Evening Media Scan: Hydro Rate Reduction Plan - May 30, 2017

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Date: Tue, 30 May 2017 21:00:09 -0400

Attachments: 20170530 - Media Scan - Hydro Rate Reduction (Evening Scan).doc (79.36 kB)

Evening Media Scan: May 30, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

May 30, 2017

Click links below to view article:

Online Coverage

Globe and Mail: Globe editorial: Why Kathleen Wynne has become a

theglobeandmail.com
Tue May 30 2017, 5:26pm ET
Section: Other

Globe editorial: Why Kathleen Wynne has become a great NDP premier; The Ontario Premier's approval ratings are abysmal, and she's doing what she thinks she must do to survive

Say what you will about Ontario Premier Kathleen Wynne, she is not going to go down without a fight.

Her approval rating of 12 per cent is so bad that it could triple and still be worse than Donald Trump's. Many political leaders faced with a number like that would resign, and in fact some prominent Liberals have been calling on Ms. Wynne to do just that. They want her gone, and a new leader in place, before the general election scheduled for June of next year.

Instead, Ms. Wynne - who still has many supporters in the party - has undertaken an ambitious legislative agenda aimed at saving her political hide. Over the past year, her government has reformed or promised to reform a lengthy list of hot-buttons items, including political fundraising, the bail system, overcrowded courts, solitary confinement, police carding and the Ontario Municipal Board.

The Liberals have also promised to introduce a pharmacare program for youths under 25 in January, expand rent controls, and lower Ontarians' massive electricity bills by 25 per cent this year.

And on Tuesday, Ms. Wynne delivered what she hopes will be her coup de grace: a sharp increase in the minimum wage, new protections for vulnerable low-wage employees, an easier path to unionization, and other measures to make life easier for workers in an economy that is shifting away from traditional job security.

It's all very NDP, which is the point. Energized by the threat of extinction, and armed with a balanced budget, Ms. Wynne has become her own opposition party. It's like she's been shouting at herself from across the aisle at Queen's Park, demanding that she deal with pressing issues, and then listening to her own harangues.

Thanks to the Premier's activism, the NDP will be less able to outflank her on the progressive front. The Progressive Conservatives, meanwhile, under new leader Patrick Brown, may find it more difficult next spring to attract voters who happen to be enjoying higher wages, lower utility bills, cheaper drugs and more secure housing.

That doesn't mean, though, that Ms. Wynne has fought her way off the ropes and back into the centre of the ring. Voters' memories may be notoriously short, but voters have other faculties as well, such as the ability to detect the desperation in the Liberals' sudden acquisition of a conscience.

Ms. Wynne's party, you'll remember, was hard-pressed for years to see anything untoward in selling access to the Premier and to cabinet ministers in exchange for donations. It was the Liberals under Dalton McGuinty who backtracked for political reasons and stuck taxpayers with the bill for two cancelled gas-powered electrical generation plants in 2013. It's the Wynne Liberals who bought peace with the teacher's unions by extending their contracts past next year's election date, and promised them a nice reward for their cooperation in future negotiations, if re-elected.

That decrease in your hydro bill? That comes courtesy of the cynical refinancing of the province's hydro-related debt, so that in the long run Ontarians will pay more, while benefiting from lower bills in the short run.

Rent controls? They are popular but may backfire by prompting developers to stop building much-needed new rental units.

And now we have an increase in the minimum wage and other new benefits for wage-earning Ontarians. Some of the measures announced Tuesday are laudable, such as making employers pay temporary workers the same wages as full-time ones, and protecting workers who complain about unpaid wages.

And the higher minimum falls in line with a trend in jurisdictions that lean to the left. Like Alberta, for now anyway, where the minimum wage will rise to $15 per hour in October, 2018.

But Ontario's minimum wage may be rising too quickly. It will jump from $11.40 per hour to $14 on January 1, and then to $15 a year later. Businesses that rely on minimum-wage employees are going to see a 23-per-cent increase in their salary costs in seven months, and an overall increase of 32 per cent when the $15 minimum kicks in a year later.

Those are massive cost increases for businesses to swallow in a short amount of time. So, while there are economic and social arguments for raising minimum wages - especially in an era when the service sector and contract work are growing - the Wynne government should have provided an honest analysis of the impact of its last-minute announcements on Ontario's small and medium-sized companies.

But there was no time for that. Ms. Wynne has been a busy premier for the past 12 months, because in another 12 months she will be in the middle of the election fight of her life. She needs things to announce now so that she can deliver them before the writ is dropped, consequences be damned.

In Ontario, Liberal premiers come and go, but Liberal political expedience never dies.

Windsor Star Hydro One CEO says company undergoing 'intense tr

Windsor Star
Tue May 30 2017
Section: Local News
Byline: Tamar Harris

Hydro One is embarking on a new era for its nearly 1.5 million customers and 8,000 employees, the company president and CEO said Tuesday.

In remarks to the Windsor-Essex Regional Chamber of Commerce, Mayo Schmidt said the last year and a half has been "a time of intense transformation of an organization that has 100 years of history as a Crown corporation."

Privatization has created a greater sense of accountability to the customer, Schmidt said.

Ontario now holds only 49.9 per cent of Hydro One's common shares. The province plans to sell 2.5 per cent of its shares to First Nations, bringing the province's total ownership of Hydro One to 47.4 per cent.

In opening up Hydro One ownership, but remaining the largest shareholder, the government announced $9 billion in gross proceeds. The government said the extra revenue will be invested into infrastructure.

Schmidt said the move to privatization has been positive.

"Let's keep in mind that the customers in the province are also shareholders," he said. "The largest shareholder base we have is in the province of Ontario.

"So it's simply the structure that's changed, but not really the ownership. It's the citizens'. It continues to be 49 per cent owned by the province; but it gives us a commercial license to be more effective and more commercially sensitive by reducing our costs."

Some Ontario residents have been battered by rising electricity prices.

Premier Kathleen Wynne said in a statement announcing cost reduction measures that: "For some families, it's gotten to the point where they must choose between keeping the lights on and keeping food in the fridge. That's unacceptable."

Schmidt said that lowering costs is one of Hydro One's main areas of focus.

"We as an organization are responsible for 30 per cent of the cost of running this complex system across the province, with the OEB (Ontario Energy Board) responsible for setting the cost of power across the province," he said.

"Since the move towards privatization, Hydro One has reduced our cost by tens of millions of dollars."

Schmidt said "a number of conversations with the province" resulted in the Fair Hydro Act. The legislation would reduce electricity bills by 25 per cent on average for residential customers.

Matt Marchand, president and CEO of Windsor-Essex Regional Chamber of Commerce, said that electricity prices are "a huge factor" for businesses.

"If we want to have a business attraction strategy, part of the attraction strategy is that we may be a little bit more expensive than other jurisdictions - you don't necessarily have to be the cheapest, you don't have to be the lowest - but we need to be competitive," Marchand said. "Right now we're sort of getting into that out-of-bounds range."

Schmidt said Hydro One is not naive about the challenges it faces.

"We know the relationship between Hydro One and its customers has been strained in the past, and our relationships need to be rebuilt," he said.

"That can only be achieved with meaningful action and advocacy for our customers at Hydro One."

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TV Transcripts

City TV: City News Interviews Premier On Hydro Bills And Othe

Source: City TV
May 30, 2017 6:31 PM (14)

Reporter: The Premier didn't take questions from reporters during the announcement but did offer one-on-ones later in the day and I stood right here with her and had a good five-minute or more chat. And there was so much more to talk about than labour starting with hydro. I want to talk to you now about what I call your greatest Achilles heel, which is hydro. And your government took quite a hit last week with the Financial Accountability Office, saying that, you know, short-term gain for long-term pain, and you're basically spending a lot of money to soften the hydro bills that are only going to skyrocket.

Premier Kathleen Wynne: So people in this province, right now, are paying for investments that we made in the electricity system to make it clean, to make it reliable. It wasn't reliable in 2003 when we came into office under the previous Premier. We had to make those investments. And, you know, previous governments had not. Governments of all stripes have not made the investments in the electricity system that needed to be made.

Reporter: It's a file that's been badly mismanaged –

Premier Wynne: Badly for decades.

Reporter: I'm not letting you off the hook on that either.

Premier Wynne: Fair enough. I'm coming to the answer because we had to make those investments. But that doesn't mean that an asset that is going to be in place for 30, 35 years in its current state has to be paid for right now. I was very up front when I made the announcement on reducing people's hydro bills that we understand that, when you mortgage, when you pay over a period of time, you do pay more. You pay more because you can't afford to pay for it all at once.

Reporter: But it’s billions.

Premier Wynne: But it's a multibillion-dollar system. That's the money that we are dealing in.

Reporter: When are you going to end the feud with Mayor John Tory? He was very disappointed by the budget. He's already stinging over road tolls. What are you going to do to appease the mayor?

Premier Wynne: I saw John Tory at the World Partnership Walk this weekend. We are on very good terms. We know that we need to continue to work together. I’ve heard him say that a number of times since the budget. I know there have been some disagreements. We'll continue to work together.

Reporter: Do you want him to raise taxes, property taxes?

Premier Wynne: You'll have to talk to him about that.

Reporter: Do you want him to raise property taxes?

Premier Wynne: You'll have to talk to him about that.

Reporter: Okay.

Premier Wynne: Thanks, Cynthia.

Reporter: To see that full interview with the Premier, head to CityNews.ca.