

Radio Transcript: CBC Sudbury Interview with Premier Kathleen Wynne

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Date: Mon, 06 Mar 2017 09:56:37 -0500
Attachments: 20170303 - CBC Sudbury - Premier Wynne.doc (41.98 kB)

* As requested by Jennifer Beaudry

CBC SUDBURY INTERVIEW WITH PREMIER KATHLEEN WYNNE

Date: March 3, 2017
Station: CBC Radio (Sudbury)
Length: 8:38 minutes
Speaker(s): Premier Kathleen Wynne

CBC: Yesterday, Premier Kathleen Wynne announced the Fair Hydro Plan. The plan will lower energy bills by 17 percent this summer. That's on top of the eight percent off of the HST that was introduced in January. By cutting the cost of bills today, it will cost taxpayers down the road. The Premier has compared it to re-mortgaging a house. The province will defer costs and upgrading the electricity system over a longer period of time than originally planned. It will mean over a 30-year period, customers will pay as much as \$25 billion in interest. This afternoon, I have Premier Kathleen Wynne with me to talk a bit about her Fair Hydro Plan. Hello, Premier.

PREMIER KATHLEEN WYNNE: Hello. How are you, Jason?

CBC: Pretty good. Pretty good. So, explain to me. What will this plan mean for people in northern Ontario, especially rural parts of the province?

PREMIER WYNNE: Yeah. So, it's really important that we talk about all parts of the plan because there are a couple of pieces that are going to be very important to the north. So, the first thing that we're doing, and we've heard from people clearly that they, in every part of the province, that they want to see a reduction that helps everybody and they want to see it very soon and they want it to be substantial. So, we are going to put in place a 25, an average, 25 percent reduction on people's bills by the summer, Jason. We're doing that by taking the cost that we have incurred by investing in the system, building new lines, building new generation capacity, which is about \$50 billion of investment that we've made over the last decade or so, and we're spreading those costs over a longer period of time. So, rather than 20 years, it'll be 30 years. You're right. You said in your introduction that there will be a premium to be paid for that, as you do with a mortgage. By paying it over a longer period of time, you pay a bit more. But, it means that people today won't be paying for neglect from the past – from decades past, and also for the [inaudible]. So, that 25 percent on average reduction is really important for everybody. The second thing that we're doing that is going to be very, very important to people in the north is that we've heard consistently that distribution charges, that are part of the delivery charge, are too high in rural and northern communities. So, what we're going to do is we're going to take the cost of those distribution charges down to what an urban customer would pay. So, around what a person living in and paying electricity in the City of Toronto would pay. We're going to take those costs down and so that means people who are serviced, for example, by Hydro One and their [inaudible] consumers or their supply comes from Atikokan or from Algoma Power, those distribution costs are going to go down. That's going to make a difference so it will be not an average of 25 percent, but they'll see another ten or 15 percent reduction of their bill.

CBC: An estimated \$25 billion in interest though over the extended time of this debt, it's not a little bit of debt. That's a lot of money. Why do you feel that that is a fair approach to this problem when it comes to – we're going to end up burdening our children and grand-children with all this debt now.

PREMIER WYNNE: Well, so, you know, the investments that we've made, as I say, have been about a \$50 billion – that's 5-0 billion dollar investment. So, that investment needed to be made so that we would have a reliable electricity system for, not just for us, but for our kids and our grandkids because in order for the province to thrive and our economy to grow, we have to have reliable electricity. So, those investments had to be made to make up for, really, years, and that's not a partisan comment because it was government of every stripe that didn't make investments over the last few decades. So, that needed to be done and what we've done is we've asked this generation to pay a disproportionate amount on those costs. So, it's much fairer, Jason, to spread those costs over the 30 years and to recognize that those assets that we've invested in are going to be, they're going to be useful over that 30 years. People are going to be using that power and relying on that system over that 30 year period. So, it's absolutely fair for us to expect that the cost would be shared over that period.

CBC: The cost should be shared, but it's by people who weren't even – who aren't even going to be around. They may not even be born, even when the mistakes were made when it came to handling the energy file.

PREMIER WYNNE: But here's the thing. There are people who are paying a disproportionate cost right now and they're not going to be around when that power is still being used. So, you know, if a senior today on a fixed income can't pay her rent or can't buy groceries, is that fair that she should be paying a disproportionate amount when her great grandchild might be benefitting, and will be benefitting from the investments and should be paying some part of that investment? So, that's the trade-off that we've had to make in order to make electricity affordable today given that we have a clean and reliable system, which we didn't have ten, 12 years ago.

CBC: So, you brought the issue of seniors. One thing the NDP said this week when they released their plan on the issue of hydro – they said that we should be getting rid of the time-of-use billing because that impacts seniors and people who are below the poverty line who are spending time at home during the day, but that is when we're paying peak for electricity. Why did you not want to get rid of time-of-use billing?

PREMIER WYNNE: Well, actually, Glenn Thibeault, the Minister of Energy, is looking at that. He's looking – he's not looking at that specific suggestion, but what he's looking at is how could we give people some choices based on when they do use the bulk of their electricity. Are there different plans that they could opt into in the same way that you opt into a cell phone plan or an internet plan, so that there would be some options in the market that would better reflect usage. So, he's looking at that and that's something that I hope he's going to be able to come forward with some possibilities on that front.

CBC: Glenn Thibeault was on our morning show here in Sudbury earlier today and he talked about how the push by the Liberals here is to try and take the politics out of hydro. I've been wondering, how can you necessarily say that when it's taken so long for the Liberals to come up with a plan to lower hydro rates? It just so happens that it's a year from an election and it just so happens that you're tanking in the polls. So, how is this – how is politics not involved in all of this?

PREMIER WYNNE: Well, I mean, the reality is that we're politicians. We're in elected office. So, there's always going to be a political component to decisions that we make no matter when we make those decisions in our term. That's just the reality. We listen to people. We hear what they say and we have to adjust policies to make sure that we're having the impact that people need. But, the fact is that for some time, we've been working to take costs out of the system and to lower electricity bills, including the last decision we made around the eight percent reduction, taking the provincial portion of the HST off of people's bills. But, with all the things that we've done, what we

heard from people was, "It's not enough," and that we needed to do something more fundamental. That's why we're bringing forward this plan.

CBC: Just lastly, Premier. I'm wondering, your plan is going to come into effect in the summer, that'll be about a year away from the 2018 election. Are you concerned at all the plan comes into effect and it doesn't quite work? Like, it doesn't quite lower those bills as much as you think it will?

PREMIER WYNNE: Well, you know, Jason, we're working very hard to make sure that we get it right, that people do see that average 25 percent reduction. You know, it'll be between 23 and 28 percent. On top of that, that those distribution charges – that they go down and that people see that as a real benefit. We're going to do our utmost to make sure that that happens and my motivation in this is that people will be able to pay their bills and not be under the stress that they're under right now.

CBC: All right. Premier, we greatly appreciate your time today. Thank you so much.

PREMIER WYNNE: Thanks so much. Take care.