Your Afternoon QP Briefing

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Date: Mon, 12 Sep 2016 17:52:54 -0400

Premier Wynne's throne speech pledges hydro bill relief, more child care spaces
By Sabrina Nanji
September 12, 2016
Monday's throne speech kicks off the second session of the 41st session of Parliament.
Premier **Kathleen Wynne** is attempting to make life easier for all Ontarians.
Wynne made the promise in Monday's speech from the throne, titled Building Ontario Up for Everyone - a reboot that ushers in the second session of the 41st parliament and outlines the government's mandate over the next two years leading up to the 2018 general election.
In it, Wynne pledged relief from high electricity rates and more child care spaces.
"Your government remains committed to building Ontario up in a way that helps you in your everyday lives," Wynne said.
First up is a reprieve from electricity bills that many Ontarians have been sweating to pay. So the government, doing their best New Democrat impression (they've made similar promise) said it will introduce legislation giving people a tax rebate equal to the provincial 8 per cent portion of the harmonized sales tax, effective Jan. 1, 2017.
That would save about $130 per typical household per year, or $45 per month for rural ratepayers.
As well, starting in 2017, the government will create an additional 100,000 licensed child care spaces.
Monday's speech comes as Wynne's popularity sags in the polls, and mere weeks after the Liberals lost their stronghold in Scarborough-Rouge River, following a by-election defeat that brought rookie Progressive Conservative MPP **Raymond Cho** to Queen's Park.
In recent Ontario history, prorogation was invoked by **Dalton McGuinty** as he resigned the Premier-ship.
While the opposition parties decried Wynne's decision last week to prorogue the legislature, the government maintained it as a regular proceeding used by government's to recalibrate the agenda.
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Throne Speech 2016: Opposition raises an eyebrow over hydro tax rebate
By Sabrina Nanji
September 12, 2016

The NDP, long proponents of doing away with Ontario's HST on electricity rates, say the Liberals throne speech was a missed opportunity.

Premier **Kathleen Wynne** 's throne speech did little to impress the opposition parties.

Monday's speech was delivered by Lt.-Gov. **Elizabeth Dowdeswell** following Wynne's decision to prorogue last week, and pledged an 8-per-cent harmonized sales tax rebate on hydro rates and more relief for northerners, among other promises. According to the government, the rebate (effective Jan. 1, 2017) would trim $130 annually from the typical household hydro bill, and $540 per year for rural ratepayers.

One would be forgiven for a spell of déja vu - the New Democrats have called for the outright elimination of the province's share of the HST for years, and recently reiterated the call at this year's Association of Municipalities of Ontario conference.

But, as NDP Leader **Andrea Horwath** pointed out, the Liberals didn't mimic the hydro-rebate-idea to a T, and instead only offered up "half a loaf."

"The Liberals have done the wrong thing, they should permanently take the HST off the hydro bill, not provide some kind of rebate. They shouldn't have put the HST on the hydro bill in the first place, and they should take it off immediately . . . Instead of doing the straight-up honest thing and the thing that people want to see, which is removing the HST off of the bills - the Liberals are not doing that," Horwath said at a media conference.

"New Democrats work hard for the people of the province all the time . . . we're proud of that track record. If it provides some relief for the families of Ontario, then we're happy to see that," she added.

Progressive Conservative Leader **Patrick Brown** echoed Horwath's skepticism, calling the hydro rebate a "band-aid solution" that came about only because the Liberals lost their stronghold in the Scarborough-Rouge River byelection. As such, Brown said it would be more apt to call it the " **Raymond Cho** hydro benefit," giving credit to the newest MPP at Queen's Park, who wrested the Scarborough seat from the Liberals two weeks prior.

"It's a bit rich coming from the government that introduced the HST burden on hydro rates," Brown added, saying he's skeptical the tax refund will actually spell "meaningful" relief (as the energy minister put it that morning), in light of the expectation that electricity rates will rise.

"Hydro rates are not going down . . . Even after today's announcement bills will get more expensive because of failed Liberal policies that will still be in place and will continue to drive rates up," Brown said.

But Finance Minister **Charles Sousa** denied the hydro benefit was a knee-jerk response to a byelection loss, saying he and the Premier had been discussing the matter for "months."

"What's driving this is the ability to deliver something for our communities and something for our families. And the driving force behind this is the needs of the people of Ontario, not the needs of any political party," Sousa told reporters following the throne speech.

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Throne Speech 2016: More help for manufacturers on the way
By Geoff Zochodne
September 12, 2016
"Your government will partner with manufacturers and automakers to attract new mandates and the next generation of advanced manufacturing and engineering talent," stated the throne speech.

Monday's throne speech from Ontario's Liberal government teased the prospect of more money for manufacturers, along with additional help with industrial-strength hydro bills.

"Your government will partner with manufacturers and automakers to attract new mandates and the next generation of advanced manufacturing and engineering talent," stated the throne speech, which outlined the Liberal government's priorities for the new legislative session.

The government's penchant for throwing cash at manufacturers isn't exactly a bold, new strategy. The Liberals have used their 10-year, $2.7-billion Jobs and Prosperity Fund in the past few months to give grants to the likes of General Electric and Fiat Chrysler Automobiles Canada.

"The Jobs and Prosperity Fund has helped strengthen Ontario's key sectors, including the automotive industry - which employs tens of thousands of highly skilled Ontario workers," said the throne speech. "And now, these workers have the opportunity to help invent the cars of the future - connected, autonomous cars and electric vehicles."

But there is still uncertainty in Ontario's manufacturing sector, which has shed tens of thousands of jobs in recent years, and the doubts are particularly strong in the auto industry. Private-sector union Unifor - whose president, **Jerry Dias**, was spotted among those in attendance for the throne speech - is currently locked in key contract negotiations with the Detroit Three automakers, FCA, Ford and General Motors. Those talks will have a far-reaching impact on Ontario's manufacturing sector, as plants that employ thousands of workers in Oshawa, Brampton and Windsor have uncertain futures.

Economic Development Minister **Brad Duguid**, albeit having just read the throne speech, said the commitment is consistent with its previous dealings with the auto sector.

"This government's always been here for the auto sector," he told *QP Briefing* Monday. "We've invested significant amounts that have helped create and retain thousands of jobs in that sector."

Duguid said the Liberal government's approach "stands in stark contrast" to the opposition parties, whom he said don't support that approach.

"By having it in the throne speech, it really just reconfirms that we recognize the importance of partnering with business to attract investment and we're going to continue to do that," Duguid added.

The Liberal government also promised in the throne speech that they'd help more Ontarians with their electricity bills, including industrial citizens.

"Your government also intends to implement new measures to ensure that Ontario commercial and industrial ratepayers can also benefit from lower electricity costs," stated the speech.

Those new measures involve expanding the eligibility for the Industrial Conservation Initiative[1], which nudges big power consumers toward shifting their use of off peak periods, lowering their electricity costs. The ICI does so by charging participants a global adjustment fee - which customers pay to cover the cost of electricity generated above the market price, as well as expenses related to conservation programs - that is equal to their share of total system demand during the five highest peak hours in a year. If an industrial electricity customer is responsible for 1 per cent of provincial demand, they'll pay 1 per cent of the entire global adjustment charge, giving them an incentive to change their consumption habits.

According to the Independent Electricity System Operator, the province's manager of the power grid, there was 1,000 megawatts worth of ICI capacity in 2015. The threshold for the ICI was dropped in 2015 to a three-megawatt monthly peak demand from its previous floor of five megawatts.

There will also be help at the local distribution level, the government said, as the municipal utilities "will continue to provide significant programs tailored to specific business classes and needs."

"When fully implemented, participating industrial customers will be able to find cost savings of up to 34 per cent, depending on their ability to reduce peak electricity consumption," stated the speech.

Duguid said expanding the ICI will be "very significant and [continue] to ensure we remain a very competitive jurisdiction to attract business and investment."

Reference
www.qpbriefing.com/2015/07/20/industrial-electricity-consumers-flocking-to-conservation-initiative