

MPP SMITH ON FAO REPORT ON FAIR HYDRO PLAN

May 24, 2017

Time / Location:

11:15 a.m. Queens' Park Media Studio

Speakers:

Todd Smith, MPP.

Media Attendance:

Print – 6

TV – 6

Radio – 1

Media Outlets:

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

Statement:

Good morning. I don't really have any prepared remarks, but just that the Financial Accountability Officer's report today confirmed what we've been saying all along, that this is the unfair hydro plan delivered by the Liberal government. It's not just unfair for those of us who pay the bills now, but it's unfair for the next generation and quite possibly the next generation to come. So I'll take any questions that you have on the unfair hydro plan. Anybody? Don't all jump at once.

Media Questions:

Q. Artuso: So (inaudible) plan seems to be predicated on the idea that you can balance the budget for the next 29 years. Do you (inaudible) this is something – I mean, you had balanced – budget hasn't been balanced for the last 29 years, so I'm wondering whether – how realistic that is.

Yeah, it's fantasyland actually, especially with this government in charge. We've seen a number of multi-billion-dollar deficits with budgets over the last couple of years. The Auditor General has said that we are going to go right back to huge multi-billion-dollar deficits again in the near future because the government has used one-time funding to balance the budget this year with the sale of Hydro One and some properties and – and out-of-control, crazy real estate market, some unexpected funding. It also is predicated on the fact that interest rates are going to stay where they are, and I know that the Bank of Canada held steady today on interest rates, but I think as the economy starts to improve, there's the chance that interest rates may rise and could really throw this unfair hydro plan out of whack too. You know, it's going to cost \$45 billion we were told. And – and it doesn't fix the problem with – with the high cost of electricity. Actually it just kicks it down the road for our kids and our grandkids to pay the bills for the mistakes that have been made over the last seven or eight years by the Liberal government and Kathleen Wynne.

Q. Unidentified: (inaudible) accomplish the government's goal of (inaudible) people going to the polls next June (inaudible) bills hundred-twenty-odd dollars according to the report, so, you know, they're not going to be angry about hydro next year.

Well I think they're angry because first of all of the whistle-blower releasing the document and now the Financial Accountability Officer telling us exactly what the whistle-blower gave us is true, is that the government isn't fixing anything. I think a lot of people are seeing through this for what it is. This is Kathleen Wynne's re-election plan. They're

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	trying to take electricity off the table. They're not fixing the underlying problems, and actually when people start to understand that their bills are going to rise by six-and-a-half per cent in five years' time and then as much as 12 per cent in 10 years' time, that is going to hit people right across the face and – and they're not going to accept that – and I think people are seeing it for what it is. I mean, we've been in committee for the last day and a half now on this bill, Bill 132, and those who have appeared as delegations before the committee have agreed that this is not the proper way to fix the problem. Even the energy experts who've appeared before our committee have said the reason that the government went down this road was because it was a quick fix to get them through the next election, but it actually doesn't fix any of the problems in the electricity system. The government wasn't willing to do the hard work that it takes to actually reduce electricity bills.
Q. Lamoureux: But people will see a difference this summer and within the next year so are you afraid that it might work and they might be tempted to vote for the Liberals? And feel free to answer in French.	And then they'll cut away. (Laughter) you know what? I'm not. I think people are really starting to pay attention to the crassness of Kathleen Wynne and the Liberal government. I think they're starting to figure out that Kathleen Wynne will say and do whatever she needs to do to try and take an issue off the table. You know, she said that the cabinet document or the minister said that the cabinet document was an old document. Well, I mean, the Financial Accountability Officer has the exact same numbers – actually even a little bit worse in the documents that released to us today or in his report that he released today, so I think people are seeing through Kathleen Wynne and the fact that it's all about politics with her. It's all about the next election. (in French) The cost of electricity will jump after the 2018 election, 6.5 per cent each year, 12 per cent each year. It's bad. It's not a plan. It's just a plan for the election.
Q. Benzie: But Todd, it seems to be working. Voters seem to be like being bribed with their own money. We have two polls in the last week that show – well one showed the Liberals actually ahead, but the other showed that the gap has closed. I think that both polls show that the gap – the gap has closed (inaudible) you guys who haven't told us what you would do in hydro and the Liberals and the NDP who have. So isn't it working? (Inaudible)	I mean, we have said what we would do on hydro. We would stop putting up these expensive contracts, and I think we're hearing that at committee too because a lot of people that have been calling in and appearing before the committee have said the government isn't doing what it takes to stop the madness. I think the best thing that Kathleen Wynne and the Liberals could do right now, especially when it comes to the energy and electricity files, is just drop the keys on the desk because they're making a mess not just for our generation but for our kids and our grandkids and – and the Financial Accountability Officer confirmed those facts today. This isn't a fix. This is all about politics. And is it working? I don't know. I mean, the people that I talk to Robert are telling me that they've had enough with this premier. They've had enough with this government. They can't be fooled again. You know, fool me once, shame on you. Fool me twice, shame on me. This is like the fifth time that they've tried this, bribing us with (inaudible) own money, and

	I think people are finally waking up to the fact that they're not fixing the problem. They're just trying to win another election.
Q. Artuso: Are you – is your party looking at reducing overall costs in the system as opposed to targeting people's bills and trying to reduce their bills?	Both. You know what? Our policy advisory committees are hard at work actually looking at all of the details on how we can reduce bills and how we can remove costs from the system. I think the problem that we're having is that the sands are shifting almost daily. The government says it's going to do one thing and then, you know, we find out information that things are actually not quite what they appear to be and there's no transparency in the system, so from a planning perspective, it's really difficult to know what kind of a mess that we're going to be inheriting in a year's time when it comes to the energy and electricity file. So while we believe that there are ways to remove costs from the system and reduce bills, it's almost premature to put those plans out there right now because the government every time they touch this sector, messes it up even further.
Q. Crawley: So we're going to have to wait 'til after your policy conference in November before we see your hydro (inaudible).	Well unless something monumental happens before then Mike, I know that's the plan that Patrick has rolled out. I've just had a policy committee meeting last week with my local riding association and the members there. We talked a lot about electricity and energy. We talked about a lot of other things too and we're getting all of those recommendations in and deciding what we're going to take to the membership in November. That was the promise that Patrick made after becoming the leader and that's the promise that we're sticking with right now is – is going through this process of talking to the grassroots members of the party and seeing what they think is the right way to go.
Q. Crawley: To actually bring bills down significantly, you're going to have to take billions of dollars out of the system. Are you going to borrow to do that or cancel contracts? I mean, how are you going to remove billions of dollars from this existing electricity system?	Well, we're not going to do that now. The government is saddled with the responsibility of trying to fix the mistakes that they've made over the last number of years. We're planning for when we become government in Ontario. And I think, you know, we'll have to take a good, hard look at what the sector looks like when we take those keys and actually get into position where we can see the contracts and understand what kind of a mess we're inheriting. So we can't say what we're going to do right now Mike. We have to really wait until after we see the books and after we see the contracts that have been signed. However, there are some overarching things that we can talk about and – and those are things that we're going to be presenting to our members at our policy convention in November.
Q. Benzie: Yeah but to Mike's point Todd, yeah a year from now you could be – well it could be – we'll be in an election campaign a year from now. You could be forming government a year and a month from now. If they're spending like drunken sailors, there's going to be a hangover. Are you	They're certainly making promises. However I think they're being found out for what they are, very, very short-term satisfaction for electricity customers and long-term pain, you know. Everything that the government has done has been all about electioneering and politics. It hasn't been about actually removing costs from the system. None of that has – has really occurred. And, you know, the FAO –

going to be there with some – some tough medicine for ratepayers? Are people going to say, ‘you know, like, electricity isn’t free. Sorry folks, the party’s over.’ Are you guys going to be campaigning on that? Or are you going to be making funny promises about, you know, like the Liberals are doing? Long-term gain and long-term –	
Q. Benzie: (inaudible) hangover (inaudible) form government, people are going to have to go – the rates are going to have to go up because the (inaudible) subsidy can’t continue, we can’t afford it, right?	Yeah, this isn’t really even a subsidy I suppose. It’s a borrowing scheme. It’s \$25 to \$50 billion and that’s something that our members will have to decide. I’m not going to commit to that today. We know that there are off-ramps in this program that we can take. That’s been confirmed by those who have put this together. However, as I say, we’ll have to see when we get in there exactly what kind of costs we’re talking about and what the damage is that the government has done. I mean, the bills have gone up 300 per cent, 400 per cent in some parts of remote and northern Ontario. And – and the government’s plan really doesn’t fix any of that. It just kicks it off to the future generations. So, you know, the other thing that the Financial Accountability Officer said today was – and this just speaks to, you know, the willingness to be political on all things by this government is that the government actually could have saved \$4 billion by financing this at the OEFC as they have other hydro debt. But because they wanted to keep it off their own books and ring-fence it over at OPG, that ends up costing us \$4 billion more. I mean, it’s just – it’s maddening just to see what this government has done and \$4 billion just seems to be treated very nonchalantly by this government and they’ll use it however they see fit for their own political purposes. And I think people are starting to really see through Kathleen Wynne and the Liberal government because they’re using taxpayers’ money to campaign for 2018.
Q. Lamoureux: (in French) What will be more convincing? You who say, ‘well, we’ll wait to see the books,’ or the Liberals who say, ‘we will reduce your bills by 25 per cent.’ What will be more convincing?	(in French) I don’t understand the whole question, but the bills – it’s important that everyone in Ontario, but I believe Ontarians want the truth; want the whole story. They do not want jokes, tricks. It is not a good plan; it is bad plan for all Ontarians, young Ontarians because the government has not fixed the energy sector. (in English) I gave it my best shot.
Q. Unidentified: You might want to cancel the subsidy but whether it’s \$50B or \$45B or \$90B, those are staggering amounts of money.	Yes.
Q. Unidentified: Is there an easy fix to this?	Well you there probably isn’t an easy fix. But the government has clearly made the decision to just borrow more instead of doing spade work that is necessary to get us out of the hole. And that is not just from the PC energy

	critic. That is from energy experts that appeared before the committee yesterday. They are saying the reason that the government went down the road is they needed to get electricity off the front burner now because it was absolutely killing them when it came to their electoral chances. And by doing this, they certainly I don't think expected that a whistle blower was going to release a document showing exactly what this would mean for electricity customers down the road. I think it backfired on them. I think people are finding out the real story and they know the government hasn't fixed anything.
Q. Unidentified: (inaudible) down. Has any energy expert given you a feasible plan that doesn't cost tens of billions of dollars?	We have discussed a lot of different things. I am not going to go into what those are because it is up to our membership to consider. But certainly there are things that we can do to eliminate costs in the system that the government isn't willing to take on at this point and time. Anything else. Thanks very much. Bonne journée.
<i>N.B.: Comments captured are not verbatim quotes</i>	