

Checking in

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Hi Ali,

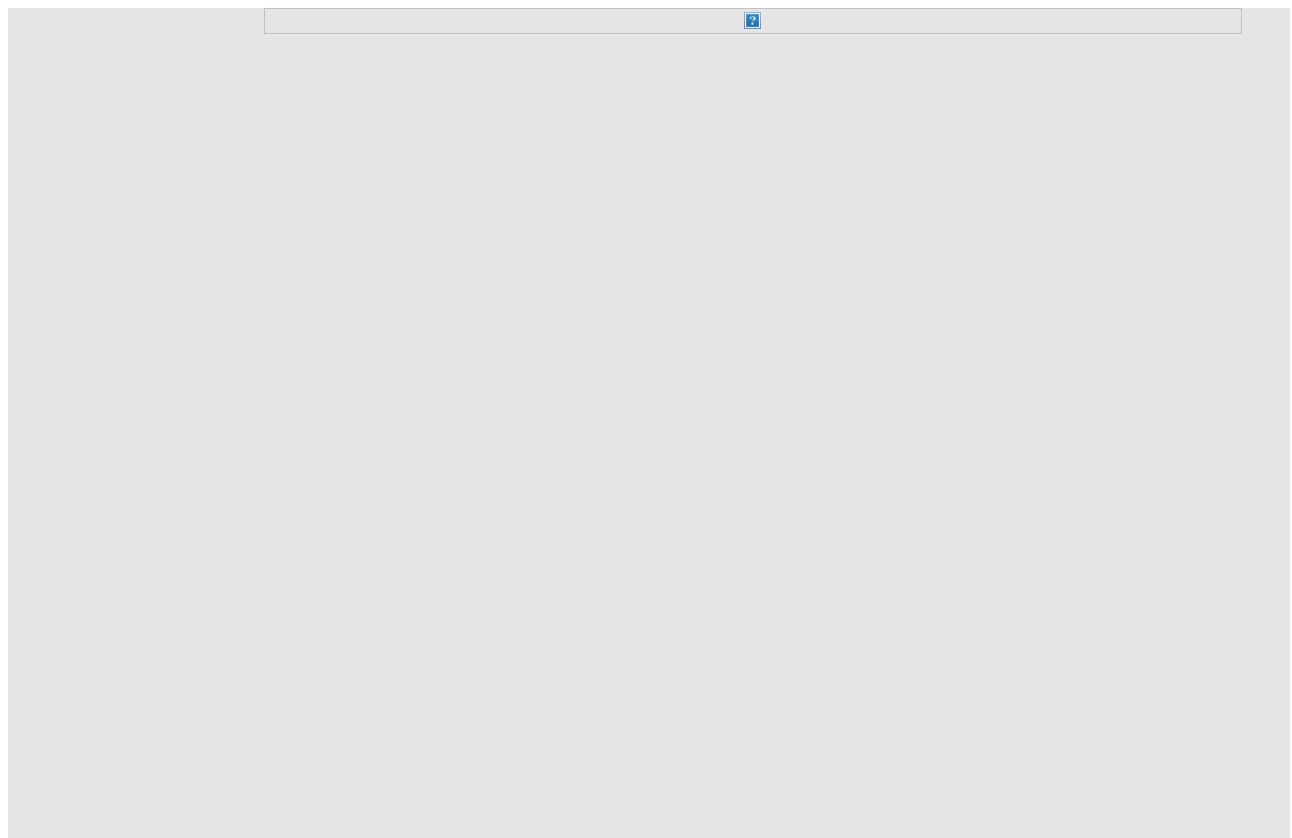
In case you haven't seen the latest in The Star - they are reporting the reduction will start in the spring. See very end for Minister's balancing budget quote...

I'm not sure who's in the loop with what/who's still there etc. but I just sent my feedback on the Qs/As we've put together - will share an updated set with you for feedback. Still have seen nothing from our officials or from Energy.

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Premier Kathleen Wynne's hydro relief plan will kick in this summer

Hydro rates have doubled in the past decade and the Liberal government's "25 per cent solution" will help cool bills. It will all take effect at a time when the next election is only about a year away.



The Ontario Liberal government is planning to cut hydro bills by 25 per cent in time for the summer air conditioning season. (DARREN CALABRESE / THE CANADIAN PRESS)

By **ROB FERGUSON** Queen's Park Bureau
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Wed., March 1, 2017

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Premier Kathleen Wynne will slash electricity prices this summer — just in time to cool ratepayers' anger over hydro bills that soar due to air conditioner use.

Wynne will unveil the plan for an additional 17 per cent reduction in hydro rates Thursday at Queen's Park. That's atop the 8 per cent rebate on provincial harmonized sales tax launched two months ago, the first phase of the Liberals' 25 per cent solution.

"When we're making significant changes to the electricity sector . . . people are expecting us to do this right," Energy Minister Glenn Thibeault

after a three-hour cabinet meeting Wednesday where the plan was finalized.

“I’m making sure that we don’t have to ever do this again,” said Thibeault.

As first disclosed Wednesday by the [Star](#) — before the measure had even gone to cabinet — Wynne’s plan was a surprise to the Liberals.

With hydro rates doubling over the past decade, the governing party is struggling in the polls with an election 66 weeks away — June 7, 2018.

Opposition parties seemed blindsided by the Liberal proposal, claiming that saving money by spreading the cost over a longer time period is a “shell game.”

The tactic will save ratepayers money now but cost more down the road and do little to tackle high underlying costs, critics insisted.

“The money needs to come from somewhere. Will this government come clean and acknowledge that?” Progressive Conservative Leader Pat Brown said in the Legislature’s daily question period.

“They have created a mess,” said Brown, whose electoral fortunes are largely riding on voters being upset with the Liberals and demanding a change next year.

The New Democrats are also banking on Wynne’s popularity remaining low in order to defeat the Liberals, who have been in power since 2003.

“What they’re proposing are short-term, stop-gap measures,” Deputy NDP Leader Jagmeet Singh later told reporters.

“The interest payments are going to put more money in the hands of bankers,” said Singh.

Thibeault evaded specific questions on how much the longer amortization of costs — which he called “snowplowing” — could add to hydro bills down the road.

He slammed a [plan released by the NDP](#) on Monday to cut rates between 17 per cent and 30 per cent as unrealistic and criticized the Conservatives for not having any proposal.

Tory MPP Todd Smith, his party’s energy critic, said that manifesto will come sometime after a policy convention in November.

Sources told the [Star](#) the Liberals’ reduction in rates will come mostly from “smoothing out” the financing costs of electricity generation contracts.

over longer periods of time.

It is essentially refinancing a mortgage to take advantage of lower payments over a longer term on nuclear reactors, natural gas-fired power plants and wind turbines.

By extending the amortization periods over the life of nuclear, natural gas and wind and solar projects instead of a 20-year time period could, officials say the cost of contracted generation could be slashed by more than \$1.5 billion annually.

Ratepayers would see the impact on the “global adjustment” line of their hydro bill within months.

That’s the charge added to bills 12 years ago by former Liberal premier Dalton McGuinty to cover the cost of the \$50 billion in power contracts public and private generators who are paid more than the market price for their electricity.

It is needed because those producers are on the hook for building and maintaining enough generation capacity to ensure a reliable power supply.

The levy also covers the premiums paid to green energy generators, such as wind and solar companies who sell electricity to the grid.

Queen’s Park is also planning to end the practice of electricity ratepayers subsidizing social programs that hand over up to \$65 a month to low-income Ontarians struggling with hydro costs.

That burden will instead be transferred to taxpayers.

Finance Minister Charles Sousa indicated it won’t impact his plan to get the province back in the black this spring.

“I’m very proud to say that we’re balancing the books,” the treasurer said.