

Chamber urges transparency in Ontario energy system



The Windsor-Essex Regional Chamber of Commerce has released its 35-page regional energy paper as of Tuesday, March 12, 2013, which includes supporting the eventual shift from coal to natural gas in the supply mix. (Windsor Star files)



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Facing what it calls a near-crisis in utility costs across the province, the Windsor-Essex Regional Chamber of Commerce is calling for more transparency throughout the system.

In releasing its regional energy paper, the chamber is urging the provincial government to provide more information on the breakdown of global adjustment fees and how they impact energy costs in the province as well as more openness in re-examining the costs, benefits and sustainability of the current energy supply mix, including renewables in the province.

“We’re not at a crisis point yet but Ontario has among the highest utility rates in North America and it has a major impact on the cost of doing business in Ontario

and obviously, Windsor,” said David Diemer of Dillon Consulting and chairman of the chamber’s energy and environment committee. “We heard from many members in our survey that utility costs can be an impediment to business and job growth.”

According to a two-year-old study by Hydro Quebec, large power consumers in Ontario cities such as Toronto and Ottawa were second only to New York City in electricity costs.

“One of the largest issues for our members is improved transparency within the system,” said Diemer. “It’s one of the largest costs, aside from employee costs, for any business owner and yet there seems to be few opportunities for input into the system.”

Mark Bartlett, president of the CAW’s Windsor regional environment council, endorsed the recommendations and said “they’re a great step forward and I applaud the chamber for taking this initiative.

“Transparency is something the CAW and other organizations have been calling for and I believe the chamber is right on with its call for that transparency,” said Bartlett.

“If the true costs of energy were made public, then we could make objective decisions about the energy supply mix in this province,” said Bartlett.

“Opponents of green energy always point to subsidies as driving up costs but there are subsidies involved in some way with all energy production. If you want to eliminate them all or at least reveal them all, we could make better informed decisions about our future energy sources.”

The total cost of electricity is recovered through a combination of hourly Ontario energy prices and global adjustment fees.

The global adjustment fee is the difference between the revenues received from the sale of electricity and the payments made to suppliers of electricity and conservation services.

“Ideally, we want to work with government in resolving some of these cost and availability issues so that the system better serves our business community,” said Diemer. “And there’s no question that global adjustment fees require more clarity.”

It’s the second of three reports prepared by chamber committees. The first on transportation was released last month and a third on taxation is expected next month.

“It’s all part of a mandate from the board to become more pro-active and out-front in attempts to influence government policy on behalf of our members,” said Ed Miles, chairman of the chamber’s board of directors. “Going forward, we want to take more of a leadership role and these papers are part of that mandate.”

The 35-page energy report makes a number of other recommendations including accelerated upgrades to the energy grid allowing for more timely hook-ups for feed-in tariff contracts and support for the eventual shift from coal to natural gas in the supply mix.

Bartlett said that connectivity to the grid has been an issue since the Green Energy Act came into effect.

“I believe more renewable energy companies would still be around if contract holders were able to access the grid in a timely manner,” he said.

“The shift to natural gas is an interim step because we know the cost of it will go up as it becomes more difficult and more expensive to extract but we still favour that shift for environmental and human health reasons.”