

Re: MEDG Media Summary March 2

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[Transcript below.](#)

Power & Politics: Interview With Minister Brad Duguid About New Hydro Cuts

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Rosemary Barton, Host: The rise in Hydro prices, in case you don't live in Ontario, has been steep. The average bill in 2005 was \$91. That shot up to \$156 last year. How does the government now plan to pay for this year's dramatic cuts and does it ignore the underlying problem? Brad Duguid is Ontario's Minister of Economic Development and Growth, and he also joins us from Queen's Park in Toronto. Nice to see you, Minister.

Brad Duguid, Ontario Minister of Economic Development and Growth: Rosemary, good to see you as well.

Rosemary: There have been a lot of complaints about Hydro for a long time. Why did it take so long get to today?

Minister Duguid: We've been working on this for a long time as well. We had to make some very important investments to upgrade our system, in fact, we've replaced 80 per cent of our electricity system. At the same time, we wanted to get off of coal, so those were big, challenging investments. We've tried to help consumers on it with a number of initiatives, but what we found was that we still hadn't hit the mark. There was still more work to be done, so today, the Premier moved very boldly with the 25 per cent off Hydro rates, which I think consumers are going to welcome very much.

Rosemary: I'm sure they will in the short term, but I'm not quite clear on how it solves the long-term problem. Aren't you bushing this cost down the road?

Minister Duguid: Well, in some ways, we're smoothing out the costs. But what we're doing is saying to this generation of consumers, who frankly have had a lot of on our shoulders. We've had to renew our entire energy system. We've had to replace coal, so that we build a clean system with cleaner air, and healthier outcomes for our people. There was a cost associated with that. So it's not really fair to have this generation pay the entire cost when these investments are going to last for 30 or 40 years. When it does is it smooths out the investments over to the 30 or 40 years, which I think is a fairer way to restructure our energy system.

Rosemary: Well, it might have been a fairer way, but it would have been nice if the government thought of that before.

Minister Duguid: Well, you know, the key is we've listened very carefully to what Ontarians have told us. We have tried with a number of initiative. We had a Clean Energy Benefit that took 10 per cent off the bill for a period of time. In January there was 8 per cent coming off the bill to help consumers. But what Ontarians told us, is thanks for that, that's helpful but still not enough. We need to do more. That's why the Premier moved so boldly today, to address the problem and by restructuring the way we do this so it's a permanent fix.

Rosemary: Patrick Brown says, part of the problem, other than not being able to see how this would unfold, is the bad energy. The green energy contracts that you have done nothing to address today. Why are you not going to overhaul that as well?

Minister Duguid: Well what Patrick Brown wants to do is to simply rip up those contracts. That could come with about a \$26 billion dollar bill. If we were to do that, that would be irresponsible. Certainly, not the way we're going to do this. What we've done, it's a very responsible way to do this, and it's very transparent. It is as you described. It smooths out the cost over a longer amount of time, and what it does is ensure that this generation alone is not stuck with those initial very important investments that we've made to build a strong and reliable and clean energy system in Ontario.

Rosemary: I get that, but again, I would assume that a government would be signing contracts that would benefit taxpayers, and you're saying cancelling the contracts would come at a cost. He's saying that the contracts don't make any sense.

Minister Duguid: You've got to remember when we started getting rid of coal, and replacing coal with a number of our renewables, the price of renewables was higher at the time because we were pioneers. We're the first jurisdiction in the world to be able to get off of coal. That means cleaner air and healthier outcomes for our kids. It's an important thing to do. But as time has gone by, the cost of renewables has gone down which has enabled us to enter into fairer and fairer contracts. We have lowered the cost of those contracts. But at the same time, to just rip up contracts that are in place right now as Patrick Brown wants to do. A politician with absolutely no plan to go forward on energy whatsoever except rip up contracts, that's going to cost rate payers \$26 billion. Totally irresponsible.

Rosemary: But your plan is going to cost people money as well. I mean you just admitted that, it's just going to be pushed down the line to someone else's kids.

Minister Duguid: We've been very transparent on that. Absolutely, there's no question. When you stretch out the period of time that you're going to be paying for an asset, there is more interest you're going to pay on that asset. But we think it's a cost worth paying because we've heard what Ontarians have said, and what our businesses have said. The burden on them, in this generation, is too much for them to handle, at this time, and it's only fair to pay for these assets over 40 years instead of 20.

Rosemary: Is this really just about getting votes in the next election? You can't go into an election with people paying these kinds of Hydro rates.

Minister Duguid: It's not like this is the first time we've tried to fix this problem as a government. We've taken a number of initiatives along the way, including reducing costs by billions of dollars within the system. What we found though is the measures we've taken simply we're not enough, so today, we felt we needed to move boldly, and the Premier has done that. And it's going to benefit all Ontarians because all Ontarians will see their energy bills drop by 25 per cent.

Rosemary: I'll end on this. Would you at least concede that the reason you've had to do this today is because you've made a mistake in the past?

Minister Duguid: I would say that, as a former Minister of Energy, all three parties through generations have made mistakes in our energy system. I would say though that we've been well intended, and what we tried to do is rebuild a system that was in tatters and we now have a clean, reliable energy system that we'll be proud to pass on to the next generation. It did come at a cost, and what we're doing now is smoothing out the impact of that cost on this generation. I think it's a fairer way to do it.

Rosemary: Okay, Minister, thank you for making the time on a busy day. I appreciate it.

Minister Duguid: It's great to join you. It's a good day for Ontario

Sent from my BlackBerry 10 smartphone on the Rogers network.

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Evening --

Sorry to get this out so late. Below is Minister Duguid's interview on Power and Politics regarding hydro. The segment starts at the 20 minute mark. Will send a transcript along once I have one. Thanks.

Daniel

<http://www.cbc.ca/player/play/888959555665>