TEMPLATE

Template

Last updated: November 7, 2016

Focus Groups Told Us

Electricity is an essential good, the cost of which is out of our control without reason

- There is no end of increases in sight, and no understanding of why costs have risen.
- People wanted a significant decrease in electricity bills – at least 25%. This decrease had to come from within the energy file, and it must make sense for the next generation.
- A solution required a **reason**:
  - What government has **accomplished**;
  - Why this investment was **needed**;
  - How does this solve the **structural** problem?

(focus groups, Jan-Feb 2017)

Media Climate Pre-Announcement

- For several months, there has been no bigger story around the halls of Queen's Park than the cost of electricity for Ontario families and businesses.

- In media stories and in the Legislature, the Leader of the Opposition has blamed the government for skyrocketing hydro costs, citing bad contracts, poor policy decisions (Green Energy Act) and mismanagement. The Leader of the Third Party's narrative has mostly centered around rising costs due to the privatization of Hydro One. And other groups, from the Ontario Chamber of Commerce, to community groups and hockey arena operators, piled on with stories of how coping with higher electricity bills have made life difficult.

- The issue crystalized for many Canadians in mid-January, when a 54-year-old woman from Peterborough confronted Prime Minister Trudeau during one of his tours and tearfully told him, "My heat and hydro costs me more than my mortgage." That video clip and quote ran through the news cycle for days and fuelled even closer media attention on the issue.

- Over the last few months, the Premier and Minister Thibeault have both acknowledged that Ontarians needed relief from their electricity bills and that the government would be taking action.

Pre-Conditioning

- **"I understand that investments that we made, that had to be made, upgrades that had to happen, have put an undue burden on people and so we are going to look for more ways to reduce that burden."**
  - *Nov 21, 2016: Premier Wynne, reported widely*

- Nov 28: Minister Thibeault Empire Club speech lays out electricity market reform
- Jan 19: Premier Wynne meets with "Libby", commits to rate relief action before the Budget
- Feb 27: Globe and Mail publishes Op-Ed from Ivey Business School academics explaining benefits of rate smoothing

Policy Direction

- The Fair Hydro Plan, announced March 2, 2017, included:
  - A 25% reduction on average for residential customers, farms and small businesses
  - An expansion of the RRRP to 800,000 customers with higher than average delivery charges
  - Expanding low-income assistance by increasing who qualifies for the OESP, and increasing the benefit by 50%.
  - Providing a First Nations On-Reserve Delivery Credit
  - Establishing an Affordability Fund to help customers who aren't low-income with energy efficiency upgrades
  - Moving the cost of the above programs off the rate base
  - Expanding the Industrial Conservation Initiative to help more businesses

Technical Briefing – March 2, 2017

- Presented by officials from Energy, Finance, OPG, IESO and Hydro One
  - Explained refinancing and true cost to taxpayers / ratepayers
  - Explained the range of rate relief, what 25% “on average” means
  - Reassured that this approach was common in the energy sector

Premier's Remarks – March 2, 2017 - Highlights

- For too long, governments – my own included – have made mistakes in the way we've structured Ontario's electricity system. That has resulted in rates that are unfairly high. It's time to fix those mistakes. In ways that work for today – and for the future.

- People want to know three things:
  - First, that relief – substantial relief – is on its way.
  - Second, that relief will go to everyone
  - And third, that the relief will be lasting because it is built on a real change – in other words, that bills won't jump back up in a couple of months or a couple of years.

- Over time, it will cost a bit more. And it will take longer to pay off. But it is fairer – because it doesn't ask this generation of hydro customers alone to pay the freight for everyone before and after. The burden will now be shared more evenly and more appropriately.

Media Coverage, post-announcement

- Overall volume was comparable to a provincial budget, with 234 stories appearing over the past three days.
- Tone of the coverage overall took a sharply negative turn on March 3, as 38 of the 70 stories graded “negative” appeared on this day.
- The volume of negative stories is inflated by Postmedia reprints – this chain owns most of the regional dailies in Ontario (along with the Toronto Sun and National Post).
- A negative column by Peter Epp ran in 21 Postmedia dailies on March 3.
- Reprinting of columns by Lorrie Goldstein has been limited so far (two papers March 3, 3 papers March 2).

Total volume: March 1 to 3, 2017

Print	TV	Total
161	73	234

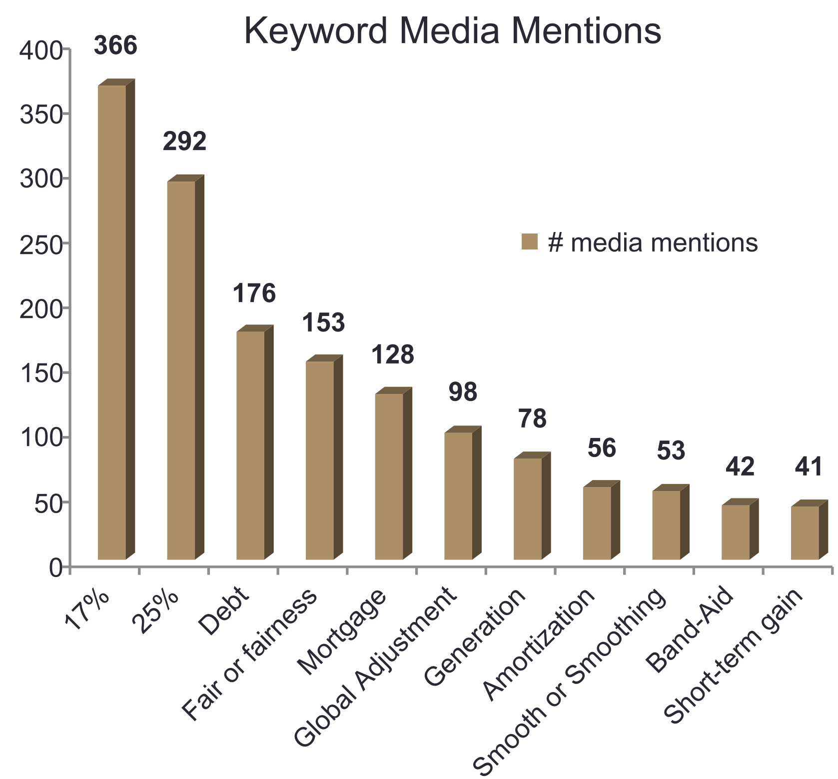
Tone of coverage (# of stories)

Positive	Mixed	Negative
78	86	70
33%	37%	30%

- 63 per cent of the TV stories were graded “positive,” though most of the ‘man-on-the-street’ stories were mixed or negative.

Media Coverage, post-announcement

- The Premier's key messages about "fairness" and how future generations should share the cost of new electricity infrastructure played more prominently than any other message, by far.
- Both opposition parties characterized the initiative as a "Band-Aid" solution and suggested it was for short-term gain.



- In the battle of the numbers, 25% versus 17%, the lower number came out on top, but in most articles reporters also referenced that another 8% savings would come from eliminating the HST.

Responses from stakeholders

Positive:

- "We are pleased that electricity ratepayers will see the positive benefits of this announcement in the near future and for the commitment that rates will not increase beyond the rate of inflation for the next four years."
  – Mayor Alan Space of Kapuskasing and president of Federation of Northern Ontario Municipalities (source: Bay Today, March 2)

- "The changes announced today will provide significant relief, particularly for those who need it the most - our fixed-income, rural and northern customers and small businesses."
  – Mayo Schmidt, CEO of Hydro One (source: Peterborough Examiner, March 3)

- "The elimination of the delivery charge will assist our citizens by reducing energy poverty in our communities. It also represents recognition for the use of the land in the development and expansion of the provincial energy grid."
  – Isadore Day, Ontario Regional Chief (source: Kenora Daily Miner and News, March 3)

Negative:

- "CARP was disappointed that the Premier did not address time of use pricing surcharges which continues to unfairly punish retirees who consume most of their electricity during the highest priced periods. CARP calls on the Premier to address this issue as these announced changes are implemented."
  – CARP (release) (source: Bay Today, March 2)

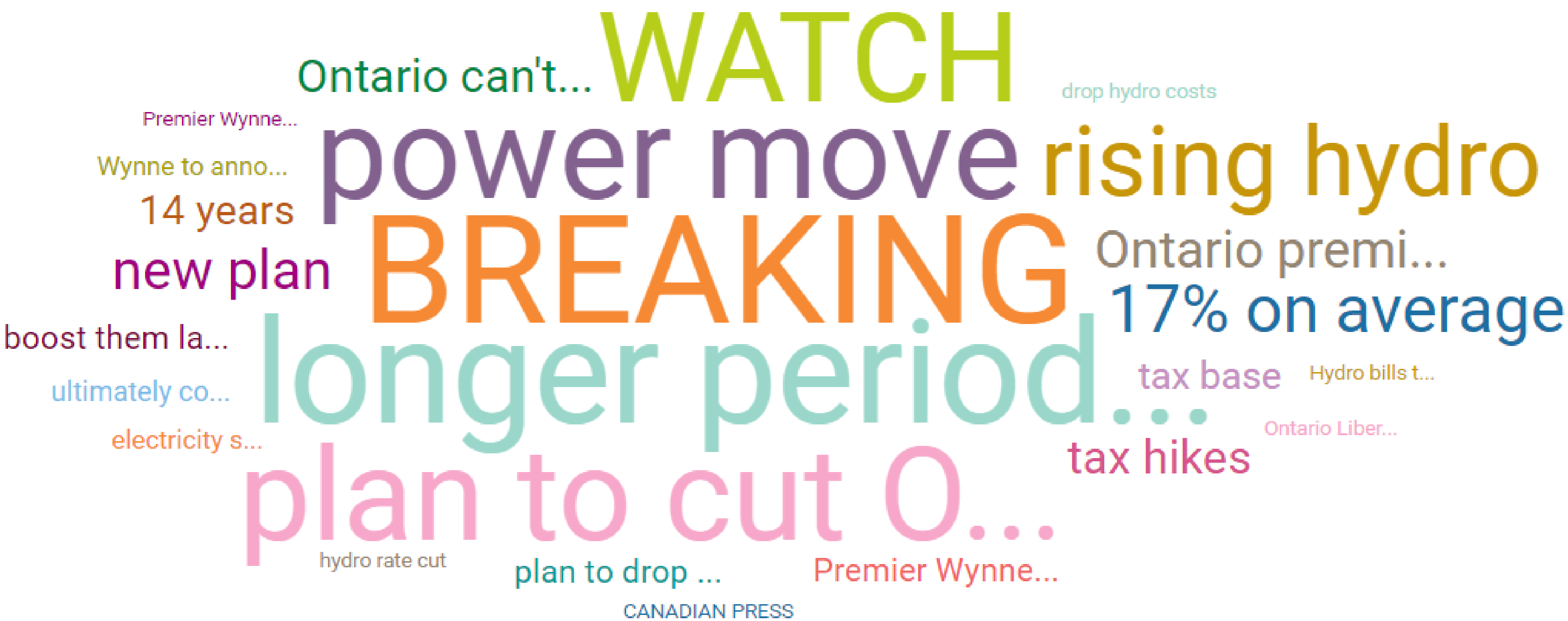
- "From what we can tell, there's nothing there that would reduce our costs and help us improve our competitiveness."
  – Mark Nantais, president of the Canadian Vehicle Manufacturers' Association (source: Globe and Mail, March 3)

- "One of the major priorities we have as a chamber is that - like businesses that must balance their books - we feel the government should balance its books as well. That would be very challenging if they are now facing an addition $1.4 billion in interest payments it didn't have previously." (…) "We have some concerns about how that is going to impact the province's finances over the long-term."
  – Nick Stewart, policy director of the Timmins Chamber of Commerce (source: Timmins Daily Press, March 3)

Advertising and Marketing

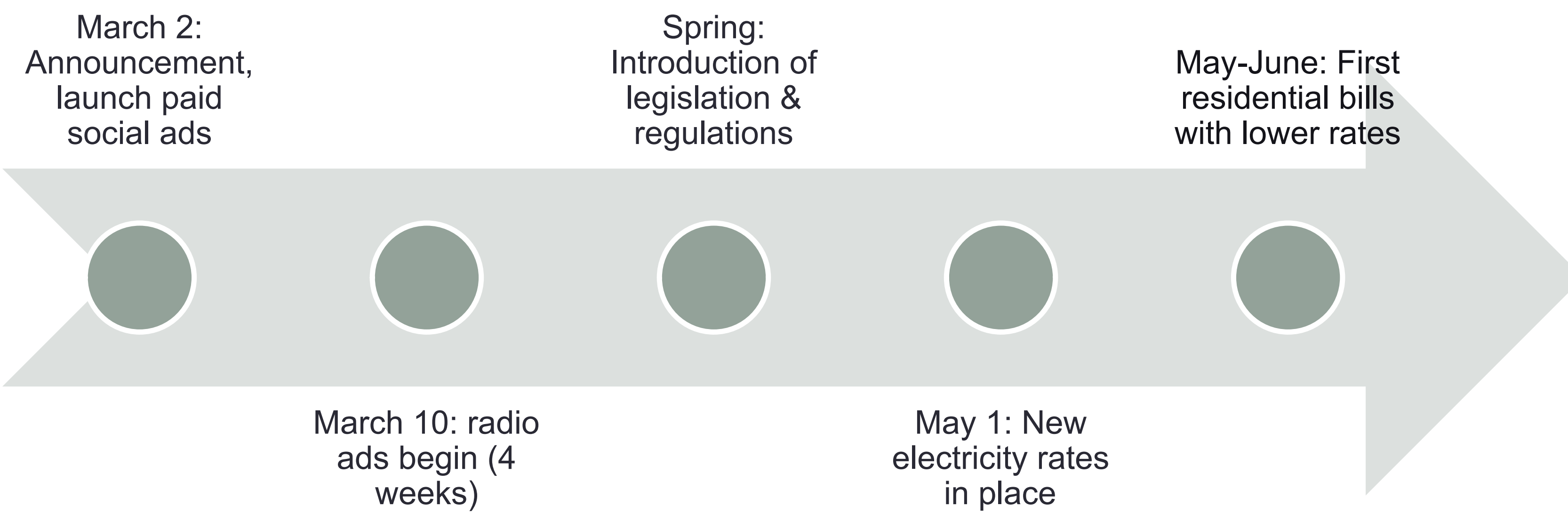
- Radio advertising is currently being developed, to be on air in mid-March
- Social media samples:
  - (Melanie – I couldn’t find Facebook samples with the text around them, please drop those in here.)

Coverage Word Cloud



Polling results, post-announcement

Next Steps


March 2: Announcement, launch paid social ads
March 10: radio ads begin (4 weeks)
Spring: Introduction of legislation & regulations
May 1: New electricity rates in place
May-June: First residential bills with lower rates