

Morning Media Scan: Hydro Rate Reduction Plan - November 21, 2017

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MEDIA SCAN HYDRO RATE REDUCTION PLAN

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Click links below to view article:

[Print Coverage](#)

[National Post: Ontario urged to discount clean power to businesses; FP4; 2017.11.21](#)

[Toronto Star: Wynne faces voters at adversarial town hall; Issues at Toronto meeting ranged from health care to college strike to Hydro One; A8; 2017.11.21](#)

[The Chatham Daily News: Watchdog findings 'alarming' says local MPP; Does Ministry of Energy have something to hide?; A4; 2017.11.21](#)

Print Coverage

National Post: Ontario urged to discount clean power to businesses; FP4; 2017.11.21

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Ontario urged to discount clean power to businesses

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 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 electricity cost the province's power system a combined \$1.885 billion to produce, the study suggested, enough energy to power more than 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."

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 clean up 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.

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Toronto Star: Wynne faces voters at adversarial town hall; Issues at Toronto meeting ranged from health care to college strike to Hydro One; A8; 2017.11.21

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ILLUSTRATION: Premier Kathleen Wynne takes questions from the public during a town hall meeting on Monday.

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Wynne faces voters at adversarial town hall; Issues at Toronto meeting ranged from health care to college strike to Hydro One

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 St. 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.

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 Conservative Party.

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 common Tory talking points, that allowed the premier to fall back on the well-worn responses she gives during question period in the Legislature about how the government is reducing hydro bills 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 Progressive Conservative 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.

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The Chatham Daily News: Watchdog findings 'alarming'says local MPP; Does Ministry of Energy have something to hide?; A4; 2017.11.21

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Watchdog findings 'alarming'says local MPP; Does Ministry of Energy have something to hide?

This past May, the government announced a plan to reduce hydro bills by an average of 25 per cent. Many observers had doubts about what that reduction would cost. At the time, the hydro reduction was compared to extending the amortization period of a mortgage. This means a longer payment period and more interest payments. But no one was entirely sure of the true cost.

A secret cabinet document was leaked. It showed that, over the next decade, the government's hydro scheme will leave Ontarians paying an average of almost \$200 a month: a rise of 43 per cent.

So the auditor general was asked to examine the matter. Two weeks ago, the auditor general released her report, and the findings are alarming.

The auditor general report reveals that the government hid the true cost of their hydro rebate. The auditor general says the government did this by brushing aside their own policy on financial statements. They used Byzantine accounting and finance structures in order to conceal \$4 billion of additional interest payments.

As the auditor general wrote, "The government is making up its own accounting rules."

Senior government officials, she continued, ignored the usual policy for preparing financial statements in order to establish "a needlessly complex financing structure in order to avoid showing a deficit or an increase in net debt in its budgets and in the province's consolidated financial statements."

What's worse is that the auditor general says that the Ministry of Energy failed to provide her with all the documents that she requested. Two-million emails were deemed relevant to the investigation. But the Ministry of Energy hired lawyers to sift through those messages, and in the end only about 145,000 emails were released to the AG - even though all other relevant Ministries complied with the auditor general's request in full.

Concealing an extra \$4 billion and keeping it off the province's books is bad enough. But withholding documents is even more alarming. It raises the startling question as to whether the Ministry of Energy has something to hide. Sadly, it is also likely to breed cynicism and to erode public trust in government.

When Kathleen Wynne became premier, she promised to do politics differently. She promised

transparency and accountability after her predecessor's resignation amidst the gas plant scandal which itself involved concealing records and the misrepresentation of costs. After the auditor general's report on the government's latest hydro scheme, many Ontarians will conclude that nothing has changed. Rick Nicholls is MPP for Chatham-Kent-Essex

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