

Economic AND Social Disaster Looms Ontario Counts the Crippling Cost of Wind Power

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Scrap Green Energy Act to help hydro mess, tax watchdog says

Toronto Sun

Shawn Jeffords

8 September 2016

TORONTO – If the Ontario government wants to make a dent in soaring hydro rates it should scrap its controversial Green Energy Act.

That according to Christine Van Geyn, the Ontario director of the Canadian Taxpayers Federation. She says Premier Kathleen Wynne's acknowledgement Wednesday that her government needs to move to address the high cost of electricity is coming far too late for many Ontarians.

"Call me a cynic, but if it takes losing a by-election of a Liberal stronghold for this to become an urgent issue maybe you don't actually care about it," she said of last week's vote in Scarborough-Rouge River. Progressive Conservative candidate Raymond Cho beat Liberal Piragal Thiru by 2,000 votes, snatching the long-held riding from the government.

"It's been an issue for people in this province for years," Van Geyn said of the soaring rates. "It takes losing for her to listen."

Wynne said Wednesday that her newly minted energy minister, Glenn Thibeault, will look into the problem. But the message sent by Scarborough voters — and people around the province — hasn't been lost on her.

"It's not something that is isolated in one riding in Toronto," Wynne said. "This is a concern across the province and I recognize that."

Van Geyn said that if the government were to dismantle the Green Energy Act that would help rein in rates.

"It's the whole reason we're in this mess," she said of the act. "The auditor general found that as a result of these Green Energy Act contracts for wind and solar power, where we pay between two and three and a half times above market rate, we overpaid for power by about \$37 billion."

And if the government didn't want to kill the act outright, it could pull back the throttle on signing new deals under it, Van Geyn said.

"Just ending new contracts would help," she said. "(Wynne) knows that these are a problem. The auditor general has talked about them in repeated reports yet we see new Green Energy Act contracts getting signed."

Toronto Sun



Premier Wynne's shocking discovery

Toronto Sun

Editorial

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Eureka!

Ontario Premier Kathleen Wynne has seen the light, had an epiphany and undergone a conversion on the road to Damascus!

She has discovered — wait for it — that hydro rates in Ontario are too high and she needs to do something about them.

Thank you, Captain Obvious!

Wynne said Wednesday that was one of the lessons she took from last week's by-election loss in Scarborough-Rouge River, where Patrick Brown's Progressive Conservatives took a seat away from the Ontario Liberals that they had held, in various configurations, for 31 years.

In politics this is known as a pivot.

Wynne's doing it because she is a smart politician who knows that her tin ear up to now on skyrocketing hydro rates is one of the reasons her party is running a distant second to the PCs across the province and her personal approval rating is at 16%, according to a recent Forum Research poll.

That's less than half of Donald Trump's and Hillary Clinton's approval ratings in the U.S., and they are two of the most unpopular presidential candidates in American history.

Wynne said one reason for high hydro rates is that the Ontario Liberals had to upgrade the electricity grid, which was badly in need of repair when they took power in 2003.

That's true. But what she didn't mention was that two auditors-general of Ontario have reported that the Liberals have wasted tens of billions of public dollars in their reckless pursuit of green energy, a major factor in rising hydro rates.

These blunders have included failing to produce detailed business plans before acting, ignoring advice from their own experts which could have saved the public billions of dollars and creating billion-dollar fiascoes such as the cancelled gas plants and the disastrous roll out of their smart meter program.

The result is that Ontarians are paying among the highest rates in North America for electricity and hundreds of thousands of people are living in fuel poverty, where a family or individual spends more than 10% of their income simply to power and heat their homes.

So yes, it would be helpful if the premier, newly-concerned about high hydro rates, would actually do something about them.

Ontarians can hardly wait.

Toronto Sun



Michigan outperforms Ontario. And why not? They have our cheap power

Parker Gallant Energy Perspectives

Parker Gallant

5 September 2016

The state of Michigan is outperforming Ontario. That's according to a [recent study](#) by the Fraser Institute. Since the end of the "Great Recession" Michigan has [out performed Ontario](#), increasing their GDP in 2013 by 2.8% versus Ontario's growth of only 1.3%. Unemployment levels in Michigan are currently at 4.6% versus Ontario's 6.4%. Those are two very important economic indicators.

That news plus the fact Ontario has become a "have not" province in Canada, it seems policies adopted by the Ontario Liberal government to "build Ontario up" is having the opposite effect.

One of those policies resulted in Ontario's electricity sector focusing on acquisition of renewable energy from industrial-scale wind turbines, solar panels and biomass. The passing of the Green Energy Act (GEA) in 2009 resulted in adding intermittent and unreliable renewable energy that is unresponsive to demand (wind power is produced out-of-phase with demand in Ontario).

This had the effect of driving down the price of electricity.

The free market trading (HOEP) of electricity has resulted in Ontario exporting a rising percentage of our generation to buyers in Quebec, NY and Michigan, with the latter the biggest buyer. In 2015 Michigan purchased 10,248 gigawatts (GWh) or enough to power 1.1 million "average" Ontario residential households. We sold it at an average of 2.36 cents per kilowatt hour (kWh) and were paid \$242 million, but it *cost* Ontario's ratepayers just over \$1 billion.

Michigan doesn't have to pay the Global Adjustment. You do.

Michigan appears delighted to be able to purchase our cheap subsidized electricity. Now they are seeking further [transmission links](#) to Ontario with an eye on the grid out of Sault Ste Marie. Hydro One earlier this year announced they "entered into a purchase agreement to acquire Great Lakes Power Transmission LP from Brookfield Infrastructure for \$222 million in cash plus the assumption of approximately \$151 million in outstanding indebtedness." One has to wonder, did Hydro One know about this, and see it as an opportunity to increase transmission revenue?

This new transmission line could send both cheap hydro and expensive bio-mass generation to Michigan. Ontario Power Generation (OPG) operates 11 hydro stations with 680 MW of capacity and also two bio-mass facilities (Atikokan and Thunder Bay) converted from burning coal and now using wood pellets with a combined capacity of 358 MW in the region.

The latter two facilities were focused on by the Auditor General (AG) in her [November 2015 report](#).

In the case of Thunder Bay, the report indicated the cost of generation was "\$1,600/MWh—*25 times higher than the average cost* at other biomass facilities in Ontario." For Atikokan the AG had this to say: "The plant is expected to generate 140,000 MWh for \$74 million per year, putting the cost of electricity from this facility at \$528/MWh—about *eight times higher* than the average cost of existing biomass from other facilities in Ontario." Industrial wind turbines have also invaded the beautiful landscapes painted by the Group of Seven.

For the sake of Ontario ratepayers, one hopes Michigan will not access electricity from either of the two biomass plants as it will fall on us ratepayers to pick up the costs in excess of the HOEP price. In the case of Thunder Bay the cost to ratepayers could approach \$1.60/kWh and for Atikokan it would be 55 cents/kWh.

Maybe the Ontario government staffers in communications should change their PR Slogan to "Building Michigan up"!

Parker Gallant Energy Perspectives

You can hear Parker Gallant interviewed in this audio link:

<http://www.cbc.ca/i/caffeine/syndicate/?mediald=2694734085>



The cost of Bob Chiarelli's wind rush crippling Ontario