Evening Media Scan: Hydro Rate Reduction Plan - November 26, 2017

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Sunday (Evening) Media Scan: November 26, 2017

Media Scan: Hydro Rate Reduction Plan

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Toronto Sun: Libs killing business a kilowatt at a time

TV Transcripts

CJOH : London Comedic Group Makes Viral Video About High Hydro Costs

Source: CJOH

Nov 25, 2017 6:32 PM (23)

Anchor: A comedic group based in London Ontario is feeling the hydro blues.

Unidentified: Where did my money go? It went to hydro! ♪♪

Anchor: They are called The Wack MC's. Earlier this week they released this tongue-in-cheek jab at Ontario Premier Kathleen Wynne and her government's energy policies. The video has since gone viral getting more than 130,000 views.

Unidentified: As much as I knew it was a hot button issue, I didn't know that they were as passionate about it as they are.

Anchor: The Wack MC's say they hope the attention from the video will lead to future projects.

CFPL : PC Leader Unveils PC Party Platform At Policy Convention

Source: CFPL

Nov 25, 2017 6:03 PM (2)

Anchor: At last, they did it. More cuts to your hydro bill could be on the way. PC Leader Patrick Brown has announced his platform for the upcoming election. Further cuts to hydro prices will certainly get the attention of voters starved for financial relief. Here’s Paul Bliss.

Reporter: It's the news anyone wanting to vote PC has been waiting for: concrete policies and an election platform designed it defeat Kathleen Wynne's Liberals. CTV News has learned the PC document is called People's Guarantee. The Progressive Conservatives are pledging a significant reduction in hydro rates beyond the Liberals' 25 per cent cut in the Fair Hydro Plan. The province will assume control and responsibility for Toronto subways, relieving city taxpayers of significant costs if the PCs win, and they promise to expand the subway system too. Plus there is a middle class income tax cut of 22.5 per cent.

Reporter: For months Patrick Brown has been criticized by his opponents for not tabling specifics about what he stands for and what he plans to do but this 80-page document will be a game changer. It's an election blueprint that softens the PC’s image of slash-and-burn from previous elections. If they win next June, they will pay $1.9 billion for mental health funding increase over the next decade. They’ll introduce new daycare tax write-offs for families, add 15,000 long-term care spaces and slap a billion dollars payment on the province's massive debt. The PCs will have to win the confidence of voters aware of Liberal claims that Tories will cut services and mostly, they will have to explain to everyone how they will pay for the bold promises. Paul Bliss, CTV News.

Online Coverage

Toronto Sun : OPINION: Latest Liberal power plan will set rates skyrocketing — right after the election

By: Marit Stiles, Special to Postmedia Network

Updated: November 26, 2017 4:11 PM EST

http://torontosun.com/opinion/columnists/opinion-latest-liberal-power-plan-will-set-rates-skyrocketing-right-after-the-election

Unfortunately, every Ontarian is well-aware of the Liberal government’s disastrous management of the electricity sector. It’s resulted in electricity prices rising well above inflation, year after year.

Last week, amid this mess, Energy Minister Glenn Thibeault penned an opinion piece promoting his own “Fair Hydro Plan”and taking shots at NDP Leader Andrea Horwath’s plan to return Hydro One to public ownership.

Let’s be clear: the Fair Hydro Plan is disastrously bad policy. Minister Thibeault happily explained it would reduce the price of residential electricity by 25%. But he doesn’t mention this is done by borrowing $26 billion to artificially lower electricity rates in the run-up to the next election. He doesn’t mention his plan will set electricity rates skyrocketing again just a few months after the election when ratepayers start paying back $40 billion after interest is added.

It’s a political plan. It’s not an economic plan.

Thibeault also criticizes the NDP plan to buy-back shares of Hydro One, the company operating Ontario’s electrical grid, which the Liberals privatized. Thibeault says buying back thepower grid would be expensive and “not take one cent off electricity bills.”

In fact, buying-back Hydro One should pay for itself. And there would be big benefits from it.

For many years when it was publicly owned, Hydro One generated a profit, paid to and benefiting Ontarians.

With a privatized Hydro One, that profit is paid to investors, not Ontarians.

Ontario’s Financial Accountability Office (FAO) found that by privatizing Hydro One—and losing that profit stream—instead of using regular public borrowing to raise money means over the long-term, the Ontario government will be worse off by about $500 million a year, every year, forever.

Taking Hydro One back under public ownership would reverse that out-flow. Based on the FAO’s analysis, purchasing Hydro One could be financed using the company’s own profit stream — with money left over to either pay for programs or cut electricity bills.

And there are strong strategic reasons to regain control of the power grid—most important, to protect consumers from a private electricity monopoly.

An early act of privatized Hydro One was to give massive executive pay increases. CEO compensation went from $750,000 to $4.5 million — a 700% pay increase for the same job.

Now Hydro One is lobbying for a 20% rate increase. Next it wants to install pre-payment meters for “high collection risk” consumers — poor Ontarians. That plan bypasses Energy Board rules protecting consumers from electricity disconnection.

Almost nothing about Thibeault's comments stands up to scrutiny. His Fair Hydro Plan is so cynical only the Ontario Liberals could have conceived it. Their criticism of the NDP's Hydro One buy-back policy is so weak it shows Liberals won't even acknowledge the advantages of public ownership shown by their own FAO.

The problem of rising electricity prices is rooted in too much electricity production and a growing gap between the cost of generating electricity and the prices Liberals agreed to buy it from private producers— prices set in long-term contracts without transparency or competition.

The Liberals' privatization and pre-election borrowing may benefit the Liberals — and their well-connected friends. But it will make families poorer and hurt our economy. This has to stop. The next Ontario government has got to make the people of Ontario the priority again.

Marit Stiles is a frequent media political commentator and provincial NDP candidate in Davenport. She is also president of Canada's NDP. @maritstiles

Toronto Sun : Libs killing business a kilowatt at a time

By: Kevin Connor / Postmedia

Updated: November 26, 2017 8:03 PM EST

http://torontosun.com/news/provincial/hydro-business

Skyrocketing hydro rates are forcing many Ontario manufacturers to close, lay off employees or move south of the border.

Hydro rates have increased so dramatically under Ontario's Liberal government, that the province's once-cheap electricity prices are now the highest in the country. As a consequence, officials from American states are wooing Ontario businesses.

And it's working.

"Our move is already underway," said Peter Gossmann, vice president and general manager of Plasticap, a producer of caps for food companies, medical firms and other customers.

The company has 40 employees in Richmond Hill and is looking to expand with another 60 employees — only not in Ontario.

“There could have been 60 more jobs here and 150 in three years,” said Gossmann, who will be setting up a new shop in Ohio to excape the 38% increase in the company’s hydro costs since January.

“If the Liberals win the next election and things don’t change, we may close here (in Richmond Hill). The province is at a tipping point. There is an impending disaster. People have to make the move or they won’t survive. I know we can’t keep absorbing this.”

Gossmann added incentives and costs in the U.S. are just too alluring to ignore.

“I’m born and raised here. My family is part of the community and I am appalled I have to make this decision to move,” Gossmann said.

Shalini Sheth, of Surati Sweet Mart in Scarborough, said she is testing the waters to move to the U.S. and is being courted to relocate by four different states.

“It’s cheaper in the U.S. and I’m doing a feasibility study,” she said.

Recruiters in Louisiana have approached her offering power at about one-third of the 22 cents per kilowatt her company pays in Ontario.

“It’s significant,” she said, adding hydro rates, on top of planned minimum wage increases are threatening the viability of businesses.

Sheth had looked at purchasing a vacant shop next door to her Scarborough store to add more production lines, but has soured on that idea.

She has 125 full-time employees and could add another 25 to meet the demands of her growing business.

“We did want to grow in Ontario, but with everything, it’s just too expensive,” Sheth said.

The smaller manufacturing sector are “second class” customers to hydro, insisted Jocelyn Bamford, vice president of Automatic Coating Limited and founder of the Coalition of Concerned Manufacturers and Businesses of Ontario.

The province will give financial breaks to those who don’t use hydro during peak hours of usage, but that doesn’t help much.

“Companies can’t shut down production and send employees home to get a break in the bill. It doesn’t make sense unless you are running 24 hours. Most run one, maybe two shifts,” Bamford said.

She said her Toronto company, which provides powder coatings for industrial or consumer products, has 80 employees.

“You have to move or stay and fight. Tons of companies are considering moving south and then there will be no turning back. Where will our kids work?” she added.

Bamford said if she relocated to New York state, her company could save $22,000 a month in hydro costs alone.

“The Liberal government is killing manufacturing one kilowatt at a time,” she charged. “This is everybody’s fight if we want a good economy.

The government just wants to be re-elected without understanding what they are doing to the manufacturing sector,” Bamford said.

Bruce Crilly, president of CPD Construction Products, was sent a letter from Hydro Ontario in May that showed his monthly electricity billings increased by 136%.

Crilly said no reason was offered other than delivery charges.

“I’m faced with an increase of 136%. I was flabbergasted. Who should I let go from my (Orangeville) plant to offset this outrageous increase?” said Crilly, who has been in business for 38 years.

“No one from Hydro One has come and told me why this is happening. I don’t want to terminate (any of my 12) employees, but I don’t know how to keep doing business.”

Four years ago, Hydro One came and replaced Crilly’s meters, saying they were faulty, and then gave him a bill for $4,000 suggesting he had underpaid the utility.

Hydro One has told Crilly he can realize savings on his bill by environmentally upgrading his lighting and machine motors at a cost of roughly $150,000.

“I’m willing to do that. It’s not a bad thing to want to conserve energy, but I still face a 136% increase,” he said.

“I know why the big guys are moving. As an employer and taxpayer I’m fed up. How can this be?”

For privacy reasons, the utility can’t discuss a specific accounts, such as Crilly’s, said spokesman Tiziana Baccega Rosa.

Hydro One routinely reviews and updates rate classifications of accounts based on usage.

“For those customers whose accounts are changing … we provide over a year’s notice so they can plan for how this change will affect them and we visit their establishment with an energy savings expert to discuss programs to help them make changes to their business to save money and take advantage of available funding for upgrades,” Baccega Rosa said..