
CBC HERE AND NOW INTERVIEW WITH PATRICK BROWN

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CBC: A big cut coming to your hydro bill this summer just as you turn on your air conditioning. Premier Kathleen Wynne unveiled a plan today that will see electricity bills in this province drop by an average of 17 per cent, and that is on top of the 8 per cent rebate that came into effect the beginning of January. That is going to mean billions in extra interest costs that will be passed on down the line to future hydro customers. Later on in the program, in the next hour of the program, I'm going to be speaking with Liberal Energy Minister Glenn Thibeault. But right now Progressive Conservative Leader Patrick Brown is with me on the line. Patrick Brown, if you were to put your reaction to today's announcement in just a few words what would you say?

PATRICK BROWN, ONTARIO PROGRESSIVE CONSERVATIVE PARTY LEADER: Bandage on a bullet wound. It's damage control by the government and they're not addressing the structural issues. They're simply borrowing money to pay for their own mistakes and they're continuing to commit the very same mistakes they're paying for.

CBC: So the Premier says – she gave an analogy likening this to refinancing a mortgage and sort of setting a new term that stretches over a longer period. What's wrong with that if it means lower hydro rates for residential customers?

BROWN: I don't mind the immediate relief but – and I appreciate the Premier said this morning six times during her press conference that they've made mistakes. Now I get that they're doing this initiative to cover those mistakes. What my concern is – and those mistakes are these bad contracts that are paid in the global adjustment and they want to pay them over a longer period rather than a shorter period – now here's the problem: if you acknowledge that's a mistake, if you said these bad contracts are a mistake – and by the way it's horrible, it's an unmitigated disaster those contracts – then why would you go and sign more? Tomorrow they're proceeding with FIT 5. They're proceeding to the next stage with more of these contracts tomorrow. So how can you get up here at Queen's Park and say I'm going to borrow money to pay for my previous bad contracts to offer temporary relief and then go about doing the same mistake? And they're also proceeding with LRP 1 which is more giant generation. So we have so much extra energy in Ontario right now because of these 20-year deals that Kathleen Wynne signed, that we give away free electricity to Michigan, Pennsylvania, Ohio, New York. It's not Donald Trump making America great. It's Kathleen Wynne. She's the one giving free electricity to the States and charging on Ontarians for it in their hydro bill via the global adjustment. And so –

CBC: So those 20-year contracts – I mean if you were to become, as you hope to do, become the Premier next year when there's a provincial election, you're going to inherit those 20-year contracts. They don't disappear. What would you do about them? You talked about the need for restructuring. How would you fix it?

BROWN: So two things. One we look at the existing contracts and then you looked at the ones that are preceding it. So on the previous contracts, the 30 mega ones, are pretty ugly. We only have a copy of one of them, one of the 30, and that was a Samsung deal. In the Samsung deal, we could have got out of, there was an exit clause. We could have got out of a billion and a half of surplus electricity –

CBC: But you didn't. So it hasn't been done. So how do you solve it now?

BROWN: So – and the reason is they didn't want to appear like they were walking away from the Green Energy Act. If there are similar exit provisions in the other 30 contracts, then there may be opportunities to diminish all of this surplus. Why is the government hiding those 29 contracts? So that's one issue. And by the way, my suspicion is because those 30 companies donated \$1.3 million to the Ontario Liberal Party. Now the other thing, which we haven't done, is tomorrow FIT 5 is going through. So there is going to be new bad contracts that go to the next stage. LRP 1 is still going to the next stage. So we have all this massive new generation that's about to be added to the grid. And so it's one thing to be paying for the old bad contracts and what makes Kathleen Wynne think it makes any sense to be signing new contracts when they already have too much that we have to give it away to the States?

CBC: And yet renegotiating those contracts comes at a cost. There's an – there are exorbitant costs for renegotiating those contracts

BROWN: And estimates range from \$14 billion to \$25 billion. There was one estimate that was even \$42 billion. And it's probably somewhere between \$14 and \$25 billion. It's a huge cost. We are charging future generations to pay for Kathleen Wynne's mistakes. And what I find wrong, what I find offensive, is how does Kathleen Wynne get up today, apologize for this, say that they've made mistakes and not actually announce that they're going to stop doing it?

CBC: What is your plan to reduce costs? I mean I hear you talking about not signing new contracts but what is the Conservative Party's plan?

BROWN: Three immediate steps I would do tomorrow if I was Premier: One, I'd stop any further sale of shares of Hydro One. We're going to lose future control rate increases with that. I want to retain majority control. I would stop future shares being sold tomorrow. Secondly, I would scrap the Green Energy Act. It's been an unmitigated disaster and it is at the root cause of our surplus generation problem.

CBC: It's actually only about 6 per cent of the cost. So much of the cost that we're seeing are more about these, you know, some of these contracts and refurbishing old nuclear plants. The green energy commitments are not the biggest part of the problem here.

BROWN: And it's not simply green energy but it is the generation contracts. So the generation contract is over 60 per cent of the bill. So that 60 per cent, they're not touching any of that. And that's what I want to look at. So I'm going to scrap the Green Energy Act. I'm going to review LRP 1, were the notice to proceed hasn't gone out. That's all the new generation in the next five years. Were the notice to proceed hasn't gone out, we can actually get out of it with minimal legal cost.

CBC: What would all this add up to in terms of a cut for consumers in the province on their hydro rates? The NDP earlier this week, as I'm sure you know, has offered a 30 per cent cut through their own plan. What would you offer?

BROWN: But it's fiction. It's fantasy. Under both the Wynne Liberal plan and the NDP plan, their promises – they promised insurance was going to be cut by 15 per cent, they picked a number out of the sky that wasn't realistic and here we are years later and insurance rates haven't been cut by 15 per cent. I've seen this show before.

CBC: But they have a specific plan that they've announced. You have a specific percentage that you would offer, your party would offer, and promise to Ontario?

BROWN: Let me just – their plan is fictional. The NDP plan says they're going to get Justin Trudeau to take the HST off of hydro. Justin Trudeau has never said he's going to do that nor is it likely he's going to. They've also said that they're going to get shareholders to pay back the departure tax. Why are some private individuals going to pay back money out of their goodwill to the government?

CBC: I hear you criticizing the magical thinking of the NDP plan as you call it, but what about the Progressive Conservative plan? What's your specific percentage of promise on hydro bill savings?

BROWN: So we believe we can go significantly beyond where the NDP and Liberals have pegged. We don't think they've gone far enough –

CBC: Do you have a number?

BROWN: Well we're getting closer to developing a number. The challenge is the government refuses to give us copies of the contracts. So to determine how much of the surplus we can get out of we need a little bit more. We haven't had any disclosure from the government. Today we got some details and that's helpful. But I would say a 30 per cent doesn't go far enough and I worry it's only temporary. It's – what the Liberals are promising is just a one-year gimmick.

CBC: All right, we'll wait to hear more details on your party's plan. Thank you for your time this afternoon.

CBC: My pleasure.

BROWN: That's Progressive Conservative Leader Patrick Brown.