

To: Subject: Date:

From:

Re: EB-2013-0203 Niagara Region Wind Corporation_ Acknowledgement Letter September 6, 2013 9:40:42 AM

I believe that the approval would be detrimental to Ontario's economy. Currently our electricity prices are on the way to be the highest in all of North America and Ontarians are not being fairly treated. To me, this is energy poverty as household from accross Ontario are now making choices about eating vs paying for their electricity.

Below are some facts from the <u>"2011 Annual Report of the Office of the Auditor General of Ontario, Chapter 3,</u> <u>Electricity Sector - Renewable Energy Initiatives</u>" that you're welcome to cut and paste into your comments. This Report explains the "renewable rush" story with all its losses/costs to us. It will also open your eyes as to how the Minister of Energy/gov't. issues energy directives taking away much of the "authority" of the Ont. Power Authority experts and limiting the independent Ont. Energy Board's role of protecting the consumers with respect to overall cost-effectiveness in the electricity sector. All this in order for the gov't. to take control to expedite a ludicrous and costly renewable energy experiment without any cost/benefit analyses! If you'd like to read the 33 pages of the Renewable section of the Auditor General's Report, just Google the whole title of the report underlined above and you'll find the pdf of Chapter 3.

2011 Annual Report of the Auditor General

1. "Although the Ministry consulted with stakeholders in developing the supply-mix directives, the Long Term Energy Plan (LTEP), and the *Green Energy and Green Economy Act*, <u>billions</u> of dollars were committed to renewable energy without fully evaluating the impact, the trade-offs, and the alternatives through a comprehensive business-case analysis. Specifically, the OPA, the OEB, and the IESO acknowledged that:

• no independent, objective, expert investigation had been done to examine the potential effects of renewable-energy policies on prices, job creation, and greenhouse gas emissions; and

• no thorough and professional cost/benefit analysis had been conducted to identify potentially cleaner, more economically productive, and cost-effective alternatives to renewable energy, such as energy imports and increased conservation." P.97

2. "On the other hand, renewable energy sources, particularly wind and solar, cost much more than conventional energy sources. Accordingly, electricity bills are projected to rise even further as more renewable energy projects start commercial operations in the next few years." P.93

3. "In November 2010, the Ministry forecast that a typical residential electricity bill would rise about 7.9% annually over the next five years, with 56% of the increase due to investments in renewable energy that would increase the supply to 10,700 MW by 2018, as well as the associated capital investments to connect all the renewable power sources to the electricity transmission grid." P.89

4. "In particular, RESOP, (Renewable Energy Standard Offer Program) which offered very attractive contract prices to renewable energy generators, received overwhelming responses..." P.103

"Although continuing the successful RESOP initiative was one option, the Minister directed the OPA in September 2009 to replace RESOP with a new standard-offer program called Feed-in Tariff (FIT), which was wider in scope, required made-in-Ontario components, and provided renewable energy generators with significantly more attractive contract prices than RESOP. These higher prices added about \$4.4 billion in costs over the 20-year contract terms as compared to what would have been incurred had RESOP prices for wind and solar power been maintained." P. 104

5. "Many other jurisdictions set lower FIT prices than Ontario and have mechanisms to limit the total costs arising from FIT programs." P.90

6. "... the FIT contract has a unique feature that offers renewable energy generators an "Additional Contract Payment" to compensate them for any revenue lost as a result of curtailment instruction. Accordingly, electricity ratepayers still have to pay renewable energy developers even when those generators are not producing electricity during periods of curtailment. " P.107

7. "Given that demand growth for electricity is expected to remain modest at the same time as more renewable energy is being added to the system, electricity ratepayers may have to pay renewable energy generators under the FIT program between \$150 million and \$225 million a year <u>not</u> to generate electricity." P.91

8. "Reducing renewable power can be an efficient way to reduce supply. Wind generators can be brought on-line or off-line quickly - an ideal characteristic to address surpluses. Although this helps to address the degree to which the electricity system is overloaded, it may not result in cost savings because if the IESO instructs wind generators to shut down under a surplus-power situation, the generators still get paid under the FIT program." P.113

9. "In 2010, 86% of wind power was produced on days when Ontario was already in a net export position. Although export customers paid only about 3¢/kWh to 4¢/kWh for Ontario power, electricity ratepayers of Ontario paid more than 8¢/kWh for this power to be generated. Based on our analysis of net exports and pricing data from the IESO, we estimated that from 2005 to the end of our audit in 2011, Ontario received \$1.8 billion less for its electricity exports than what it actually cost electricity ratepayers of Ontario." P.112

10. "Reducing hydro power can be done by diverting, or spilling, water from hydro generators. The IESO informed us that although the magnitude and timing of spill activities have not been well documented, Ontario spilled water to reduce electricity supply on 96 days in 2009 and 10 days in 2010. Because the overall cost to produce hydro power is often lower than that of all other types of power, reducing hydro power to "make room" for wind and solar power is an expensive mitigation strategy to reduce surplus power, particularly as hydro, wind, and solar power are all considered renewable energy sources." P.112-113

11. "Wind generators operate at 28% capacity factor but have only 11% availability at peak demand due to lower wind output in the summer. Although the average capacity factor of wind throughout the year was 28%, it fluctuated seasonally, from 17% in the summer to 32% in the winter. Our analysis also indicated that wind output was out of phase with electricity demand during certain times of day. For example, during the morning hours, around 6:00 a.m., wind output usually decreased just as demand was ramping up. Throughout the day, demand remained high but wind output typically dropped to its lowest level for the day. During the evening hours, around 8:00 p.m., when demand was ramping down, wind output was rising, and it remained high overnight until early morning. This somewhat inverse relationship between daily average wind output and daily average demand was particularly pronounced in the summer and winter months." P.111

12. "The OPA informed us that because viable large-scale energy storage is not available in Ontario, wind and solar power must be backed up by other forms of generation. This backup power is generated mainly from natural gas, because coal will be phased out by the end of 2014. The backup requirements have cost and

environmental implications. For example: The IESO confirmed that consumers have to pay <u>twice</u> for intermittent renewable energy - once for the cost of constructing renewable energy generators and again for the cost of constructing backup generation facilities, which usually have to keep running at all times to be able to quickly ramp up in cases of sudden declines in sunlight levels or in wind speed. The IESO confirmed that such backups add to ongoing operational costs, although no cost analysis has been done." P.113

13. "According to the study used by the Ministry and the OPA, 10,000 MW of electricity from wind would require an additional 47% of non-wind power, typically produced by natural-gas-fired generation plants, to ensure continuous supply." P.91

14. "Although gas-fired plants emit fewer greenhouse gases than coal-fired plants, they still contribute to greenhouse gas emissions. The Ministry has not yet quantified how much backup power will be required from other energy sources to compensate for the intermittent nature of renewable energy, and accordingly has no data on the impact of gas-fired backup power plants on greenhouse gas emissions." P.119

15. "In recent years, there have been growing public-health concerns about wind turbines, particularly with regard to the noise experienced by people living near wind farms. In May 2010, Ontario's Chief Medical Officer of Health issued a report concluding that available scientific evidence to date did not demonstrate a direct causal link between wind turbine noise and adverse health effects. However, the report was questioned by environmental groups, physicians, engineers, and other professionals, who noted that it was merely a literature review that presented no original research and did not reflect the situation in Ontario. We also noted that only a limited number of renewable generators were in operation in Ontario when the report was prepared in spring 2010, a few months after the launch of the FIT program." P.119/120

16. "the Ministry confirmed that it had not estimated the potential job losses and the cost per renewable-energy-related job in Ontario." P.118

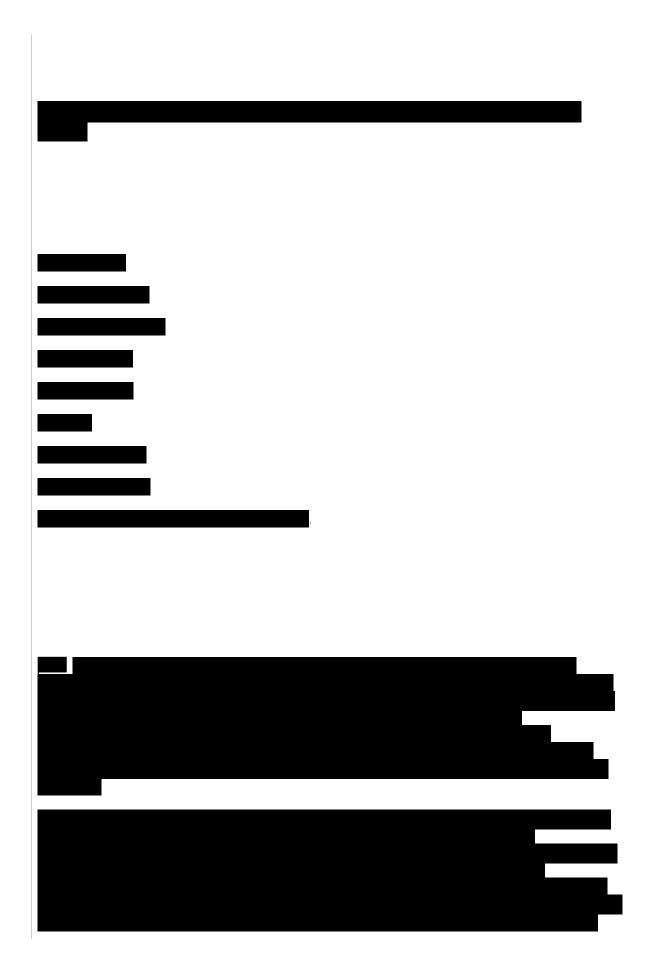
In conclusion,

I believe that the application should be denied based on the fact that we do not NEED the energy in Ontario and approving this transmission line would put Ontarians into further debt. Starting next week, wind developers will also be getting paid to delivery ZERO Energy to the grid...all because of the FIT Contracts they were awarded. These contracts are failing all over the world and Ontario should not be building new wind farms unit! they have done an economic cost benefit analysis; which is absent from the current renewable energy strategy.

Please confirm receipt and acknowlegement of this letter.

Sincerely,

Marianne Kidd



--Marianne Kidd