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August 11, 2013

Media Release

On Tuesday August 13th, 2013, The Ministry of Energy will be hosting a public session/open house in Sudbury at the Quality Inn & Conference Centre Downtown, 390 Elgin Street South, between 7pm and 9pm. This public session/open house is one of 8 being held around the Province as part of the Ministry's 2013 Long Term Energy Plan (LTEP) review.

The Ministry and OPA are also consulting behind closed doors, by invitation only, with 'Industry Stakeholders' earlier in the day. To the best of our knowledge no one from the public or media has been invited to any of these closed sessions.

The avowed purpose of the public sessions is to inform the Public of the issues, as interpreted by the Ministry and the Ontario Power Authority (OPA) and 'consult' with the Public on the choices to make. In support of this public consultation the Ministry and OPA have published a number of documents which are distributed to those attending any of these public sessions.

One such document, prepared by the OPA, is titled "Making Choices: Renewing Ontario's Long-Term Energy Plan". It provides an insight into how the present Government sees its energy policy to be 'more of the same'.

The document also seeks to guide the discussion over energy in Ontario through a series of questions. Based on the current government's ideology and political platform the questions avoid a discussion of the underlying issues and as such this public consultation appears to be more and exercise in marketing than a true public consultation on a Long Term Energy Plan.

The documents issued in support of the LTEP review also raise some questions in the minds of those that have read them. For example on page 10 of "Making Choices: Renewing Ontario's Long-Term Energy Plan" it states:

"Since 2005, Ontario has saved over 1,900 megawatts of power based on the actions of homeowners, business and industry."

No source or proof of this assertion is given. If we refer to the OPA's "2011 Conservation Results" we are told on page 1 that:

"Overall, 2011 conservation programs in Ontario influenced **717 million kWh of verified and sustainable annual energy savings yielding a program cost to consumers of 3 cents per kWh**. The most cost effective year to date." {emphasis in original}

That 717 million kWh sounds like a lot. In fact it represents only 81.79 MW of generating capacity. If 2011 was the most successful year since 2005, then, at most, the energy saved from 2005 to 2012 would have been $81.79 \times 7 = 572.55$ MW. Where did the other 1327.45 MW come from in their claim of over 1,900 MW saved?

Furthermore, exactly what are we saving or displacing? If we are reducing our use of Natural Gas to generate electricity that may be a good thing. However there are a couple of issues here:

- Natural gas contracts guarantee a "net revenue requirement" (NRR), which means the incremental cost of generation is essentially the cost of the fuel to produce it. With gas prices at low levels, the conservation, if it displaced anything, would usually displace production with an incremental cost similar to that claimed for the conservation programs.
- approximately 30% of the time, in recent years and projected out to ~2018, there is no fossil fuel generation to displace (without paying to curtail non-utility generators), so there is no fuel displaced by conservation programs. <https://sites.google.com/site/ltep2airing/consultation/opa-technical-presentation>

So if we are not displacing fossil fuel generation and we are not saving money, what is the advantage to this program? What do we gain by displacing renewable Hydro generation, the dams are already built and the water is running anyway? The government claims it spent \$2 billion on conservation programs and saved us \$4 billion as a result. However no breakdown of these savings, nor how they are calculated, is given. At \$0.135/kWh that 717 million kWh only represents \$96,795,000 where did the \$3.9 billion in savings come from?

The government's claim of saving homeowners money may be based on entirely theoretical calculations and not on actual data, as most ratepayers looking at their electricity bill will realize.

Furthermore if we refer to page 3 of the OPA's "Status, Outlook and Options for Electricity Service In Support of the 2013 LTEP Consultation" they claim that in 2013 we will save 8 TWh of Energy through efficiency. Considering that in 2011, our best year to date, we were only able to save 0.717 TWh of energy, or less than 1/10th of the 2013 target, where are these huge energy savings going to come from? 8 TWh represents a generating capacity of 912.62 MW, or almost 12% more than the rated capacity of one of Bruce Nuclear's largest reactors. One can but speculate as to how this astonishing saving will be realized. We can but hope that this demand savings is not realized at the expense of more industries relocating to other jurisdictions or shutting down, an all too common occurrence in Ontario recently.

On page 12 of "Conservation First: A Renewed Vision for Energy Conservation in Ontario", by the OPA, we are presented with a chart titled "Relative Cost of Electricity". This chart created by the OPA purports to show us the relative cost of electricity based on various generating options. The problem with this chart is that none of the conditions or assumptions it is based on are provided. Not even the source of the raw data upon which it is based is given.

The chart shows Wind and Bioenergy power as being cheaper than Hydro power under certain, unspecified, circumstances. Not only is this counter to data published by the IESO, but it misrepresents the relative system cost of adding variable non-dispatchable generation to the grid.

As this analysis <http://morecoldair.blogspot.ca/2013/07/the-real-high-price-of-low-value.html> shows, when considering the cost of a generating technology it is not only important to understand the assumptions the levelized unit cost is based on, but it is critical to understand the additional systemic cost of adding any form of generation to the grid.

"In a traditional levelized unit cost accounting the impact of adding set-priced vRES is to drive up the levelized cost of increasingly less-utilized dispatchable assets. This has led to jurisdictions adding vRES capacity now being characterized by escalating total system capacity, escalating consumer rates, and escalating accusations that it is the traditional capacity driving the rate hikes.

If one is using an abstract levelized unit cost model, the addition of non-dispatchable, low capacity value generation has the systemic impact of driving up the levelized cost of the dispatchable high capacity value generation.

The only appropriate measurement of the cost of adding a generator to a system is the additional systemic cost

resulting from the addition of that generator. For wind capacity in service in Ontario, that is over half a billion dollars annually, but the methodology won't simply expose wind as a high cost source - both solar and demand response will fare poorly in a systemic approach to estimating costs.”

<http://morecoldair.blogspot.ca/2013/07/the-real-high-price-of-low-value.html>

There is an excellent and very interesting LTEP Calculator available [here](#) which allows one to model and estimate the cost of any supply mix of generation on the Ontario grid. Playing around with it is very instructive.

On page 17 of “Making Choices: Renewing Ontario's Long-Term Energy Plan”, is the following preamble

“The government stands firm in its commitment to renewable energy. A cleaner energy system is essential for the future of our children”

to this question:

“Looking beyond 2018, what goal should Ontario set to ensure that non-Hydro renewable energy continues to play an important role in meeting Ontario's supply needs?

What innovative strategies and technologies could Ontario pursue in order to further develop and better integrate renewable energy generation into the system?”

The question assumes a number of things:

- That grid-scale non-hydro renewable energy presently meets any of Ontario's supply needs.
- That grid-scale non-Hydro renewable energy is a cost-effective method of generating electricity.
- That there are any societal advantages to developing grid-scale non-hydro renewables.
- That grid-scale non-Hydro renewables are desirable in a modern grid.

It has been shown, repeatedly, that most of the non-hydro renewable energy is exported at a loss because, due to the nature of these renewable generators, it is generated when we need it least. The Auditor General showed in his 2011 Report, as have many others, that non-hydro renewables are not a cost-effective way to generate electricity and that they are a very expensive way to generate very small amounts of electricity unpredictably and variably. Furthermore they are not viable without ongoing subsidies. Given that it has been proven repeatedly, all over the world, that non-hydro renewables do not displace fossil fuels or reduce GHG emissions and given the disastrous European experience with non-hydro renewables ([here](#) and [here](#)) one can but conclude that the premises upon which the Ministry's question is based are false.

From the preamble to this question it is evident that the government is still pursuing an agenda based on unsubstantiated and unproven assumptions. Furthermore, the government's preoccupation with CO2 emissions from electrical generation, which currently represent less than 10% of our GHG emissions, ignores the environmental damage and destruction of endangered species that results from the development of wind generating stations in Ontario as well as the [Climate-Change-like effects](#) of wind generating stations.

Most of the other questions in “Making Choices: Renewing Ontario's Long-Term Energy Plan” are equally leading and partial.

One would think that a government which claims to want consultation and feedback would at least listen to the feedback from the polling booth it has been given by the large and growing percentage of the population which opposes further wind developments in the Province.

It appears that this consultation effort is aimed more at legitimizing policy decisions the government has already made than soliciting and implementing input from the voters.