MPP Tabuns on FAO Report on Fair Hydro Plan

May 24, 2017

Time / Location:

9:30 a.m. / Media Studio, Queen's Park

Speakers:

Peter Tabuns, MPP.

Summary:

- Please note that Financial Accountability Officer Stephen LeClair's news conference was cancelled.

Media Attendance:

Print – 8 TV -7 Radio – 1

Media Outlets:

Jones – CP; Benzie – Star; Selley – Post; Artuso – Sun; Reynolds – QP Briefing; Crawley - CBC Radio/TV; Lamoureux - Radio Canada TV; Brule - Radio Canada/CJBC; Unidentified – Newstalk 1010; Rath - CHCH Television; Tumelty - City TV; Morissette – TFO; D'Mello – CTV Toronto; two other unidentified reporters.

Statement:

So good morning everyone. I've had a chance to look at the report from the Financial Accountability Officer, and I have to say first off, it's pretty clear from what the Financial Accountability Officer found, that our hydro bills will soar after the four years of reductions that are going to be purchased by the Liberal government with our money. The impact is greater than we'd feared. He had outlined – or sorry, we have previously noted debt potential for about $40 billion. In fact, the Financial Accountability Officer says that under difficult circumstances, rising interest rates, the cost could be significantly than that. There's no doubt given what we're seeing with electricity prices, that we in the NDP were right to bring forward a plan earlier this year to deal with rising electricity prices without borrowing huge amounts of money. What the Liberals have brought forward is not going to be sustainable. It will be hugely problematic for ratepayers for decades to come. And with those comments, I'm happy to go to questions.

Media Questions:

Q. Benzie: Peter, do you think voters are going to buy – I mean, polls suggest voters are – are buying – are believing that they can be bribed with their own money and they're accepting that they are going to be bribed with their own money. I mean, Wynne's numbers are going up from the basement. Granted they couldn't go much lower, but is there a concern that you have that maybe people will be lulled by this short-term gain and not care about the long-term pain?	They may be lulled by it, but when I was in committee yesterday and the head of the greenhouse growers was deputing, I pointed out to him that four years from now, the bills would start going up – and as we found out today, about seven per cent a year. He wasn't aware that the bills were going to be going up sharply. He was taken aback by that. And I think as we talk to people, and as the word gets out that in fact, in the end, they're going to be paying a lot more, the credibility of this bill is going to start to sink. There's no question people feel real hunger for some relief, but they don't like the idea that they're going to get hit hard in a very short period of time.
Q. Unidentified: The report says that the cost would only remain around $45 billion if the province can keep its books balanced for the next 29 years. How likely is that?	My crystal ball for 20 years from now isn't that great. In fact, for 10 years isn't that great. The province has gone in and out of deficit over decades. There's an excellent chance we'll be in deficit at a later point. There's also an excellent chance that interest rates will rise. So we are exposed to a

	very large risk here with this very substantial borrowing.
Q. Lamoureux: (in French) Is the Liberals' plan irresponsible? How would you qualify it?	(in French) I think that there are many problems with this plan. It's a plan that gives us lower bills in the next four years, but after that, the bills will rise, and rise, and rise in a more painful way for the people of Ontario.
Q. Lamoureux: (in French) So this plan is just politics.	(in French) It's simply electoral politics. That's all.
Q. D'Mello: How much of a pressure does this put on future generations?	Big. Yeah, if you look at this, bills will be down – will go down for four years. After that, they'll be going up almost seven per cent a year 'til about year 10, and then after that, they'll be about 12 per cent higher than they otherwise would have been. So people – not even future generations – people who are ratepayers right now are going to get hit hard starting five years from now, and they'll be hit hard for decades quite literally.
Q. Jones: The FAO says that the net cost to Ontarians is going to be $21 billion. Isn't that a bit less than we had thought?	Well, no, we had some back-and-forth with him this morning about that. People will get a reduction in their bills for a number of years without a doubt, but then they're going to have to pay all of that reduction back plus interest. His calculation was $40 billion. We will be on the hook for $40 billion once we get through this period of reduced prices. So if I don't pay my – my rent for a few months, aside from the problems I'm going to have with my landlord, I'll save a few bucks. But ultimately I'm going to have to pay those costs. And what's happened here is we're just pushing the costs down the road by a few years, and ultimately, we're going to have to pay them all back plus interest. That isn't a good deal.
Q. Artuso: The seven per cent (inaudible) increase going forward, isn't the government of the day going to be under pressure to come up with a similar plan to reduce that bill? Because over a couple of years, ratepayers will start howling about that one.	No, they will. And again, seven per cent, setting aside any other cost pressures that will assert themselves, again Antonella that's why we came forward with a plan that didn't involve large-scale borrowing because we know that there's always going to be that political or that pushback from customers who can't cover those bills. And that in the end is not going to be good for Ontario's finances.
Q. Brule: (in French) Peter, do you think that Ontarians are ready to close their eyes on the future costs if we give them rebates right now?	(in French) It's possible, but I think that for most people, once they know that the bills will significantly rise in the future, it's not a good thing for them. It's a – my god, a lack of vocabulary – it's a difficulty for families and for themselves and for their children. And they know that this isn't good for them.
Q. Brule: (in French) Is it easy when you go door-to-door, to explain this to Ontarians? (Inaudible).	(in French) It's not difficult. It's not difficult. When I was in Sault Ste. Marie last week, I had the opportunity to talk with people and to explain this. It's very clear within a few instants that this will be a problem for people.
Q. Unidentified: What do you make of the	That – that's one of the most puzzling things. If in fact

move to create this ring-fenced investment vehicle for this?	Ontario borrowed the money directly, the Financial Accountability Officer said Ontario would save $4 billion in interest costs. Why it's being set up in this special purpose vehicle, this little subsidiary of OPG, is hard to understand. It doesn't make sense for us financially. It may look – may make provincial debt look better because it's been moved off, but that can be the only advantage. It's going to cost us a lot of money. $4 billion. I don't see the advantage frankly. Other questions? You're a very kind crowd, thank you all.
N.B.: Comments captured are not verbatim quotes	

Prepared by:

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