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From: orders@jamedia.com
To: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Malcolm, Pauline (ENERGY)" <pauline.malcolm@ontario.ca>, "Demetriades, Natasha (ENERGY)" <natasha.demetriades@ontario.ca>, "Tretiakov, Iliia (ENERGY)" <ilia.tretiakov@ontario.ca>, eneclips@densan.ca, eneclips2@densan.ca, "Renwick, Meredith (ENERGY)" <meredith.renwick@ontario.ca>, "Nutter, George (ENERGY)" <george.nutter@ontario.ca>, "Hendy, Adam (ENERGY)" <adam.hendy@ontario.ca>, "Halford, Gavin (ENERGY)" <gavin.halford@ontario.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Thompson, Rachel (ENERGY)" <rachel.thompson@ontario.ca>, "Garand, Joseph (ENERGY)" <joseph.garand@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Cvjeticanin, Dan (ENERGY)" <dan.cvjeticanin@ontario.ca>
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HEADLINE: Leaked document claims electricity rates set to rise again

CBC (Marcus Schwabe): Well the Ontario Liberals held a news conference yesterday to talk more about their plans to reduce our hydro bills but it got hijacked by a document the Conservatives managed to get their hands on. A leaked Liberal document that shows hydro prices will go down for a few years but the long term plan means skyrocketing bills. The CBC's Jan Lake spoke with Ontario PC Energy Critic Todd Smith and asked him where the document came from.

TODD SMITH (PC Energy Critic): It came from a bureaucrat and it was a whistle blower who is very unhappy about the state of affairs when it comes to the electricity sector and the Ministry of Energy over the last several years and so we thank him very much for providing us the document.

REPORTER (Jan Lake): Now why is this an issue? What about this document is upsetting to you?

SMITH: Well, the leaked cabinet document confirms that the fair energy scheme that the Liberals have trotted out is anything but fair for the people of Ontario. What happens after the next election is that electricity prices are going to skyrocket to the highest rates that we've ever seen. So, you know, so it brings back what they are referring to as a retirement charge, a debt retirement charge, actually the government is calling it something other than the debt retirement charge, but it's a return of a new cost on the bill that's about five times higher than what the debt retirement charge was when it was phased out. So it'll be a charge of \$21 on every bill. And I was just in...

REPORTER: When is that supposed to return?

SMITH: That will be returning in the year 2026.

REPORTER: So from 2016, it's \$1.58 a month and then it goes down to \$1.23 for 2017 and does stay below that 2016 amount until 2014, 2024...

SMITH: Uh huh.

REPORTER: So it is staying lower.

SMITH: The average monthly bill, but it does continue to go up every year. So the electricity bills will go up and then the document shows that by 2024 we are at record electricity bills once again in the province of Ontario. So this is only a temporary fix. Unfortunately what the government hasn't done is actually fix the reason as to why our electricity prices are as high as they are. They are continuing to make the same mistakes and they're not actually dealing with the underlying problem as to why we have the highest electricity bills in North America.

CBC: That is Ontario PC Energy Critic Todd Smith. We do have the Energy Minister, Glen Thibeault, on the line now for a response. Good morning, Mr. Thibeault.

GLEN THIBEAULT
(Ontario Energy Minister): Good morning, Marcus, how are you?

CBC: I'm doing pretty well. So are the numbers in these documents correct?

THIBEAULT: They're completely inaccurate and I think the important thing for me to say with those leaked documents that the PC's brought forward is we've been working on this plan for

months and as we worked on it, there were documents and calculations that were evolving. And, you know, obviously, you know, as even your reporter was talking about, we're dropping our rates by 25 percent. We introduced that legislation yesterday. I don't think you and I, you know, would not see the coincidence of them bringing forward that document that they've, you know is months old, on the same day we're bringing forward legislation that, you know, is going to reduce our rates by 25 percent. And the other thing that he doesn't talk about are the long-term energy plans. The 2010 energy plan set for a projection of where our rates would go, the 2013 long-term energy plan did the same and we've been working on our 2017 long-term energy plan which would bring forward the projections for rates which are actually going to be 25 percent lower because of the plan that we brought forward. But again, these are month-old documents that, you know, have evolved and we're going to continue to evolve to just find ways to continue to take costs out of the system and that's what we did in 2010 and 2013 and we'll do it in 2017 as well.

CBC: So will you be giving the public the current list and giving us the forecast? What do the numbers say? What will hydro cost in 2014 compared to today?

THIBEAULT: Yeah, so exactly. We, in 20...so let me give you another example. So in 2010 the projection of what our electricity costs, on average, should be right now, was \$178. But we found ways to pull costs out of the system. So our 2013 long-term energy plan projected our cost for today being at \$170. But, again, we pulled costs out of the system, the renegotiation of the Samsung agreement, the reduced FIT price contracts. So today the average bill in Ontario is \$156 compared to 2010 where it was \$178, we're at \$156 today.

CBC: And what will it be in 10 years, in 20 years?

THIBEAULT: Well, that's what the 2017 long-term energy plan will bring forward. So we're talking about projections that are evolving on like a weekly basis. And so the 2017 long-term energy plan is what's going to be bringing forward where our plans are, where are cost gonna be. But let's not forget, today, what we introduced yesterday, is bringing those average bills down by 25 percent. But for many of our folks that live in your listening area, Marcus, that are on Hydro One, those bills are coming down 40 to 50 percent. And they're not going to skyrocket as, you know, the Conservatives are using their political language on. You know, yes, we've always said that hydro rates are going to increase, especially with the way that we've, you know, moved forward on this. But it's not going to be the 10 percent that they're talking about in one year. We're talking about the next four years, making sure that we're holding the rates to the cost of inflation and then after that we're making sure that we're pulling costs out of the system so we don't have any spikes like we used to. And we're making sure we're doing that, I've already looked at having our system operator, make sure that they look at changing the way we use our market for electricity and change our capacity option, change our option to a capacity option to, again, pull costs out of the system. So everything that he's talking about is completely inaccurate but it was, but what it does do...

CBC: Except for the fact, except for the fact that, and even you admit, hydro rates will be going up.

THIBEAULT: Well, of course, Marcus. Hydro rates are going up around the world. No jurisdiction can predict what your rates are going to be. It's like saying I can tell you what the Canadian dollar will be...

CBC: Hang on, then why would you have this document...

THIBEAULT: ...in 2024.

CBC: ...a cabinet document that shows how much rates are going to be going up? You're doing the forecasting.

THIBEAULT: Yes.

CBC: It would be irresponsible not to be doing that forecasting.

THIBEAULT: Exactly. So we're projecting where they're going to be but on that document that was leaked there was also, you know, the projections of where they would go right now if there were no changes. There would be projections if we were to start, you know, with the global adjustment, you know, for 2021, for 2022. You know, conversations evolve. That's why we actually work on finding ways to pull the costs out of the system. That's why we're going to bring forward the 2017 long-term energy plan to actually see the projections and then continue to work to find ways to pull costs out of the system.

CBC: Isn't this politics as well? You know, we've got an election in a year and the Premier, herself, said last summer, that made a mistake, sort of that, yes, hydro rates were out of control, we've gotta fix it. And admittedly, the Liberal government has lived up to reducing the rates of hydro. But isn't this ultimately, in the end, to win votes?

THIBEAULT: In my opinion, it's never too late to do the right thing and bringing down electricity rates for many of those folks in our rural parts of our province, Marcus, as you and I both know, many of those, you know, their bills were extremely high because they heat their homes with electric heat. We needed to do something. You know, I've been in this position for 11 months and, you know what, this was something that we worked hard on. You know, come January, we tried with the 8 percent, we tried by increasing the triple RP but it wasn't good enough. And people were still not seeing the effects that they needed to see when it comes to reduction in rates. So we got right back at it, rolled up our sleeves and started working on this. And looking at documents like, which, you know, the PCs put out yesterday and make sure that we can evolve it to bring significant relief to families and that's what we're doing. That's what we introduced yesterday, is that 25 percent

reduction, holding it for four years, but now I'm going to continue to work to find ways that when the 2017 long-term energy plan comes out, that the projection line, taking us, you know, to the future, will continue to have costs coming out of it. We even put in a fair hydro plan to have the Ontario Energy Board pull, you know, some of the red tape that they can, to actually reduce costs with our local utilities. So there are, you know, other things that we can do, other things we should be looking at to make sure that those projections come down.

CBC: I do appreciate your time this morning. Thanks so much for joining us.

THIBEAULT: Always a pleasure, Marcus, nice talking to you.

CBC: Alright, bye-bye.

THIBEAULT: Bye.

CBC: That's Member of Provincial Parliament for Sudbury, the Energy Minister, Glen Thibeault. Your thoughts always welcome on our talkback line if you'd like to comment. You can call our talkback line toll free at 1-800-461-1138. You can also read more on this story on our website, take a look at that leaked document, it's posted at CBC.CA/Sudbury. But again, our talkback line is available, 1-800-461-1138.

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