

ENERGY media calls

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Hi all,

Please see below for our media calls today. We've had four in total, from QP Briefing, Toronto Sun, NOW Magazine, and Cottager Magazine. Let me know if you have any questions.

Colin

Topic: Sudbury byelection

Reporter & Outlet: Jessica Smith-Cross, QP Briefing

Response Type: Minister's spokesperson

Questions and Answers:

I was hoping to ask him if he's been asked to testify at the trial, and if so if he's decided to invoke parliamentary privilege or not. The same questions the premier got yesterday.

"Minister Thibeault has always emphasized that he made the move from federal to provincial politics because it was an opportunity to better represent his home riding of Sudbury, and to make a real difference in his community."

"If called, Minister Thibeault will waive parliamentary privilege and appear as a witness. As previously stated, this matter is now before the courts and we need to allow this process to take place."

Topic: Avista acquisition

Reporter & Outlet: Antonella Artuso, Toronto Sun

Response Type: Minister's spokesperson

Questions and Answers:

Did the Ontario government, as 40% owner of the utility, agree to the purchase of Avista? Also, how can you protect Hydro One customers/Ontario residents from absorbing any of those costs?

The decision to acquire Avista was a business decision made by Hydro One as a company. The government is pleased at the benefits this will provide for all Ontarians.

Rates in Ontario will be unaffected by this acquisition. Hydro One is financing this deal with tools completely separate from the ratebase: an issuance of new shares, and taking on debt that will be repaid by new Avista revenues. This new revenue will also benefit Ontarians, as our government remains the largest shareholder in Hydro One. Neither of these financial tools from Hydro One impact the bills that customers pay. In fact, it would be illegal for Hydro One to allow any cross subsidies between Ontario customers and the new company they have acquired.

Regardless, rates are set by the independent Ontario Energy Board through an open, consultative process. The OEB's mandate is to protect consumers, and their oversight provides an extra layer of protection to ensure that Hydro One's rates are reflective of the cost of servicing and maintaining their system.

Despite these facts, the Conservatives have been deliberately trying to mislead Ontarians about how this deal works. Either the Conservatives are comfortable with misleading voters, or they simply don't understand the basics of finance. Either way, their behaviour is unacceptable from a party that believes it should form government.

When pressed for details in the media studio last week, Patrick Brown's energy critic couldn't even answer basic questions about why they object to this acquisition. It's time for Patrick Brown to own up and start taking Ontario's electricity system seriously. Maybe Patrick Brown and the Conservatives could finally come out with a plan of their own – but we aren't holding our breath.

Was it told ahead of time about potential liability with regards to the Colstrip coal ash waste site? Will you put pressure on Hydro One/Avista to get out of coal?

You may have seen the Premier was asked about this last week. I would refer you to her statement:

So, as you all know, Ontario has shut down all of the coal-fired generation in the province. Hydro One has made a business decision to acquire a system, a company that has a small minority share in a, in a coal plant. Let me just say this, that you won't find another jurisdiction, pretty much around the world, that has gone as far in terms of renewable clean energy as Ontario. So I see this as a real validation of our opportunity to take that influence elsewhere. Avista is a company that has a large renewable portfolio. They have focused on clean energy. And I see, in this acquisition by Hydro One, an opportunity for the values that we share here in Ontario, the values that have led us to creating a pretty much pollution free electricity grid, an opportunity to spread that value system and to, you know, I know that Hydro One will be reviewing all of the, all of the operations once the transaction is completed. But, you know, we we are leading the way. I talked about leading the way in technology. We're leading the way in terms of reducing greenhouse gas emissions, in terms of cleaning up the air and having a clean electricity grid. This is a great opportunity for that value system to be shared in another jurisdiction.

For any further questions on the Avista acquisition, feel free to reach out to Hydro One.

Topic: Avista acquisition

Reporter & Outlet: Steve Cornwell, NOW Magazine

Response Type: Minister's spokesperson

Questions and Answers:

Can you please elaborate on what "regulated returns" means? Will there be any protections for Hydro One if Avista's operations run into trouble?

Any returns that Hydro One receives via ratepayers are regulated by the independent Ontario Energy Board – a quasi-judicial regulator whose mandate is to protect Ontario energy consumers. The government, as the primary shareholder of Hydro One, will benefit from efforts to modernize the company's operations and to find efficiencies, which are key drivers in this acquisition. Hydro One leadership, along with the company board, is responsible for continuing to make the company a profitable, customer-focused entity.

This deal has received some criticism because around 10% of Avista's energy supply comes

from burning coal. Will Hydro One and the Ontario Government have the opportunity to shut down Avista's coal burning plants, if it chooses to do so?

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What would you say to Ontarians that may be concerned that this deal, happening after a month after Hydro One asked the OEB for a rate increase, is evidence of a company that is just acting for its shareholders and not its ratepayers?

Hydro One is financing this deal with tools completely separate from the ratebase: an issuance of new shares, and taking on debt that will be repaid by new Avista revenues.

The OEB has a mandate to protect ratepayers while ensuring we have a reliable electricity system. In the last eight years, the OEB has reviewed over 100 major rate applications and reduced requested rate increases by an average of about 40 per cent.

Regardless of the outcome of the rate application, Hydro One customers will be seeing their bills go down this summer due to the Fair Hydro Plan, which came fully into effect on July 1, 2017. Electricity bills are being lowered by 25 per cent on average for all residential customers and as many as half a million small businesses and farms. Many of Hydro One's customers are in remote and rural communities, and will see greater reductions – some in the range of 40 to 50 per cent.

Topic: Electricity rates

Reporter & Outlet: Alex Roslin, Cottager Magazine

Response Type: Minister's spokesperson

Reporter's Questions:

- 1) How much has the average monthly electricity bill increased for Ontarians since 2002?
- 2) Why have rates increased so much in recent years?
- 3) What is your response to this document from the Ontario Clean Air Alliance (<http://www.cleanairalliance.org/wp-content/uploads/2017/05/prices-MAY3.pdf>) – specifically (a) the claim that the price of nuclear power increased 60% from 2002 to 2016 and (b) the argument that nuclear power is the key contributor to Ontarians' high electricity bills?
- 4) What impact will there be on residential electricity rates from OPG's proposed 180% price increase for nuclear power, as detailed in this document:
<http://www.cleanairalliance.org/nuclear-costs-go-up-and-up/>?

5) Low-use seasonal customers of Hydro One will see a 50% hydro bill increase this year due to changes in distribution charges (see for example, this letter: https://foca.on.ca/wp-content/uploads/2016/10/FOCA-response_April5_2017_pricing-2.pdf), yet they will benefit little from Premier Wynn's 25% rate cut. What is your response to Hydro One's increased charges to low-use seasonal customers? How do you justify the fact that

Response:

TBD

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