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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 people all across Ontario. I was following up on conversations I've been having recently 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 share ideas about how to fix the problem. These calls were not a celebration. They were simply an opportunity for me to share the news that significant, lasting relief is coming.

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, hitting households everywhere. For some families, it's gotten to the point where they must choose between groceries and electricity. It's unacceptable. People have not been getting a fair deal.

By delivering the biggest rate cut in Ontario history and holding rate increases to inflation for at least four years, this plan provides an overdue solution. More importantly, it's a solution that will last because it's built on structural change. It's not just another quick fix that will catch up with us, like the rate freezes of the 1990s.

The 90s are a good place to start. By then, governments of all stripes had neglected the system for decades. By the early 2000s, those quick-fixes caught up with us. Brownouts, blackouts and dirty coal plants endangered our economy and our health.

The 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 introduced renewable energy. 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. It will benefit the province for decades.

But — all of this came at a price. And our mistake was in setting unfair terms to cover the cost of those necessary renovations. 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 those who will benefit from these energy assets in the decades ahead.

With the plan announced Thursday, we're stretching those costs out over a period that is now more in line with the lifespan of the energy 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 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, the costs of both programs came from the bills of all ratepayers. That too was not fair.

Hydro is a necessity. The province, not ratepayers, should ensure everyone can afford to access to it. So, we're moving those programs off your bill and accounting for them in the provincial budget. We're also expanding the programs. Rebates provided through the Ontario Electricity Support Program (OESP) will increase by 50 per cent. We're also exploring automatic qualification for people already enrolled in other low-income social programs. And the Rural or Remote Rate Protection (RRRP) program will now lower delivery charges for about 800,000 homes – up from 350,000 homes today — so everyone in Ontario will pay roughly the same for delivery. Again, it's about making the whole system fairer.

Of course, these substantial and lasting structural fixes aren't free. We can afford this because our economy is the fastest growing in Canada, which is helping us eliminate the deficit this spring. Using the province's newfound fiscal strength to give everyone the break they need on their hydro bill is the right thing to do.

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