Evening Media Scan: Hydro Rate Reduction - November 21, 2017

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Evening Media Scan: November 21, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

November 21, 2017

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Toronto Star Wynne gets an earful at raucous town hall

thestar.com
Mon Nov 20 2017
Section: News
Byline: Robert Benzie

Premier Kathleen Wynne went to the Rolling Stones' rehearsal space to get an earful from some Ontarians who "can't get no satisfaction" from her government.

Wynne held her first town hall at the Concert Hall on Toronto's Yonge Street on Monday night, facing 200 people - a few friendly, but many adversarial - and taking their questions for almost 90 minutes.

"I'm very upset about the way the health-care system has been gutted," said a man named Harold, who uses a motorized scooter after having "a chunk of my foot amputated."

"That shouldn't have happened," Wynne told him.

Another man who has watched two massive wind turbines erected near his Priceville farm in Grey County complained the green-energy projects have "poisoned" the water table.

The premier asked him to leave his research paperwork with her staff.

Others in the audience bemoaned the Tarion home warranty program, the lack of $10-a-day child care, anti-Black racism, HIV policies, the sale of the majority of Hydro One, and Ontario's decision to have the government control the recreational cannabis market((www.thestar.com»)).

Ironically, one of the easiest questions for Wynne to answer came from an activist with Ontario Proud, an anti-Liberal Facebook group that backs the Progressive Conservatives.

Brandishing a protest sign about excessive electricity bills, the young man asked Wynne why the CEO of Hydro One, which is still 49 per cent owned by the province, earns $4.5 million, 10 times the salary of his counterpart at Hydro-Quebec.

Because the young man's query echoed Tory talking points, that allowed the premier to fall back onto the well-worn responses she gives during question period in the Legislature about how the government is reducing hydro bills((www.thestar.com»)) by 25 per cent.

Wynne faced far more difficult and emotional questions from college students furious that her government allowed the strike by their teachers to last five weeks.

"I'm so sorry," the premier told a weeping student.

Moderated by former Globe and Mail reporter Jane Taber, it was a well-organized event, but hardly as choreographed or scripted as a campaign swing would be.

The town hall is considered a government event, which means the costs were covered by taxpayers and not the Ontario Liberal Party.

There were no Liberal signs and the audience was not vetted as it would be at a partisan rally.

Wynne never once mentioned her party's name or the June 7, 2018, election - or indeed the names of Tory Leader Patrick Brown or NDP Leader Andrea Horwath, her main rivals in the upcoming campaign.

Officials say similar town halls will be held across the province.

Toronto SUN: EISEN: Ontario's small business tax cut isn't enough

By: Ben Eisen
November 21, 2017 6:49 PM EST

http://torontosun.com/opinion/columnists/eisen-ontarios-small-business-tax-cut-isnt-enough

The most high-profile measure in Ontario Finance Minister Charles Sousa's fiscal update last week was a one percentage point cut to the corporate tax rate for small businesses.

No doubt, some small business owners will welcome the tax relief.

However, it does little to address the serious competitive challenges facing Ontario, or the obstacles to business investment threatening our growth prospects.

Far more must be done with regard to regulation and fiscal policy to make Ontario an attractive place for investment.

First though, it's important to recognize the severity of Ontario's challenge when it comes to business investment.

This year, firms are forecasted to invest approximately $51 billion in Ontario's economy.

That's down from a pre-recession peak of $53.8 billion.

In other words, business investment to the province still hasn't recovered from the 2008/09 recession.

There are a number of reasons for this.

Some are outside the government's control, but others, having to do with public policy, are subject to government influence.

And recent decisions threaten to make matters even worse.

Let's start with the Wynne government's planned rapid increase to the province's minimum wage.

The wage floor will hit $15 per hour in January, 2019, putting Ontario well out of line with most other provinces and nearby U.S. states with whom we compete.

In announcing its reduction to the small business tax rate, the government said it was trying to partially offset the cost of the minimum wage hikes for businesses.

But in many industries that rely on many less-skilled workers (restaurants, retail stores, hotels) the small tax reduction for smaller firms almost certainly won’t offset the higher costs.

Our outlying minimum wage will make Ontario less competitive for attracting investment in such industries, and the small business rate reduction doesn’t change this reality.

Plus, the higher minimum wage comes atop high costs that have plagued Ontario businesses for years due to the province’s high energy prices.

Consider the words of Bank of Montreal chief economist Douglas Porter, who said Ontario’s high cost of electricity “hurts small business, it hurts large business… and it reduces their willingness to invest here in the province if one of their core costs is higher than in other nearby regions.”

In short, Ontario’s high electricity prices are a big obstacle to competitiveness and meaningful action on this file would do far more to help business than the small business rate reduction.

Of course, the Wynne government recently tried to lower hydro costs in the short-term through its “Fair Hydro Act,” which, to simplify somewhat, borrowed money to lower the cost of energy today.

But this money must be paid back with interest by ratepayers and taxpayers in the future.

Businesses know this, which is one reason why the province’s huge public debt is yet another obstacle to business investment, since firms know that future taxes will be needed to service that debt.

In short, the Wynne government’s Band-Aid solution to one competitiveness problem (high electricity prices) made another competitiveness problem (public indebtedness) even worse.

Ontario faces a number of policy challenges that can hurt investment attractiveness and threaten our long-term growth prospects.

Some small businesses will doubtless welcome the little bit of tax relief announced last week.

But the move won’t have a meaningful impact on the major competitiveness deficiencies plaguing Ontario.

Eisen is director of the Fraser Institute’s Ontario Prosperity Initiative.

National Post: Sell surplus electricity at a discount to Ontario bus exporting at loss, province urged
Financial Post
Tue Nov 21 2017
Section: Energy
Byline: Geoff Zochodne

Cheap exports of surplus nuclear, solar, wind and hydro power could have cost Ontario as much as $1.25 billion over 21 months, according to a new study((blog.ospe.on.ca»)) released Tuesday by the Ontario Society of Professional Engineers (OSPE).

Depending on what the situation calls for, Ontario - Canada's most populous province - exports and imports electricity to and from neighbouring places such as Manitoba, Michigan, New York and Quebec, with exports outnumbering imports by roughly three to one in 2016 and the first nine months of 2017, the study showed.

But OSPE, a non-partisan group, said the province's exports of "clean" electricity over those 21 months - generated from power plants and sources that give off nearly zero greenhouse gas emissions - were worth plenty more than what Ontario received.

The clean electricity cost the province's power system a combined $1.885 billion to produce, the study suggested, enough energy to power around two million homes for an entire year. In return, somewhere in the range of $637 million and $1.15 billion in revenue was earned for the power, leading to a loss of between $732 million and $1.25 billion.

Rather than just taking those losses, the engineers say Ontario should make its surplus clean electricity available to businesses at a discount of less than two cents per kilowatt hour, allowing them to ditch fossil fuels they use for space heating or other forms of thermal storage, as well as to power electric vehicles and produce cleaner-burning hydrogen.

"Instead of exporting surplus clean electricity, our province has a special opportunity to use this energy as an economic driver - stimulating all-new waves of made-in-Ontario innovation and growth," says the report. "Failure to address these concerns encourages the migration of investment, industry and jobs to neighbouring jurisdictions - including significant engineering positions and talent."

Ontario energy companies and consumers are in search of 'smart' electricity decisions((business.financialpost.com»))

Canada's renewable energy growth projections scaled back after Ontario scraps clean energy program: report((business.financialpost.com»))

OSPE said its findings are based on an analysis of publicly available data put out by the agencies that run and regulate Ontario's power grid and electricity industry. The report notes that export revenue can help Ontario reduce losses, but that the province may be able to find a better use for the power.

"When we export clean electricity at low prices, Ontario consumers and businesses are effectively paying for electrical capacity that contributes to the cleanup of the energy systems of other jurisdictions," the report says.

This news is likely to grate on Ontarians, who have paid some of North America's highest electricity prices in recent years. The province's Liberal government enacted a plan earlier this year that cut the household power bill by an average of 25 per cent, a direction that will cost billions of dollars in debt.

The government also released an update to its long-term energy plan last month, noting that it is pursuing reforms of its electricity market that could reduce costs and boost the "two-way electricity trade" with other provinces and states.

"Imports and exports could be scheduled more frequently on the interties, which are the transmission lines going to states and other provinces," the plan said. "This could allow more imports of lower-cost generation, and provide greater revenue and access to export markets for Ontario generators."

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National Post *'acted in good faith': Kathleen Wynne speaks on co*
Toronto town hall
News - National Post
Tue Nov 21 2017
Section: Canadian Politics
Byline: The Canadian Press

TORONTO - Ontario Premier Kathleen Wynne fielded questions at a town hall Monday night on a five-week college strike and hydro, an issue that has helped send her popularity to record lows.

The event was the first in a series of town halls the premier is set to hold across the province to discuss fairness, a pervasive theme in her messaging this year and which will likely form a key part of her re-election platform next year.

Wynne's personal approval ratings have been consistently below 20 per cent for the better part of a year, and one audience member pointed out that it was a political risk for her to take questions in such an open forum.

Though, "You don't have much to risk when your numbers are so low," he added.

Wynne told the moderator - who had asked her incredulously, "Why are you doing this?" - that when it comes to people engaging with their government, nothing can replace being able to ask questions of their elected representatives.

Several of the roughly 200 attendees were college students, who return to classes Tuesday after a five-week strike by faculty. The government ended the strike this weekend with back-to-work legislation, but the students had lingering questions about impacts on them and why Wynne didn't intervene to end the strike sooner.

Tuition refunds offered to students as Ontario college strike ends((nationalpost.com»))

Kelly McParland: Ontario's flailing Liberals resort to desperate tactics((nationalpost.com»))

Chris Selley: Ontario Liberals kept their promise of short-term hydro relief. What happens after is another story((nationalpost.com»))

Wynne reiterated what her government announced Monday morning, that students who wish to withdraw instead of continuing with a condensed semester can receive a full refund. Students can also receive up to $500 through a hardship fund.

The premier defended not intervening sooner by saying she was acting on advice she was given, though some students vocally disagreed with her assessment.

"That's exactly what needs to happen right now is that we look at what actually was my authority or not," Wynne said. "I had an understanding of what it was and I acted in good faith on that."

Wynne said she will now look at the structure and accountability of the College Employer Council, which was the colleges' bargaining agent.

The premier took about 90 minutes of questions on a wide variety of topics, from her government's marijuana policy to affordable child care and systemic anti-black racism.

She sparred the most with a representative of Ontario Proud, a largely social media-based anti-Wynne group that will be an official third-party advertiser in next year's election.

He asked how Wynne could justify the $4.5-million compensation received in 2016 by Hydro One CEO Mayo Schmidt. Ontario partially privatized Hydro One, starting with an IPO in 2015 and leaving the province with just under 50 per cent ownership.

Wynne started talking about how her government reduced hydro bills by 25 per cent this year, though he countered that bills will significantly increase following the election.

Wynne has promised that rate increases will be held to inflation for the next four years, but in her plan they rise more sharply after that.

Another questioner criticized her privatization of Hydro One, which Wynne justified by saying it raised needed funds for infrastructure.

The Observer: Federation misses mark on hospital hydro

By: MPP Glenn Thibeault
Tuesday, November 21, 2017 5:05:09 EST PM

http://www.theobserver.ca/2017/11/21/federation-misses-mark-on-hospital-hydro

A current media campaign underway from the Canadian Taxpayers Federation (Nov. 20, The Observer) is cherry-picking from hospital hydro bills, while failing to see the bigger picture on both the healthcare and energy systems in Ontario.

We’re talking about numbers, so I’ll share a significant that we’re proud of as a government. Since coming into office, we’ve increased hospital funding by 59 per cent. This trend continued in the 2017 Budget, which delivered a $4,127,593 funding increase for Bluewater Health, for a total of $134,376,926 this year. In fact, all hospitals in Ontario are seeing funding increases, including 16 in the Southwest. This is allowing our hospitals to treat more patients, improve access to care and reduce wait times to some of the shortest in the country.

Meanwhile, we've made investments in our electricity system that have left it significantly cleaner, having eliminated coal generation in Ontario. We have virtually eliminated smog days in Ontario, which is an enormous public health achievement. A Toronto Vital Signs report shows that premature deaths and hospitalizations as a result of air pollution in that region have dropped by 23 per cent and 41 per cent respectively since 2004. The Taxpayers Federation ignores the fact that eliminating coal has saved billions in health care costs over the years and will continue to do so, for generations to come.

The reality is that hospitals spend an average of only 1.6 per cent of their total operating budgets on electricity bills. That means over 98 per cent of hospital budgets go towards their other priorities – hiring nurses and doctors, keeping wait times low, and ensuring patients have access to high-quality services, where and when they need them.

Ontario hospitals are also eligible for a range of programs, like SaveOnEnergy's audit and retrofit initiatives, to help lower their energy bills by becoming more energy efficient. The Industrial Conservation Initiative, another program that has been very successful in reducing energy costs, can save participants up to one-third on their electricity bills. Bluewater Health is now taking advantage of the program.

On July 1, electricity rates for hospitals dropped by two to four per cent because of our Fair Hydro Plan. Rates for all residential customers dropped significantly – 25 per cent on average across the province. And any rate increases will be held to the rate of inflation for four years, while we continue to work hard to take costs out of our electricity system.

We are already hearing that these reductions are making a difference in the pocketbooks of families and businesses. For hospitals, the savings from the Fair Hydro Plan and programs like SaveOnEnergy and the Industrial Conservation Initiative are building on the health care investments we've made each and every year, and ensure our hospitals can stay focused on putting patients first.

MPP Glenn Thibeault

Ontario Ministry of Energy