

POLITICAL QUESTIONS

Q62. Aren't you just artificially lowering rates, precisely what you have accused the former government of doing?

- We recognize that the important investments we've made in rebuilding our generating capacity are putting too much pressure on people across Ontario.
- We've heard from families and businesses that the cost of these investments has grown too quickly.
- Our government recognizes that the decision to invest in a clean, modern and reliable was the right one – **but that the costs of this decision should not be put on today's electricity bills alone.**
- **Our plan is putting forward a plan that will ensure these costs are shared more evenly through the years ahead.**

Q63. Why should we believe you that this won't rack up billions in debt in a similar fashion that led to the DRC?

- Global Adjustment refinancing would spread costs over a longer period and provide immediate ratepayer relief (i.e., similar to re-financing a mortgage).
- By recognizing that generation assets are expected to continue to provide residual benefit to future ratepayers, beyond the term of current contracts, future ratepayers are expected to be able to utilize these assets and reduce the need to finance the development of new generation assets.

Q64. So this doesn't actually lower the total costs it just pushing the costs on Ontarians in the future? Is that fair?

- It recognizes that the decision to invest in a clean, modern and reliable was the right one – **but that the costs of this decision should not be put on today's electricity bills alone.**
- If passed, the proposed legislation would mean GA refinancing would spread costs over a longer period while providing immediate ratepayer relief.
- Our rate relief plan is a significant restructuring of the electricity sector and the biggest rate reduction in Ontario's history.

Q65. Will you still be able to balance the budget while doing this?

- The government remains committed to balancing the budget by 2017-18 while continuing to invest in the economy, our people and a healthy, clean and prosperous low-carbon future.
- These investments will help enhance the public services that Ontarians rely on, as well as stimulate economic growth.

Q66. Aren't you just hiding the debt financing from the governments books to make yourselves look good about balancing the budget?

- Ontario Power Generation (OPG) was chosen as the entity responsible for GA financing because they have the necessary expertise to do so.
- OPG currently manages an \$18 billion nuclear fund and can use its infrastructure and expertise in this field to help administer the GA financing.
- As an entity regulated by the OEB, OPG also has extensive experience with regulatory deferral and variance accounts.

Q67. Aren't you just trying to buy the election?

- We recognize that the important investments we've made in rebuilding our generating capacity are putting too much pressure on people across Ontario.
- But we've been hearing more and more from families and businesses that the cost of these investments have grown too quickly.
- Last September we introduced the 8% HST rebate from electricity bills, which took effect January 1, 2017. We have realized that this is not enough.
- With this program we're ensuring that our electricity system is affordable for all Ontarians.
- For those most in need, low-income programs like the Home Assistance Program provide efficiency upgrades at no cost to help customers reduce future electricity bills and avoid future disconnections.
- But we recognize that there are other electricity customers who are in need, but who do not qualify as low-income, and are addressing this through the Rate Relief Plan.

Q68. Will people actually see a X% discount on their bills? Why should we believe you when you use this number, isn't it just a wild guess what the actual savings will be? Isn't the x% a lie? You already did the 8% discount, its disingenuous to include that in the numbers for the most recent announcement. Shouldn't it be x-8%?

- If passed, proposed legislation would mean that starting in **July**, the average residential electricity bill would be **[X]**% lower. Cost impacts are based on a forecast for a household connected to Toronto Hydro that consumes 750 kWh per month.
- Actual ratepayer savings would vary due to differences in consumption patterns.

Q69. This doesn't actually structurally change any of the things that have led to the runaway cost increases in the electricity system. Is this an admission that you've screwed up the electricity file so badly that there are no other options other than direct subsidization or cost amortization?

- We've been making incredibly important investments in cleaner and more reliable energy, but we also recognize that these investments have led to higher electricity bills.
- We have a robust energy supply and we are in a good position for market innovation, which will be included in the IESO's Market Renewal Project.
- An adaptive energy market has the power to improve efficiency, increase transparency, enhance opportunities for innovation and enhance competitive tension to reduce system costs.
- This spring, we will be releasing the 2017 Long Term Energy Plan (LTEP) which will include a projection of where we think we are headed.
- The objective of IESO's Market Renewal Project is to implement changes to achieve material efficiencies in the near and longer term with minimal disruption to market participants. The initial findings from the Market Renewal benefits case show potential for cost savings that will be realized by both consumers and market participants.
- Cost savings are expected to be achieved through the better utilization of existing assets, greater competition among resources, a reduced need to build new resources, and a more flexible and cost-effective procurement process that will better reflect system needs.

Q70. Aren't you just undoing a problem of your own creation, your government created the Green Energy Act, your government approved refurbishment of nuclear plants. All the things that lead to these cost increases you're attempting to mitigate are your government's fault, why should we trust you to fix the problem you created?

- Prices are increasing because our energy system is being transformed – we are making needed investments to modernize our electricity system. We chose to replace coal-fired generation with cleaner sources of energy, which will benefit our environment and the health of Ontarians.
- While political decisions, by parties of all colour and stripe, gave rise to these challenges, it is our Government's intention to reshape the foundation of the electricity sector to ensure that hydro costs are reduced for ratepayers going forward.
- Our government understands that at it's core, Ontario's renewable procurements were absolutely the right policy. In this case, however, how we implemented those policies led to a number of sub-optimal outcomes.

Q71. Why don't you just cancel the expensive and unneeded nuclear refurbishment?

- Nuclear power forms the backbone of the safe, clean, reliable and affordable electricity system we've built here in Ontario.
- The upgrade of Ontario's nuclear fleet will ensure we have safe, reliable, emissions-free energy where and when we need it.
- Refurbishing Ontario's nuclear capacity will create almost 25,000 jobs and generate annual economic activity of \$5 billion.

Q72. Why don't we just buy all our power from Quebec?

- While we import some power from Quebec, Quebec does not have enough capacity to export to Ontario year-round; according to Hydro Quebec themselves, during winter electricity demand peaks, they already use their full capacity.
- Our newest trade deal with Quebec allows us to import about 2TWh of electricity annually. That is about the maximum that current conditions allow.
- Nuclear, by contrast, generates 92TWh of electricity in Ontario.
- Additionally, the electricity interties between our provinces are not built to carry the kind of load that we would need to power Ontario.

Q73. Why now? You just did the 8% HST rebate in September, clearly introducing these measures is an admission that it wasn't enough, don't you have any foresight?

- Last September we introduced the 8% HST rebate from electricity bills, which took effect January 1, 2017. We have realized that this is not enough.
- With this program we're ensuring that our electricity system is affordable for all Ontarians.
- For those most in need, low-income programs like the Home Assistance Program provide efficiency upgrades at no cost to help customers reduce future electricity bills and avoid future disconnections.
- But we recognize that there are other electricity customers who are in need, but who do not qualify as low-income, and are addressing this through the Rate Relief Plan.

Q74. If this doesn't land well will you reducing the price by 50% in another six months to try and save your jobs again?

- We are confident that the new Rate Relief Plan will bring in more savings through new initiatives for all Ontarians.

Q75. Why aren't you doing anything about delivery rates?

- Within this new plan, we will be Broadening the Rural or Remote Rate Protection (RRRP) to provide distribution charge relief for the customers of the local distribution companies (LDC's) with the highest distribution charges.
- We will also be establishing a new On-Reserve First Nations Delivery Rate.

Q76. You talk about helping those who need it most but the major changes here will disproportionately benefit wealthier people who use more electricity, how do you reconcile this?

- We understand rising electricity costs are a concern for all Ontarians and appreciate that low-income Ontarians feel it even more.
- We currently offer both the Ontario Electricity Support Program and the Rural and Remote Rate Protection, which offer significant on-bill benefits to eligible households. As part of our rate relief plan, these programs are being enhanced to ensure vulnerable consumers receive additional support.

- We recognize that these programs have social value and benefit vulnerable people across Ontario.
- So we are shifting these programs from being paid for through electricity bills to being paid for through government funding.
- This will reduce bills for everyone, and ensure these programs continue to serve those in need.
- LDCs have been partners in delivering electricity services and conservation programs to Ontarians for more than ten years.
- For those most in need, low-income programs like the Home Assistance Program provide efficiency upgrades at no cost to help customers reduce future electricity bills and avoid future disconnections.
- We recognize that there are other electricity customers who are in need, but who do not qualify as low-income, and are addressing this through the Rate Relief Plan.