



# POWERWORKS

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January 2015 **POWER WORKERS' UNION NEWSLETTER**

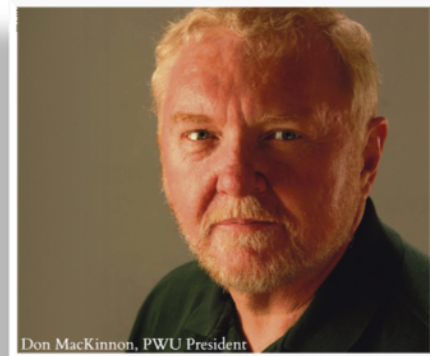
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## Bargaining Begins with Hydro One and OPG

The beginning of 2015 will be challenging for the PWU. At the top of the agenda is collective bargaining with our two largest employers, Ontario Power Generation (OPG) and Hydro One. Negotiations with OPG began on January 5 and with Hydro One on January 19.

As a complicating backdrop to these rounds of bargaining, the Union will engage the provincial government on two important files: electricity sector pensions and the

recommendations of the Advisory Council on Government Assets, particularly the possibility of separating Hydro One distribution and transmission into distinct companies and selling a majority share of Hydro One's distribution assets to the private sector. Because the Society of Energy Professionals represents employees who are members of the electricity sector pension plans as well as a sizable membership at Hydro One, they will participate in the discussions on both subjects along with the provincial government and the PWU.



Don MacKinnon, PWU President

The pension provisions for PWU members at Hydro One, OPG, the Independent Electricity System Operator and the Electrical Safety Authority are enshrined in the respective collective agreements so the employers cannot unilaterally change the employee contribution levels, pension eligibility requirements or the levels of pension benefits.

Many of you will have seen the beginnings of the PWU pushback on the Advisory Council recommendations regarding the sale of Hydro One assets in the full page ads we placed in more than 50 newspapers across the province before the New Year. The PWU believes that implementation of the Advisory Council recommendations would result in higher electricity prices, degradation of service to customers and the loss of significant revenues to the provincial treasury.

We are demanding full transparency on all impacts of the recommendations with independent verification of all analysis so that the people of Ontario will know what the implications would be for:

- government revenues (both long and short-term);
- customer electricity rates;
- increased costs due to duplication of transmission and distribution: corporate structures, workforces, work centres, equipment, system control centres, information management systems, and management personnel;
- transaction costs paid to bankers and legal advisers;
- service levels for Hydro One distribution customers;
- current world-class storm response capability; and
- loss of opportunity for the government to direct certain distribution activities to achieve social and economic objectives.

As the discussions with the government develop, we will report further.

Bargaining related to the OPG and Hydro One collective agreements will be subject to the normal communications blackouts until those negotiations are finalized

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## **PWU Welcomes Durham York Energy-From-Waste Plant Into Membership**



In early January, workers at the Durham York Energy Centre (DYEC), an Energy-From-Waste (EFW) plant in Clarington, voted in favour of joining the PWU. The Union will soon begin to negotiate a first collective agreement for some 25 members

who will be part of Sector 2. Classifications include control room operators, equipment operators, trades and technical employees.

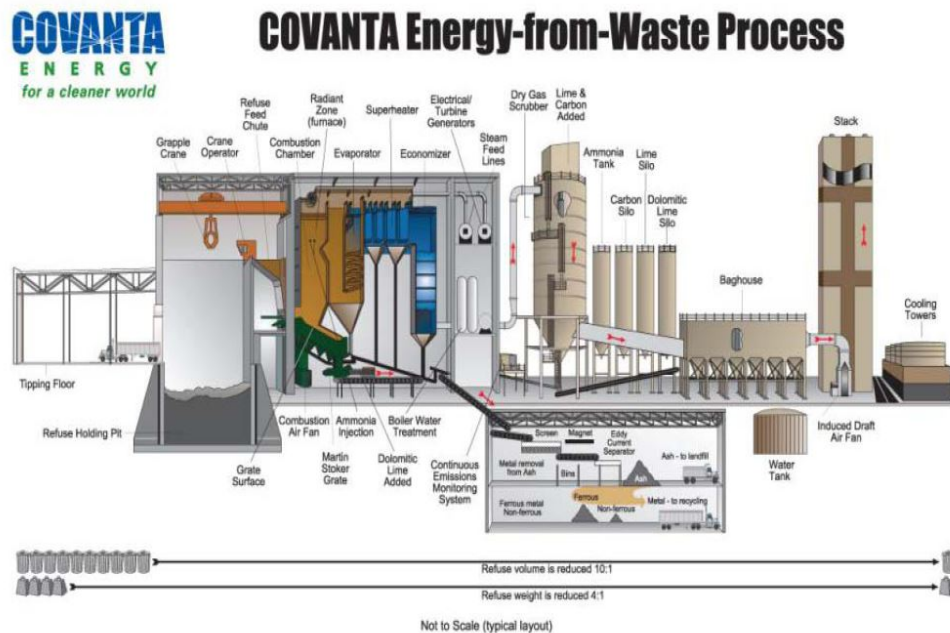
Covanta Durham York Renewable Energy Ltd., a New Jersey-based company, is the employer. It was granted a 20-year agreement to build and operate the plant, which is located adjacent to Ontario Power Generation's Darlington Nuclear Station in Clarington. It is the first North American

EFW project in more than 20 years. In the future, steam from the facility could be used for district heating in an industrial park adjacent to the plant.

The Durham and York regional governments jointly own the DYEC. It can burn up to 140,000 tonnes of post-diversion garbage (i.e., waste that cannot be recycled or composted) annually and generate 17.5 megawatts of clean, renewable energy, enough to power approximately 10,000 homes. The Centre entered a testing phase last November as part of the commissioning process. The station is expected to begin operations in the next few weeks and run 24 hours per day, 7 days a week. The DYEC has been designed to meet stringent environmental standards and offsets greenhouse gas emissions by keeping waste out of landfills while generating electricity and recovering metals for recycling.

There are only a small number of EFW facilities in Canada but the process is widely used in other countries. According to the International Solid Waste Association, there are approximately 450 EFW facilities in Europe, 86 in the United States and about 50 in China.

The Covanta employees are a perfect fit with the PWU and we welcome them into membership. We look forward to helping to establish their representative structure and getting down to the business of negotiating working arrangements that meet their needs through the collective bargaining process.



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## Hydro One Lays Off Hiring Hall Electrical Forester Labourers

During the first week of January 2015, Hydro One informed the PWU that the 2015 brush clearing and clean-up work program would not start as anticipated due to a reduction in 2015 Forestry Services funding and that all 586 Electrical Forester Labourers and Supervisors would be laid off, effective immediately. Hydro One confirmed that the full impact of the funding cuts was not known but would be determined over the coming months.

The affected members had already been placed on seasonal layoff (standoff) about two months earlier than normal at the beginning of October 2014. The early standoff came about when Hydro One announced there had been an unexpected reduction to the 2014 Forestry budget. At that time, Hydro One had confirmed their intent to start the 2015 program early in the New Year, as had been done at the start of 2014. Now, their stated expectation is to restart the program midyear 2015.

The brush clearing and clean-up work will have to be done at some point and these budget cuts will not help the company meet its goals of achieving a long-term vegetation management cycle. In the end, Hydro One could lose some of its more experienced people. Electrical Forestry Labourers and Hydro One customers are left to suffer the unnecessary consequences of these ill-advised work planning and financial strategies.

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## Thunder Bay GS Conversion Reaches Major Milestone

In mid-2014, Ontario Power Generation (OPG) announced that it had burned the remaining coal from the last bunker at Thunder Bay Generating Station (GS). The GS then began the process of converting to advanced biomass as their fuel



source. On January 15, the GS successfully executed its advanced biomass Capacity Check Test, operating for four hours at its full load of 150 megawatts (gross). This test comes two and a half months earlier than planned, setting the GS on course for regular operations once approval is granted by the Independent Electricity System Operator.

This tremendous achievement will help secure jobs at Thunder Bay GS and strengthen the argument for the use of biomass at other closed coal stations while reducing OPG's carbon footprint.

The PWU has been Ontario's most vocal proponent of coal station conversions to use biomass and/or natural gas for many years and that hard work has paid off at both the Thunder Bay and Atikokan GSs to date.

Congratulations to the PWU members and all OPG employees who got behind these projects and are making them successful.

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## Lower Mattagami Project Completed - On Time and On Budget



On January 19, Ontario Power Generation (OPG) announced the completion of its Lower Mattagami Hydroelectric Project earlier than planned and within budget. The \$2.6 billion project added six new units on the Lower Mattagami River that will add 438 megawatts of capacity. Four

of OPG's existing hydro stations on the Mattagami River, some 70 kilometres north of Kapuskasing, were redeveloped: Smoky Falls station (commissioned in 1931) Little Long (1963), Harmon (1965), and Kipling (1966). Smoky Falls was replaced with a new 3-unit station built alongside the old station. A third unit was added to each of the other plants.



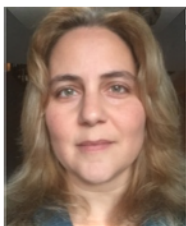
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## Hiring Hall Dispatcher Harry Tomsett Retires

After 15 years as the voice of the Joint Dispatch, Harry Tomsett has retired. Harry started his career as a Construction Electrician with Ontario Hydro in 1973. Over the course of his career in the electrical trade, he worked at the Pickering, Bruce and Darlington Nuclear Generating Stations. In 1992, Harry was elected Chief Steward at Darlington for the International Brotherhood of Electrical Workers (IBEW), Local 1788 and he was elected as its Business Manager in 1996. He helped to move the members of Local 1788 out of the IBEW after years of disputes with that Washington based union. After the Ontario Labour Relations Board blocked their attempts to join with the Power Workers' Union (PWU), he helped to create the Canadian Union of Skilled Workers (CUSW) which became the new home for 1788 members. He was elected as their First Vice President. He was later selected by the PWU and CUSW to manage the Joint Dispatch. Harry's dedication, integrity and knowledge have helped both CUSW and the PWU Hiring Hall to grow and become the organizations they are today.



The Joint Dispatch processes over 500 Help Requisitions and refers over 3,000 members to work each year. Accuracy and adherence to established procedures are crucial to ensuring that members are added to the proper Out of Work Lists (OWL) in the proper order upon layoff so they will have fair access to further opportunities for employment. Listening to members' and employers' concerns and opinions, answering questions and dispensing advice, Harry could be counted on to ensure both members and employers were treated with fairness, dignity and respect. We all wish Harry and his wife Sharon a long, healthy and happy retirement.



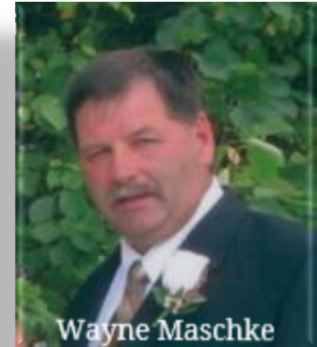
Replacing Harry as the Joint Dispatcher is Marion Allan. For the past 15 years, Marion was the Administrative Co-ordinator for the PWU/Hydro One Joint Apprenticeship Councils.

Marion's knowledge of the collective agreements and hiring processes will help ensure the Joint Dispatch continues to operate according to the principles championed by Harry.

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## Hydro One Convicted and Fined in Connection with Worker's Death

Earlier this month, Hydro One pleaded guilty and was fined \$325,000 (plus a 25 percent victim fine surcharge) as a result of the death of an employee. On March 5, 2013, Wayne Maschke, a long-time Hydro One construction electrician and member of the Canadian Union of Skilled Workers was killed while he and his crew were rolling a regulating transformer into place at Hydro One's Hinchinbrooke Distribution Station north of Kingston near Sharbot Lake. The 15-ton transformer suddenly shifted during the move and crushed Wayne between the transformer and a steel structure. A Ministry of Labour investigation found that Hydro One had no written procedures for the "jack and roll" method for transformer moves. Hydro One subsequently pleaded guilty to failing, as an employer, to ensure that equipment was moved in a manner that workers were not endangered in contravention of provincial health and safety regulations.



We all have important roles to play in an internal responsibility system that is designed to protect the health and safety of workers and the public. This horrific accident reminds us once again that workers in the electricity industry often face unforgiving hazards that must be identified and remedied before the work begins.