

What Electricity Privatization Means for YOU

Background

On April 30, 2020, the Ontario energy board (OEB) approved the sale of Peterborough Distribution Inc (PDI) to Hydro One. As a distribution company, PDI played an important role in delivering electricity to households, but was not responsible for the generation or long-distance transmission of electricity.

The locally run, and municipally owned, PDI had been operating under Peterborough utility group for years, delivering reliable and low-cost electricity to 36,000 consumers. Since its sale, PDI has been one of many local distribution companies that have been bought out by a privatized Hydro One. The sale of PDI was a highly controversial issue within the city, dividing the opinions of council members and the general public.

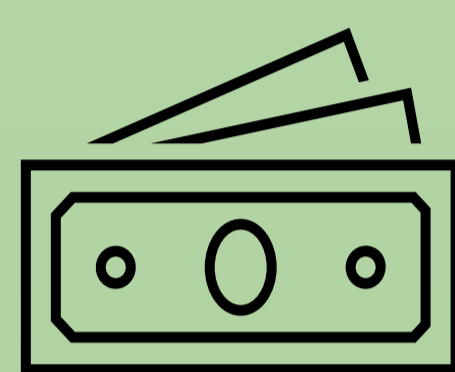
Research Questions

The general scope of this project was to explore the impacts of electricity distribution privatization. What the sale of PDI means for consumers, and what the potential trade-offs are. Key research questions included Ontario's history with privatization, detailing conditions of the sale, fitting the sale into a broader landscape, and looking into the consultation process. We explored this issue through economic, social, and environmental perspectives to understand the sale of PDI from multiple points of view.

The primary sources of information for this project included relevant news articles, scientific papers, and public documents. Generally making it a literature review.

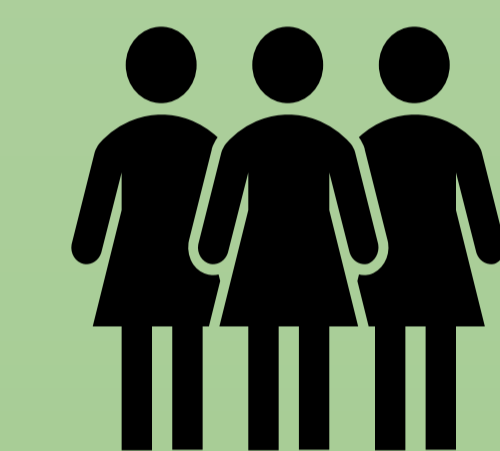
The Good

Economic



- Economies of Scale can decrease rates
- Hydro One has money for future infrastructure needs
- All rates are regulated by the OEB

Social



Lower rates will decrease energy poverty

Environmental



- Can better accommodate renewable driven grid disconnection
- Money for Smart Grid development

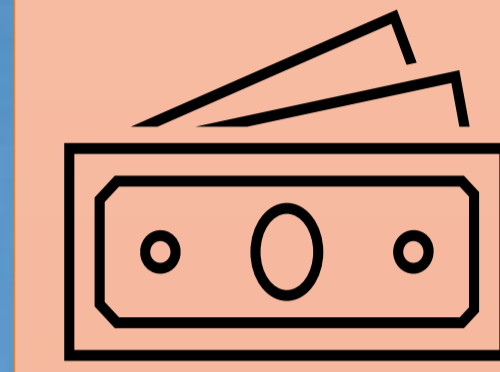
Findings

See the cost benefit analysis

- PDI was efficient and reliable. However, it lacked the size and money to keep up with future infrastructure needs
- Privatization takes power away from the people, giving corporations full responsibility to keep the public and environments best interest in mind
- Privatization in Ontario generally hasn't delivered on its claimed economic benefits
- 90% of all residents opposed the sale of PDI
- Consultation through the Talk PDI Program had no impact on the final decision to sell.

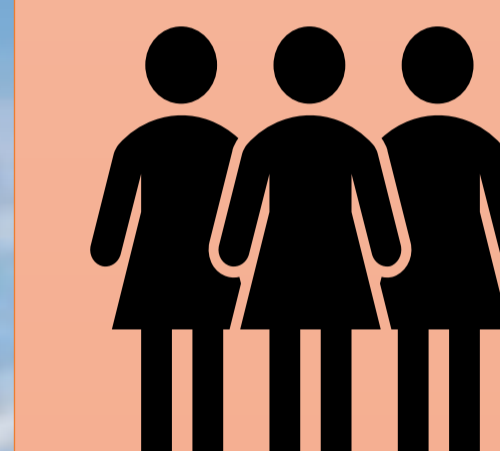
The Bad

Economic



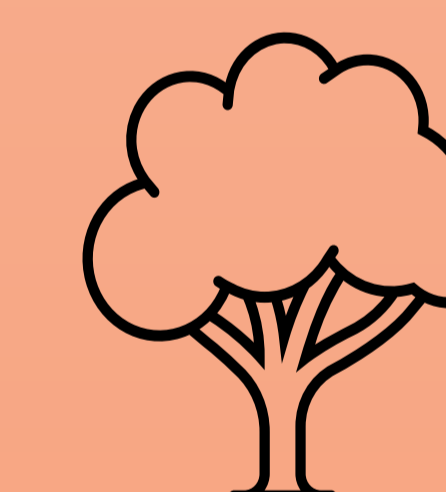
- Hydro One is developing a monopoly, which may internalize profits
- Loss of long term income for the city

Social



- Privatization might:
- Decrease reliability of the grid
 - Decrease local employment
- Privatization **WILL**:
- Decrease public participation and influence

Environmental



Environmental issues might take a back seat to profit seeking

Next Steps

Now it is your responsibility to decide. Amongst the greater economic and environmental trends that threaten to drive up the cost of electricity, can we afford the social costs? Unfortunately, the sale of PDI is already done. However, it is never too late to get involved in future environmental and social justice movements. Check out the OPIRG website for ways you can start. →



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