Should AVISTA CORP. become HYDRO ONE?

Hydro One, a provider of electric power in Ontario, Canada wants to acquire Avista Corp., headquartered in Spokane, in a CN$6.7 billion deal and approved by shareholders in November. The deal exposes Avista electric customers to nightmarish effects of foreign practices, policies and impacts that Avista seems unaware. Following is what we have learned of possible impacts upon Avista's 377,000 customers that stretch across a 30,000 square mile area in five states of Washington, Oregon, Idaho, Montana and Alaska. Customers without say in this deal must confront the companies about these issues.

- 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-killing[1] 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* promised to add $285 more in 2018-2019, increasing customer billings to 12 times larger than Avista's 2016 small business rate of 7.1 cents per kilowatt-hour and 35 times larger than Chelan and Douglas County PUDs 2.36 cents/kwhr rate[3].
- 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 children[4]. 58,000 households were cut off that couldn't pay bills. Just before Christmas families had to decide whether to eat or heat. Disconnects grew 19% to 392,963, with arrears debt growing 40% in one year to $134,886,000[5].
- *HydroOne's* service is poor. It charges ratepayers more for deteriorating service yet ignored 10,000 complaints about high costs. Its outages are 30% longer, 24% more frequent. Their transmission system is in considerable disrepair, the least reliable of Canada's distribution companies[6][7]. Economists and company CEO's say rates cause Ontario 'serious harm.
- Just 27% of billing is electricity used. Ontario's Auditor General repeatedly slams its electricity sector as dysfunctional as customers over-paid $37 billion for electricity because 73% of billings are for *green mandates, global adjustments and delivery fees.*
- *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 still owns 70% of HydroOne.
- Avista customers may share responsibility in *HydroOne's* carbon emissions mandates that become increasingly cost-prohibitive in 2020, 2035 & 2050. This *Act* and the *Canada-wide* $50 per ton tax on carbon are not Avista's best interest. The *Act* will add another 1230% in costs from **Cap and Trade** (C&T) mandates beginning now. Consumers also share carbon tax pass-through costs as they purchase Canadian products from suppliers, i.e., a B.C. company paid $55 million in carbon taxes in 2016.
- *HydroOne* now owns Avista's 13 hydro-electric dams (with 1,024 MW of capacity) on the Columbia River and Alaska. In *Cap and Trade* terms, *HydroOne* will refashion Avista's hydro dams into "clean energy credits", a maneuver enabling it to avoid paying California's (or Ontario's) $8 billion climate exchange fee to satisfy the *Act's C&T* 2020 mandate. The transfer of dams mostly guarantees customer's preferential loss of Avista's electricity on the Columbia River system[8].
- Ontario's *Green Energy Act* prohibits its use of coal-fired plants, once its cheapest 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 with very high costs in both Ontario[9] and Washington and widely opposed in Ontario, several European countries, U.S. states, & Australia[10]. Wind turbines are wasteful. They provide 0.6% of world energy at a cost of $5.45 trillion that could have provided a five times larger supply from natural gas or CCS coal plants. [11][12]
- In a sprint to avoid the *Green Energy Act's* 2020 enforced *Cap and Trade* carbon emission fees, Canadian utilities purchased $74 million of U.S. hydroelectric assets in 2016 and $28.7 billion more by February 2017[13] 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. Ontario makes energy arbitrarily scarce as its electricity powers energy poverty[14]. It penalizes emissions and masks negative consequences behind rhetorical benefits of new government programs.
- The *Green Energy Act,* like *Washington's Energy Independence Act* (I-937) represents a *grand social*

experiment conducted population-wide on a whim, without forethought, without pilot testing, without scientific proof, to satisfy a hasty policy—a policy that runs counter to best economic choices[15], a policy to reduce a substance proved to provide humongous monetary, human, and food producing benefit[16]: *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 enforced *human suffering.* Such rhetorical *goals* have for a decade proved themselves as hurried failed experiments in Europe, UK, Australia, and U.S.[17]

- Ontario's and Washington's **Cap and Trade** (C&T) harms people and needlessly risks economies, e.g.:
  - ✓ In Washington 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 rise[18].
  - ✓ According to U.S. Senate Conference report[19], *C&T* 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%; 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 market-based*[20] but incorporate major elements of centrally-planned economies, for example: Co-opting for *green energy* guarantees energy poverty[21]; Since carbon emissions are unrelated to climate, any action to mitigate emissions becomes an expensive, useless exercise; European experiences show they do not reduce emissions but invite more corporate welfare programs[22]; German anti-renewable citizen petitions have grown to over 1,000 and its Minister says energy subsidies are now at unsustainable levels and inducing de-industrialization[23][24]; It's a massive energy tax in disguise[25]; It forces peoples to conform, is oppressive on all but the rich[26]; It transfers important economic decisions from private to government hands, 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 of economies.

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[5] Ontario's Wind Power Obsession Punishing Thousands-390,000 Families Struggling to Pay Power Bills and 58,000 Disconnected https://stopthesethings.com/2018/01/17/ontarios-wind-power-obsession-punishing-thousands-390000-families-struggling-to-pay-power-bills-58000-disconnected/
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[7] https://ep.probeinternational.org/2015/12/04/top-10-takeaways-from-auditor-generals-report-on-ontarios-electricity-sector/
[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)
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