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Ontario Power directors named by John Spears

Ontario Power Generation has five new directors who share something the company's previous board of directors largely lacked: Broad experience in the energy sector as producers or customers and, in one case, nuclear expertise.

The new directors were announced late yesterday, a day after Energy Minister Dwight Duncan had said the appointments had been made but wouldn't name them.

They are:

Gary Kugler, recently retired vice president of Atomic Energy of Canada Ltd. In an interview with the Star last year, Kugler had proposed building up to eight new-design Candu nuclear reactors to supply Ontario's electricity needs.

David MacMillan, non-executive director of Killingholme Power Ltd. of the U.K. OPG says he has "extensive experience in power projects and financing."

Marie Rounding, until recently chief executive of the Canadian Gas Association, and former chair of the Ontario Energy Board.

William Sheffield, former chief executive of SAPPI Fine Papers and a former executive at Abitibi Consolidated. He also spent 17 years at Stelco Inc.

David Unruh, vice chairman of Westcoast Energy Inc., a gas transmission company owned by Duke Energy.

OPG has been governed by an interim board since the previous directors either were fired by Duncan or resigned last December after the minister disparaged the company's performance.

Three of the four interim board members will remain on the new board.

Jake Epp, a former federal cabinet minister, will continue as chairman. Ian Ross and James Hankinson will also remain on the board.

Duncan had said he was looking for directors with experience in the energy field.

Tom Adams, executive director of **Energy Probe**, noted in an interview that none of the old board members at OPG had nuclear expertise, nor did its top executives.

The lack of expertise at the top meant that crucial projects such as the refit of the Pickering A nuclear station were launched without adequate planning, and ran billions of dollars over budget before the board realized the project was in trouble.

But Adams and opposition critics, interviewed before the directors were named, said the lack of public input or review of the appointments is troubling.

The current process "doesn't seem very democratic," said Adams. Instead, it seems to carry on the highly politicized process of the government single-handedly picking directors, traditionally the system at Ontario Hydro.

The result was bad governance and a financially crippled company, Adams said.

Howard Hampton, leader of the New Democratic Party, said the Liberals are politicizing the energy system.

"Everything gets done out of the minister's office," Hampton said, including setting power prices and making key appointments.

"The issue of electricity supply, electricity price and electricity sources is central to our economy, central to our environment and I would argue to our sense of social order," Hampton said.

"It ought to be handled in a public and open way . . . This business of doing it all behind closed doors, it just reeks of exactly what the Harris Conservatives did."

Hampton and Conservative critic John O'Toole both suggested that as a minimum, the new board appointees should have been referred to the Legislature committee that reviews appointments to provincial agencies, boards and commissions.

Jack Gibbons of the Ontario Clean Air Alliance disagreed. Appointing directors is the government's responsibility as elected representatives of the people, who are the ultimate shareholders, he said.

"They'll suffer the consequences if they appoint bad people," he said. "I don't think they should pass the responsibility off to someone else."

Sean Conway, formerly a senior Liberal MPP and cabinet minister now with the law firm Gowlings, said he'd be curious to see the list of those who had declined the invitation to sit on the OPG board, which will face huge challenges.

"I can't imagine there's a long line-up of people" seeking directorships, he said. But it's "an important and tough assignment."

OPG produces two-thirds of Ontario's electricity in a system that's showing the stress of high demand and low supply. In future, its nuclear and large hydro generators will be regulated by the Ontario Energy Board, and Duncan has also said he wants to review OPG's fundamental role in Ontario's energy system.