# Transcript Avista Corps July 2017 Announced Acquisition by Hydro One Ltd.

# Slide 1

- Thank you Jeff and NWPOA for inviting me.
- Jeff Tyler, Summer Bushnell, NWPOA
- Rene Holladay, Colville
- Rich Loudenback, GemStatePatriot
- Gloria Clark and Cindy Zapotocky, Citizens Allliance for Property Rights CAPR
- And to John Jacob... at RedoubtNews for conducting an hour-long blog cast to review and announce this shindig

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- My name is David Boleneus. I will be speaking tonight about the acquisition of Avista by HydroOne of Ontario.
- ARTICLES POSTED ON NWPOA WEBSITE

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- I was first alerted to the Avista action in August and it took only that a day or so to recognize the danger, the misrepresentation it poses to Avista customers. The danger is manifest in the current impacts on all electric customers across Ontario, which is key to understanding the danger coming our way.
- I will not address what has been announced in releases by Hydro One and Avista. Instead.....
- <u>I will stress</u> is what is not announced. These are news reports about electric power in Ontario, utility sector mismanagement from numerous reports, videos and Ontario law that governs the operations of Hydro One.
- I will stress what's happening with Ontario's Climate Change Action Plan of 2016, an outgrowth of the Province's extreme left Green Energy Act of 2009, including unwise buildout of wind turbines and the Province's and HydroOne's customer relationships as they force the Province's energy plans upon a trusting public, and speculate as to how these actions might affect Avista Customers if this acquisition is affirmed.
- Whether actions in Ontario <u>will adversely affect US customers</u> if Avista joins Hydro One seem almost certain but a degree of impacts are promised.
- Cindy Zapotocky and I talked with Avista officials, John Rothlin and Collins Sprague, who work in Government relations and they reviewed the merger at a coffee club meeting a couple months ago. They voiced no concerns about the merger with HydroOne, so the only important point I might repeat here is that HydroOne's credit rating is higher than Avista's making financing activities less expensive.

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- THE ONTARIO PARLIAMENT PROMISES THIS.
- If Avista customers join Hydro One, decisions likely will come from Ontario.
- I will just state the conclusions at the beginning.
  - This marriage is not good for and provides absolutely no advantages to Avista customers—As you will see, the deal provides numerous risks and several serious disadvantages, including disadvantages that Avista has not divulged, and perhaps others that Avista is not fully aware. There is no evidence of a Due Diligence performed.
  - The risks that spell huge trouble for Avista customers linked to HydroOne amount to (1) a significant rise in electric rates, (2) the uncertainty that the WUTC can, will not or cannot mitigate the risks, (3) a 43% probability of an Ontario bankruptcy, (4) worsening 10year electric rate disaster seizing and overturning all life in Ontario, (5) the statement by Kitchener Ont. MPP Daiene Vernile, that Ontario will maintain control of Hydro One, its board of directors, veto power, including all regulatory and nominating authorities including rate setting.
  - Worse, this deal suggests that Hydro One wants Avista's hydro dams only to extinguish its fast approaching pretend climate debt in 2020 so that Ontario will take control of Avista's hydroelectric dams.
  - A large and unwelcome force linked to the Green Energy Act was unleashed in a horse race of Canadian companies buying/consuming/acquiring electric utility companies in the U.S. By Feb. 2018 acquisitions worth \$80.8 B had been announced.
  - YES, climate change is the driving issue, but better termed Faked climate change. However Ontario's law is not fake, but deeply rooted in propaganda or greed.
- While listening, I suggest we consider what action might be taken, if
  necessary, against giving up Avista to HydroOne and how any opposition
  might be initiated. One person has suggested holding a forum or Town Hall
  event, an ALERT message via Facebook or Twitter. Someone else needs to
  do this. Time is short to act because Utility Commission hearings will begin
  in early summer to decide or affirm the issue.
  - o Avista is holding public meetings soon.
  - Until now they have purposely excluded Avista customers and ratepayers from their meetings
- Another request—We are limited by the clock. This talk is long, 62 slides, so in order to complete it timely I ask you to hold your questions until the end. Many questions may be answered as I move through the slides.

- I can provide this information to anyone interested. The slides. This transcript. Use the sign up sheet and tell me how to send to you. Email is my best option in my busy life.
- Several articles on this topic have been published by myself and Ms Karen Schumacher including a YouTube video recorded at the September CAPR conference in Ellensburg WA. I'll list those later.
- Lets begin. Why am I presenting this? What qualifies me? Fair questions.....I am a concerned Avista customer. They have served us well for generations but numerous problems come with their current plan.
- I hold advanced degrees in both Geology and Business Administration. My
  career spans more than 45 years in mining industry, in petroleum industry,
  in consulting, and as a research scientist with US Geological Survey. I
  currently operate a geophysical consulting business alongside operating
  the family wheat growing operation with my sister in Lincoln County in the
  family for over 100 years.
- You see geology is about earth processes, earth history, climate history frozen in the rock record for all to see. I have lectured widely about why there is no globalwarming/climate change as my technical background affords me a wide experience about earth processes. From a geologic perspective its easy to see the repeated deceptions in the current climate morass, a great Marxist hoax that afflicts us. The first cue of something odd at HydroOne was Ontario's climate law, the Green Energy Act made in the same vein. This is what I report now.
- I also volunteer in the agriculture community, for county government, several interviews on KTW radio about public issues and testified before the legislature to maintain trade and dams on the Snake River. I have given this talk about previously in addition to a YouTube video and articles on RedoubtNews and GemStatePatriot.

# Slide OUTLINE—I have already covered some of these points WHAT IS HYDRO ONE? Hydro One is a 2-year old company Its business is a electric transmission company Serves 75% of Ontario's power Province government is a majority shareholder, either 70% or 51% Ontario has privatized HydroOne, now a quasi private crown corporation Hydro One will remain owing fiduciary duty to Province Transaction: The major question is this: How will customers be affected after

- the deal is complete? Never affected? or will impacts arrive in 2 or 3 years?
- Purchase cost of \$6.7 B cash is of little consequence and likely to be paid off by rate payers within 2 years
- Purchase financed by 48% debt/52% equity,.

# **HISTORY**

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- Began its history as Hydro-Electric Power Co of Ontario
- Re-branded Ontario Hydro in 1970s
- Maurice Strong, UN insider, a Canadian became CEO in 1992 and likely initiated the current troubles
- Dismantled into Ontario Power Generation in 1999 and Hydro One
- 2015 Ontario Premier unveiled plan to sell 60% of Hydro One to pay debts
- So far Hydro One remains 70% province-owned as of July 2017
- I will talk extensively about the Green Energy Act, and why we should fear this Trojan horse

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### **AVISTA CORP.**

- Information for Annual Report, which was quite informative and at the same time worrisome
- Subsidiaries: (1)Avista Utilities; (2)Alaska Light and Electric Co
- Must reduce GHG emissions 32% below 2005 levels to adhere to the Obama EPA's Clean Power Plan; US Supreme Court stay currently block its effect; Trump indicated he will likely exit this Executive Order
- State of Washington regulations Ecology's Clean Air Act, intends to initiate a Cap and Trade Program to trade carbon credits
- State of Washington requires 20% of Avista's electric supply be renewable.
   This is Washington's Renewable Portfolio Standard. Idaho does not follow
   RPS as a state but still may be impacted.
- Sierra Club has forced Avista to relinquish its electric supply from Colstrip 1&2 units. Sierra is somehow allowed to exert an excessive amount of leverage on this issue.
- Uncertainty remains about the continuity of electricity supply from Colstrip units 3&4 shared ownerships with PGE and PacifiCorp now under

contention.

- The Colstrip units 3&4 that remain provides about 1/3 of the electric power to all Avista customers, so automatically concerns Idaho; as part of this deal Avista is under pressure to divest Colstrip 3&4 by Sierra Club and HydroOne which places that 1/3 of supply into jeopardy.
- These actions will impact on customers outside of Washington state

# Slide

# THIS IS WHY HYDRO ONE COVETS AVISTA (1)

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- Avista Utilities: 8 hydro-electric units and 58 wind turbines at Palouse wind farm (1029 MW)
- Alaska Light and Electric has 5 hydro-electric units (107 MW)
- Avista's 839 MW thermal (Gas, wood, coal)
- Total 1137 MW HYDRO (58%) and 839 THERMAL = 1936 MW (42%)

# Slide

# THIS IS....WHY HYDRO ONE COVETS AVISTA (2)

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- Avista Utilities' service area in Washington, Idaho, Montana, and Oregon
- Will this territory become a New Ontario?
- That's certain. Ontario promises that the Province's Climate Change laws will affect/impact all Avista customers
- This is where the Rubber Meets the Road--- This is the key that drives the
  acquisition of Avista Corp. and controls the actions of Ontario and dictates
  actions of Hydro One after the acquisition.
- Not a hint comes in any news release.
- This is Ontario's Climate Change Action Plan (2016). This Plan is spawned from Ontario's 2009 Green Energy Act, their fear of CO2
- This is why you will be impacted. More on this

### WHY HYDRO ONE..COVETS AVISTA: THE REST OF THE STORY

- The key purpose of the CCAP was to reduce Hydro One's GHG emissions via carbon tax or via a cap and trade action which, to date has included building fleets of wind turbines
- From here forward, I will address the impacts of the CCAP and Ontario's 2009 Green
   Energy Act
- Some questions that an Avista customer might consider are these:
  - O How much are Avista's 1137MW of hydro valued on the Cap and Trade market?
  - What value will Avista's 1137 MW of hydro accrue to Hydro One
  - What are Avista customers sacrificing to be Hydro One
  - Will Avista customers accrue any additional benefits via the Hydro One's Cap and Trade benefit from the hydro resource of Avista?

- Will Hydro One and Ontario's "Green" thinking govern Avista customers in the future—for example--Will Avista customers be impacted severely as they become subject to both Hydro One's control and Ontario's CCAP and its Green Energy Act?
- Will the WUTC and ICC remain a moderating effect? If so, how strong might the effect be?
- Are these factors fairly considered in valuing Avista for this acquisition? Many of these are significant intangible factors and are poorly considered during traditional economic valuations.
- A Columbia River Compact remains in effect between Canada and the US.

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# Cave men (History, Actors)

- Lets talk actors
  - Let me diverge to a second controlling issue, a dark issue, one untold.
  - Its global warming, more recently, and its no accident to be renamed climate change to blame every possible action across earth on fossil fuels. Its no accident that Ontario's CCAP is driven by its Green Energy Act, that some dream will cancel climate change, a \$2 Trillion force of propaganda so immense that it consumes all countries of the world.

# Actors (cont.)

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Slide

- Point man is Al Gore.
- Thank god the Electoral College denied him president
- Gore has several times announced planetary catastrophe, and made two climate horror films to convince the world to buy carbon credits from his company, Generation Investment Management yet the polar bear populations have expanded 400% and the world's glaciers have remain steady
- The grandfather of global warming is Maurice Strong is Al Gore's, HydroOne's and Ontario's "climate change" mentor
- We cannot forget Barack Hussein Obama: ....under my plan electricity rates will necessarily skyrocket
- This is what rates are doing now, as we speak, in Ontario, skyrocketing. Ontario's leaders have anecdotally swallowed the kool-aid.

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- READ SLIDE
- Strong was senior advisor to Kofi Annan UN Secretary General
- In charge of UNEP, Maurice Strong chaired the giant UN Conference on Environment, the Rio Summit in 1992, and assembled the Kyoto Protocol
- These are Maurice Strong's beliefs

- As a UN official, he forces the manipulation of climate data to create an imaginary villain, global warming, and manipulate the data, the left and hype natural disasters as proof that fossil fuels and man are responsible.
- He stated before this conference--<u>"We may get to the point where the only way of saving the world will be for industrial civilization to collapse...isn't it our job to bring that about"</u>
- ....All these dangers are caused by human intervention, he says...and thus the "real enemy, then, is humanity itself....in other words, Strong's plan is to eliminate humanity for humanity's sake

# Slide **CLIMATE LEGACY**

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- Strong is so important in HydroOne's legacy and soon in yours that I try to track part of his career.
- A high school dropout; he operates behind the scenes as a UN insider during much of his career.
- Strong was involved in several highly questionable business deals during his lifetime. He was a key figure in many companies in Alberta's oil business, rising to CEO of PetroCanada.
- In 1992-1994 he is CEO of Ontario Hydro, that is predecessor to Hydro One
- He receives a \$1 million kickback from Iraqi Sadam Hussein's Oil for Food scandal where Korean Ton Sun Park is convicted and prisoned, but Strong flees to China
- Labeled the Father of America's Destruction he assists N. Korea's nuclear ambitions, scams a major water resource in Colorado and creates a false global warming science to sell global governance that Elaine Dewar details in a book Cloak of Green.
- Earlier, Strong is mentor to Gore, and Barack Obama in Chicago.
- <u>Each cashes in on</u> the Chicago Climate Exchange IPO after 2000
- Strong and Gore are on the Climate Exchange Board
- Sen. Obama is on the Board of the Joyce Foundation that provided \$1
  million of startup capital to kickstart the Climate Exchange. Gore sells out for
  \$18 million in 2010.
- Pres. Obama goes on to force EPA's Clean Power Plan, forced closing of coal plants, oil leasing moratoria, new CAFÉ standards, MACT rule, Stream protection rule, methane rules, questioning hydrofracturing technology, all with intent to end use of coal, oil, and natural gas
- Its clear. Obama's, Gore's and Strong's plan is to capitalize on climate change to reap them billions while also enabling into being new laws against climate.

- Strong initiates the UNEP leading to formation of IPCC, the UN's false scientific authority used to convince the world of faked climate consensus
- As CEO of Ontario Hydro, Strong solidifies his hold of the CO2 story and within his life, Ontario's 2009 Green Energy Act <u>codifies</u> <u>Strong's legacy into</u> law; proof that Ontario and Canada's elites have been climate brainwashed.
- By 2017, Hydro One 's electric rates HAVE skyrocketed under the Green Energy Act mandates to highest priced electricity in N. America.

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# THESE SO-CALLED, SELF-ANNOINTED EXPERTS DON'T KNOW

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- Here we have two persons who are severely out of touch with science of climate, how earth operates and the role of CO2 although in positions of power believing they know how climate operates.
- ON the left is the President of the Sierra Club. He leads an organization whose principal function is to make your electricity more expensive for fear of CO2
- In Dec. 2015 hearing Sen. Cruz questions him about climate, the role of CO2, for which he displays a complete emptiness of the topics.
- On the right is a Representative. He coauthored this book Apollo 's Fire to promote renewable energy for our country without relying on carbon based fuels.
- The books' first chapter contains 29 errors that distorts or contradicts current knowledge on climate, the role of carbon dioxide, carbon based fuels, and their effects on earth.
- He is very dangerous and making noises about a Dem. run for President.
- These reasons, Inslee's reason to convert to another source of power are clear propaganda---all wrong. This is but one example of what's wrong with the Dem. thinking in this country. Fake news. Faked climate. Nonsense science=propaganda

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# Slide

# WHAT THEY HAVENT TOLD YOU -- 1 TO 52

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- I list here what the climate establishment hasn't told you.
- Listed are at least 25 reasons easily proving climate panic is faked, 25
  reasons why science is ignored and fake science in promoted as real, 25
  reasons why the need for going green is a disaster in the making, 25 reasons
  why no climate emergency exists, 25 reasons proving that real science still
  controls.
- How preposterous?
- The chemistry of carbon dioxide was a key topic of my graduate work. I know it well. CO2 is our friend. It's earth's mother gas, a primordial gas

		dating from time of earth's origin, responsible for origin of oxygen in our
		atmosphere, and a plant fertilizer and exists at a concentration so miniscule
		that its of no danger but only benefit. If time permits I can present some evidence
		to ease any discomfort you may have about CO2, the temperature record, and fears
		promoted about climate.
	•	Several times I presented evidence to audiences entitledA Closer Look at Selling of  Climate Change, Global Warming, Climate Disruption, whatever it is53 of the
		many deceptions to cover much of the evidence to show that climate is quite normal.
Slide	Al Gore says: Carbon dioxide is Dangerous (he says "Consensus View")	
13a	•	GO FAST HERE
	•	
Slide	•	Now for the myth-busting
13b	•	Proofs. More than 20 scientific papers showing the greenhouse effect is
		imaginary,
Slide	•	Now the chain of events is broken These facts sever the chain of climate
13c		perversions to expose the myths
	•	
Slide	POW	ER PRAYER!
14	•	Now we have a new president.
	•	Here many gather around president Trump in prayer
	•	WHY?
Slide	WHO	ELSE IS EXITING THE PARIS AGREEMENT?
15	WITO	
13		On June 1 he announces exiting the Paris Agreement.  Within 6 weeks 21 countries in addition to all of the oil rich Arab states
	•	follow his lead
		Although we haven't realized it yet but the Paris exit is equivalent to re-
		winning WWII in terms of simply avoiding the eventual economic collapse
		of developed economies, including the United States, should they hold fast
		with the Paris Agreement's extortion.
	•	with the Fulls Agreement's extertion.
Slide	ELEC	TRICITY: WHATS THE COST EXPERIENCE
16	•	As you will see there is a double meaning to this topic.
Slide	CHOI	CES OF ELECTRICAL POWER
17	•	Here I show electric rates across the US in 2012
	•	Avista's rate at 7.89 cents per kwhr in 2017 is below the average for
		Washington at 8.5 cents
	•	The northeast states are the highest. Rates for some now approach 20 cents
		per kwhr

Hawaii and Alaska are exceptions but anomalous due to remoteness.

# Slide 18

# **GENERAL SERVICE / LARGE COMMERCIAL POWER COSTS**

- This chart shows the range of electric charges for large commercial users across Washington, comparing 2015 rates and 2016 rates (gray and red bars) a rate just slightly less than residential rates
- Note Avista at 7.09 cents in the upper third, Inland Power at about average at 5.5 cents per kwhr and on the bottom or Chelan and Douglas County PUDs. Of course they have their own hydroelectric dams.
- The highest rates is Puget Sound Energy. Memorize that rate of 9.76 cents per kwhr
- IN IDAHO: Inland P&L is the same, 5.5 cents but Avista 2/3 cent lower at 6.34 cents
- Before leaving this slide there is very important observation that I must stress. I have witnessed over the three or so years that I have collected utility rate data across Canada and the US that the rates advertised on the websites by utility companies in the US closely approximates the billing charges levied on customers, except for minor fixed costs that reflect reasonable overhead costs. Residents can multiply their usage times the advertised rates to approximate their monthly charges. THIS RELATIONSHIP DOES NOT HOLD IN CANADA, AS I WILL EXPLAIN.

# Slide 19 (19 min)

# **ENERGY CHARGES FOR CANADA FOR LARGE GENERAL SERVICE**

- The next sequence of slides demonstrates that Ontarians are experiencing real tragedy in their electric rate charges that continues to inflict pain
- This chart for Provinces in Canada again compares their 2015 and 2016 electric rates for commercial customers.
- On the right side, are rates for the two provinces of Nunavut and NW Territories that have high rates due to their remote locations.
- But number 3 from the right is Ontario at 18 cents.
- The key point here is that one cannot multiply this electric rate times the usage to estimate total billings. The reason is that electric usage amounts to only about one-quarter of the billing charge.
- Billings include other charges that are very large
- Second their miscellaneous charges can add another <u>15 to 25%</u> to billings....
- Third is a special case
- This is the global adjustment charge that adds another 70% to the billing.
- It includes major costs of the Green Energy Act. It contains contract rates to generators, retirement of coal plants, and adding renewables consisting of large fleets of wind turbines.
- The electric rate in Ontario increases from 52 cents in 2018 to 61 cents in

# 2019; ......43 cents is global adjustment, 9 cents is for miscellaneous charges and the remainder, 9 cents is for electric usage. Contracted rates for renewables represent sweetheart deals with electric generator companies, to pay generous contract rates 400% to 1,000% above market prices. Coal plants once represented the best coal fired electric fleet and the continent's lowest priced electricity were eliminated by the liberals. Slide ONTARIO ELECTRIC BILLS INCREASE, 2005-2016 20 • The chart here compares Ontario's electric costs against its Consumer Price Index for 12 years from 2004 to 2016. • Above that the table shows three Hydro One rates for electricity in 2006 and 2015 with the highest rate at 29.9 cents per kwhr for low density residential in 2015. Ontario's consumer price index up only 17.8 % in 10 years. • Off-peak rate increases have skyrocketed up by 149% in the last 10 years with averages moving up 107% in 10 years Do you now sense something suspicious here. Most extraordinary is that Hydro One rates increased 25 % in 2016 • Hydro One added another \$141 per year in January 2018 They warned of \$145 per year rate increase in 2019. Slide **Energy Poverty Comes to Ontario** Here is a sampling of what I will discuss. 21 Note, in particular, the highlighted and underlined comments READ SLIDE Slide **ELECTRICITY COST EXPERIENCE IN RURAL ONTARIO** 22 Here are two very serious complaints about Ontario's electric rates. • Joanna from Timmons Ont. complained on YouTube that it costs her \$800 per month to heat this trailer. • Mayor Watson in Echo Bay Ont. says rates are killing businesses and seniors on fixed income can't afford their bills Two thirds of the Dinelle's grocery in Echo Bay will close—that's all of its refrigerated foods sections---because they cannot afford the electricity for freezers and compressors for cooling. GOOGLE SEARCH RESULTS: 1. "Hydro rates are killing small business" Slide 23 • Here are Google Search results to show how bad it is in Ontario

	<ul> <li>"Ontarians are stuck in Premier Wynne's green energy trap"</li> </ul>
	3. Father and son find this Echo Bay store has closed its refrigerated and
	frozen foods due to high electricity costs
	4. Image of father and son in Dinelles grocery in Echo Bay with chilled meat
	containers empty.
Slide	Ontarians choosing heating or eating
24a	<ul> <li>Dorothy Wynne says she's upset when I have to pay my bills and count out</li> </ul>
	pennies
	To pay the hydro bill is difficult.
	<ul> <li>To conserve energy they unplug everything they can and use the BBQ for</li> </ul>
	cooking
Slide	Ontarians choosing heating or eating (continued)
24b	<ul> <li>United Way's Francesca Dobbyn:the Wynne's story fits absolutely the</li> </ul>
	definition of Energy Poverty and that people are making massive lifestyle
	adjustments without results.
	<ul> <li>Families are in <u>energy poverty</u> if &gt;10% of income goes to electricity bills</li> </ul>
	Dobbyn encountered people who had to walk away from their houses
	because the Hydro One bill was larger than the mortgage.
	60,000 people have been disconnected from electricity.
	<ul> <li>Energy Minister Glen Thibeault hesitates to call this situation a crisis.</li> </ul>
	<ul> <li>It's totally a crisis. If we had 30 people with the measles it would be a crisis.</li> </ul>
	We had, you know 3,000 people sick from E. coli in Walkerton years
	agothat was a crisis.
	We have 60,000 people disconnected from their hydro and that's not a
	crisis?
Slide	Ontario's Electricity Price Explosion began with its GREEN ENERGY ACT
25	READ SLIDE

# **GREEN ENERGY ACT 2. -- Ontario Ministry of Energy and Hydro One area** unresponsive monopolies

- Ontario's planning for power is broken
- The MoE
  - o operates against planners advice
  - o offers renewable wind generators above market price tariffs that cost customers \$9.2 billion more than procured power
  - Generators are paid not to produce power
- Ontario Energy Board is unconcerned about cost
- The Green Energy Act promotes a re-doubling of Ontario's wind turbine expansion

# Hydro One.....

- Customers are paying above market priced electricity overpriced by Global Adjustment charges, which triples energy bills
- Its outages last 30% longer and are 24% more frequent
- Hydro One charges customers for declining systems while it games the Ont.
   Energy Board to get more money
- Its inefficient and budgets are not benchmarked
- Cost overruns are built into budgets and its unresponsive to customer complaints
- Hydro One's Conservation efforts are a waste of money—
  - it squanders \$2.25 billion to control only 230,000 tonnes of GHG emissions, spending \$500/tonne, yet impacts a mere 0.0003% of total emissions
- THE KEY ISSUE, or SERIOUS CONCERN I SEE HERE IS THIS:
  - The MoE is not just a regulatory body and Hydro One cannot be viewed as a separate entity like WUTC and Avista Utilities in Washington. The Ontario MINISTRY of ENERGY along with its Premier and Ontario Energy Board arrangement is tantamount to conjoined triplets that dictate conditions to HydroOne. When the Ministry says jump, Hydro One submits. Remember, the Ministry, i.e. the Province are the majority shareholder of Hydro One.

# Slide **GREEN ENERGY ACT 3. -- Ontario's Corporate welfare Goes Green** 27 • 82% of subsidies go to foreign wind generators with \$8 billion in subsidies paid to date; \$13 billion more to go • Also generators are guaranteed \$135/mwhr tariff and access to the transmission grid • Results in a massive oversupply of electricity that it dumps at fire sale prices to New York, Manitoba and Quebec with cost paid in full by customers The electric companies--Toronto Hydro, Hydro One—are run by *promise* them anything politicians focused on getting re-elected Ont. Needs to break up and private its electricity sector because the gov't. has created a shambles of Ontario's energy system • See comments in RIGHT COLUMN **MOVE ON GREEN ENERGY ACT 4. -- Ontario's Corporate Welfare Goes Green-2** Slide Ontario must re-write its Green Energy Act or else..... Likelihood of its bankruptcy is currently 43% Ontario has paid \$37 billion above market in 8 years with an additional \$133 billion due As a result, industry is fleeing the province and power bills have caused 1 in 20 businesses to shut • Their Choice: Pay of the \$132 billion or Re-write the contracts

# Slide **GREEN ENERGY ACT 5. -- Wind is a multibillion dollar scam. Its destroying lives.** 29 Experiences on 3 continents provides clear evidence that wind cannot economically or reliably provide electricity supply: in Ontario, Washington, Minnesota, New Hampshire, Germany, California, Denmark, Spain, UK, Australia, and China. They all have the same complaints. Stop these things. Ontarians have been demonstrating against them for several years as shown on the website www.Ontario-wind-resistance.org Comments to right reflect the health problems, electric rate distress, property values jeopardized, political favoritism, rampant closed-door deals to gain political advantage, lost tourism, and clearly demonstrate unreliability and public hatred of Ontario's wind turbine system. o 99.4% of wind contracts went to liberal donors buying support Wind power is generated when it's not needed, and not available when its needed Wind turbines depress property values, discourage tourism, Private property owners are powerless to stop the building of turbines on their land; thuggery is used to get contracts signed; This aerial view map—on the lower left-- by Wayne Gulden A key point here is that a similar government agency as IESO in Ontario, the custodian or a website with information of this type is not available in Washington. This needs to change. Wind developers hold a great advantage as to cost and details about wind turbines. The public needs ability to monitor Washington's and Idaho's situation and legislation needs to be in place to accomplish oversight if needed. Presently BPA has some data that I was directed to by Avista, but more, much more is needed to properly follow deployment of this untested and experimental technology. Engineers at Avista say they experience a decided lack of data for oversight and monitoring purposes. Slide **ENERGY POVERTY TO DOUBLE AGAIN courtesy of Ontario's CCAP -1** 30 Cap and Trade is the KEY SPOKE OF THE Climate PLAN to redouble on

	poverty
Slide 31	U.S. utilities acquired by Canadian firms – 6 deals valued at \$80.8 B  READ FROM SLIDE
Slide 32	<ul> <li>CLIMATE CHANGE ACTION PLAN – Its Round 2 of Green Energy Act -CCAP2</li> <li>I will first show what is underway with electricity in the province, then air the very serious complaints by customers resulting from the 2009 Green Energy Act and then get to the details of the CCAP of 2016 that involves Cap and Trade.</li> <li>Green Energy Act Round 1         <ul> <li>Raised electric rates</li> <li>Closed coal plants</li> <li>Build wind farms</li> <li>Overpayments for wind by 4x, for solar by 10x</li> <li>Conservation efforts (\$2.3 B) waster</li> <li>Total cost \$172 B</li> </ul> </li> <li>The Green Energy Act, round 2, is now underway. This is the part that involves Avista Corp</li> <li>The comments signal a Province-wide distress call by customers as round 2 gets underway with results that one can predict will quadruple hardship and devastate customers and business more than today.</li></ul>
Slide 33	More about Ontario power and wind turbines Articles discuss:
	<ul> <li>Ontario suffers highest power costs in N America</li> <li>Can Ontario escape its wind power disaster</li> </ul>

• Subsidies triple power costs while emissions rise • Wind power delivers death to pilots Ontario's wind powered energy poverty Ontario's wind powered health calamity • Wind neighbors in open revolt Infrasound health problems from turbines Ontario's Climate Change Action Plan (2 panels) CCAP Slide 34 On the left...In 2016, Ontario's Premier Kathleen Wynne says this about the Climate Plan, "the province will link up with the existing Quebec and California CO2 cap and trade system", a plan that is already severely injuring Ontario's people and its economy. The reason is clear: The Green Energy Act negotiated feed-in tariffs almost four times the existing electricity rates to wind generators and 10 times the electric rates for solar providers and then locked-in 20-year rate guarantees • The article on the right explains that legislation to sell off Hydro One was

signed off in 2015 (?). In this action, it removed all public oversight of the

company, stripped rights of watchdogs to investigate Hydro One and

• Cap and trade is easily labeled a deception because it does not represent

The Cap and trade virtuous cycle facilitates removing high carbon power sources and replacing them with solar, wind and so-called low carbon

• Shown below are Ontario's greenhouse gas reduction targets from page 13

• In the red shaded area I have used the GHG reduction targets to calculate

forecasts to predict the increase in the cost of electricity. The electric cost is clearly related to the carbon price, like a multiplier used in economics, and

resolve complaints, bars all FOIA requests, and shields high paid

nor are any of the advantages realized as it claims to provide.

• I four slides I explain the origin of the \$3,247 per month.

• In 2014 GHG's had to be 6% below their 1990 levels.

By 2050 GHGs must be 80% below 1990 levels.

employees from the Sunshine List.

The lie/Illusion of Cap and Trade-1 CCAP 5

sources, such as nuclear.

of the CCAP.

The lie/Illusion of Cap and Trade-2 CCAP 6

Slide 35

Word

count

3497 = 25 mins

Slide

36

- so the increase in severity of carbon reduction schemes will dictate the increase in the price of electricity
- Accordingly the electricity in 2020 will be 1.8 times higher than 2014 and by 2050 it will be 12.3 times (1230 %) higher than the price in 2014.
- The payoff for the Avista acquisition becomes part of the 2020 price,

•

# Slide

# The lie/Illusion of Cap and Trade-3 CCAP7

37

- But what happens by "reducing emissions through cap and trade"??
- The utility avoids but the emissions remain. In our case, the acquisition of Avista Corp. is the "traded" item. It represents "payoff" to avoid reducing emission.
- In cap and trade, **the cap** is the promise to release no more than set volume of emissions.
- **The trade** is a cash payment, or showing of clean assets in kind, in return for permission, the permit, to release stack emissions. Avista is used for the trade.
- The responsibility for reducing emissions is essentially dismissed, forgotten.
- This is a sham.
- Costs of pretending to do nothing still costs ratepayers
- Its neither virtuous, nor truthful, but a deception.

•

# Slide 38

# The lie/Illusion of Cap and Trade-4 CCAP 8

- Here comes the key point
- I have here carried my forecast one step more (in blue) and then multiplied them by the numbers for 2016 in boxes in the 2<sup>nd</sup> column (outlined in red). Here, the price of carbon is \$157 per tonne and the electric cost is \$107 per month and duplicated in the red table.
- From here you can see the forecasted price of carbon by 2050 climbs to \$1931 per tonne and the electric cost increases to \$1316 per month, with a total cost of \$3,247 per month.
- Remember, this electric rate is only a part of the total billing. This is the round 2 cost. It must be added to the round 1 costs.
- Politicians love it because it is never identified as a tax.

# Slide Costs of Battling Climate Change - Raises Costs, and causes Job Losses CCAP9 39a Here is the first example of costs of battling climate. • In B.C. they levy a tax of \$30 per tonne on carbon. • A prominent B.C. company had a carbon tax bill of \$55 million in 2015 and \$48 million in 2016. Canada intends to install a nationwide carbon tax in 2018 that will increase to \$50 per tonne by 2022 Slide Costs of Battling Climate Change - Raises Costs, and causes Job Losses 39b Here, Canada and Australia clearly demonstrate the damage that is inflicted by taxing carbon. • In 2012 Australia installed a carbon tax of \$15 /tonne, one-half the B.C. rate. Unemployment rose immediately (SEE red line on the CHART) • As companies were forced to adjust, the sudden additional costs were mitigated by layoff of employees. • In 2014, PM Tony Abbott convinced Australia's legislature to remove the tax and the unemployed rolls re-adjusted slowly to the pre-tax days. Australia, by experience, becomes the first modern country to repeal a carbon tax. • Experiment over. Failure! Reject the hypothesis. • The cost of C&T or a carbon tax if imposed elsewhere will have the same troubling effect on any economy. Slide This Illusion of cap and Trade – 5 CCAP10 40 • C&T is not a market solution but it's an invisible penalty that masks negative consequences behind rhetorical benefits of new programs C&T creates artificial scarcity restricting the use of oil, coal or natural gas, that's unrelated to supply based on a number dreamed up by bureaucrats • The cost of C&T is invisible in energy bills. Its camouflaged behind higher costs of goods and more disguised than a straightforward tax,....the reason that politicians endorse it. **Politicians can feign the benefit, and safely** escape blame for higher taxes. **C&T contains elements of centrally-planned economies**, as a massive energy tax, a method to transfer important economic decisions from private hands to government with net loss of GDP; its main objective is to collapse

# industrial civilizations

 Another repulsive attribute applied to carbon dioxide is that it's no more than a permanently installed full-scale experiment for which no pro or con or proof of concept or pilot data exists. It amounts to free-wheeling dictates about climate from a government whose understanding of climate is nil and the consequences of its dictates are null and void from the start.

# Slide 41

4718

words =

34 mins

# The Lie of cap and Trade – Illusions of Reduced Emissions – 6 CCAP11

- Ontario joined the Western Climate Initiative with others in 2015
- Washington is seeking C&T as I speak (2017)

# • It uses carbon pricing as the cornerstone to **battle climate** to reduce what some call carbon pollution but the Trump EPA will reverse this rule

- Promoters expect incomes of \$1.8 billion /year
- They imagine a competitive economy while achieving a predictable climate.
- It worsens the pain of Ontario's already soaring energy prices from its Green Energy Act of 2009.
- WHAT'S GOING ON IN THE US READ SLIDE

# Slide 42

# The Illusion of Cap and Trade – 7 ONTARIO SAYS IT CAN MAINTAIN A COMPETITIVE ECONOMY WITH CAP AND TRADE -- CCAP12

- C&T increases the price of energy by 85% so the new cost compares to the imagined cost of renewable energy
- It does not reduce emissions as we have discussed and as Europe has experienced.
- It disproportionately harms the poor and low income families.
- For example a 15% decrease in CO2 costs the poor 15% of their incomes.
- Obama wanted to decrease CO2 by 83% (and Ontario by 80%), which costs the poor 85% of their incomes.
- C&T harms energy security. It does this by eroding the U.S. ability (or Canada's) to produce energy because 83% of America's energy is produced at home.
- C&T encourages importing more oil from unfriendly countries.
- The most detestable aspect of C&T is it does not impact on climate, as carbon-based fuels or carbon dioxide have no effect on climate, and this fully delegitimizes its purpose. An impact of C&T on climate is impossible.

# Slide 43

# Cap and Trade is Incompatible with a capital Economy – As in the U.S. CCAP13

• The most severe impact of C&T lies in reducing GDP, especially in the US and Canada which have the highest GDPs because of their extraordinarily large

# use of energy (CHART) The chart compares energy use (bottom) against per capita GDP (on left) US has the highest GDP because of its extraordinary energy use. If one wishes to destroy an economy from within, by discouraging energy use, by tax or C&T, a more perfect plan cannot be found. There can be no benefit worthy of economic suicide. That is exactly what the war against climate is, a war to discourage energy use. It's a plan to kill. Slide **Province of Ontario WILL Control Avista** 44 IF THERE IS A REASON TO OPPOSE HYDRO ONE BUYING AVISTA. THIS IS IT. This statement proves that Ontario will permanently meddle or control Avista's affairs. This is Daiene Vernile, Member of Parliament from Kitchener ONT. She tells in this video that.... Ontario will... "Unlock assets in Hydro One to build Ontario's infrastructure" Ontario will... "Sell off 60% of Hydro One through IPO (maintain 40%)" Ontario will.... "Control HydroOne's board" Ontario will.... "Appoint directors, maintain veto power & nominating authority to board" Ontario will... "Set rates" Ontario will.... "Maintain regulatory control" Effectively she says that the Ontario government will control Avista, will set Avista's rates, will appoint members to Avista's board of directors to do Ontario's bidding to dictate to Avista's customers in Avista's territory to satisfy Ontario's Green Energy Act. What's there to stop them? They will own the dams and everything, including your need to have electricity. Its extortion in the womb. On the right—Several YouTube videos show the level of anger of Ontarians with the Hydro One affair. Slide **Tortured by Renewable Energy** 45 Below the cartoon is a pie chart showing the sources for energy consumed worldwide. • NOTE: Wind and solar provide 6/10<sup>th</sup> of one percent of world energy Coal+oil+natural gas provide 96% of energy consumed with nuclear and hydro the remaining 4%. Renewables are of no consequence. Slide **Hydro One + Avista** 46 • On the left are list three articles published recently that oppose the merger. On the right the chart shows why -- This chart compares cost of electricity (on left) with installed renewables scaled along the bottom.

- Avista's cost of electricity is 7.8 cents
- Germany and Denmark fall at upper right side with high costs at 43-44 cents/kwhr and with highest percentage of renewables
- HydroOne today is is 52 cents per kwhr with 61 cents US expected next year
- QUESTION—WHY WOULD ANY AVISTA CUSTOMER WANT TO BE PART OF THE HYDRO ONE high electric cost DISASTER
- Is this what Avista customers want by sitting on their hands?

# **Footprint of Nuclear vs Renewables**

- 47
- Hinckley point is 2968 MW capacity, about double capacity of a large coal plant
- This slide shows the Hinckley Point C power plant in Wales just approved. It will provide 7% of the electricity needed for England and occupies a 430 acre site.
- TO provide the same amount of power in the UK from onshore wind turbines would require an area of 250,000 acres, a square 20 mi x 20 mi, and people cannot live there due to the health problems of wind turbines and the building code setback of 550 m to the nearest home or business. That's an area 580 times larger than the area of the Hinckley plant.
- To provide the power equivalent to the Hinckley plant from wind turbines in Ontario would require almost 6 times the area in Wales because the turbine spacing must be 3500 ft (1100m) in Ontario compared 1450 ft in Wales
- That equates to a much larger square of 49 mi x 49 mi square, 1.53 million acres, compared to 430 acres at the Hinkley plant and remember people cannot live there. That's 3100 times larger than the Hinkley Plant.
- The other disadvantage is that few prime turbine locations remain in Ontario since the best sites are located near the lake shores are nearly all occupied. All of this is impossible.
- Added to all other problems is the intermittency problem that I will describe next and is common to all wind turbines. Ontario's other problem with its current 273 wind farms is that they provide less than 2% of its electric need yet wind turbine deployment is responsible for three-fourths (75%) of the Province's energy cost. Now its impossible twice over.

# Slide 48

# Warren Buffet: Wind farms don't make sense without the tax credit

- Here is what Warren Buffett says about wind farms. "I will do anything covered by the law to reduce Berkshire's tax rate. On wind energy, we get a tax credit if we build a lot of wind farms. That's the only reason to build them. They don't make sense without the tax credit.
- On energy subsides in the box on the lower left: Natural gas and coal receive 66 cents /mwhr in subsidies, but wind turbines get \$56.29 /mwhr

- Major differences exist between the US and Ontario. Due to expiring PTC
  after 10 years in the US, the wind farms will no longer serve investors'
  needs, so will become too costly to operate under normal economics, and
  junked. In Ontario, the gov't. has signed 20 year price guarantees.
- Avista has been offered to buy the Palouse wind farm after 10 years of its life, so the PTC will have expired.

# Slide 49a

# Wind Turbine Experience in Washington

- HERE I show actual wind generation results, or experience for WA and OR from 2015.
- This is the wind turbine electricity generation record for all of the WA and OR for 46 wind farms capable of 4,782 MW but provide only 26%, or 1,243 MW. The list of wind farms is there on the left and on the right is a 6 month record of output from Jan. 1 to June 30 in 2015 of all 46 wind farms, which resembles a needle diagram, with needles on their heads. The record data comes from Bonneville Power Administration. BPA has balancing authority to provide you with power 100 % of the time. These wind farms cannot do that alone. They need a backup source for 100% of the time.
- The white space between the needles shows when they are not producing electricity. Note the two broad 2 week long white spaces when no power was produced in January and in March and several more one week long periods across the chart when no power was produced.
- How long could you tolerate NO ELECTRICITY from wind turbines?
- The horizontal red bar on the top is when they are producing at 100% capacity, which is never reached during the entire 6 months.

One Question: On how many days is no power produced during this 6 mos

# Slide 49b

# Wind Turbine Experience in Washington (continued)

- Here's the tally: 15 days in January and 6 days or 8 days in each of Feb., March and April for a total of 37 days. I didn't count May or June. There were 64 days in 2014.
- On average, wind in Washington is 26 % efficient. When its off its 100% inefficient.
- We can see that renewable wind electricity is unreliable, intermittent. Using wind turbines requires FULL-TIME backup power from another source. The other source may be hydro, nuclear, gas or coal.
- Having more wind turbines does not provide full time power, because as you can see all 46 wind farms are down at the same time.

So how intelligent is it to have, pay for, and maintain two power sources when one will do? Why not just use one source that provides electricity full time.

Slide	Renewables Experience—Spain, UK, Canada, Denmark	
50	<ul> <li>Just a few comments about renewables experience in other countries.</li> <li>The Danes were the example to follow said Pres. Obama, yet they pay the highest electric rates in the EU along with Germany and still pay \$376 million in subsidies to producers and export 57% of the wind power for free. Subsidies pay \$140,000 per wind job which is 250% higher than the average Danish worker.</li> <li>In Spain each renewable jobs created caused the loss of 2.2 jobs elsewhere in the economy. Also each green MEGAWATT destroyed 5.39 jobs elsewhere, and 9 out of 10 green jobs created ended when construction ended.</li> </ul>	
Slide	Renewables Experience – Germany, South Australia	
51a	<ul> <li>In Germany, its Energy Minister says his country has reached its limits with renewable subsidies and its highest electric rates in EU. He says Germany currently risks de-industrialization,</li> <li>Yet its emissions continue to rise and it has committed to build another 18</li> </ul>	
	coal-fired plants	
	<ul> <li>In South AustraliaA winter storm in South Australia last winter and a heat wave in February 2017 each caused blackouts leading to grid failures due to excessive reliance on wind farms that now represent 41% of supply. All except the liberal government realize that wind electricity is unstable when stressed. This last event caused spot electric rates to spike to \$13,440 /MWhr at the time which coincided to similar experience in QSLD and NSW.</li> </ul>	
Slide	Wind Turbine Experience – South Australia	
51b Word count =	<ul> <li>South Australia's answer to stabilize the grid and avoid blackout risk was that the government operator, AEMO ordered the GM Holden car factory in Adelaide to close, with loss of 13,000 jobs</li> </ul>	
Slide	Wind Turbine Experiences – Ontario Water Wars	
52		
Slide	Wind Turbine Electricity Costs	
53	<ul> <li>Explicit costs + Implicit costs = True cost of wind</li> <li>•</li> </ul>	
Slide	BATTLING CLIMATE	
54	How Governments harm people while consciously damaging its economy	

# Slide Damages Caused by Limiting or Taxing Carbon Dioxide-1 55 Let's look at the economic impact of limiting or taxing carbon dioxide in the forecasted impacts of the Paris Climate Agreement and the Obama EPA's Clean Power Plan. Last week a finance talk show in Reno called the CPP the **Create Poverty Plan.** Under Paris on the left, the red and green bars show world per capita GDP income. Currently its \$10,000. • By EXITING the Paris Agreement it would jump to \$30,000 by 2050, but TO REMAIN with the Paris Agreement and go "GREEN" results in per capita income falling 95% to less than \$1,000 by 2050, about equivalent to Haiti today. Earlier I said that exiting the Paris Climate Agreement was tantamount to re-winning WWII. On the right, to continue with the EPA's Clean Power Plan would cause electric rates to jump at least 10% in 41 states and to spike by 40% or more in 7 states Slide Damage Caused by Limiting or Taxing Carbon Dioxide-2 56 Now for Washington State. Our emissions are 0.24% of world total emissions. Here I speak to damage caused by limiting or taxing carbon. 6113 Two cases illustrate what would happen if Washington follows the Paris words Climate Plan or if CO2 is taxed or C&T'd with objective to limit GHG = 44 emissions. min FIRST—Ending all of Washington's emissions ...would be replaced in 35 days from other countries ...would reduce temperature by 0.0018 deg F by 2050 ...would produce a sea level rise savings of 0.008 in by 2050 SECOND—The costs to meet Washington's emission targets would result in Annual family income losses of \$8,200 by 2030 (in 12 years) Cause job losses of 82,000 in 12 years (by 2030), Increase gasoline prices very significantly, and Reduce state's GDP by \$14.7 billion annually IF BOTH CARBON REDUCTION Non-sense MEASURES ARE IMPLEMENTED, IT

	<ul> <li>WOULD CAUSE OUR STATE'S ECONOMY TO IMPLODE, THAT IS</li> <li>If CO2 is taxed at some rate, like in Canada (\$50/tonne) as Inslee has attempted for two years and if cap and trade is installed, as Ecology is anticipating, then the pain could easily double or treble what I just outlined.</li> </ul>	
Slide 57	Anti-wind Advocates (websites)	
Slide	Impacts on Avista customers (1)	
58	Hydro One	
	Ontario govt	
Slide 59	Impacts on Avista customers (2)	
Slide	Impacts on Avista customers (3)	
60	Cap and trade does not work	
	Taxing CO2	
	CO2 does not, cannot	
	Ontario's CCAP	
Slide	Impacts on Avista customers (4)	
61	Reliance on renewables	
	Paris Climate agreement; Obama's Clean Power Plan	
Cl: -l -	WA Gov Inslee's CO2 reduction plans    Busilian Landau Guarana de la landau	
Slide 62	Brockett letter opposing HydroOne acquiring Avista	
	Other Negatives     FND	
Slide 63	• END	
Slide	WIND WARNINGS	
72	Proof wind turbines take thousands off your home: Value of houses within	
	1.2 miles of large wind farms slashed by 11%, study finds	
	Farmer says that legislators are being fooled by easy money promises	
	Four reasons not to sign a wind lease  Former regrets signing wind lease, not worth the problems that resulted.	
	Farmer regrets signing wind lease: not worth the problems that resulted      Impacts of wind farms on water bydrology, metagralogy.	
	<ul> <li>Impacts of wind farms on water, hydrology, meteorology</li> <li>Environmental impacts of large wind turbine projects</li> </ul>	
	<ul> <li>Environmental impacts of large wind turbine projects</li> <li>Incompatibility of wind turbines and crop farming</li> </ul>	
	Wind turbines pose great danger to crop dusters	
	Wind turbines pose great danger to crop dusters     Wind turbines reduce crop growth	
	Be very careful when hiring a wind attorney	
	Modern wind turbines generates dangerous dirty electricity	
	Industrial wind takes terrible toll on farm animals	

- Wind farms and family farms—Not compatible
- Wind energy production: Legal issues and liability concerns for landowners
- Wind projects risk losing tourism income
- Wind farms adversely affect hunting
- Weaponizing infrasound from wind turbines
- Infrasound from wind turbines more problematic than audible sound
- Wind projects cause serious interference with military facilities
- Two projects, Horse and Timbermill wind projects caused net economic impact losses of \$10 million and \$12 million per year
- Adverse health effects of wind turbine noise exposure
- Wind turbines and sleep deprivation
- Wind turbines harm wildlife and farm livestock
- Wind leaseholders suffer economic losses
- Wind turbines affect agricultural yields up to 15 miles away
- Misleading costs and incomes of wind and solar
- Local Maine wind ordinance: 2 mile seback; 25 dba noise limit
- 13<sup>th</sup> complaint filed against wind project for well water interference
- Minnesota's high cost of wind energy failure
- Wind turbines destroyed in Puerto Rico by hurricane Maria
- For additional information on all of these costs, please see WiseEnergy.org.
- Wind turbine total annual output 2,500 watts per acre per year http://www.efn-usa.org/2013-11-06-07-29-01/item/1507-wind-power-no-wind-moderate-wind-tempest-howard-hayden-usofa