

Re: Thibeault Statement - FAO

From: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
To: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Cc: "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>, "Bossin, Bryan (OPO)" <bryan.bossin@ontario.ca>
Date: Tue, 23 May 2017 20:30:19 -0400

Thx

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Forgione, Andrew (OPO)
Sent: Tuesday, May 23, 2017 6:38 PM
To: Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Bevan, Andrew (OPO); McEachern, Gillian (OPO)
Cc: McPhail, Blane (OPO); Bossin, Bryan (OPO)
Subject: Thibeault Statement - FAO

Below is a draft statement that would be sent to gallery tmrw from thibeault's office. We will have to add in stronger auditor language if FAO goes there immediately, but for now kept it higher level. Minister hasn't seen it yet so we could see changes overnight as well.

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Today, Glenn Thibeault, Minister of Energy, issued the following statement regarding the Financial Accountability Officer's (FAO) assessment on Ontario's proposed Fair Hydro Plan:

Over the last few weeks our government has been working very closely with the Financial Accountability Officer to provide information and analysis on our proposed Fair Hydro Plan - and today, we welcome his final report. If passed, our government's plan will bring significant and sustained relief on electricity bills for Ontario families starting this summer.

It's important to remember that the FAO's projection of electricity costs reflects a point-in-time estimate that demonstrates how we can ensure greater fairness and affordability in the short and medium term. Later this summer, our government will release the next Long-Term Energy Plan (LTEP), which will take additional costs out of the system and address affordability over the long-term.

We've always said that the proposed Fair Hydro Plan will cost more over the long-term, but it will share the costs of our investments more fairly over a longer period of time, and lower bills by 25% on average starting this summer. The FAO's analysis shows cost projections of \$21 billion over 29 years for our plan, which is in line with our publicly stated analysis.

We also appreciate that the FAO has gone to the lengths of considering outlier scenarios, such as increased interest rates and borrowing the full balance of funds needed, which he outlines could result in higher costs. This is extremely unlikely, and does not factor in government action being taken to reduce electricity system costs, electricity market renewal, or technological developments.

Since we announced the Fair Hydro Plan nearly 80 days ago, we've been clear and transparent about our plan to cut electricity rates by 25% on average for all residential consumers and as many as half a million small businesses and farms across the province. We've also been clear that any increases will be held to the rate of inflation for four years. We've also said that low-income Ontarians and those living in eligible rural and Northern communities would see savings of up to 40 to 50%. The FAO's report confirms all of

this.

Families in the province have asked for real and immediate relief on their electricity bills and that's why we are working to deliver the largest rate reduction in Ontario's history if the legislation passes.

We thank the FAO for his report, and look forward to releasing our Long Term Energy Plan later this summer.

A. Forgione
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