

Evening Media Scan: Hydro Rate Reduction Plan - June 7, 2018

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Media Scan: Hydro Rate Reduction Plan

June 7, 2018

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TV Transcripts

None

Online Coverage

National Post : Queen's Park made your hydro exorbitantly expensive. Now it's after your natural gas

nationalpost.com

Thu Jun 7 2018

Section: FP Comment

Byline: Special to Financial Post

A lack of accountability, little transparency and a rush to support "renewable" investments at any cost has decimated Ontario's electricity sector - leading to soaring bills, consumer backlash and a policy designed solely to kick billions of dollars of today's costs to our children and grandchildren. Now, the province's gas sector appears to be next in line for Queen's Park's energy transformation agenda. Gas consumers should be nervous.

To date, Ontario's gas utilities have been a positive counterpoint to the electricity utilities in how to manage an energy sector and avoid the ignominy of scathing headlines, public outrage and soaring monthly bills. They did so largely because regulatory principles enabled them to maintain a competitive, financially viable and customer-oriented utility and the regulations were upheld at the same time as they were torn down in the electricity sector. But those principles are quietly being eroded and the costs of that erosion will start adding up.

The first knock to customers came from the Ontario Energy Board (OEB), which decided to bury the cost of the province's recently implemented cap-and-trade system in the "delivery" line of customers' monthly bills. Groups - ranging from large, industrial customers to low-income organizations - argued that customers have a right to fully understand the monthly bill impact of Ontario's cap-and-trade policy. They argued that the cost should be just as clearly visible on monthly bills as that of charges like the Debt Retirement Charge and provincial handouts like the Clean Energy Benefit, the scrapping of the provincial sales tax rebate and, more recently, the Fair Hydro Plan.

If consumers get to clearly see what kind of handouts Queen's Park offers them, they have just as much of a right to see what costs the legislature imposes on them. Unfortunately, the OEB directed the utilities to bury that charge among other delivery costs, hiding the monthly cost of a provincial policy.

The second, much larger knock comes from the province, which has encouraged the utilities to procure uneconomic supplies of "renewable natural gas," which is an upgraded form of bio-gas. Ontario issued that directive in its Long-Term Energy Plan (LTEP), a Ministry of Energy-led document that lays out the legislature's vision for the future of the energy sector. The utilities currently buy natural gas on the open market and pass that cost - with no markup - to consumers. As a result of the fracking that has revolutionized North America's energy sector, natural gas prices are at some of their lowest levels in decades. Consumers in Ontario have directly benefited from those falling prices, as the gas utilities have directly passed those benefits on.

So-called renewable natural gas, in contrast, is wildly expensive. Early estimates from the utilities show that it's more than five times more costly than buying natural gas at market rates. Given that the "renewable" natural gas business is in its infancy, those costs could turn out to be much higher.

Who will be on the hook for paying that significant premium?

The gas utilities maintain that their customers will be held "harmless" because the difference between the cost of traditional and renewable natural gas will be covered by funds from the province's cap-and-trade program. Yet, it's natural gas customers that will be paying a large portion of those cap-and-trade proceeds through their monthly bills.

Between Union Gas and Enbridge - which are applying to merge their operations - natural gas customers will be paying more than \$650 million this year alone in cap-and-trade costs. This excludes the millions of additional administration costs needed to oversee the cap-and-trade, but will also eventually be paid for by

ratepayers through their monthly bills.

That means a significant chunk of the cap-and-trade money used to cover the high costs of renewable natural gas will be coming from a fee paid by all gas customers. This is little more than robbing Peter to pay Paul.

Worse still is that it is an incredibly expensive way to lower carbon emissions. Early estimates from the utilities suggest that each tonne of carbon reduced through using renewable natural gas will cost more than \$327 - or more than 18 times the current cost of carbon credits in the province's cap-and-trade system. There is no economic justification for this program based on the province's climate-change policies.

But economic efficiency and cost-effectiveness - two policies that have been in short supply in the electricity sector - play no role in this policy. Unfortunately for gas customers, that's a break from the past.

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CTV News : Liberals gather for election night after Wynne says she 'won't be premier'

By: Josh Dehaas

Thursday, June 7, 2018 5:55PM EDT

<https://www.ctvnews.ca/canada/liberals-gather-for-election-night-after-wynne-says-she-won-t-be-premier-1.3963917>

TORONTO -- As Liberals gather to watch the Ontario election results roll in, they know defeat could be coming.

On Saturday, Kathleen Wynne stunned supporters by predicting she would “no longer be Ontario’s premier.”

“I’m OK with that,” Wynne said in Toronto, where she would not normally have been expected to campaign five days before an election unless even the safest Liberal seats were at risk.

"As I've said many times before -- it's not about me," she added before outlining her party's pitch one more time.

"I've tried to dedicate myself to fighting for those people," she said. "For the single mother struggling to raise a family while living on the minimum wage. For the student who's earned the grades to go to university but whose family hasn't earned quite enough to cover tuition. For the dad in the 905 who has to drive for an hour stuck in traffic each day, both ways, for whom expanded GO train service makes all the difference."

"People want change but, by and large, they are confident about where Ontario stands and where Ontario's headed," Wynne went on. "For this reason, many voters are worried about handing a blank cheque to either Doug Ford or the NDP."

As University of Toronto political scientist Chris Cochrane explained on CTV News Channel over the weekend, polls show Wynne is less popular than her party, so her admission that she wouldn't be premier was likely an attempt to signal to Liberal voters who had soured on her personally that they could vote for local Liberals candidates they like. There is no risk of her ending up back in the premier's chair.

In other words, Wynne seemed to realize that the party that ruled the province for nearly 15 years would likely, at best, survive the election as kingmakers in a minority government.

Wynne's historic win

That save-the-furniture speech was in sharp contrast to the one Wynne delivered four years earlier, on election day in 2014. Wynne had managed to walk away with a majority government after polls had suggested for months that she would lose to the PC's under Tim Hudak. She beamed that night as she noted the historic nature of her achievement, inviting her partner Jane Rounthwaite to join her on stage.

"I am so proud to be standing in front of you as the first woman ever to have been elected the premier of Ontario," Wynne said. "This is a beautiful, inclusive place that we live in, Ontario."

Despite her success that night, Wynne was never particularly popular. In the months after her victory, only about four in 10 people said that they approved of Wynne, and that turned out to be the height of her popularity. By 2015, the Liberals had fallen back behind the Progressive Conservatives in polling.

The low numbers might not have been surprising considering the situation Wynne inherited from her predecessor, Dalton McGuinty. The province had racked up so much debt that Wynne said she had no choice but to sell off part of the public electricity utility, Hydro One.

Without that unpopular decision, she would not have been able to continue to reduce the deficit while also following through with major spending on roads and subway stops that she had promised during the election.

Wynne was also left to deal with the fallout of McGuinty's decision to cancel two gas-fired power plants in order to save seats in the 2011 election, at a cost the province's auditor general estimated at up to \$1.1 billion dollars. That scandal was particularly galling for voters as monthly electricity bills started rise faster than inflation. The Liberals said the rising bills were the result of necessary upgrades to a neglected grid. Many didn't buy that.

In 2016, Wynne had a major victory when she and her fellow premiers reached a deal with Prime Minister Justin Trudeau to expand the Canada Pension Plan, allowing her to check off another of her major election promises.

Wynne veers left

But polling continued to put her behind the PCs. By 2017, the Liberals were faced with a choice. They could continue to aim for balanced budgets in order to win over fiscally conservative centrists, or they could spend big and tack left in an attempt to convince NDP voters that Wynne was the only person who could stop the PCs.

Wynne veered left. First, she announced Fair Hydro Plan, which cut electricity bills in the short term despite adding what the auditor general estimates will be \$4 billion in extra interest payments to the province's debt over the long term.

Then, in March of 2017, she announced the creation of free prescription drug coverage for all Ontarians under the age of 25.

That was followed three months later by another announcement that had a lot of left-wing voters cheering. Wynne reversed her position on the minimum wage, promising to raise it from \$11.40 to \$14 by Jan 1, 2018, with another \$1 raise planned for Jan. 2019.

As the New Year dawned, Wynne continued to sit second place in the polls, with about 30 per cent support compared to 40 per cent for the PCs and 20 per cent for the New Democrats.

It seemed luck was on her side when the PCs were plunged into a leadership race -- and again when they narrowly chose the polarizing Doug Ford over former MPP Christine Elliott.

In the March budget, the Liberals stuck with their strategy to try to peel away NDP voters. They extended free prescription drug coverage to seniors, promised free daycare for everyone over age two-and-a-half and budgeted for large increases in health care funding.

It didn't work. With just one month left before the vote, polls suddenly showed a surge in support for Horawth's New Democrats.

Sorry not sorry?

Scrambling for a new tactic, the Liberals released advertisements with a plaid-clad woman and a rural backdrop admitting that “everything hasn’t been perfect in Kathleen Wynne’s Ontario.”

That was followed by another apologetic ad, this one with Wynne staring directly into the camera. “I’m sorry that more people don’t like me,” she says. “But I’m not sorry for keeping business taxes low and attracting Google and Toyota here, or for covering tuition for hundreds of thousands of students so they can get good jobs. Not sorry we brought in rent control or that unemployment is at record lows,” Wynne goes on. “And I’m really not sorry we’re not asking single moms to raise families on \$11.40 an hour anymore.”

Wynne continued with the “sorry not sorry” campaign at the final election debate but it didn’t seem to sway voters.

In an interview with CTV Toronto’s Colin D’Mello on the day before she admitted defeat, Wynne tried one last tactic: invoking the name of former Progressive Conservative Premier Mike Harris, who left office in 2002.

“I got involved in politics because I saw, under the previous conservative government, our education system, our health care system, really being attacked,” she said. “My kids were in elementary school and high school when (Progressive Conservative) Mike Harris was the premier and I saw resources being taken out of the schools. I saw people really suffering from the cuts that were being made.”

“I think there’s more overlap between what we’re putting forward and what the NDP is putting forward,” she admitted. “But that becomes a different question about who can actually implement the plan.”

Many voters, it seems, decided Horwath might be better at that. Wynne didn’t seem to realize this until it was too late.

Yahoo News : Ontario election live blog: Voters share sass, cynicism and tales of technical issues at polls

By: Elisabetta Bianchini

June 7, 2018

<https://ca.news.yahoo.com/ontario-election-live-blog-will-provinces-next-premier-113927759.html>

How are Ontarians meeting the challenge of electing a premier? With a due amount of sass, cynicism, urgency and of course, technical issues at the polls. While voters are heading in droves to vote, not everything is going as planned.

According to CBC News, polling stations have reported technical difficulties with the ballot technology, and paper forms have been used to cast voter ballots. At Corpus Christi Elementary School in Ottawa, Ont., a modem was not functioning when the polls opened.

Individual Tweet

@CBCOttawa The ballot reader wasn't working at my polling station... They were collecting the ballots in a big bag. 🤔🤔

9:48 AM - Jun 7, 2018

"In the event of a technical issue, poll officials will revert to the traditional paper method of servicing electors," Elections Ontario told CBC Ottawa.

Ontarians have been very active on social media, urging people to vote but also sharing their sassy comments on the state of their ballot options today. Although the party leaders were excited to head to the polls, the people of Ontario have expressed a lack of enthusiasm about all the candidates running for the next premier of the province.

Kathleen Wynne @Kathleen_Wynne

My dad is 92, and my mom is 89. Long before I entered public life, they were committed voters. Happy to help them to get to the polls in Richmond Hill today. #OnElxn

12:07 PM - Jun 7, 2018

Readers even poked fun at Doug Ford after spotting photos of him behind the screen, photography being frowned upon in polling stations.

Individual Tweet

My poll had prominent "no photography - no recording" signs.
<https://twitter.com/fordnation/status/1004749755740647424> ...

11:48 AM - Jun 7, 2018 · Ottawa, Ontario

Others followed suit by poking fun at the potential next premier of Ontario.

Individual Tweet

Staffer: Sir, how many ballots are you filling out?

Doug: Sorry, old habits die hard. #onelxn #onpoli #electionday #ontariovotes

1:36 PM - Jun 7, 2018

Pre-election polls have Doug Ford's Conservative party in the lead with 38 per cent support, followed by the NDP led by Andrea Horwath.

Current premier Kathleen Wynne publicly conceded the weekend before election day, admitting she will not be Ontario's premier when the race comes to an end. She has also urged Ontarians to vote for their local Liberal MPPs to stop a majority Progressive Conservative or NDP government.

Ontarians are also wondering if Wynne will step down as leader of the provincial Liberal party once the new premier is named. David Henderson, candidate in Leeds-Grenville-Thousand Islands and Rideau Lakes, has said he plans to bid for the party leader position.

Wynne and the Liberal government received extensive criticism on the increase in electricity prices in Ontario. In 2017, the provincial government introduced the Ontario Fair Hydro Plan, which reduced electricity bills for residential consumers by 25 per cent and between 40-50 per cent for consumers in rural or remote areas of the province.

"Electricity prices were going up in this province because our government..had to make investments in the electricity system to rebuild lines and wires across the province, billions of dollars because we had a degraded system," Wynne told Yahoo Canada News.

Despite the government's resolution action in 2017, Ontarians and Wynne's opponents continued to bring up the hydro debacle frequently throughout the election campaign.

Not only could the Liberals lose power after all the votes are counted, but the provincial NDPs might be in power for the first time since Bob Rae in the 1990s.

The provincial NDPs promise free child care for families that earn less than \$40,000 and a fully implemented universal pharmacare program by 2020. If elected, Horwath would increase taxes by one per cent for individuals earning more than \$220,000, and two per cent for people earning \$300,000 or more.

Similar to the Liberal plan, the NDPs are anticipating multi-year deficits, totaling \$3.3 billion in the first year and peaking at \$5 billion in 2020-2021. The party anticipates reducing the deficit to \$1.9 billion in five years.

Horwath's main opponent has criticized both the NDP and Liberal debt projections throughout the election campaign.

"The NDP want to double down on Kathleen Wynne's tax-and-spend policies," the Ontario PC plan states.

If Ford is named the Ontario Premier, he plans to get rid of the carbon tax, reduce gas prices by 10 cents

per litre and fire the Hydro One CEO. Ford also wants to scrap discovery math programs in schools and introduce a minimum-wage tax credit in the province.

Ford has received significant criticism from his opponents for promising numerous tax cuts without releasing a fully costed platform.

The Ford family has also made headlines this week after it was revealed that the Ontario PC leader is facing a lawsuit from his sister-in-law, wife of former Toronto mayor Rob Ford. Renata Ford is alleging that he mishandled his brother's estate and deprived her and her children of shares in the family company Deco Toronto.

Ontarians, particularly those around Toronto, will be watching to see if Ford's personal scandal impacts the provincial election results.

Sitting at an estimated 5 per cent support, the Green Party leader Mike Schreiner spent the election campaign sharing his platform with Ontarians.

The Green Party has heavily criticized the media consortium for excluding the party from televised debates. During the election campaign, Schreiner used social media to answer questions live as they were asked to his Liberal, NDP and Progressive Conservative competitors on television.

"I think it's a slap in the face of the people of Ontario and it's a slap in the face of our democracy," Schreiner said.