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Hi all,

Below is the transcript from Moore in the Morning. I think this was the strongest morning interview. The discussion around the LTEP 2017 containing the 'real numbers' is a point that landed particularly well.

C.

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Program:	Moore in the Morning	**DATE:**	2017-May-12 7:36AM	**Time:**	5:30AM - 9:00AM
Station:	CFRB AM (Newstalk 1010)	**Network:**	Astral Media Inc.	**City:**	Toronto

HEADLINE: Leaked document projects increase in hydro rates

CFRB (John Moore): 7:36 is the time, it's 7 degrees on a Friday morning and the story as told by the Conservatives in the Toronto Star is that a memo that was prepared for the Ontario Liberal cabinet spelled out how, yes, electrical rates were going to come down this year. They were going to rise at the rate of inflation for the next few years but then they would start to spike in 2022. Joining us now is the province's Energy Minister, Glen Thibeault. Good morning, sir.

GLEN THIBEAULT (Ontario Energy Minister):	John, long-time listener, first-time caller, so happy to join you.
CFRB:	Nice to have you. Is this memo actually a legitimate cabinet memo from your cabinet?
THIBEAULT:	Yes, it's a plan that we've been working on for months and as we worked on it, the documents and calculations have evolved. So that's...meaning that the numbers that we shared by the PCs yesterday aren't accurate numbers.
CFRB:	Okay, can you give us the accurate numbers?
THIBEAULT:	Well, part of the accurate numbers are continuing to be worked on through the 2017 long-term energy plan. So, you know, we always project where we're going to see costs going. That was done with the 2010 long-term energy plan. Costs said that we should have been at about $178 today in terms of where our average electricity bill should have been. We pulled costs out of the system in 2013, our projections in the long-term energy plan said we should have been at $170, we pulled costs out of the system.
CFRB:	Alright, are we now then looking at some sort of a shell game where we are getting these benefits now and I guess everybody is going to thank you for them but we're just kicking it down the road and inevitably we're going to have to see a spike?
THIBEAULT:	We're not going to see a spike. You know, there's no jurisdiction in the world that actually can predict where we're going to be in 2025. There's no jurisdiction in the world that will say energy prices are going to go down. But what we're doing today, is we're bringing forward, or what we did yesterday, was brought forward that legislation that is bringing that 25 percent reduction and holding it to inflation for the next four years. But the one thing I want to really emphasize, John, is when I talk about those long-term energy plans and we pulled costs out of the system, it's my job as the Energy Minister to continue to find ways to pull costs out of the system. We've started that already with our system operator, with the IESO. I asked him to look at doing some structural changes to the way our markets, our electricity market works, so they're on track right now to do market reform and a capacity auction which again will pull costs out of the system. So our 2017 long-term energy plan will do just that. We'll find ways to continue to pull costs out of the system...
CFRB:	Right.
THIBEAULT:	But as we said all along, costs are going to go up...
CFRB:	Right, okay, and that's what, I mean, so are you saying there exists no memo at cabinet level now that projects figures the way this memo did previously?

THIBEAULT: No, because it's evolved. Right? Like, you know.

CFRB: Right, I'm not asking if it's the same...

THIBEAULT: ..(overlap)..

CFRB: Yeah, I'm not asking you if it's the same figures, I'm just, sir, with respect, I have a bit of a hard time believing that you're going ahead with this cut now without making projections, even in the abstract about where it goes in the future.

THIBEAULT: Right, so we are making projections where they are going. That one document one was of many sets of projections. But the one where we set a final projection is the 2017 long-term energy plan. And that's going to be coming out in the fairly near future and hopefully we can get that out as quickly as possible to quell a lot of those fears that people have. Because, John, as you and I well know, people are worried about the energy sector because there have been some concerns over the last little bit and that's why we brought forward this 25 percent reduction.

CFRB: I think that's kind of underselling things, Glen Thibeault, as concerns. I mean, I think there's a generalized panic about the price of electricity.

THIBEAULT: Well, you know, and I understand that and especially where I'm from, in Norther Ontario, when, you know, you have folks, their only choice was electricity to heat their homes, that's why we bring in for them, it will be a 40 to 50 percent reduction. I've been in this position 11 months, you know, we brought forward the 8 percent reduction back in the fall and recognized that that still wasn't enough. So we went back to work in January to really start finding a plan that we could bring forward that will bring meaningful relief now and make sure that its fairer for all of us in the future because we are now spreading out as we've always said, you know, the global adjustment, which will now take longer to pay off, and yes that will cost us more. But the numbers that, the projections that they're talking about were one set of documents that we had a conversation on and, you know, they're continuing to evolve.

CFRB: Okay. So you're saying that we're not looking at figures like 2022 6.5 percent, 2023 6.5 percent, I mean all the way to 2028, 10.5 percent. I mean, I think we would call those a spike.

THIBEAULT: Yeah, those would be considered spikes and we're not going to see anything like that. We're really, and one of the things that, you know, I used to have a lot more hair a and a lot less grey..[laugh]..

CFRB: Me too.

THIBEAULT: But one of the things I'm trying to do right now is continue to pull those costs of the system for the future, right? So when we can take $3.5 billion out of the system like we did with the Samsung agreement, that knocks that price projection curve down. So my job, and the government's job is to make sure that this trajectory line is coming down as close as possible to being as low as possible. And so that's my role and that's why I keep talking about this 2017 long-term energy plan...

CFRB: Right.

THIBEAULT: ...and a 25 percent reduction. Because, on average today, we're about $156 a month across the province. Others are lower, others are higher...

CFRB: Right.

THIBEAULT: But on average.

CFRB: And I'm sure everyone appreciates that discount, everybody likes a sale, the problem always is the future price to be paid.

THIBEAULT: Yeah, and that's part of what we're doing, is pulling those costs out of the system. Like I said, the capacity auction, the market reform, the Ontario Energy Board, looking at working with our local utilities, of reducing red tape and actually helping them, you know, save costs. And when I talk about, you know, market reform, you know, we're moving to a day ahead type of market. That will actually pull significant costs out of the system. Let me use a natural gas plant here in Northern Ontario, for example, that contributes to the grid. By giving them a day's notice, they can actually buy their fuel, their gas, at a cheaper price and set their staffing levels to what they need, which saves them costs, which saves the system costs.

CFRB: Well, here's hoping. I'm afraid we're out of time. I have one last question for you Glen Thibeault.

THIBEAULT: Yes.

CFRB: When this report, the final version is ready, will you release the actual figures to correct what you say are the false figures?

THIBEAULT: So, it's the 2017 long-term energy plan is a public document that everyone will have access to.

CFRB: And the figures will be in it?

THIBEAULT: And figures are in it, that's why we're working on making sure that that document comes out in the very near future.

CFRB: Thank you, sir.

THIBEAULT: John, nice talking to you.

CFRB:	Glen Thibeault is the Minister of Energy for the province of Ontario.

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