Premier's Electricity Announcement - Thursday March 2, 2017

From: "Lone, Dianne (MOF)" <dianne.lone@ontario.ca>
To: "Thompson, Scott (MOF)" <scott.thompson@ontario.ca>, "Mayman, Gadi (OFA)" <gadi.mayman@ofina.on.ca>
Cc: "McLean, David (MOF)" <david.mclean@ontario.ca>

Date: Thu, 02 Mar 2017 10:31:20 -0500

Please see below a summary of Premier Wynne's electricity reduction announcement.

Summary

- Three priorities: substantial relief, for everyone, and long lasting
- 25% on average for all households – without exception
- Rural / low income Ontarians – relief will be even greater
- Rates will only rise by the rate of inflation (about 2%) per year for the next 4 years
- Over the past 10 years customers have been paying no only for their usage, but for refurbishment, upgrades, and repairs to the electricity system
- Over time it will cost a bit more and will take longer to pay off because of extending the amortization period from 20 years to 30 years. "We are resetting the mortgage... over time you will pay a bit more but it will be fairer"
- Shifting programs off of the hydro bill to the taxpayer, the fiscal impact (cost) will be $2.5B over the next the next three years.
- The government can make the change and still balance the budget but it will be a bit harder
- Will take effect by summer 2017
- The cost of distribution will be similar for all Ontarians going forward

Questions from Media

Q: **Are you not concerned you are moving this debt down the road and the interest costs down the road?**
A: I want to use the anaology of a mortgage. Because these assets will last longer than 20 years, then extending it to 30 years makes sense and is a much fairer way to address this.

Q: **How can you afford this premier: $5.5B shifting to the treasuring over three years. Where are you getting this money?**
A: Because Ontario's economy is growing and because we have the capacity to take this on these extra costs – this is the time to do this. These are essentially social programs. It is only fair that social programs be taken off electricity bills and to the taxpayer.

Note that questions are not verbatim – we will send the full press conference

transcript once we receive it later today.

Tweets from Media

 Kathleen WynneVerified account @Kathleen_Wynne 35s36 seconds ago
We're providing hydro bill relief that is designed to last. Your bill won't increase beyond the rate of inflation for at least 4 years.

 Steve PaikinVerified account @spaikin 2m2 minutes ago
All measures announced today are in addition to the 8% HST reduction already implemented, which costs the treasury $1b/yr. #onpoli

Essentially, today's announcement will move some of the costs of electricity generation & transmission from ratepayers to taxpayers #onpoli

Here we go: the new "fair hydro plan" will move billions from ratepayers to taxpayers. Govt insists this won't affect balanced budget plans.

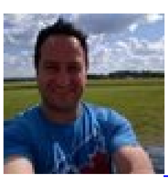
"There were decisions made that just needed to be fixed. This won't help people for a year. They're sustainable, structural changes."

.@OntarioNDP unveiled its electricity plan earlier this week. Now @OntLiberal party. How about @OntarioPCParty? When will we see theirs?

Massive media contingent reflects how important this issue is in public's consciousness & to parties' electoral hopes. #onpoli

"Because of Ontario's economy, this is the time to do this. These are essentially social prgms. Only fair to be borne by all of us." #onpoli

"It's like a mortgage. We've been paying it down v quickly. But ppl today shouldn't pay disprop. amnt for assets that'll last a long time."

 Paul Bliss @blissblogs 8s8 seconds ago
It's the largest reduction in electricity prices in Ontario history says Premier.She adds..it's the right thing to do

 **David Reevely**Verified account @davidreevely 9m9 minutes ago

Glenn Thibeault explains that in downtown Toronto, say, you get 500 customers on 1 pole. In remote areas, you might get 500 poles/customer.

"Everyone in the province, in terms of distribution charge, will pay around the same amount."

 **Allison Smith** @QueensParkToday 15m15 minutes ago

Rates will only be linked to inflation for 4 years but ratepayers will be repaying refinanced debt for 30 years. No rate outlook beyond 2021

Natale Milana
Communications Officer
Ministry of Finance
(416) 325-6155

Hours: 6:30 a.m. – 2:30 p.m.