



## **RESPONSE TO REGULATORY CONSULTATION**

Proposed Amendments to the Ontario Energy Board Act, 1998 to provide the government with the authority to ensure fair and informed decision-making at the OEB to foster affordable communities

**Proposal Number:**  
24-ENDM003

April 5, 2024

## **Ministry of Energy,**

Thank you for the opportunity to provide our feedback on proposed amendments aimed at keeping costs down for people and businesses. At the Progressive Contractors Association of Canada (PCA) we believe Ontario could achieve substantial cost savings by ensuring that there is a competitive procurement process for building and maintaining Ontario's vital energy sector infrastructure.

### **About PCA**

PCA is a national association of leading construction companies that employ 40,000 unionized skilled tradespeople across the country; workers that are primarily members of the CLAC labour union. Our membership is comprised of small, medium and large general contractors and sub-contractors involved in many types of construction, including pipelines, mining, water and wastewater facilities, roads, bridges, schools, housing and long-term care facilities. The vast majority of our companies in Ontario train registered apprentices. All of our member companies support their workers with industry-leading wages and benefits, as well as robust investments in health, safety and skills training.

### **EPSCA COMPROMISES AFFORDABILITY**

PCA is urging the Ministry to consider policy changes that would encourage competition in the procurement of Ontario's energy projects. Over time, we believe, this would translate into significant cost savings for businesses and consumers across Ontario.

Right now, almost all capital procurement processes for provincial investments in universities, highways, and transit take place in a competitive environment. This allows all qualified contractors to bid on work.

This competitive process has proven benefits. According to the independent Cardus think tank, the greater the number of bids on public projects, the more likely contractors are to innovate. This translates into average savings of 21 percent on public construction work.

Unfortunately, Ontario's electrical power systems sector is the exception. It is not competitive. This sector is subject to an antiquated collective bargaining structure that undermines competition, and unnecessarily drives up costs for all Ontarians.

The Electrical Power Systems Construction Association (EPSCA) oversees a labour relations arrangement that restricts open and competitive bids for energy construction projects. EPSCA was created in 1972 and managed to survive the breakup of Ontario Hydro in 1999 when that crown corporation was split into Ontario Power Generation, Bruce Power and Hydro One. EPSCA continued as the association to negotiate and administer collective agreements on behalf of employers now performing construction work in the electrical power systems sector on all OPG, Hydro One, and Bruce Power property. Today, EPSCA negotiates and administers 18 collective agreements with the Building Trade Unions, each recognized as the sole bargaining agency representing unionized workers performing work on OPG, Hydro One, and Bruce Power.

The collective agreements administered by EPSCA, have effectively blocked all non-EPSCA affiliated contractors from bidding and working on energy construction projects. This means that contractors whose workers are non-union or affiliated with other unions, are not part of EPSCA, and therefore are prevented from bidding on any contracts to build or maintain Ontario's energy projects.

As a result, Ontario energy projects are off limits to a massive pool of contractors. This costly and regressive labour monopoly should not be allowed to continue, especially given the size of future energy sector investments.

According to the Independent Electricity Systems Operator (IESO), over \$400 billion will be invested in energy procurement over the next 25 years. Large investments like doubling the production at Bruce Power, renewing Pickering, new small modular reactors at OPG and construction of 17,800 megawatts of new nuclear power are under consideration by the IESO. With EPSCA in place, the majority of this work will only be available to a subset of general contractors and sub-contractors in Ontario.

This is wrong. The province should include all contractors and workers in this construction build, to maximize the labour pool, help prevent labour shortages, and allow public investments to go further.

## **REQUEST**

We encourage the Ministry of Energy to examine and review EPSCA and to explore modernization and innovation in the procurement of energy infrastructure work. An open, fair and transparent procurement process in Ontario's energy sector would ensure that the public and businesses get the best possible value on their energy investments.

Should you have any questions, or would like further information, we encourage you to reach out.

Sincerely

A handwritten signature in blue ink, appearing to read "Stephen Hamilton". The signature is fluid and cursive, with a large initial "S" and "H".

Stephen Hamilton  
Director, Public Affairs (Ontario)  
Progressive Contractors Association of Canada