

Ontario's Power Trip: Power without the people

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How a tiny group of vested interests — the Ontario Sustainable Energy Association — holds sway

By Parker Gallant

In the political power corridors where the Ontario government's green energy regime is legislated, regulated, discussed, manipulated, twisted, turned and imposed on the people, one group keeps cropping up: the Ontario Sustainable Energy Association (OSEA). Among other things, the OSEA claims prime responsibility for the Ontario Green Energy Act, the 2009 legislation that introduced massive subsidies to green energy and triggered multibillion-dollar spending on wind and solar power and new transmission infrastructure.

OSEA's political clout scored another victory last Friday when the Ontario government reversed itself on a plan — announced July 2 — to cut the massive subsidy price paid for small-scale solar electricity to 58¢ for each kilowatt hour from 80¢. The cut, to be imposed on 16,000 solar project applicants, would have saved \$1-billion. But now, under lobbying from OSEA, Ontario Energy Minister Brad Duguid has reversed himself. The new price would be 64¢ but the old price of 80¢ would be paid on all projects for which applications had been received as of Aug. 13.

Not only would the \$1-billion savings be lost, new costs would be added since — mysteriously — the number of solar project applications had jumped to 19,000 from 16,000 since July 2. It was a tribute to the influence of OSEA, whose slogan is "Power to the People" — even if that power is priced at 80¢ a kWh. As somebody once joked, at that price you could shine a light on a solar power panel and make money.

Any group that powerful deserves attention. I tracked OSEA down recently at the Ontario Energy Board, the provincial regulator charged with overseeing Ontario's multibillion-dollar electricity system. OSEA had submitted a request to the OEB to act as an intervenor at the board's regulatory proceedings. In this case, the OEB had established a consultation process to discuss transmission facilities to connect renewable power to the grid.

The grid plan was imposed on Hydro One, the province's transmission giant, by former energy minister George Smitherman in a directive last September. The directive, issued under new Green Energy Act powers, told Hydro One to spend \$2.3-billion to connect the province's new heavily subsidized solar and wind energy generators to the provincial power system.

Even though a directive exists to expand the grid, the OEB is going through the motions, as regulator, of reviewing the plan. As part of that review, it will accept interventions from various groups, including OSEA, which applied to the regulator for “intervenor status” at the hearings, which means it wanted to receive government funding for its participation in the review. Why would OSEA get government funding to lobby on behalf of its interests?

OSEA claims to speak for Ontario ratepayers. This didn’t sit well with me since I am a ratepayer who is not a member of OSEA. As an association, the OSEA website claims 1,500 members. I contacted OSEA’s executive director, Kristopher Stevens, to ask him if he would advise OEB that OSEA does not represent this particular ratepayer. He refused and instead emailed me suggesting I was against all that OSEA stood for. “If you read the line quoted in [our] submission it refers to the consumer’s [sic] interests that demanded the GEA [Green Energy Act]. As you have indicated you are not part of this group. We do not claim to speak for you and others who do not endorse the vision of a sustainable energy economy.” Mr. Stevens added that, “It is OK if you don’t like OSEA, its constituency or the valuable work we do with local people to help them make a better Ontario ... the individual consumers, faith-based groups, First Nations communities, farmers, coops, educational institutions, local entrepreneurs and other Ontarian’s [sic] seeking a better way forward for the province.”

I submitted a request to the OEB for the right to act as an intervenor so as to formally dispute OSEA’s right to claim “cost eligibility.” My grounds were: OSEA already gets massive funding from numerous government entities, it is effectively a lobbyist although not registered as a lobbyist, it didn’t represent ratepayers and it brought no expertise on the matter. The OEB turned me down and left OSEA’s status as is. The OEB’s ruling even deigned to suggest it was benevolent in allowing me to even present my position as I was a mere outsider unfamiliar with the Board’s rules.

So if I can’t represent myself as a ratepayer, what is OSEA claiming as my representative? What does OSEA stand for? Who are the principals? How much influence do they have and where do they get their money?

According to Mr. Stevens, OSEA stands for “a sustainable energy economy where every Ontarian is a conserver and generator of clean, green, sustainable energy contributing to the province’s economic, environmental and social development.” He didn’t mention that its biggest source of funding appears to be the Ontario government.

Mr. Stevens, OSEA’s executive director, provided a bit of his personal history and career path in a 2008 interview with Workopolis, the online job search outfit. “I was looking around and said there is a ton of money and opportunity here and it is the right thing to do anyways.” So he went on to do his masters degree in environment studies at York University, he told Workopolis. “Within six months I was working at the Ontario Power Authority on their communication team. A year after that I am at OSEA as their communications director and last (month) I was promoted to executive director.”

In this career path, Mr. Stevens followed in the footsteps of Brent Kopperson, another York University graduate and veteran of the power policy network that appears to have an iron grip on the energy policies of Premier Dalton McGuinty's government. Mr. Kopperson is a founding director of OSEA. Among other things, Mr. Kopperson is a co-founder of the Green Energy Act Alliance and a former director of the World Wind Association. He is, in other words, a wind-energy enthusiast who has played an active role in promoting wind power.

OSEA claims responsibility for the creation of the basic Ontario green energy subsidy program and the Green Energy Act by working through the Green Energy Act Alliance (GEAA). Along with OSEA, the driving forces behind GEAA were a group of people who can be found today running not-for-profit or charitable organizations that accept the generosity of the Ontario taxpayers and ratepayers through grants and sponsorships from numerous ministries, Crown corporations, provincial and municipal funds, local electricity companies and each other.

OSEA has received over \$1.5-million from the Ontario Trillium Foundation (which distributes Ontario lottery winnings), approximately \$200,000 from the Toronto Atmospheric Fund (a City of Toronto fund) and money from the OPA, Ministry of Energy, Natural Resources, Environment, Aboriginal Affairs, Hydro One and many local hydro distributors. OSEA's website also claims direct funding support from the Community Power Fund or CPF (which OSEA's website claims it created).

In other words, taxpayers are funding OSEA and providing some of the "ton of money" Mr. Stevens prophetically saw in the green energy industry. I have filed freedom-of-information requests with four government ministries and three Crown corps — although I suspect it will be months before information surfaces, if any. It is clear, though, that taxpayers are involuntarily funding OSEA to lobby the government to take actions that will cost taxpayers even more money.

No financial information on OSEA is available. I presumed OSEA would claim penury circumstances when it filed its "cost eligibility" request to the OEB and would be required to provide financial information. The response from the OEB indicated that "no documents were filed by OSEA in support of its request for cost eligibility." Further research on the OEB's website shows OSEA has been claiming "cost eligibility" for some time. For example, it received funds to intervene in the OPA's Integrated Power System Plan (IPSP) filed in 2007 (as directed by former Ontario energy minister Dwight Duncan). For the IPSP review, OSEA and the Pembina Institute, a national green think tank, jointly filed claims for "cost eligibility" of approximately \$168,000.

OSEA held its 1st Annual Community Power Conference last year. Sponsors included the Ontario Power Authority (through which the Energy Minister controls the Ontario electricity system), Ontario Aboriginal Affairs, Hydro One, Ontario Natural Resources, Toronto Hydro, Tourism Toronto and even Orangeville Hydro. The Ontario Trillium Foundation supplied OSEA with \$127,300 for the conference. Private-sector sponsors are hard to find and seem limited to those profiting from this sector: law firms, equipment

importers, unions, etc. The first conference attracted 450 delegates over two days with the principal guest speaker being George Smitherman, then the energy minister and now a front-runner in the race for Mayor of Toronto.

The Honorary Chair of that first conference was David Suzuki — his foundation has also obtained grants from the Trillium lottery cash machine. Mr. Smitherman is listed again for the second conference coming up this November in Toronto, even though he is no longer involved in electricity issues. Is OSEA being used as a platform for Mr. Smitherman's move to city politics?

OSEA certainly loves George Smitherman. Mr. Stevens presented Mr. Smitherman with the first-ever OSEA Community Leader Award at the 2009 conference. When the World Wind Energy Conference was held in Kingston, Ont., in 2008, the Ontario Environment Minister, John Gerretsen, contributed \$100,000 of Ontario tax dollars to it. Mr. Smitherman was one of the keynote speakers at that conference. No mention was made of the fact that Mr. Kopperson, a founding director of OSEA, was a director of the World Wind Energy Association.

Consistent with the above cosy relationship, Mr. Smitherman turned up as the winner of the World Wind Energy Award 2009 on Jeju Island, Korea. For this, Mr. Smitherman was heartily congratulated by OSEA. As if to reinforce the connections, Mr. Smitherman, when he was energy minister, honoured Mr. Kopperson “in recognition of [his] participation in the creation of the Green Energy Act.”

So that's how Ontario electricity policymaking works. It's a small world. It should have been no surprise, then, to see OSEA succeed in its effort to lobby the current Energy Minister, Brad Duguid, to reverse his solar power price policy six weeks after he announced it.

My question, as an innocent outsider and Ontario electricity ratepayer, is this: For how long will the province's taxpayers/ratepayers allow this relatively tiny group of vested interests to hold such sway over government policy?

Parker Gallant is a retired Canadian banker who looked at his Ontario electricity bill and didn't like what he was seeing.