
CBC WINDSOR INTERVIEW WITH PREMIER WYNNE

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CBC Windsor: We now know the government's plan for power in Ontario. Yesterday Ontario revealed its latest strategy to deal with rising energy costs and it comes after the NDP released its plan to tackle the hydro file. That included, among other things, a 30 percent reduction in electricity costs and the buyback of Hydro One shares that have been sold so far. Patrick Brown told us yesterday that if he was premier he would halt the sale of Hydro One and reopen expensive wind and solar, other alternative energy contracts. And this afternoon we're joined by Ontario Premier Kathleen Wynne. Good afternoon Premier.

PREMIER KATHLEEN WYNNE: Good afternoon Bob.

CBC: Now I know you've taken a lot of heat over several months because of rising energy costs and some say that your announcements yesterday are merely preparing for the next election. And to that point Premier, why didn't you offer a 25 percent reduction on energy costs back in January when you announced an 8 percent reduction.

PREMIER WYNNE: So Bob, what we've been doing is we've been looking for ways to make a substantial reduction in electricity prices. We've done a number of things – And you're right, the latest thing that we did before the announcement yesterday was to take 8 percent off peoples' bills, which is the provincial portion of the HST. And in the run up to that, what we heard from people was that that's not enough; you know that it's not going to make a big enough dent in people's bills; that they need something more substantial and they need it right away. So we've been looking at everything. And I know you talked about some of the things that the opposition parties suggested and we'll come back to those, but where we landed was that there has been about \$50 billion dollars of investment in the electricity system over the last decade or so. There had been neglect – You know that's not a partisan comment. It's Liberal governments, Tory governments, NDP government that had not made the investments in the system that needed to be done. We had to make those investments, but there's a cost associated with that. And right now the current generation is being asked to shoulder the majority of those costs. And what we what we determined was that if we could spread those costs over a 30 year period, rather than a 20 year period, we could give folks on average a 25 percent reduction by summer.

CBC Windsor: But of course there is criticism of that: You're just pushing debt onto future generations.

PREMIER WYNNE: Well it's the same thing that we do when we mortgage a home. You know, if you don't have the cash on hand to pay upfront for a home – or in this case an electricity system upgrade – then you need to amortize that over a period of time. And the first strategy was 20 years; it's not long enough because the current generation is being asked to pay too much because this is a \$50 billion dollar investment in our electricity system to bring it up to two

to grade to build new capacity and make it reliable and clean because we shut down the coal plants and we needed to replace that power. So it's a very expensive upgrade. And so that's why it's fair to ask this generation but also the coming generation because they will be they will be using that asset into the next couple of decades.

CBC: Of course either way you cut it Premier, it's still Ontario taxpayers who are paying for this discount and will be for years down the road. So it doesn't really address the issue of high energy costs.

PREMIER WYNNE: Well you know what it does is it spreads – You're right, it spreads the cost out as a mortgage does. And if we had not made the investments that we made then we would not have a clean electricity grid and we wouldn't have reliable power. And you know you're in a part of the province where manufacturing is incredibly important and the auto industry particularly needs a reliable source of electricity and that isn't what we had in Ontario in 2003. When we came into office under the previous Premier, there was not a reliable supply. We were having brownouts and blackouts and we really needed to make these investments. And so now we need to make sure that they're paid for fairly over a reasonable period of time.

CBC: To the manufacturing point of view, what are you offering in the way of relief to Ontario's manufacturing sector because of course you have heard there are threats of leaving Ontario or not expanding due to high energy costs.

PREMIER WYNNE: Well it's interesting. We've seen an enormous investment in the auto sector in the last even five months. I mean there's \$730 million dollar investment from Ford in both their Windsor and Oakville plants, along with GM investment, Fiat-Chrysler investments, so we've seen a lot of investment. And it's interesting the Automotive Policy Research Center put out a report on February 13th that basically said that electricity prices in Ontario were not having a negative impact on Ontario's auto sector, so there are other factors at play. You know, the taxes, we are very competitive in terms of our tax rates. We have a highly educated workforce. So the auto sector and you know Windsor being a prime example of that is really well positioned in in terms of the auto sector in North America right now.

CBC: I don't argue with the investments that have been made but I'm only repeating what the manufacturers are telling us.

PREMIER WYNNE: Well and I hear that. But, you know, actions actually speak louder than words and so over the past five months we've seen \$2 billion dollars of new investment in Ontario's auto sector. What we've done in this in this plan is we have actually expanded the Industrial Conservation Initiative. So smaller companies – so some of the companies for example that would be in the supply chain for the auto sector – would qualify for the Industrial Conservation Initiative. And that program can help businesses save up to 30 percent of their electricity bill. So we are very cognizant of helping business at the same time that we help residents.

CBC: Just one more question on the manufacturing point of view. Yes, there has been investment in the auto industry, but there are many more manufacturers in Ontario, other than auto.

PREMIER WYNNE: Of course, of course. I was just using auto as an example.

CBC: But they haven't gotten the investments that the auto industry have and they are still dealing with high energy costs.

PREMIER WYNNE: Well and that's why you know that's why we've expanded the ICI, the Industrial Conservation Initiative. Mom and Pop shops, Bob, who are you know on main streets and in communities around the province – so those are very small businesses – they are they are going to see the average 25 percent reduction. More businesses will qualify for the ICI, as I said. So everybody will see some reduction. But you're right: There's more work that we need to do for some of those medium and smaller medium businesses and we're going to continue to work with them.

CBC: All right. Another aspect to this file is the sale of Hydro One. And I know you said that you want to get to some of these points that the opposition have made, so I will give you the opportunity. Why is the government insisting that it go forward when so many people say it should be the public utility and whatever profit generated goes back to Ontarians instead of shareholders?

PREMIER WYNNE: Well the issue that we're addressing and has been top of mind for people in the province is the cost of their electricity bills. Broadening the ownership of Hydro One has nothing to do with electricity prices. So what the NDP was suggesting would not take one cent off one person's electricity bill. And so you know, it's really a red herring in this discussion. I understand that it sounds like it's a solution, but it's really not. And we're looking for real practical solutions that are going to take people's bills down.

CBC: Well then the one thing that is true is the salaries of Hydro One executives. And of course, you know, that many people are saying they're just way too high.

PREMIER WYNNE: Well I understand that. And you know, we've made we've made changes in terms of the way compensation transparency works with government agencies. Hydro Ones required to post the salaries of their four top executives. That's according to the rules of the Securities Commission, so they operate under those rules. What's really important is that we have a well-run company and that at the same time we're able to build infrastructure because remember the broadening of the ownership of Hydro One has to do with being able to use an asset that's been owned by the people of Ontario to build new assets that the people of Ontario will own and that building is extremely important. You know I know that people in Windsor are very aware of infrastructure with the building of the parkway. You know that kind of infrastructure build is not possible unless we have the funding to do it.

CBC: You yourself have said many times many mistakes have been made on the energy file by all governments going back to Mike Harris. Is it even possible to fix this now?

PREMIER WYNNE: I believe it is. And I would you know I'd go back before Mike Harris. I think that we can we can hold previous Liberal, NDP and Conservative governments responsible because those investments were not made over time. So yes I always believe it's possible to find solutions. And I think that the structural changes that we are making because on top of the spreading out of the payback of those investments that I talked about we're also going to be tackling distribution charges. And you know there are there are people in the province who live in rural and more remote communities where they're paying very high distribution charges. And so we're going to we're going to take those distribution charges down to the level of what an urban consumer would pay and that's a structural change and it's much fairer for people who are paying those high costs. So I think it is possible to resolve these issues, but it is hard work.

You know, we had to look at everything, and this is a plan we've landed on. And so by summer people will start to see these reductions.

CBC: Good to talk to your Premier and thank you very much.

PREMIER WYNNE: Thank you very, very much. Take care.

CBC: That is Premier Kathleen Wynne. And what do you think of her new power plan? We have talked to all three provincial leaders this week. Who do you think has the best handle on power in Ontario? You can post your thoughts on our Facebook page.