Energy Plan – Debt and GA Financing

- For the 8th year in a row, Ontario is projecting to beat its deficit targets, **supported by our growing economy.**

- We've created 697,600 new jobs since the recession, 303,000 jobs since I became Premier – 28,800 jobs just last month.

- Our unemployment rate has dropped to 6.4% and has been below the national average for **22 straight months.**

- In our recent Q3 report, our debt-to-GDP ratio continued to drop below projections as our economy grows and strengthens and we reach a balanced budget this year.

- Ontario has diverse, broad based sources of revenues and as such, has a strong borrowing capacity.

GA Financing Interest Cost

- Year over year the impact will vary based on interest rates.

- But based on our conservative estimates, we anticipate that this could cost $25 Billion over 30 years.

- This is a result of spreading the cost over more Ontarians to reflect the true life of the energy asset – this is a fairer approach.

- These are conservative estimates as borrowing will happen on a yearly basis and interest rates may rise or fall.

Fiscal Plan Added Debt

- As I've stated very clearly, the last decade has seen massive investments in improving our system.

- These costs need to be recovered, but it needs to be fair.

- Part of that means moving the cost of social programs from the rate base to the tax base, and expanding this support to certain vulnerable groups.

- The fiscal impact of this move will be $2.5B over the next three years - this cost is additional to our expenditure on the 8% rebate.

Financial Accountability Officer

- The independent financial analysis that the FAO provides is important as we build on our plan to grow the economy and create jobs.

- That's why last year we expanded the FAO's ability to access financial, economic or other information previously protected by freedom of information laws.

- The FAO was briefed on our Fair Hydro Plan to ensure that he understood the financial decisions involved.

- We will continue working with the FAO as we bring real relief and fairer hydro bills to Ontario families, as part of our Fair Hydro Plan.

- DBRS, a credit rating agency, recently released an opinion on our Fair Hydro Plan:

- "DBRS views the proposed changes as credit neutral. The Province has the ability to absorb the fiscal impact of the proposed policy changes, while still restoring budgetary balance in 2017–2018."