[Transcript] Peter Tabuns Post-Lockup Scrum - March 2, 2017

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<u>TRANSCRIPT – Peter Tabuns Post-Lockup Scrum – March 2, 2017</u>

MPP: Peter Tabuns

Media: Ferguson, Rath, Zochodne, Crawley, various

[START TRANSCRIPT]

Tabuns:

- But what we see here today is (inaudible) borrowing (inaudible) for the next election
- And that will give us lower prices for a while but frankly we got to ask: is this going to be a lot better for bankers than it going to be for electricity customers?
- This past Monday we came forward with a plan to actually deal with these (inaudible), deal with the privatization, deal with Time-Of-Use
- I haven't seen any of that from this Premier
- And if she doesn't deal with these structural problems all of the difficulties we have, all of the high prices we're dealing with; we're going to be dealing with again in the next few years

Ferguson: So you're talking mostly about trying to re-negotiate contracts?

Tabuns:

- It's a question of stopping privatization, stopping the privatization of Hydro One-

Ferguson: How is stopping the privatization going to change hydro bills? Because the government says it doesn't work that way because the OEB sets rates…

Tabuns:

- Well, frankly, I don't have any great confidence in the OEB
- We've always heard from them about how the fact they don't check the applications from people who come in and ask for higher rates; that was very clear from the auditor general
- I don't believe in what the Premier is saying with regard to the OEB, because really, do the Liberals have any credibility on hydro prices after what they've done in the last few years?
- I don't think they do

Reporter: Is this plan going to cost more money?

Tabuns:

- It looks like it will, it looks like we're talking tens of billions of dollars to buy down hydro rates in advance of the election
- It's going to be very expensive

Tabuns:

- Yes, it could be very expensive

Reporter: But why is that a bad thing?

Tabuns:

- Because, frankly, people are going to get stuck with bigger bills later down the road that they're going to have difficulty meeting then
- We don't know what is going to be the total cost for doing this
- We have their guess, and we're talking in 10-, 20-, 30-billion dollars—that's a lot of money

Reporter: When do you think we're going to have to pay the piper on this, based on what you're seeing?

Tabuns:

- That's not clear from what's been put forward now, but sometime over the next 5 to 10 years we'll be dealing with the, with the higher costs that will come from the debt that's being incurred now to allow this government to get through an election

Rath: Did they, did he make any sense about, did she make any sense about when she was talking about 'we'll still have assets left with windmills and solar [panels]'. Don't those things have a [lifespan] that they expire in 30 years?

Tabuns:

- They, they do have a life span
- Many of them will have been up now for 10 years now
- I'm not sure they're going to be around in 40 or 50 years, which is when this plan expires

Media: Thank you

Tabuns:
- You're welcome

break in scrum

Tabuns:
- --well, let's face it, people desperately need some sort of relief
- They've been hit hard, they've been paying bills more than they can afford
- But what we're looking at today is the Premier talking about borrowing *inaudible* dollars to buy down electricity rates before the next election
- This is going to be very expensive for Ontario, it's going to be very expensive for ratepayers in the decades to come

French

**Lamoureux* and Tabuns*

end French

O'Shea: Clearly the Ontario government doesn't print money. So if you're going to cut rates, you've got to find that someplace else, right?

Tabuns:
- Right, but that's why this past Monday we came forward with a plan to deal with rates by actually dealing with the structural issues—getting rid of time-of-use, phasing out privatization, stopping the privatization of Hydro One
- If the Premier isn't going to address those structural issues, then she's not going to address the fundamental problems that are driving up rates and that—she's, she's put a very large bandage on this problem, a very expensive bandage, but she hasn't dealt with the structural issues, she hasn't even talked about them

Reporter: I'm sorry, do you, do you buy in spirit that is kind of a social program? Kind of your turf.

Tabuns:
- Part of what was announced today is partly a social program
- Part of what was announced today is, in part, a social program, but the big issue is borrowing money—tens of billions of dollars—to reduce hydro rates before an election
- And that's the story here
- Bankers will be extremely happy
- People are going to be stuck with a very big bill

Zochodne: Do you think that there's any other way to do it?

Tabuns:
- Yes, that's what we were saying earlier this week, you have to stop the privatization of Hydro One, over the next few years reverse the privatization of the generation system
- You have to get rid of time-of-use, you have to use some of the money that we're now paying, making OPG pay for the hydro dams, help people reduce their rural rates

- But you have to deal with the structural issues
- If you don't deal with those, all this reproduces itself again in a few years

Crawley: But Peter, you know, ordinary people just care about the bottom line in their hydro bill. So—

Tabuns:
- No, they do—

Crawley: --aren't they going to end up happy with this?

Tabuns:
- I think people are very hard-pressed right now and they will want immediate relief
- But they do need to understand that the bill will come due another day and it will be a very big bill

Reporter: But could, could your plan actually provide that kind of immediate relief?

Tabuns:
- Well, for, for rural ratepayers, yes, we were looking at a range of 25 to 30 percent reduction
- Dealing with the extra money they're paying for delivery charges—our plan would deal with that
- People who are on time-of-use, dealing with the problems they face, we're looking at about a 20, 30 percent reduction
- So, yes, we could make those sorts of impacts

Media: Thanks.

Tabuns:
- Thanks very much

[END TRANSCRIPT]