

IESO Accounting (from Public Accounts)

Opposition has no plan

- Let me be clear from the outset – there is **no additional impact to ratepayers**, accounting experts determine over which period these payments need to be recovered. But overall, the total sum remained the same.
- Speaker, **last week in this House** we passed legislation to save five million Ontarians 8% on their electricity bills.
- **This week**, the Opposition is talking about accounting practices for pension payments dating from 2010 that have previously been disclosed through several years' worth of Public Accounts.
- **In the Speech from the Throne**, we announced regulations to save businesses up to one third on their energy costs. We also announced measures to reduce delivery charges for our most rural customers.
- **This week**, the Opposition is talking about accounting practices and disclosures from years ago.
- **On Friday**, we announced an agreement which will take \$70 million in costs out of our electricity system, and which reduces emissions from our electricity system by one million tonnes.
 - That's a one quarter reduction in emissions!

- **And today**, the Opposition is talking about accounting practices.
- While these practices are important, this tactic by the Opposition only further highlights that **this is a party with absolutely no plan for the energy sector**.
 - The best they can do is play **political games** and **shake their fists**.
- On this side of the House, we have been introducing a series of initiatives in just the last couple of months that will have a significant impact on bills.
- **We'll continue to stay focused on the issues that matter, Mr. Speaker.**

Details of the accounting change

- In 2010, accounting practices changed, in accordance with expert guidelines.
- The accounting change had an impact on how their actuarial payments to the pension fund were calculated.
 - In other words, it **changed the accounting of their pension needs**, often more than a decade into the future.
 - No additional impact to ratepayers, accountants determining over which period these payments need to be recovered.
- This IESO calculated that this resulted in \$80 million being added to their accumulated deficit, a portion of which was to be recovered through electricity rates.

- This is a lot of accounting, Mr. Speaker, so **let's recap**:
- Back in 2010/11 the accounting rules changed and that impacted how the IESO calculated the amounts needed.
- This has been disclosed in the Ministry of Energy Public Accounts for each of the past THREE years.
- Which all leads us back once again to **why the Opposition has brought this up**, Mr. Speaker.
- Except we know why they've done it – It's because they have **no plan** for the electricity sector, so all they can do is shake their fists!
- On this side of the House, we are taking a range of actions to lower electricity costs.
- We'll continue to stay **focused on the issues that matter**.

Actions we've taken

- Our government has made it clear that affordable access to our clean, reliable electricity system is our **top priority**.
- That's why we are using **every tool possible** to tackle this issue:
 - Through legislation announced in the Throne Speech, more than 5 million farms, families, and

businesses will be eligible for an **8% rebate** beginning January 1st.

- In the same announcement, the government committed to use regulation to provide significant additional support to rural and remote households, lowering their bills by 20% overall, and to expand support for industrial consumers.
 - In an announcement in October, the government suspended procurement of large renewable energy projects, removing \$3.8 billion in costs from the system.
 - And just last week, our province signed a historic electricity trade agreement with Quebec, which will not only lower costs for Ontario ratepayers, but also lower GHG emissions in the sector.
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- This is on top of existing programs like the Ontario Electricity Support Program, which is saving families in need another \$430/year on average.
 - Our plan provides needed assistance to consumers of all sizes, and it targets support to those that need it most.
 - We're doing this because we know that families need help with the cost of everyday living.