

EB - 2018-0242

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OEB Presentation

December 2, 2019

INTRO

My name is Guy Hanchet. Thank you for taking the time to hear from me this morning.

I'm here on behalf of the Save PDI Coalition representing workers, researchers, customers, and concerned citizens. Together, starting in 2016 we organized on behalf of Peterborough citizens and PDI customers to oppose the sale of Peterborough Distribution Inc. to Hydro One.

I'm here to convey how the sale would *harm* our community.

And to suggest that your decision is straightforward: Please vote NO to this sale.

The citizens of our community don't want it. It would increase rates and reduce service. It would *harm* our local control over our distribution system. And it would *harm* our energy resilience, right as we enter the era of climate chaos.

By voting NO, you can say YES to local citizen control and power.

1 - BACKGROUND: CITIZENS DO NOT WANT IT

First of all, an overwhelming majority of Peterborough citizens opposed this sale. According to 2 polls conducted by Environics in the months leading up to the proposed sale in 2016, over 90% of citizens said they were against it. 90%!

In all the public consultations on the question of the sale, citizens spoke passionately against it with almost total unanimity. A petition opposing the sale gathered about 500 signatures. It is fair to say that the sale was approved by council against the will of the vast majority of citizens.

Despite vigorous public opposition, the political result was a disappointing vote on December 15, 2016 to go ahead with the sale. The vote was very divisive, and the motion passed by a narrow 6-5 margin.

Citizens coalesced after the vote to support a more progressive Council under the banner "Vote for Sustainable Peterborough." We elected a new Council and replaced the Mayor and many of the supporters of the sale in the next municipal election in October, 2018.

Based on the new Council members' statements and records, it is very unlikely that Peterborough's current Council would have approved this sale in the first place. One of their first actions as a new Council was to meet to see if there was a way to intervene and block the sale. They were advised against that course of action for reasons that are not available to the public.

So, the public didn't – and doesn't - want this sale. Why not? Because of the *harms* anticipated to our community. Beyond the obvious harm to citizens' faith in our democratic processes, I'd like to highlight the other ways this sale would *harm* us.

2 - RATE INCREASES

The first *harm* that most people have paid attention to is Hydro One's reputation for poor service and high distribution rates. I know you will be hearing more about these arguments throughout the rest of this hearing.

To sum it up from the citizens' perspective, we have good reason to believe that we would be paying more money for worse service.

3 – LOSS OF CONTROL

But there's more. Losing municipal control over the utility risks *harm* to our community.

When we began our advocacy work, we brought up our serious concerns about losing control, and they were dismissed. We were told: "Your electricity rates will be set by the Ontario Energy Board, so you won't have control anyways."

But they were totally missing the point. Because - as you all know - controlling a utility is about way more than just controlling the rates.

It is about the ability to connect local energy sources to local energy users. Control is also about being able to make our own decisions that reflect our own local interests.

The alternative, which is what the sale offers us, means having to accept decisions from far away that we would have little influence over and that might not be in our local interests.

Hydro One, a huge company that is increasingly focused on international business and large urban centres, is less likely to adapt to the future needs of a small city like Peterborough when we need it. Whatever economies of scale there might be (if any) would dictate that more populated centres will be serviced first. This would leave Peterborough unable to innovate in support of its own local needs.

I've worked in the private sector for most of my life. I know - as I'm sure you do - that a private company's prime objective is to maximize profit to its shareholders. Today, the city of Peterborough is the sole shareholder of our energy distribution system, so any profits stay in our community. They don't flow away as they would if you approve the sale. If sold, the steady income that the utility provides the city today would be lost.

After all, this is a public utility, a natural monopoly that belongs to the public. It was built with public funds. It has served the public well for a hundred years. Citizens are happy with it. Peterborough, known as "the Electric City", is proud of its distribution system.

Selling it to a remote private company, no matter what regulations might be in place, is a foolish attempt to fix a problem that the citizens simply do not have. Instead, it introduces problems where none currently exist.

4 - LOCAL ENERGY RESILIENCE & CLIMATE CHANGE

This issue around local control has never been more critical.

Just this September, Peterborough declared a climate emergency. Our declaration recognizes the transformational chaos that is upon us as a result of the changing climate and the global energy crisis.

We know we need to work to transition to more distributed, diversified, renewable, fossil fuel free energy generation and distribution systems. Most energy analysts assert that communities with local control over their energy needs will be best able to adapt to the challenges of the climate crisis.

Because local energy resilience depends on local ownership of distribution facilities like PDI, its sale would reduce our city's ability to make changes in response to the climate emergency that faces us all.

5 – SMALL ENOUGH TO THRIVE

In addition to these *harms*, there has been much talk about economies of scale. No doubt, you'll hear plenty about this over the course of this hearing.

The underlying implication behind these arguments is that PDI is "too small to succeed".

But it simply is not. The fact is, it *has* been succeeding!

And there are many other local distribution companies in Ontario that are smaller, that are also succeeding.

In fact, as I'm sure you know, the Ontario Energy Board's most recent scorecard ranks these companies and PDI quite highly. Embrun Ontario runs a distribution cooperative with only 2000 households as efficiently as PDI with our 35,000 households.

6 - REVERSIBILITY

Right now in Germany and other European countries, many municipalities are struggling to regain public ownership and control of the utilities that they were forced to sell over twenty years ago. We should learn from the examples in Europe, take their experience as a warning, and avoid that problem in the first place. If we sell PDI now for short term promises of rate freezes and even shorter job guarantees, it will be decades before we can get it back, and the task will be expensive and complicated.

7 - CONCLUSION

Through all our engagement, we've seen no compelling reasons to believe that this sale would make anything better for us, the citizens.

On the flip side, there seems to be quite a lot of evidence that it might make things worse – in terms of rates and service levels, and local control over our distribution system. And most importantly, it would reduce our energy resilience right as we enter the era of chaotic climate change, when we will need it most.

For all these reasons, we ask you to reject this sale. Saying NO to this sale means saying YES to local citizens, to local democracy, to local control of power distribution, and to local energy resilience. That is the real bottom line.

Thank you for your time.