

Re: [Transcript] PATrick Brown on CFRA 580 - December 15, 2016

From: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
To: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>
Cc: "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>
Date: Thu, 15 Dec 2016 17:40:27 -0500

Looks great thx

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Forgione, Andrew (OPO)
Sent: Thursday, December 15, 2016 5:36 PM
To: Bevan, Andrew (OPO); MacKenzie, Rebecca (OPO); Killorn, Bill (OPO)
Cc: McPhail, Blane (OPO)
Subject: RE: [Transcript] PATrick Brown on CFRA 580 - December 15, 2016

Here's a draft we worked on.

Facts Still Matter in Ontario

Earlier today Patrick Brown was on CFRA 580 doing what he does best - misleading Ontarians with false statements and political rhetoric. Below are a few examples where facts still matter and he needs to be corrected.

He said: “ *Having the highest hydro rates in North America has made us less competitive*”

Fact: This couldn't be further from the truth. Ontario's economy is growing and independent research shows Ontario has some of the most competitive industrial electricity prices in North America.

Since Premier Wynne took office, Ontario created 266,000 net new jobs and kept its unemployment rate below the national average for 19 straight months. We've posted higher real GDP growth in the first half of this year than the rest of Canada, the U.S. and almost all G7 countries while also continuing to lead the country in Foreign Direct Investment. (Source: Statistics Canada)

Pricing Comparison

2015 Industrial Electricity Prices (Canadian ¢/kWh)							
Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost
1 Manitoba	4.67	17 Arkansas	7.49	33 Newfoundland	8.65	49 Nova Scotia	10.02
2 Quebec	5.17	18 Tennessee	7.53	34 U.S. Average	8.71	50 North Dakota	10.75
3 Washington	5.64	19 Alabama	7.58	35 New York	8.72	51 Florida	10.79
4 Alberta	5.87	20 South Carolina	7.68	36 Indiana	8.74	52 Delaware	10.96
5 Ontario - North	6.35	21 Utah	7.70	37 Ohio	8.75	53 Maryland	11.86
6 Oklahoma	6.64	22 Oregon	7.72	38 Wyoming	8.87	54 Maine	12.64
7 Montana	6.68	23 West Virginia	7.80	39 Minnesota	8.89	55 Vermont	13.14
8 Kentucky	6.80	24 Saskatchewan	7.81	40 Prince Edward Island	8.90	56 California	13.85
9 British Columbia	7.04	25 Nevada	7.83	41 Colorado	9.05	57 New Jersey	14.44
10 Iowa	7.06	26 Arizona	8.00	42 Michigan	9.13	58 New Hampshire	17.17
11 Louisiana	7.06	27 Idaho	8.05	43 Virginia	9.23	59 Massachusetts	17.56
12 Canadian Average	7.31	28 North Carolina	8.09	44 South Dakota	9.31	60 Connecticut	17.58
13 Missouri	7.32	29 New Mexico	8.09	45 Kansas	9.54	61 Alaska	18.85
14 Georgia	7.35	30 Illinois	8.24	46 Nebraska	9.56	62 Rhode Island	19.97
15 Texas	7.37	31 Ontario - South	8.35	47 Pennsylvania	9.59	63 Hawaii	31.10
16 New Brunswick	7.48	32 Mississippi	8.41	48 Wisconsin	9.87		

Note: Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. Prices exclude taxes and participation in any applicable jurisdictional benefit programs.

The Ontario industrial price is based on the average all-in price for year-to-date May 2015, and includes the Hourly Ontario Energy Price, Class A Global Adjustment, delivery, wholesale market service charges and the Debt Retirement Charge. The 2 cent per kilowatt hour difference between northern Ontario and southern Ontario reflects the Northern Industrial Electricity Rate Program rebate.

All other Canadian prices (except Ontario) are from the Hydro Quebec Rate Comparison for rates effective April 1, 2015 for select local distribution companies servicing specific cities. Where Hydro Quebec reports prices for two cities in a province (e.g., Calgary and Edmonton), an average of the two is used; in provinces where only one city is reported (e.g., Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes. In the Hydro Quebec Rate Comparison, a large consumer reflects 5 MW with monthly consumption of 3,060 MWh.

American jurisdictions reflect year-to-date May 2015 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the industrial sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.30 CAD.

He said: *"I'm going to stop the sale of Hydro One which, right now we're selling them at rock bottom prices and we lose future control over rate increases"*

Fact: The initial Hydro One IPO sold 9 million more shares than initially forecasted, traded \$2 more per share, and raised \$167 million more revenue for infrastructure investment than initially forecasted. So where is Brown getting his 'rock bottom' information from?

Ontario's 2014 Budget clearly identified Hydro One as part of the plan to invest in infrastructure. We knew it would allow us to make those investments without raising taxes, increasing debt, or recklessly cutting public services. It's now helping us invest in vital infrastructure projects like transit, roads, bridges, hospitals and schools.

Energy rates will continue to be set by the independent Ontario Energy Board, which has a mandate to protect ratepayers. His scheme will have no impact on rates.

He said: *"We've given away 6 billion dollars in surplus energy since 2009"*

Fact: Considering the net benefit to Ontario ratepayers, it's curious as to why Patrick Brown continues to rail against this practice. Even his Conservative colleagues know better. When the Member for Simcoe-Grey was Energy Minister in 2001, he called these exports "pure profit." He even went further, noting that "if we can make money on surplus power in the United States, we're damn well going to do that."

The last time the provincial Conservatives were in power, they spent \$900 million importing electricity over two years just to keep the lights on. When we came into office, we inherited their dirty, unreliable electricity system and cleaned it up. Now, thanks to those necessary investments, Ontario families and businesses know the lights will go on and stay on when they need them to. Given our position of strength, Ontario is also a net exporter now, benefitting ratepayers to the tune of \$230 million last year (as estimated by the Independent Electricity System Operator).

He said: *the Global Adjustment is made up of "...the gas plants scandal and the surplus contracts"*

Fact: The Global Adjustment covers the investments necessary to modernize Ontario's electricity system. The reality is that without it, Ontario wouldn't have the clean, reliable electricity system families and businesses will be able to rely on for years to come.

The Global Adjustment may be a positive or negative number, depending on whether the Hourly Ontario Energy Price (HOEP) is higher or lower than the fixed rates. It also varies from month to month, responding to changes in the HOEP compared to contract prices.

He said: *"if in the Samsung deal there was an exit clause they could have got out of \$1.5 billion of surplus electricity."*

Fact: We renegotiated the Green Energy Investment Agreement with Samsung, reducing contract costs by \$3.7 billion.

From: Bevan, Andrew (OPO)
Sent: December-15-16 4:43 PM
To: MacKenzie, Rebecca (OPO); Forgione, Andrew (OPO); Killorn, Bill (OPO)
Subject: Re: [Transcript] PATrick Brown on CFRA 580 - December 15, 2016

Can we include a fact check on samsung as e keeps lying about that to

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: MacKenzie, Rebecca (OPO)
Sent: Thursday, December 15, 2016 4:28 PM
To: Forgione, Andrew (OPO); Killorn, Bill (OPO); Bevan, Andrew (OPO)
Subject: Re: [Transcript] PATrick Brown on CFRA 580 - December 15, 2016

please fact check the Alan Thicke quote too. Good god

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: MacKenzie, Rebecca (OPO)

Sent: Thursday, December 15, 2016 4:25 PM
To: Forgione, Andrew (OPO); Killorn, Bill (OPO); Bevan, Andrew (OPO)
Subject: Fw: [Transcript] PAtrick Brown on CFRA 580 - December 15, 2016

I don't even need to read this to know we'll need a fact check :-)

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Andrew Rudyk <arudyk@liberal.ola.org>
Sent: Thursday, December 15, 2016 4:23 PM
To: Beaudry, Jennifer (OPO); Bevan, Andrew (OPO); Forgione, Andrew (OPO); Andrew Rudyk; cbanas@liberal.ola.org; Codd-Downey, Beckie (GHLO); McPhail, Blane (OPO); bwunderlich@liberal.ola.org; Foerster, Carly (OPO); Walsh, Chad (OPO); McEachern, Gillian (OPO); jgomez@liberal.ola.org; Lazarus, Jordan (OPO); Moseley-Williams, Kate (OPO); Killorn, Bill (OPO); Richardson, Kyle (OCOC/GHLO); Swaraj Mann; Rowe, Mary (OPO); McIntyre, Moira (MTO); Appave, Priscilla (OPO); MacKenzie, Rebecca (OPO); Ahluwalia, Ron (GHLO); Le Guern, Ronan (OPO); Joseph Uranowski
Cc: Kiteley, Alana (MTO); Campbell, David (ENERGY); Burke, Patrick (MMA)
Subject: [Transcript] PAtrick Brown on CFRA 580 - December 15, 2016

Transcript – Patrick Brown on CFRA 580 – December 15, 2016

Media: CFRA 580

Solomon: *...but on the line right now: Patrick Brown, the Ontario PC party leader. As we approach the end of the year, we like to touch base with the leaders to see how they're ending the year. And Patrick Brown has been good enough to join us throughout this year. We talk a lot about hydro and I'm sure we'll talk about that in the new year. How are you, sir?*

Brown:

- Evan, great to be back on the show, once again

Solomon: *Well we're ending the year and if you were to say the dominant issue of the year, what would it be?*

Brown:

- Hydro, it, it, it, it definitely has been the elephant in, in Ontario
- Having the highest hydro rates in North America has made us less competitive
- We've lost jobs and, frankly, too many Ontarians are living in energy poverty and as much as the Premier's finally acknowledged it was her government's mistake and apologized, you know, a lot of people are still struggling
- And it—and we want more than an apology or an acknowledgement of a

mistake

- We, we want the government to rectify some of their failed policy

Solomon: You know, the, the question you're going to be asked in this election is: "all right, they screwed up on hydro—you say you can fix it. Patrick Brown, if I elect you as the Premier in 2 years, will—not even 2 years, in around 20 months—will my hydro rates go down?" What's the answer?

Brown:

- I'm going to get them under control for sure
- Two big things I'm going to do differently
- 1, I'm going to stop the fire sale of Hydro One which—right now we're selling them at rock bottom prices and we lose future control over rate increases
- The second thing I'm going to deal with is the surplus
- You know, we've given away 6 billion dollars in surplus electricity since 2009
- It's growing each year
- And I've been reading into the legislature examples of this
- You know, just last week I gave an, I gave an example of November 10th—we purchased power for 9.4 million dollars and we sold it at 144,000—we do this on a daily basis because we've signed bad 20-year deals and the government doesn't have, you know, they're, they're, they're too attached to their Green Energy Act to walk away from some of the deals, to take some of the exit clauses to—

Solomon: Though—and, and I appreciate that—you know, they say, I put this to the Energy Minister, Glenn Thibeault. And he says "it's true that we buy power and then when we can't use it because of off-peak hours, we sell it under price. But overall when you, at the end of the year, instead of taking those single numbers, we still make over 200 million dollars or more a year selling the power. So, yeah there's, there's dips"—

Brown:

- They, they say made—

Solomon: --that's what they say

Brown:

- --they made 200 million, but they lost 3 billion, and so as much as they—

Solomon: *Well, how, how do you make 2 billion? You either lose 2 billion—*

Brown:

- --yeah, exactly—

Solomon: *--or you don't. What, what's the answer?*

Brown:

- Well, I believe the Auditor General, not Glenn Thibeault
- And, and Glenn Thibeault's trying to be cute with his words there, saying we sold 200 million
- They lost 3 billion last year
- The Auditor General's been very clear: it's growing, it's, it's going up every year
- It, it went from 300 million, now it's 3 billion
- We have a massive surplus of power to the point that our own green energy we're not using
- We, there's days that we run Niagara Falls not at full capacity
- We're spilling water and hydroelectric projects in northern Ontario—water power's green, but because this government signed long-term 20-year deals that, that we don't need
- And, and, Evan, I'll be very blunt
- The reason they don't want to walk away from these: the 30 companies that got these contracts donated 1.3 million dollars to the Ontario Liberal Party
- And the Auditor General has said that we've overpaid by 9.2 billion—

Solomon: *Yes they did, I agree—*

Brown:

- --Kathleen Wynne's not walking from these because they're her own people, they're their own Liberal insiders that benefited from this colossal disaster

Solomon: *But again, I'm going to ask you straight up because you—I asked you will my hydro bill go down under Patrick Brown? You then say "I'll get it under control". That's not a "yes, it's going to go down." People want to say "sure, Patrick Brown, you will get it under control. Does that mean I pay less for hydro?"*

Brown:

- Quite possibly, Evan
- You know, right now the government's 5-year energy plan is to—their 5-

year forecast says energy rates are going to go up 42 percent

- I'm not going to tolerate that
- People can't afford that
- But right now they're not sharing copies of the deals they've signed with us
- If, in the Samsung deal there was an exit clause
- They could have got out of \$1.5 billion of surplus electricity
- They didn't take the exit clause because they didn't want to appear like they were walking away from the green energy act
- If there are similar exit provisions in the others deals, that they're very secretive on, you know, that's going to effect how much we can get this under control
- But this is the most secretive government we've had in our history
- The fact they won't share with us--

Solomon: So you're saying, you're saying you'd like to but you're not sure, you're not 100% sure you can do it?

Brown:

- You know, I'm optimistic we're going to be able to
- But, you know, we need the government to share with us, um, some of the contracts
- Share with us some of the obligations they've, pushed Ontario on to
- But under no condition will I—
- I believe we can get hydro prices under control
- I believe that we can make them competitive again
- But under no condition am I going to allow the status quo to continue to sky rocketing hydro rates

Solomon: Okay, I mean. You know, it's hard to, what do you take off the bill though? I'm just looking at my bill. Do you take the debt--

Brown:

- When you look at the global ad--

Solomon: Do you take the debt detriment charge off or what do you take? The global adjustment charge?

Brown:

- The global adjustment charge is, you know, is a huge part of it
- You know I, the mayor of Oued Sound sent us a note explaining the cost of

his, of his street lights

- And, it was a \$9000 bill, only 400 of it was the price of electricity
- 5000 was global adjustment
- You know, listen, there's going to be opportunities to, to mitigate some of this extraordinary costs
- And, Ontarians expect us to
- You know, they're livid

Solomon: So let me just understand the global adjustment. I mean I know people pay it. So it's either a credit or a charge but basically it's the difference between the market price of electricity and the contract or regulated price--

Brown:

- So there's two things--

Solomon: Right and so my question is do you, how do you get rid of that? You can't dump it because you've got regulated prices and you've got contracts

Brown:

- Well, no, so there's two things here in the global adjustment there's the, there's the gas plant scandal, that billion dollars is, is on the bill
- And, and I, I can't change that
- That money was lost by this liberal government
- The second thing is the surplus
- That's in the global adjustment
- And we can diminish the, the, the surplus
- Two ways, one if there's exit clauses like there was in Samsung
- But also where notice to proceed hasn't gone out
- You know, Wynne's going to put 500 megawatts of new generation, new wind turbines around the province in the next 5 years
- In those cases where the notice to proceed hasn't gone out, we can cancel contract with very little taxpayer exposure
- Where the notice to proceed has gone ahead, it's more difficult to, to do so
- So we can make good strides in, pushing back against this global adjustment cost
- And by the way--

Solomon: Like I'm reading. To be fair, this is complicated and we could, it's easy to over simplify but the global adjustment fund is the difference between the hourly Ontario electricity price, right and the OPG, Ontario Power Generation's regulated nuclear and hydro generation. So it's not necessarily just the green

stuff like wind and energy, although that's part of it. I'm just, I'm just trying to get at where, where we can shrink out bills--

Brown:

- Those are, so those are, so Evan, those are two of the big inflationary costs
- The, the gas plants scandal and the surplus contracts
- You know \$6 billion in surplus, as the Auditor General rightly pointed out
- You know, that's a cost that we all have to bare right now
- And, and it's going up
- They shouldn't call it the global adjustment
- They should call the global adjustment, I know that's a cute word that, that the government's good at, at having descriptions for costs that they make you feel okay about paying but that should be called, "This is the charge for Kathleen Wynne and Dalton McGuinty's bad deals"

Solomon: Alright, but none-the-less you can't get rid of it, whatever you want to call it, you can't wipe it off. I get that--

Brown:

- No, but you can cut it back a fair bit Evan
- If, if, if, you know, first of all, we, these surplus contracts, if the provisions in Samsung are similar in some of the other
- There's going to be an opportunity to really diminish this global adjustment

Solomon: Well let's hope because we're all paying stuff through the nose

Brown:

- I feel bad Evan about your hydro bill and I'm not going to stop fighting until I get your hydro bill under control

Solomon: Well I, I, you know what going to happen they're also trying lower it and we'll see where this goes. Let me get to tolls. You got the mayor of Toronto John Tory says I'm for tolls I need revenue models. You got Mayor's from 5 different cities Calgary Edmonton Vancouver Toronto, Ottawa writing letters to the federal government, 'We need revenue tools'. John Tory says we need tolls. You have stood in front of a podium on the Queen, on on the Don Valley Parkway and said no tolls. So you're against tolls.

Brown:

- Yea so I, listen if tolls were to build new lanes, new roads, new infrastructure you know I'm open to that conversation

- What I'm not going to support and by the way revenue tools that's another name like the global adjustment
- A revenue tool is a tax
- They want to tax roads that people have already paid for and my beef is not with John Tory
- You know my beef is with Kathleen Wynne
- John Tory doesn't have the power to put on a toll
- It takes a provincial regulation and so Kathleen Wynne is going to pass a provincial regulation to allow this to happen
- Despite the fact that she as transportation minister said she wouldn't support it

Solomon: But to be fair the, the, I got the, I just spoke to the Mayor of Ottawa Jim Watson yesterday. He wants to the power to have a toll because we want an underground truck tunnel here. But he said he wants it just for that. He needs the power to toll just to get that infrastructure built. Cities are saying we need a toll power for infrastructure.

Brown:

- So Evan if he wanted to build a new tunnel for, for for transportation corridor for trucks
- Um you know I would be sympathetic towards that request and I would lean towards supporting it
- But if he wants to put a toll on the 417 if he wants to put a toll on Bank Street because he needs more revenue I'm not going to support it

Solomon: But you know because I got a minute and then I want to get to something else. What the province gets to grant municipalities the power to either toll or not. Then municipalities can decide how to use it. If you, you can't—you're trying to have it both ways. Sure if you want to toll for the trucks yes but not for other things.

Brown:

- No no no no no no

Solomon: If you're the premier you can grant them the power to toll or not to toll.

Brown:

- No Evan I'm being very clear

- If it's to toll existing roads that have already been paid for that's not on
- If they want to build new road that the user pay system then I'm willing to have that conversation
- I'm not going to let them toll existing roads
- People can barely afford you know living in Ontario right now
- I'm not going to costs people are already struggling with

Solomon: *Alright let's talk about another issue which is the social conservative issue. Okay? And you have asked um some of you caucus to apologize and to retract statements they made that were recorded about social conservatives. And there was 5 progressive MPP who were hosting some faith groups the other day as you know and they were recorded by a media outlet. And the Christian, Canadian Christian Coalition and Multicultural Care and they basically said I think one of your MPPs Rick Nicholls said 'social issues are very very important we need to form a government and then watch us' right? As they take action 'watch us go'. And then everyone said amen. A lot of people took that to mean we're going to dump the sex-ed curriculum. Something that you and then you made them apologize. What's going on?*

Brown:

- Well so there was 5 MPPs there it was the Pakistani Christian Association
- Uh the other 4 MPPs didn't say anything wrong it was the one MPP said he wanted to revisit some social issues and that's not where I'm at
- You now my focus is on Hydro and jobs and so I said to him
- I said that's not what we're pushing in Ontario and you know that and he apologized and uh you know he immediately clarified that that's not what we're about

Solomon: *So the social, just to be clear as we go forward the end of the year let's just get Patrick Brown on social conservative issues. Issues like the sex-ed curriculum, abortion, same-sex education all these issues that are important to certain constituencies. You do not want to visit those. Those are not going to be on your agenda?*

Brown:

- They are not part of my platform or my agenda.
- My focus is purely economic I want to make sure we can welcome investment in Ontario and create jobs
- I'm not interested in revisiting social issues

Solomon: Real quick highest point and lowest point of the year for you Patrick Brown

Brown:

- **Um Highest point?**
- **Was uh I think winning the Scarborough Rouge River by-election which was quite historic for our party**
- **A seat we haven't won in 50 years**

Solomon: Big win big win for you

Brown:

- **Yea um I had a sad day a few days ago and Alan Thicke was a good friend of mine**
- **Who had come out to all my charity events in Barrie for the last number of year it was sad to see an iconic Canadian like him pass away and you know there's**
- **Just reminds you that life is short**