

## Society Newscast 2004:09

This is the Society Newscast for Wednesday, December 22, 2004

### Happy holidays!

As the office winds down for the year, the officials and staff of the Society extend their wishes to all *Newscast* readers for a joyous and safe holiday season.

The Society office will close for the holidays at noon on December 24<sup>th</sup>, and will reopen on January 3<sup>rd</sup> in the new year.

### Board highlights, Dec. 7, 2004

The Society Executive Board met on Tuesday, December 7<sup>th</sup>. Due to absences, **Rod Sheppard**, Vice President Membership Services, chaired the meeting.

**Bill 100 Campaign:** Staff Manager **Dan Kellar**, Staff Officer **Michelle Duncan**, IMO Local Vice President **Rick Coates**, and New Horizon Local Vice President **Joe Sarick** reported on campaign activities since the last Board meeting.

The Society's message had been heard by all three political parties in the legislature, they asserted, giving as evidence the number of amendments proposed for Bill 100 by the NDP and PC parties that were consistent with the Society's positions. Though none of these amendments was approved, and though third reading of the bill was imminent, there are decisions yet to be made in which the Society needs to assert influence, including:

- ◆ Regulations associated with Bill 100



*A nutcracker king stands guard over the holiday greetings and Christmas tree in the Society office.*

- ◆ Approval and implementation of the contracts with private investors arising from the Government's two RFPs
- ◆ Decisions by the shareholder (the Government) on both OPG and Hydro One's mandates and missions

The Society continues to explore opportunities to work with the broader labour movement and other interested parties on key Society campaign objectives.

The Citizens' Task Force on Electricity, created by the Society, has begun its work on financing options for Ontario's electricity industry (see *NewsCast* 2004:08). A final report is expected early in the new year.

**Society election procedures:** Society OPGN Local Vice President **Olaf Heilandt** told the Board that he'd received certain complaints that Society voting procedures were not as secure as would be desirable. On the strength of his presentation, the Board assigned EVPs Rod Sheppard and Leslie Forge to review election procedures, especially "the control and distribution of ballots, the contents of candidates' election materials and all candidate meeting rules." (Chief Returning Officer Anthony Pin has received no such complaints.)

**Office renovation:** The Executive Board approved the expenditure of up to \$60,000 for crucial renovations to the Society office. There are currently too few offices for staff and officer needs; new ones will be created out of current open and meeting space.

## Bill 100 gets third reading

Bill 100 passed third reading in the Ontario Legislature on December 9<sup>th</sup>.

In moving third reading, Energy Minister Dwight Duncan had nothing but praise for his bill, which the Society has criticized since the Minister announced his intentions to the Empire Club in February of this year. His bill, he said, would place Ontario between two "extremes," the old Ontario Hydro monopoly which had "lost its way," and the Harris-Eves government's exposure of Ontarians to an unfettered market.

While the bill's being passed is a milestone, said Society President **Andrew Müller**, the effort to influence the government will continue. "It ain't over till it's over," he said, quoting Yogi Berra (1950s-era catcher for the New York Yankees, known for his unique way with English). "It'll take some time to implement the changes required, and there'll be more opportunities to bring its flaws to the attention of the Minister, his fellow MPPs, and his staff. We hope he'll see things more clearly before it's too late."

## Müller: Bill 100 campaign brings a number of successes, not over

Passage of Bill 100 by the Ontario Legislature doesn't mean the Society hasn't successfully put across its views, says Society President Andrew Müller. Nor, he says, does it mean the campaign to amend Bill 100 is over.

"We have a number of goals, some of which have been attained," he said. "While the Liberals didn't change much in the bill, we know we have been noticed. Among our goals were those of raising awareness of the Society, increasing our influence with the government and the public, and influencing the restructuring of the industry. And the Liberals' restructuring is really only beginning."

Müller reviewed the many steps in the campaign, beginning from before Bill 100 was announced:

- ◆ The Society made a submission to the Pickering A Review Panel, in which it argued that OPG had made the necessary changes to its project management processes to complete refurbishment of the Pickering A reactors
- ◆ The Society made a submission to the OPG Review Committee, in which it argued that OPG should remain a vital part of the electricity industry
- ◆ The Society invited then-new Energy Minister Dwight Duncan to meet and speak to Society members, which he did for over two hours
- ◆ The Society and Society members made a number of submissions to the committee of the Legislature which considered Bill 100
- ◆ The Society sponsored a study by the University of Greenwich's Stephen Thomas, which argued that Bill 100 was a "very risky" way to restructure the industry, and that the Government should make use of its public assets
- ◆ The Society sponsored an international symposium on September 19<sup>th</sup>, in which several Canadian and international experts criticized the many almost always damaging efforts to "liberalize" electricity all over the world
- ◆ The Society created an "Amend Bill 100" web-site to raise members' and the public's awareness of Bill 100 and the Society's campaign to improve it
- ◆ The Society commissioned two videos around the campaign which are posted to the Amend Bill 100 web-site
- ◆ The Society ran an advertisement for two weeks on prime-time television in October
- ◆ The Society and 12 other prominent individuals signed a full-page ad in the *Globe and Mail* calling on the government to keep the electricity system public
- ◆ Hundreds of Society members signed petitions to the Premier

- ◆ The Society sponsored a electronic campaign wherein individuals could send a fax to the Premier expressing support for the Society's position
- ◆ The Society has set up the Citizens' Task Force on Electricity which will examine the best methods for the Government to finance building new plant and refurbishing existing plant

"We've been very busy," said Müller. "All these activities have been consistent with our goals, and we've successfully reached the public with our issues. We're not nearly done yet."

## OPG agreements ratified

The settlement reached with Ontario Power Generation for collective agreements for 2005 has been ratified.

Both Society bargaining units reached agreement with OPG in late October (see *Newscast* 2004:08), and submitted those agreements to ratification. The results of voting were:

- ◆ OPGI: 460 in favour to 35 opposed (carried by 93 *per cent*)
- ◆ OPGN: 949 in favour to 106 opposed (carried by 90 *per cent*)

## Report: Ontario needs coal

The Ontario government is setting itself up for another power crisis, says a recently issued report.

Supply is currently in fairly good shape, says Cambridge Energy Research Associates (CERA) Senior Consultant Roger Goodwin. However, the expected shutting down of Ontario's coal-fired generating stations "must be delayed or cancelled, or a further crisis in Ontario's power markets is virtually inevitable."

The reason? The price of natural gas. The only reasonable option for replacing the coal-fired units is with natural gas-fired ones, he says. The higher price of natural gas, and the volatility of that price, especially during the winter when demand for it is at its peak, particularly in the event of problems with the nuclear units, could "potentially have an adverse impact on the competitiveness of many of Ontario's key industries."

Goodwin says the closure of the coal-fired plants must be cancelled or delayed. The "optimal solution," he says, and the cheapest one, is to continue operating the Nanticoke and Lambton GSs, with pollution-control retrofits.

*CERA believes this ... program will achieve the twin objectives of a cleaner environment and low-cost power. This upgrading of over 6,000 megawatts (MW) of coal capacity can be achieved for a cost less than that of refurbishing two Pickering A nuclear plants with a capacity of about 1,000 MW.*

Goodwin says CERA welcomes the Ontario government's progress toward a "hybrid market," though he notes the "evolution to a more complex market structure could well lead to unintended consequences..." He calls for pragmatism to conquer ideology. "The Province now sits at a junction where unrealistic policies could lead to an even worsening crisis..."

## **New Brunswick: Premier won't rush Lepreau decision**

*(reprinted from the December 9th issue of The Point, Bruce Power's internal newsmagazine)*

New Brunswick Premier Bernard Lord says he will not rush a decision on the potential refurbishment of the Point Lepreau nuclear generating station to meet an artificially imposed December 31<sup>st</sup> deadline.

"If we find at the end of December that we need an extra week or two weeks, we will take the extra time," Bernard Lord told the editorial board of the Moncton, New Brunswick *Times & Transcript* newspaper.

In November, New Brunswick Power invited Bruce Power, Inc. to make a proposal regarding the future of Point Lepreau. Soon after, a team of approximately 30 Bruce Power employees began a technical and financial analysis of Atlantic Canada's only nuclear facility. That provisional "due diligence" exercise is ongoing.

As part of its own review of Point Lepreau, New Brunswick Power is exploring several options. Those include renegotiating its refurbishment contracts with Atomic Energy of Canada Ltd., investigating fossil fuel options and considering the involvement of private sector firms such as Bruce Power Inc.

In Tuesday's edition of the Moncton newspaper, Lord is quoted as saying he hopes NB Power can strike a good deal with AECL and Bruce Power so Point Lepreau's life can be extended.

"I'm hopeful that NB Power can negotiate the right agreement and give us the recommendation that this is good for ratepayers and taxpayers. If it is, and we are convinced it is, then the answer will be yes," Lord said of refurbishment.

## Hydro One increases inter-tie with Michigan

A phase shifter that failed in 2001 has been remanufactured and re-placed at Lambton transmission station. It joins a second phase shifter that was placed in service in 2002.

The replacing of the phase shifter is part of an Ontario-Michigan Interconnection upgrade program that will increase Hydro One's ability to import from the U.S. by about 500MW and to export to the U.S. by about 1000MW.

According to Hydro One, transmission flows from New York through Ontario and into Michigan have increased from a peak of about 1100MW to over 1600MW. When the improvements foreseen by this program are complete, the reliability and flexibility of the interconnected system will be improved, and the transfer capabilities of the Michigan-Ontario inter-tie will be increased by almost 400MW.

## CLC applauds Employment Insurance recommendations

Leaders of the Canadian Labour Congress have called on the House of Commons to get busy implementing changes to the Employment Insurance system recommended by a committee of the House of Commons.

"These recommendations are a victory for the working people and unions who have put these issues in front of their MPs both in Ottawa and at home... It's time to put the money working people have paid into the EI program back where it belongs—into the benefits they need when they find themselves unemployed or unable to earn a pay cheque," said Executive Vice-President Barbara Byers.

The recommendations are contained in "Restoring financial governance and accessibility in the employment insurance program," a report released early this month by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities (mercifully referred to as HUMA). They include:

- ♦ an independent, arms-length, tripartite Commission be established to oversee the EI trust fund with a transparent premium setting process
- ♦ the hours needed to qualify for EI benefits be reduced to 360, and a worker's best twelve weeks of work be used to calculate how much s/he is entitled to receive (which, according to the CLC, would make a dramatic difference for working women and younger workers)
- ♦ the benefit rate be increased from 55 to 60 *per cent*
- ♦ the overall maximum benefit period be increased from 45 to 50 weeks

- ♦ a pilot project be created with the aim of establishing training insurance under EI to stimulate more active employer participation in worker training and skills development

*And that is the Society Newscast for Wednesday, December 22, 2004.*

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*Members can hear the current Newscast by calling (416) 979-2709 x.2035.*

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