

Fw: Star editorial

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Small victories

Plan to cut hydro rates is a reasonable response to real pain: Editorial

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Premier Kathleen Wynne's move to cut Ontarians' hydro bills by 25 per cent should offer welcome relief both for ratepayers and for a provincial government that has been wearing this issue like a millstone.

While the cut is far too long in coming, Wynne deserves credit for acting decisively after she took personal responsibility last fall for rising public anger over hydro rates, calling it her own "mistake."

The move, apparently approved by cabinet on Wednesday, is a constructive response. It's better thought-out than the New Democratic Party's plan to cut hydro prices, and miles ahead of the few unhelpful ideas put forward by Progressive Conservative Leader Patrick Brown.

The Liberals, according to exclusive reporting by the Star's Robert Benzie and Rob Ferguson (www.thestar.com), plan to stretch the financing costs of the wide array of electricity generation contracts that Ontario has signed over the years to pay for nuclear reactors, natural gas-fired generators, wind turbines, solar panels and hydroelectric power.

This is similar in principle to arranging for lower mortgage payments in exchange for taking a longer time to pay. While the move doesn't erase the miscalculations and bad deals made over the years, it should achieve two goals - making sure the lights stay on while bringing real relief to consumers.

True, the rate cuts amount mainly to rejigging how we'll pay, not the total amount. While Ontarians will pay less now, we will still pay the same amount eventually and it will take longer to dig out from under the legacy of bad decisions made by governments of all political stripes over many years.

Nevertheless, taking longer to pay is a reasonable response to real pain. It's consistent with Energy

Minister Glenn Thibeault's comments in the legislature that the much-needed rebuilding Ontario's electrical system "actually came at the expense of many families."

Recognizing that modernizing the system costs money and that the burden should be shared reasonably puts Ontario's energy policy on a better track. It's the right approach to improving infrastructure: we constantly repair and improve our roads, for example, but we stretch the cost over time to make it more affordable. And we expect all taxpayers, not just drivers, to shoulder the cost.

It's a sensible approach that is sadly missing from both NDP and Tory proposals to deal with high hydro rates.

The NDP's 13-page plan misses the mark by a wide margin. It heads in the wrong direction by calling for the unelected Ontario Energy Board to have a wider mandate to review political decisions on energy, which is the job of voters.

The NDP also relies on asking the federal government to stop charging its 5-per-cent portion of the HST on hydro bills. (Wynne's Liberals have already removed the 8-per-cent provincial portion.) Does NDP Leader Andrea Horwath truly believe the federal Liberal government would come to the rescue of her party on this issue?

The other area where the NDP misses the point is in linking the privatization of Hydro One to hydro bills. While there are good reasons to question the government's selloff of the utility and how that's being done, when it comes to rates privatization is a red herring. Rates began climbing and bad decisions were made while Hydro One was entirely in public hands; there's no evidence that keeping it public would make this particular problem any better.

As for the PCs and Brown, their response to the real hardship many Ontarians have suffered from their bills is just sad. Brown has repeated the lie that Ontario's hydro rates are the highest in North America. They're not and he knows it.

He criticizes the plan because "the money needs to come from somewhere." Indeed it does - but so what? Unlike Wynne, he won't say how much he would lower rates. His party promises a plan next fall. That's far too late; the debate is going on now.

The weak response from the PCs is inadequate for people who aspire to lead Ontario. While Wynne's plan may not be perfect, it's a step in the right direction.

Sent from my iPhone