

MULTI-MUNICIPAL WIND TURBINE WORKING GROUP

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Hon. Bob Chiarelli, Minister of Energy
4th Floor, Hearst Block, 900 Bay Street, Toronto, Ontario M7A 2E1

Mr. Bruce Campbell, CEO, Independent Electricity System Operator
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Ms. Bonnie Lysyk, Auditor General of Ontario
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More wind power will increase hydro rates

Ontario electricity rate payers continue to watch with alarmed disbelief as their hydro bills skyrocket. The media repeatedly show examples of adverse impacts to our manufacturing industry, commercial enterprise, agricultural viability, and of families forced to choose between paying utility bills and buying groceries. As an organization representing a dozen municipalities, we are very disturbed at the rapidly increasing cost of electricity.

Much of this increase must be attributed to the introduction of renewables—particularly wind energy. A policy to rapidly install wind turbines as a major part of the Ontario electrical scene was rushed through without adequate analysis or examination, justified by an ideology rather than a comprehensive business case. The government over-generously contracted to pay renewable energy producers significantly higher rates than the market price. Our electricity has now become the most expensive in North America, seriously threatening our prosperity.

Ontario's Auditor General has pointed out that we pay twice for wind energy. Its intermittency and unpredictability prevent it from being a dependable base load source of power. Since it is mainly produced at times and seasons of low demand and is frequently unavailable during peak consumption it is a mismatch for Ontario's energy needs. The variability of wind makes it necessary to

maintain an alternate source of generation available for when wind drops, especially during the increasing morning demand. When the oversupply of wind energy is not needed at night, other base-load generators such as hydro and nuclear have to be curtailed, but maintained available to return to service when wind generation falls. The requirement to build and supply gas generators which can be run up when wind output falls has already added significantly to consumer bills. These costs will increase as more already contracted wind turbines become operational.

How wasteful is wind energy?

- When variable wind is added to other steady base load generators, it can result in unutilized base load generation on many nights. The system operators must either curtail generation, or sell excess generation at prices below the cost of production, or both. Should Ontario electricity consumers be subsidizing New York and Michigan?
- Because the ideology-based policy gives preference to wind, the wind power is only partly curtailed. What is happening far too often now is that cheaper, non-CO₂ producing nuclear and hydraulic base load generators are being curtailed: nuclear units are dumping steam and hydraulic generating stations spilling water. Curtailment costs are substantial and they are increasing each year.

Now IESO has issued a RFP to add another 300 MW of wind power

Why was no action taken when the Auditor General's 2011 report specifically warned of all these mismanagement issues? Ontario needs an economically viable energy policy, not one based on unrealistic ideology.

We are calling on the Government of Ontario and the IESO to make a sober re-evaluation of the damage current energy policy is doing to our economy. We believe spiralling electricity costs urgently need to be halted. *We are requesting full objective third-party cost-benefit analysis before there is any further procurement of wind or solar capacity.* We stress that it is incumbent on the IESO and the Government of Ontario to ensure that electricity procurement contracts are awarded to the lowest

cost provider capable of aligning real time generation with the requirements of the Ontario grid. We would appreciate your expedient response to this letter.

Yours truly,

Mark Davis, Deputy Mayor, Municipality of Arran-Elderslie
Chair, Multi-municipal Wind Turbine Working Group

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