

Draft 02

Premier's Electricity Op-Ed – Longer version for major daily

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Immediate and Lasting Hydro Relief is a Fairer Way Forward

By Kathleen Wynne

Since announcing our plan to lower hydro bills by an average of 25 per cent last Thursday I have spoken with many people all across Ontario. I was following up on conversations I've been having in recent months with people who had written me about their rising bills. People like Libby Keenan who had taken the time to tell me about how they were personally struggling and also share their ideas about how to fix the problem. These calls were not a celebration. It was simply an opportunity for me to share the news that significant and lasting relief is on the way.

If those conversations have made one thing clear it's that everybody agrees: something had to be done. Rates have risen too much and too quickly. The problem is hitting households in every corner of the province. And for some families, it's gotten to the point where they must choose between keeping the lights on and keeping food in the fridge. It's unacceptable. These stories make all of us angry. People have not been getting a fair deal.

This plan provides an overdue solution, bringing bills down in the short-term with the biggest rate cut in Ontario history. But more importantly, it's a solution that will last. These structural changes we're making will also hold rate increases to inflation for at least four years. Our plan is built on lasting change. It's not just another quick fix that will catch up with us down the road, like the rate freezes of the 1990s.

In fact, the 90s are a good place to start. Back then, governments of all stripes had been neglecting the electricity system for decades. And by the start of the new century, all those quick-fixes caught up with us. Brownouts, blackouts and dirty coal plants were a danger to our health, our environment and our economy.

The massive project of rebuilding the system began about 15 years ago. We closed all of Ontario's coal plants, built thousands of kilometres of new transmission lines and added renewable energy to the supply mix. It needed to be done and it was the right thing to do. We have gone from having dozens of smog days a year to zero. There has been a drop in childhood asthma in just about every community. Ontario now has a clean, reliable system with a modern, diverse mix of generating sources that will benefit the province for decades.

But — all of this came at a price. And the mistake we made was in setting unfair terms to cover the cost of those necessary renovations. Basically, we put the \$50 billion cost of the rebuild onto the hydro bills of just one generation. It meant high bills because we were all helping to pay down those costs really quickly. Too quickly. You were paying for the sins of the past *and* subsidizing future ratepayers who will benefit from these energy assets for years to come.

With the plan announced Thursday, we're stretching those costs out over a longer period. The time it will take to pay for our energy assets is now more in line with the lifespan of the assets themselves. That's helping to significantly lower bills in the short-term. It will cost us all a little more over the long-term. But this is absolutely the fairer way forward. It isn't right to ask a senior on a fixed income to pay a premium today so that in 20 years, a family can pay less. We all have to pay our fair share.

The other structural change we're making has to do with the way we finance programs that help low-income families afford hydro and that subsidize the high cost of delivering electricity to rural and remote customers. Previously, both programs had been paid for by charging all ratepayers more on their bills. That too was not fair.

Hydro is a necessity. The province should bear the responsibility of making sure everyone can afford to access to it, not ratepayers. That's why we're moving the cost of those programs off your bill and accounting for them in the provincial budget. We're also expanding the programs. The Rural or Remote Rate Protection program, for example, will now lower delivery charges for about 800,000 homes. That's up from 350,000 today. It means everyone in Ontario is going to be paying roughly the same in delivery charges. Again, it's about making the whole system fairer.

Of course, these huge and lasting structural fixes are not free. We can afford this because Ontario's strengthening economy, which is the fastest growing in Canada, is helping us balance the provincial budget this spring. I can think of no better way to use the province's newfound fiscal strength than by giving everyone the break they need on their hydro bills.

But I don't expect to get credit for delivering relief that should have come sooner or fixing a problem that shouldn't have developed in the first place. This is just the right thing to do — policy wise and for families and small businesses across the province. Our economic recovery hasn't been evenly shared. Many families are not better off than they were before the recession. Small businesses are struggling. This plan for significant and lasting relief on hydro bills is one way we can make sure growth in our economy makes a real difference in people's lives.