

PRESIDENT'S BULLETIN

PWU Preliminary Comments on New Electricity Legislation

PWU representatives recently conveyed to the Ministry of Energy officials the Union's preliminary views about the provincial government's legislative changes to provincial electricity legislation. Based on the Union's principles of effective regulation, safety, price and smooth transition for employees the PWU said:

An open process in the development of the Integrated Power System Plan -

The new Ontario Power Authority (OPA) will have an important role in power system planning. The need for independent, objective and informed analysis of medium and long-term system needs is critical.

To ensure success, the process used must have significant opportunity for meaningful participation, particularly from key stakeholder groups such as the PWU. Any plan ultimately produced by the OPA must be made public, in order to facilitate public scrutiny and comment. The Government should confirm this publicly in the legislation.

The OPA's creation of an Integrated Power System Plan (IPSP) must be independent and unaffected by government policy. That means the government should not place preconditions on the options available to it concerning:

- a. Generation type;
- b. Generation provider; and
- c. Preference for transmission, generation (including distributed generation) or demand management solutions.

Any Ministerial directive shall be delivered only after the receipt of a completed IPSP. This amendment would assure both stakeholders and the public that decisions regarding the electricity system will result from reasoned analysis, and not political interference.

The expertise that currently exists in successor companies such as Hydro One to engineer, design and construct facilities (in this case, transmission lines) means the OPA should leave the details of design, engineering and construction to the expertise of existing companies.

Smooth Transition for Affected Employees - One of the undeniable successes of the electricity market restructuring undertaken in 1998 was the smooth transition provided to affected employees - protecting their jobs and representation through a period of dramatic change and uncertainty. The Bill in its present form contains only a modest recognition of this issue which does not recognize the circumstances of unionized workers affected by this

restructuring. In particular, it does not recognize that a critical and hard fought aspect of the terms and conditions of the employment for unionized workers is their collective agreement, including the recognition of their bargaining agent. These are cherished and important issues for the people who produce and transmit Ontario's power.

It is important to recall that all of the functions to be performed by all of the various entities under the *Act*, however they are ultimately restructured, were performed originally by Ontario Hydro. The 1998 restructuring was achieved by the then Conservative government without any erosion of bargaining rights. All entities that inherited any work from Ontario Hydro also inherited Ontario Hydro's collective agreements and bargaining rights. There is no reason this restructuring cannot proceed with the same respect for bargaining rights.

As a result, the PWU submitted that the bargaining rights and collective agreements of all unions in the sector should be maintained as work flows to the OEB and the OPA and as generation capacity gets displaced by new entrants into the sector.

Recognition of Various Technologies as Alternative Energy Sources - The PWU acknowledges the Government's legitimate objective in specifically advocating and facilitating the adoption of alternative energy sources in the Bill. As you know, the PWU believes that clean coal technology is an exciting option for economically sustainable generation that is more environmentally benign than existing generation. It appears that clean coal technology would meet the definition of an "alternative energy source" in the Bill. Similarly, there have been significant advancements in CANDU technology that will make the nuclear option an even more environmentally sound generation source. The PWU welcomes the Government's open mindedness on the use of such technologies and urges it to promote both these technologies, as well as others, as the Bill proceeds through the legislative process and it proceeds to write regulations.

Incorporating Electrical System Safety as Purpose of Act - The Bill should recognize electrical system safety as one of the statutory purposes along with "adequacy, reliability and quality" of electrical service.

This recognition is consistent with the important role of the Electrical Safety Authority, the existence of which is continued elsewhere in the *Act*. It is also consistent with the need for the smooth transition for employees referred to above. The PWU membership represents the only large base of expertise in the Province with respect to the safe and efficient operation and maintenance of Ontario's complex electricity generation and transmission system. It is essential that high standards of training and concern for public safety embodied in the PWU membership be maintained as new generation assets are added to the system.

Role of the Ontario Energy Board and the OPA - Both of the entities will have critical roles to play in the regulation of electricity production, transmission and distribution in Ontario. However, the importance of their roles should not be treated as a licence for these agencies to develop into unnecessarily large and expensive entities. Moreover, given the end of the theory that there will be competition in transmission of power in this province, the OEB should not have the jurisdiction to hear cases attempting to improve such competition.

The PWU will continue with its review of the legislation in preparation for public hearings in the near future. Further refinements on the PWU's position will be provided when prepared.

Don MacKinnon
President