's thermal electricity. The *Act* mandates that wind turbines generate electricity in Ontario, an experience found to be highly inefficient, and proved as unreliable and with very high costs in both Ontario⁹ and Washington and widely opposed in Ontario, Europe, several US states, & Australia¹⁰.
- In a sprint to avoid Ontario's *Green Energy Act's* 2020 enforced *Cap and Trade* fees on carbon emissions, Canadian utilities purchased \$74 million of U.S. hydroelectric assets in 2016 and \$28.7 billion more by February 2017¹¹ to feed an insatiable need for cheap, reliable green power assets. Forbes listed 11 other U.S. utilities targeted.
- Ontario advertises its *Green Energy Act* plan as "virtuous", but effects on people, jobs and economy are the exact opposite. It makes energy arbitrarily scarce. It damages people, families, ignores businesses and rights of private property. It penalizes emissions and masks negative consequences behind rhetorical benefits of new liberal government programs by making cheap energy artificially expensive.
- The *Green Energy Act*, like *Washington's Energy Independence Act (I-937)* of 2009 represents a *grand social experiment* conducted population-wide, without forethought, without *pilot testing*, without *scientific proof*, to satisfy a hasty policy—a policy that runs counter to best economic choices¹², a policy to reduce a substance known to provide humongous monetary, human, and food producing benefit¹³: carbon dioxide— with illusion of reducing greenhouse emissions that will never occur, with consequences known to be unprovable, but at extraordinary high cost while failing to consider *human consequences*. Such *goals* have for more than a decade proved themselves as hurried failed experiments in Europe, UK, Australia, and in the U.S.¹⁴
- Ontario's and Washington's **Cap and Trade** (C&T) harms people and needlessly risks economies, for example:

- In Washington State by 2030, annual costs to reduce emissions will soar to \$8,200 per household, with job losses rising to 82,000 per year, with gross domestic product down by \$14.7 billion each year but without scoring a savings in temperature or sea level rise¹⁵.
- According to U.S. Senate Conference report¹⁶, *Cap & Trade* artificially increases annual household electricity cost \$5,429 by 2035 so renewables can compete; Inflicts economic pain disproportionately on poor families, and lower quartile income earners, including college graduates with loans; Reduces gross domestic product \$393 billion annually, making U.S. \$9.4 trillion poorer by 2035; Reduces net jobs by 1.14 million annually, including green jobs; Discourages domestic energy intensity, the lifeblood of business and U.S. economy- wide; Forces industries to exit; Cloaks C&T fees as inflated prices on consumer goods, essentially removing control away from utility commissions; Impacts farms hardest due to their 58% larger need for fuel; Farm profits plummet by 57%, bankruptcies ensue and endanger food sources; Food costs surge upward; and like European and California's C&T, with pretense of mitigating climate, exposes unsustainable state-sponsored Ponzi-schemes.
- Almost all *Cap and Trade* practices run counter to the purpose of mitigating climate, as they are *not marketbased*¹⁷ but incorporate major elements of centrally- planned economies, for example: Co-opting for *Green Energy* guarantees energy poverty¹⁸; Since carbon emissions are unrelated to climate, any action to mitigate emissions becomes an expensive, useless exercise to control people; European experiences show they do not reduce emissions but invites more corporate welfare programs¹⁹; German anti-renewable citizen petitions have grown to over 1,000 and Germany's Minister says energy subsidies are now at unsustainable levels and inducing de-industrialization²⁰²¹; It's a massive energy tax in disguise²²; It forces peoples to conform, is oppressive on all but the rich²³; Transfers important economic decisions from private hands to government, with loss of private property rights and overall net loss of gross domestic product, thus subordinating to elements of USSR- or Chinese-like central planning.
- Renewables are inefficient and wasteful. They provide 0.6%²⁴ of energy worldwide at a cost of \$5.45 trillion that could have provided a five times larger supply in gigawatt equivalents from natural gas or CCS clean coal plants²⁵.

FOOTNOTES: Website physical addresses for above active links:

1. Rates killing small business. <https://www.youtube.com/watch?v=1w5dRIzyY7g> and <http://torontosun.com/news/provincial/high-hydro-rates-killed-ontario-jobs-study>
2. Ontario Climate Action Plan – www.applications.ene.gov.on.ca/ccap/products/CCAP
3. Rate data from utility websites in 2017 https://openei.org/wiki/Utility_Rate_Database

4. Power costs are increasing hydro prices <https://youtu.be/EAmChm584z0> and <https://www.youtube.com/watch?v=1w5dRIzyY7g>
5. Auditor General, by Adam Beck on YouTube, Heated over Hydro One <https://youtu.be/3mdBrategYc>
6. <https://ep.probeinternational.org/2015/12/04/top-10-takeaways-from-auditor-generals-report-on-ontarios-electricity-sector/>
7. <https://ontario-wind-resistance.org/2015/04/10/ontarios-wind-powered-energy-poverty/> and <https://youtu.be/3nb7juiSSnA>
8. A large portion of the Columbia River System electric power is being promised to Canada as part of the 2024 Columbia River System Treaty now being re-negotiated according to Washington's Department of Agriculture head Derek Sanderson (Inside Olympia, broadcast 11/19/2017)
9. Ontario Wind Resistance. www.ontariowindresistance.org
10. European Platform Against Windfarms <http://epaw.org/> and <http://www.wind-watch.org/>
11. Why Canadians are buying up U.S. utilities. <https://www.forbes.com/sites/mergermarket/2016/02/25/why-canadians-are-winning-the-utility-deals/>
12. Social benefits of carbon. Roger Bezdek <http://marshall.org/climate-change/presentation-by-roger-bezdek-on-social-cost-of-carbon/>
13. <https://www.heartland.org/publications-resources/publications/the-positive-externalities-of-carbon-dioxide-estimating-the-monetary-benefits-of-rising-atmospheric-co2-concentrations-on-global-food-production>; <https://www.masterresource.org/carbon-dioxide/positive-externalities-co2/>
http://scienceandpublicpolicy.org/images/stories/papers/other/55_benefits_of_co2_pamphlet.pdf
14. Ontario-Wind-Resistance.org, StopTheseThings.com and EPAW.org.
15. http://scienceandpublicpolicy.org/wp-content/uploads/2013/04/state_by_state.pdf
16. <http://scienceandpublicpolicy.org/commentaries-essays/commentaries/cap-and-trade-economic-impact>
17. <https://instituteeforenergyresearch.org/topics/policy/cap-trade/>
18. Professor of meteorology D'Aleo-Green energy, a train to energy poverty – http://icecap.us/index.php/go/new-and-cool/green_energy_train_to_energy_poverty/
19. <https://ep.probeinternational.org/2015/12/11/5-reasons-to-oppose-ontarios-cap-and-trade-proposal/>
20. Germany's Energiewende an energy policy calamity <http://notrickszone.com/#sthash.2IZEP00w.IAfq1GMW.dpbs>
21. What happens when forced to use renewable energy <https://www.manhattan-institute.org/sites/default/files/IB-RB-0516.pdf>
22. <http://scienceandpublicpolicy.org/commentaries-essays/commentaries/cap-and-trade-economic-impact>
23. Heritage Foundation; 2009; alternativeenergy.procon.org

24. Key world energy statistics: International Energy Agency, 2017.
<http://www.iea.org/statistics/>
25. Comparing Electricity Production In 6 Major Nations <https://principia-scientific.org/comparison-of-electricity-production-in-six-major-nations/>

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Washington state