

TRANSCRIPT – Patrick Brown on AM 570 – May 25, 2017

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Media: AM 570

[START TRANSCRIPT]

Host: Thanks for joining me

Brown:

- It's great to be back on the show and first of all I should say I disagree with the contention that the budget is balanced

Host: Let's get into that, okay, we all know that the debt has mushrooms, but they're saying that the deficit was under control

Brown:

- Yeah they had this new line called off budget debt and so they've – which makes sense to no one in the accounting world
- They decided to put all this debt in different areas and not counting it
- So our provincial debt is going to skyrocket but they're claiming it a balanced budget so
- When the financial accountability officer and the auditor general say the numbers don't add up, I agree, I think Charles Sousa or as we call him at Queen's Park, chef Sousa is cooking the books to hide the fact that we're still – we still have an ugly deficit
- And I think yesterday's financial accountability officer's report shows that the hydro gimmick is just as bad, it's all about propping it up to make it look like they've done something before an election
- But as soon as the election is over, rates are going to skyrocket
- Every time this government touches the issue of hydro, they make it worse
- Under this government, they've- we've seen hydro go up 400%
- It's unbelievable
- And people are struggling

Host: What was that turn again? That you said Sousa used or the government used to describe balancing the books?

Brown:

- Well at Queen's Park his nickname has become Chef Sousa for his- talents at –

Host: No no no at the outset you described their phrasing uh-

Brown:

- Oh, yeah, so - Off budget debt

Host: Oh okay, what do you mean – what does that mean?

Brown:

- It doesn't mean anything
- It – it – it is a political line they use
- And so what they do is they'll say you know this debt is going to go on the OPG or this hydro one fire sale money is going to be used as a onetime revenue source rather what was supposed to go to infrastructure
- They use special accounting mechanisms to – that allow them to have debt for infrastructure on the side
- They have all these tricks, all these accounting tricks
- But the reality is, in the next 3 years, even though they say we are balanced for the next 3 years, we're going to add \$34B to the provincial debt

Host: Alright, um, the conclusion of Mr. LeClair's report, that this cost overrun, this is something that you and your party have been hinting at for months, you've been saying look, just wait, there's there's there's a catch here. What is - Specifically, what is your reaction to the findings in this report?

Brown:

- Well it's a vindication of – of what we've been contending in the legislation
- And that's that this is an election gimmick, it's all about temporary relief and we are all going to be paying way more after
- We're actually going to see rates skyrocket after
- And Kathleen Wynne and this Liberal government is just concerned about looking good next year because it's an election
- They're not concerned about your hydro bills
- And Mr. LeClair's report proves that
- It shows that – at a time when we can't afford hydro bills, this gimmick that they are putting forward is going to take Ontario- which already has among the highest hydro rates in North America
- To have even higher rates

Host: Okay, um, can hydro rates be substantially lower without this kind of subsidy?

Brown:

- Absolutely
- We need to address some of the structural problems
- And let me give you an example of that

- Last year we spilled 4.8 billion kilowatt hours of energy from water power facilities
- A lot of Ontarians don't know this
- We got water generation facilities, Niagara Falls, Manitou, Merrickville
- They're all over the place
- And we pay to run them
- And we spill water
- Kathleen Wynne has signed so many bad contracts
- And continues to sign more
- That we have a massive over generation
- Right now we charge Ontarians to give it away to Michigan, Pennsylvania, to Ohio, to New York
- To put this in context, last year Ontario generated 145 terawatt hours of energy from our three main sources: waterpower, natural gas and nuclear
- Yet we only consumed the 137 terawatt hours
- That doesn't include any of the renewables
- So all those wind turbines right now, it's all a waste
- We're giving it all away
- And the scary thing about this government is the day after their Fair Hydro Plan
- Or as I like to call it, the borrowing plan
- Because they're just borrowing money
- They proceeded with 1100 more contracts
- They keep on signing these bad contracts for energy we don't need
- And someone needs to clean this up
- And I intend to
- And if you look at the 30 big mega contracts that they signed for energy we're giving away
- The Liberal party got \$1.3-million in donations from those 30 companies
- It's ridiculous
- It stinks
- And someone needs to look into these bad deals

Host: Well tell me more about the contracts here. Can you give us an example?

Brown

- Well I'll give you an example
- The Samsung deal
- On the Samsung deal, they could've got out of a – they had an exit clause
- They could've got out of a billion and a half of extra energy we don't need
- And they blew the billion and a half
- Even though there is the legitimate exit clause
- They didn't want to feel like they were walking away from the green Energy Act
- And you see all these wind turbines around the province
- And the reality is that people think they look at those and say, no that, that's Green Energy'—it's not

- We're wasting our own green energy water power for these expensive foreign contracts that we do not need
- And the only people who benefited from these bad contracts, it's the Liberal party

Host: What would you like to see – we'll leave next year's election out for now, we'll get to that in a moment – what would you like to see in the meantime, ideally?

Brown

- I want Kathleen Wynne to pledge she's going to stop signing new contracts
- The 1100 she just proceeded with
- Stop that immediately
- I would—LRP2, I would immediately halt
- Which is a new mega generation they're about to proceed with renewables
- And the 30 big mega contracts
- I would immediately want the contracts made public
- And I would want to look at what exit clauses we have
- Right now they're keeping those contracts secret
- It doesn't – it leaves huge suspicion
- The reason they want to keep those contracts secret –
- And the fact that these companies donated so much to the Liberal party, I think leaves the impression
- There's a reason the Liberals are covering
- Another thing I want to do immediately if I was Premier today
- I want to rein-in on some of these executives salary
- The sunshine list used to be called the Hydro list
- This year they passed the motion so that hydro salaries aren't on the sunshine list
- But you could look at some the ones that were on last year
- You look at the Hydro One CEO here
- Gets paid 4.7 million dollars a year
- In Quebec, the Hydro CEO gets 400,000
- You know, why are we paying people 10 times the amount to do, to do, to, to, to, to do the same job here
- And frankly they're not even doing it well

Host: what would you do to those salaries in those positions?

Brown:

- I want to make sure we pay salaries that are consistent with other provinces and states
- I actually challenged the premier on that I said you just signed off on a 4.7-million-dollar contract and these huge benefits for the entire hydro executive management team

- I said why do you have to pay 10 times the amount in Ontario and her response is 'that's what they pay in corporate America'
- But I'm sorry if they're paying 400,000 in BC, and 400,000 in Quebec in what world are we paying 4.7 million dollars?
- For me it's, it's an attitude, it's a culture
- They're not watching the pennies and they're certainly not watching the dollars

Host: Alright let's fast forward to June of next year, Ontario election, if you were elected premier of Ontario what would your approach be to reducing Hydro rates

Brown:

- So, if you look at the hydro bills, on the commercial bills you see the global adjustment it's about half your bill, on the residential its hidden, it's blended in
- The global adjustment pays for the bad contracts, stuff like the gas plant
- I can't get them the billion dollars they blew on the gas plant back, that's gone
- But on this excess generation on this surplus, energy we are giving away
- I would immediately take measures to make sure our generation is similar to what we consume so that we stop having this huge global adjustment inflating peoples hydro bills
- If we can get the global adjustment down that would be a big win for Ontario rate payers

Host: According to the public watchdog report the Liberals program is going to cost 21 billion dollars. How much is your program going to cost?

Brown:

- Well, it's not going to cost anything
- Because we're actually—it's the opposite
- We're, we're not borrowing, we're, we're looking at fixing the structural problems
- And so when you're taking exit clauses, when you're stopping signing new contracts, it doesn't cost anything
- This is actually for once, rather than running hydro policy based on what sounds good for elections
- *cut*
- -advice we got from experts from the beginning and stop signing surplus contracts

Host: The budget officer has questioned why the government is bank rolling this hydro cut through Ontario Power Generation which keeps the debt off the books. But he says it could mean an additional 4 billion dollars in interest costs. Does that concern you as well?

Brown:

- Absolutely, well it goes back to my initial contention that we don't have a balanced budget
- They did this, this off budget deficit spending as a way to trick the public into thinking they have a balanced budget, and frankly a lot of the media ran headlines saying 'balanced, balanced budget', even though our Financial Accountability Officer, even the Auditor General, saying the numbers didn't add up
- And so, you know—this, never underestimate the Liberals
- You know, they're low in the polls right now but they will do anything, they will say anything, to get re-elected
- And, and this is what this is all about—this is about pulling the wool over the eyes of Ontarians just to try to get another term

Host: mm-hmm. Recent public opinion polls suggest that Premier Wynne's Liberals appear to be benefiting from the rate cuts. Two recent surveys show they are closing the gap with your party—which, by the way, we should point out, according to most polls show that the Conservatives are leading in voter support. How concerned are you that the Wynne government will see voter support increase at least in the short term as a result of these rate cuts?

Brown:

- Well, I'm certainly not underestimating the Liberals
- A lot of people look at the polls and say the PCs have a big lead
- And, you know, say that you should be comfortable
- And I am absolutely not
- I'm very, I'm, I'm very concerned—I know this Liberal party and, and you can't count them out
- They're all about campaigning
- Heck, you look at the gas plants which we're paying on the hydro bill, they blew a billion dollars on the gas plants just to win a single seat in Mississauga
- They will do anything, they will spend any amount of your money to win
- And so I'm not taking them lightly
- And, and I'm going to continue to work day-in and day-out to make sure we get change in this province

Host: Auditor General Bonnie Lysyk says she's also going to do a separate report on hydro rates later this year. What are you expecting the Auditor General to conclude?

Brown:

- Well, I think the Auditor General will conclude the same, the, the same concerns that were by the FAO and by the official opposition—that this is, this is an election gimmick

- And, and, frankly, the more non-partisan legislative oversight we have of these shell games that the Liberals are presenting to trick the voters, the better
- I'm glad the Auditor General, I'm glad the Financial Accountability Officer are pointing out the, the shortsightedness of this
- And, and hopefully, hopefully the Ontario public and the media highlight these reports because I—it's, it's staggering to have the legislative officers point out how the government is, frankly, lying and misleading the public and to do so in their official reports
- It's quite significant

Host: you've been very critical of, of, of the impact of the cost of this program over the long term. What is this—what, what will the impact be on household budgets?

Brown:

- Well, the fact that right after the election hydro rates are going to skyrocket—already people are struggling, struggling to make their, their, their household budgets
- And this is just going to make it worse
- There's a lot of Ontarians right now who are having to choose between heating their home in the winter or eating
- You know, we had a record amount of Ontarians in arrears
- People having their hydro turned off in, in, in the winter—it's, it's scary right now and it's going to get worse
- And the most incredible thing is I—the, the Minister of Energy actually got up in the legislature and said in one of his statements, we're not, we're saying 'this is going to cause hydro rates to, to skyrocket', and he says, 'we're not concerned about the long-term, we're focused on the short-term'
- I, I, I just couldn't believe it—I couldn't believe a minister of the Crown would actually say that we're focused on the short term

Host: all right. When, when do you, when does, when does Queen's Park break for, for the summer?

Brown:

- It's—the last sitting week is next week

Host: so what are you, what are you going to be doing in the legislature, what's, what's, what's your approach going to be?

Brown:

- Well, I'm going to do everything I can to push back against this, this election gimmick—their fair, their fair hydro plan, which is all about putting the costs off right after the election
- We're going to fight this tooth and nail and, hopefully, we can convince the government to do the right thing

- I, I don't expect them to do the right thing, but, but everyday in the legislature we're going to be pointing out—just as the Financial Accountability Officer has—how this is going to hurt every single Ontarian

Host: yeah, not to mention—what about the economy? How do you think it's going to affect the Ontario economy as a whole?

Brown:

- And that's, that's another scary aspect of this
- Is so—one, it's going to be hard on households, hard on seniors and families who can't afford their hydro bills
- But if you look at our job creators, if you look at industry in the province—

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