

POWERWORKS

December 2015 **POWER WORKERS' UNION NEWSLETTER**

IN THIS MONTH'S NEWSLETTER...

- A Year End Message from President Don MacKinnon
- PWU Proposes Extending Pickering Nuclear Generating Station Operations
- Bruce Power Reactor Refurbishments Get the Go Ahead
- Merger Proposal Approved by Municipalities
- 2015 PWU Health and Safety Activist Awards
- 2015 PWU Community Volunteer Awards
- Get Your Flu Shot!

A Year End Message from President Don MacKinnon

For PWU members and representatives across Ontario, this past year has been one of many challenges and successes, sometimes in extremely difficult circumstances. It has become our PWU tradition to take some time over the Holiday Season to reflect on the trials of the past year and the achievements we have accomplished together.



There is no doubt we will face a host of new issues in 2016, but the Christmas and New Year's Holiday Season is a special time of year that we should reserve to enjoy with family and friends, a time to recharge our energy levels, and a time to be thankful for each other and all that we have. We will come back in the New Year stronger than ever and prepared to face whatever comes our way together.

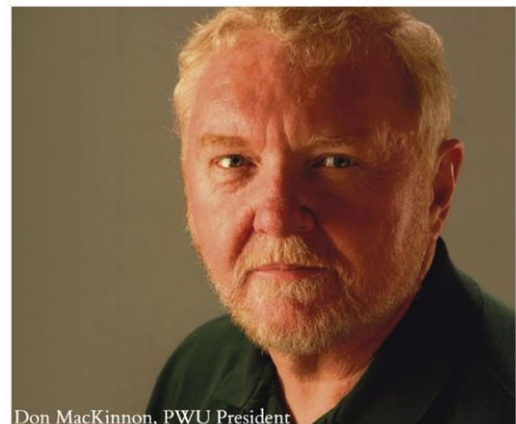
On behalf of all PWU members I offer a special thank you to the elected PWU representatives and staff, who through their hard work and creativity, have contributed so much to our successes over the past year.

From the officers and staff of your Union, I wish you and yours a happy and healthy Holiday Season and a very Merry Christmas.

Don

PWU Proposes Extending Pickering Nuclear Generating Station Operations

Earlier this year, the PWU engaged Marc Brouillette of Strategic Policy Economics (Strapolec) to assess the environmental and economic costs and benefits of extending the life of Ontario Power Generation's (OPG) Pickering Nuclear Generating Station beyond its planned closure in 2020, specifically to operate two Pickering A units for two years and four Pickering B units for four years. The Strapolec report identified numerous advantages to this proposal including thousands of jobs, less upward pressure on electricity prices, improved competitiveness of our businesses, industries and institution, higher government revenues, increased economic activity and 18 million metric tonnes less carbon going into the atmosphere.



Don MacKinnon, PWU President

The PWU believes that it is feasible to extend the operations of the Pickering Nuclear Generating Station for four years and, in turn, defer the need to construct 2,000 megawatts of new natural gas-fired generating plants that are otherwise necessary in 2021.

Background

Nuclear electricity generation has been the workhorse of Ontario's electricity system since the early 1970s. Last year, 62 percent of our electricity was produced safely, affordably and reliably in Ontario's three generating facilities at Pickering, Darlington and Bruce Power. When the Ontario government renewed its Long-Term Energy Plan (LTEP) in 2013, the importance and value of Made-in-Ontario, low-carbon nuclear generation was once again reinforced by including the mid-life refurbishment projects designed to extend the operational life of the OPG Darlington Nuclear Generating Station and the Bruce Power Station by another 30 to 35 years.

The PWU represents much of Ontario's electricity workforce and we know that Ontario consumers and taxpayers want reliable, affordable, safe and environmentally-responsible electricity for their homes and businesses. Over the last ten years, the PWU has engaged numerous experts, both domestic and international, to make fact-based submissions to the decision-makers that are setting policy for Ontario's future electricity system.

To date, the PWU has made over 200 such submissions to Ontario Government Ministries, special committees and task forces, the Ontario Energy Board, the Ontario Power Authority, the Independent Electricity System Operator (IESO), the Canadian Nuclear Safety Commission and others.

Back in mid-September, the provincial Energy Minister, Bob Chiarelli, indicated that his Ministry would be undertaking a review of the LTEP. The PWU recognizes that the next iteration of the Plan will have to address two significant challenges:

- An expected doubling in greenhouse gas (GHG) emissions from the electricity sector; and
- An emerging system reserve capacity gap equivalent to the 3,100 MW capacity of the Pickering Nuclear Generating Station.

The Pickering Station (pictured to the right) is currently scheduled to close in 2020. This action will remove 3,100 MW of low-carbon electricity capacity at the same time other reactors in Ontario's nuclear fleet are off-line for mid-life refurbishment. The resulting 2,000 to 3,000 MW gap in reliability reserve capacity, identified by the Independent Electricity System Operator (IESO), is expected to persist until 2032. More importantly, this shortfall is rapidly approaching and must be remedied.



Because our province is part of an integrated continental bulk power system, Ontario will need to fill this shortfall to comply with the requirements of the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council. Without extending the operation of the Pickering Station, Ontario's only option will be to ramp up production from existing natural gas generating facilities and to build new natural gas plants. This increased natural gas electricity generation is currently expected to double GHG emissions from the province's electricity sector, effectively negating reductions achieved by closing Ontario's coal stations.

This forecast increase in natural gas electricity generation will raise Ontario's overall use of natural gas by 25 percent. That increase is not just the natural gas used in electricity generation; it represents a 25 percent increase in the total natural gas used in Ontario for all purposes including home heating, industrial applications and electricity

generation. Ontario imports 99 percent of our natural gas with more and more of that supply coming from high-emission U.S. shale gas.

Such an outcome is contrary to the mandate of the Minister of the Environment and Climate Change and the objectives of Ontario's Climate Action Plan, as well as Ontario's forthcoming participation in a Cap and Trade Program with Quebec and California.

Addressing these challenges is coupled with the reasonable expectations of Ontarians. They want rising electricity prices kept in check. They want an economy that keeps growing and sustaining existing jobs while creating new ones. They want to know that the GHG reductions from closing Ontario's coal stations will not be negated by emissions from increased natural gas generation. They want to know that someone is making sure that our electricity supply is secure.

Strapolec Found Tremendous Benefits in Extending the Operation of Pickering

Lower GHG emissions: Over 18 million tonnes of carbon dioxide will be avoided, the approximate equivalent of taking three million cars off our roads. That 18 million tonnes is equivalent to avoiding a 55 percent increase in carbon emissions from Ontario's electricity system and returning to pre-coal retirement emission levels. Extending the operation of Pickering would reduce the production from Ontario's natural gas-fired generation from 130 terawatt hours to less than 90. (A terawatt hour is the equivalent of one trillion watts for a period of one hour.)



Lower Electricity System Costs: Extending Pickering operations for four years will lower electricity system costs by more than \$1.5 billion. Two factors contribute to this reduction:

- Over \$600 million in system cost reductions are anticipated to come from the 25 percent lower cost of operating the Pickering compared to natural gas generation; and
- Over \$950 million in natural gas generation cost risks. This is due to two factors, the additional costs associated with carbon pricing on natural gas generation and the upward commodity price pressure on natural gas that will come with the U.S. Clean Power Plan or CPP. According to a forecast done this year by the U.S. Department of Energy (DOE)'s Information Agency, the CPP alone could increase the price of natural gas, on average, 10 percent higher than assumed for the period to 2024, primarily because of the anticipated shift from coal generation to natural gas in the U.S. driving up demand.

The same DOE report suggests there will be a greater U.S. demand for low-carbon electricity exports from Canada, a definite advantage for the low-carbon production resulting from the Pickering option.

Over 40,000 person years of employment would be sustained and or created:

There are approximately 4,000 OPG employees at the Pickering Station supplemented by contractor staff. The large majority of Ontario's 160 nuclear supply chain companies are located in and employ people across southern Ontario. Even though natural gas generation costs are higher, natural gas generating stations employ very small numbers of employees and the supply chain is largely located outside Ontario.



An increase in GDP of \$7 billion:

\$4 billion would result from replacing imported energy with domestic nuclear generation.

Conclusion

The Power Workers' Union calls on the Government of Ontario to direct the Minister of Energy, the IESO, and OPG to consult with the Canadian Nuclear Safety Commission to secure their approval for the longest possible period of continued safe operation of the Pickering Nuclear Generating Station beyond 2020.

The full report can be found on the [PWU website](#).

Bruce Power Reactor Refurbishments Get the Go Ahead

PWU President Don Mackinnon applauded the December 3 announcement that the Government of Ontario and Bruce Power have reached an agreement to proceed with the refurbishment of Units 3 through 8.

“This agreement is good news for PWU members and good news for Ontario. Bruce Power will continue to provide huge amounts of reliable, affordable, low-carbon electricity, twenty four hours a day, seven days a week. That means for decades to come each and every day approximately 7,000 metric tonnes of greenhouse gas emissions will be avoided. It also means tens of thousands of good, high-skilled jobs right here in Ontario,” said MacKinnon.

Under the agreement with Ontario's Independent Electricity System Operator (IESO), Bruce Power will continue to generate approximately 30 percent of Ontario's electricity. Bruce Power will continue to supply 6,300 megawatts of affordable, reliable, low-carbon electricity to the provincial supply mix for the long term.

As envisaged in the Ontario government's 2013 Long-Term Energy Plan, this agreement will enable Bruce Power to proceed with mid-life refurbishments of six more of its eight generating units. Mid-life refurbishment adds another 30 to 35 years to the operating life of each unit. Units 1 and 2 refurbishments were completed prior to the new agreement.

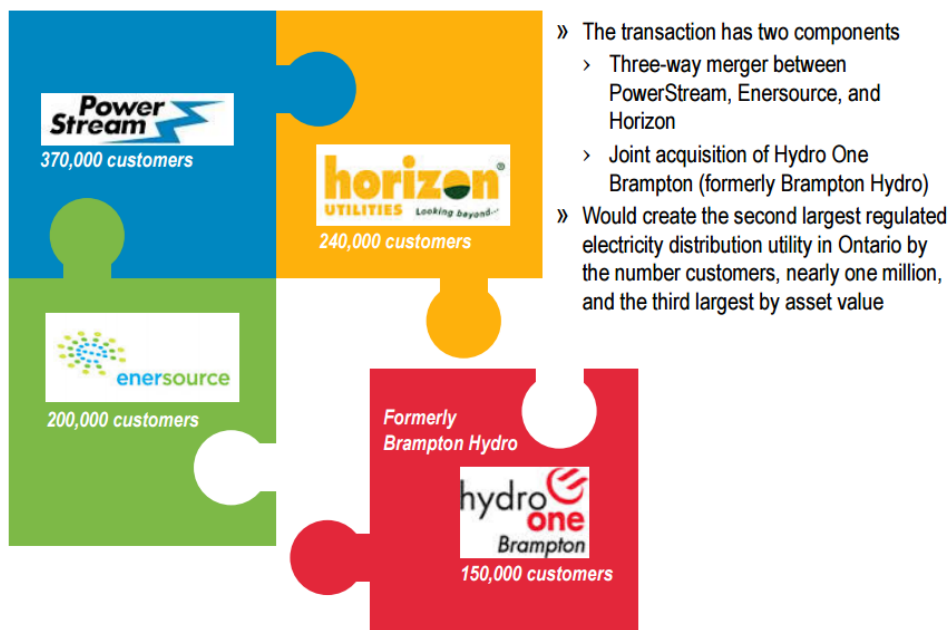


The PWU has made the refurbishment of the Bruce and Darlington Stations a top priority for many years and this agreement is a big step on the path to achieving that goal.

With this welcome news in hand, MacKinnon also expressed confidence that the IESO and Ontario Power Generation would soon complete their deliberations on the refurbishment of the four reactors at the Darlington Nuclear Generating Station. A recent report by the Conference Board of Canada concluded that the Darlington refurbishments would boost Ontario's GDP by \$14.9 billion and boost the number of jobs in the province by an average of 8,800 per year until 2026.

Merger Proposal Approved by Municipalities

In the early morning hours of November 20, 2015, the City of Markham Council was the last of six municipalities to vote in favour of the merger of three Ontario local electricity distribution companies: PowerStream, Horizon Utilities Corporation, and Enersource.



The new company, provisionally called MergeCo, would also purchase Hydro One Brampton, which was a municipally-owned utility like the others until it was sold to Hydro One in 2001. The Markham Council vote was very close: seven to six.

The PWU represents workers at PowerStream, which has three shareholders: the Cities of Barrie, Markham and Vaughan. The employees at the other three utilities are represented by the International Brotherhood of Electrical Workers and Unifor. The proposed merger is subject to regulatory approvals, including the Ontario Energy Board (OEB).

The ownership of the new company would be maintained by the municipalities of Barrie, Markham, Vaughan, Hamilton, St. Catharines and Mississauga as well as Borealis – the investment arm of the Ontario Municipal Employees Retirement System (OMERS).

At some point following OEB approval, it is likely that all unionized employees with MergeCo will vote to decide which union will represent them going forward.

Mergers like this one can cause a great deal of anxiety and uncertainty for the employees involved and there will be many issues of concern to address as the merger proceeds. The PWU has a track record of working through these issues on behalf of members and achieving the best possible outcomes.

The PWU Collective Agreement with PowerStream will expire on March 31, 2016 and contract renewal negotiations are scheduled to begin in January.

PWU Health and Safety Activist Awards, 2015

During the Council of Chief Stewards, President Don MacKinnon presented the 2015 Health and Safety Activist Award to three individuals, one from each sector. The award acknowledges those PWU members who have undertaken exemplary work to help ensure the health and safety of workers and/or the general public. The PWU Provincial Health, Safety and Environment Committee selected the award winners.

Each recipient was given a PWU jacket, a Certificate of Thanks and Appreciation and were also invited to attend, with a guest, the Council of Chief Stewards Dinner and Dance. Health and Safety advocate and long-time friend of the PWU, Rob Ellis, also made donations in the award winners' names to his foundation: MySafeWork.

Congratulations to the award recipients!

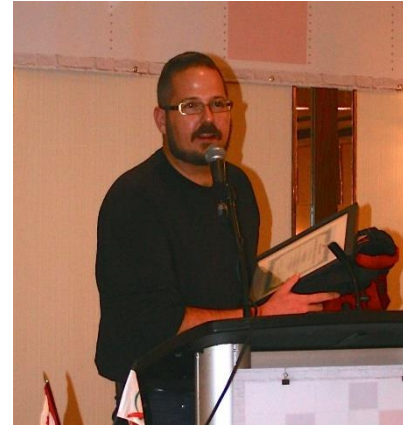
2015 PWU Health and Safety Award Winners



**Bob Antler
(Bruce Power)**



**Gene Capasso
(OPG Thunder Bay)**



**Tristan Turner
(Inergi)**

2015 Community Volunteer Awards

The Union takes great pride in the giving spirit of our members across the province and their special contributions to the communities they live in. Each year the PWU recognizes one member from each sector and the PWU Retired Workers' Chapter who have demonstrated outstanding citizenship in their community. President Don MacKinnon presented each of the winners with a PWU jacket, a Certificate of Thanks and a donation of \$1,000 to a charity of their choice. Winners were also invited to attend, with a guest, the Council of Chief Stewards Dinner and Dance.

Congratulations to the award recipients!

2015 PWU Volunteer Award Winners



Sector 1: Walter Fernandez

For his contributions to the Rotary Club of Oshawa



Sector 2: Rick Guerts

For his contributions to scouting, baseball and St Patrick's Roman Catholic Church in Atikokan



Sector 3: Aamir Sukhera

For his contributions to the Thorncliffe Park Neighbourhood Office and junior hockey in Toronto



Retired Workers' Chapter: Ken Good

For his contributions to Pedal for Hope in Peterborough

Get Your Flu Shot!

From Dr. Bindu Kumar, PWU Medical Consultant

Flu season is upon us and the flu shot is now available in Ontario, to all over the age of 6 months. The flu shot continues to be one of our best defenses against the flu. Although last year's flu vaccine was not found to be as effective as hoped, this year's product appears to be a better match for the most common circulating strains. There are several products available to the public so it is encouraged that you speak to your personal physician about the best option for you and your family members.

Once again, if you have flu-like symptoms (fever, body aches, fatigue, cough, etc.) consider staying at home so as not to spread infection to others and contact your physician or Telehealth Ontario. As of now, we do not have high circulating strains of influenza in the community so rates of confirmed illness at this point are overall, low.

Below are some resources for your consideration:

https://www.ontario.ca/page/get-flu-shot/?_ga=1.260936142.273021393.1447030331

<https://www.ontario.ca/page/flu-facts>

Copyright © 2015. All rights reserved.
Power Workers' Union
www.pwu.ca