Green energy problems continue to plague Ontario's Liberal government

Keith Leslie-Associated Press

Ontario Premier Dalton McGuinty is learning the hard way that Kermit the Frog was right all along.

It's not easy being green.

There have been plenty of Liberal government stumbles on the path to making Ontario more environmentally friendly, angering consumers and businesses and leading to embarrassing retreats.

This week the province was forced to withdraw so-called eco fees that had been slapped on thousands of household products July 1 after complaints from consumers and retailers.

Compounding the problem was the fact no one was told eco fees would be charged starting on Canada Day — the same day Ontario switched to a harmonized sales tax, which immediately added eight per cent to the price of gasoline, electricity and home heating fuels.

Instead of the eco fees funding proper disposal of environmentally dangerous products, Ontario taxpayers will spend $5 million to fund the program for 90 days while it is retooled.

Also on the Canada Day weekend, the Ontario Power Authority angered many green energy producers when it announced a very lucrative guaranteed payment for ground-mounted solar energy projects was being slashed by about 27 per cent.

The OPA said it was "fixing a glitch" that would have allowed people with ground-mounted solar projects to make a 23 per cent return on investment instead of a planned 11 per cent.

The guaranteed rate for small, ground-mounted solar projects was dropped from 80.2 cents a kilowatt hour to 58.8 cents. Only rooftop solar projects will qualify for 80.2 cents per kwh.

By comparison, publicly owned Ontario Power Generation gets between 3.7 cents a kilowatt hour for hydro-generated power and 5.5 cents a kilowatt hour for nuclear-generated electricity.

Ontario's environmental watchdog said Wednesday the OPA has a duty to fully disclose the financial assumptions it used when deciding to cut the guaranteed rate for ground-mounted solar projects, which he estimated will affect 11,000 applicants.

"The rate's high, fair enough, but they knowingly offered the rate right? A deal is a deal, some places anyways," said Environmental Commissioner Gord Miller.

"Their argument is that the return on investment is too generous, well we can't make their numbers work."

The OPA declined comment Wednesday.

The opposition parties said the problems with the solar program are typical of a government not properly thinking through its agenda.

"We warned them when the Green Energy Act came in that the Liberals were going down the wrong road, and it was going to cost Ontario taxpayers enormous amounts of money," said Progressive Conservative critic Lisa MacLeod.

"They should have been honest and up front early on but they weren't (because) they were in a rush."

The New Democrats said the Liberals get more credit for going green than they deserve.

"I think this is a government that wants to look green but they don't put the thought into it that's needed," said NDP environment critic Peter Tabuns.

"That results in goals not being met and people being frustrated."

Earlier this year, the Liberals had quietly introduced a new tax on electricity to raise $53 million for conservation and green energy programs.

It amounts to about $4 a year for the average household, but that still prompted the Opposition to call it another "sneaky tax grab" by the Liberals.

The Liberal's Green Energy Act is supposed to help create 50,000 new jobs as the province moves towards more renewable forms of electricity and creates a "centre of excellence" where Ontario would be able to export its expertise in renewable energy projects.

The biggest announcement so far has been a $7-billion deal with Korean giant Samsung to build wind and solar farms, along with four plants to manufacture components for green energy projects.

However, the government has continually run into opposition from local groups opposed to giant wind turbines being built near their homes to generate electricity.

The problems with going green started early in their first term when the Liberals promised to close all of Ontario's coal-fired electrical generating stations by 2007, a date that was pushed back several times in subsequent years and is now set for 2014.

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