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Program:	The Andrew Lawton Show	**DATE:**	2017-May-12 1:36PM	**Time:**	1:00PM - 3:00PM
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HEADLINE: **Interview with Minister Thibeault on Hydro Rates**

CFPL (Andrew Lawton): We have talked to both with Energy Minister Glenn Thibeault and Ontario Premier Kathleen Wynn on the show in the last couple of months about the Ontario government's plan to reduce hydro rates immediately and then keep increases pegged at inflation for the next few years which the Premier and the Energy Minister both have said is akin to refinancing a mortgage on a house, giving consumers and taxpayers in Ontario a break. Well, people's confidence in that plan was a little bit shaky yesterday when a secret Liberal cabinet document, now it's important to understand, secret just is a legal classification. Secret doesn't necessarily mean controversial or scandalous. Sometimes it does, it doesn't necessarily. But a secret Liberal cabinet document saying that electricity prices will soar after four years and start rising 6.5 percent a year in 2022, topping out at 10 1/2 percent in 2028 at which point the document says average monthly bills will hit $215. That would be up from $123 this year once the rate cut takes full effect. I want to welcome to the program Energy Minister Glenn Thibeault to respond to this. Minister, great to have you back on the show, sir, thanks for your time.

GLENN THIBEAULT (Ontario Energy Minister):	Thanks Andrew, always a pleasure to chat with you and have, you know, conversation with you and your listeners, so it's great.
CFPL:	Well, what's the big secret agenda your cabinet is planning here according to this document?
THIBEAULT:	..[laughter]..Ah, well, I appreciate the way you talked about secret. It's not a secret document. It is a confidential document and the reason why, I guess, I say confidential document is, you know, it is cabinet. But, you know, when I was on your show, I think, back a few months ago, we were talking about the 8 percent reduction that we brought forward. And you and many other of your listeners and people around the province told me the 8 percent wasn't enough. That's, you know, the way that we saw our prices increase in the province, we needed to do more, and we did that. So we started working in January on coming up with a plan to make sure that we could find a way to reduce a significant amount from people's bills. And the Fair Hydro Plan, which I introduced yesterday, is going to take 25 percent on average off of everyone's bills, you know, as of July Ist. Now, you know, when you work on a major piece of legislation, a major plan like we had yesterday, we went through many projections. We had, you know, document, after document, after document being presented to us. You know, sometimes we were saying, it's not good enough, to, you know, look at this. So what you're talking about and what the Conservatives released yesterday was one of many documents that was looking at projections as to where costs are going to go. Now the cost that you mentioned, the 6 percent and the 10 percent that come from that document, will not happen. The way, what we project our costs are done in the long-term energy plan, which is open and transparent, that everyone can see, we've done that in 2010, we've done that in 2013, and we're gonna do that again in 2017.
CFPL:	So what is the accurate number then? If you're looking at 2022 and 2028, what do your estimates say hydro rate increases will be in those years, by those benchmarks that were set out in this document?
THIBEAULT:	So one of the things, the document that you're talking about, isn't where we're going to project our costs, that's the long-term energy plan, we're still working on that to bring forward our costs. However, as we've said, when we brought forward the Fair Hydro Plan, the 25 percent reduction we introduced yesterday with legislation, is going to be held for the next four years to the cost of inflation. Now it's my job as the Energy Minister, and the Ministry of Energy to continue to find ways to pull costs out of the system. A very quick example of that is that in 2010 our long-term energy plan forecasted that our electricity costs on average would be about $178. We found ways to pull costs out of the system, 2013 forecast, it said our cost should be $170. The average right now, if you were to

include the Fair Hydro Plan, the average would have been $156. So because we pulled cost out of the system, that projection came down. We are going to continue to find ways to pull costs out of the system after the Fair Hydro Plan passes, or, you know, I don't want to assume anything. I want to make sure it passes through legislation. But I've already started that with our system operator. I've got the ISO looking at market renewal, market reform, to pass me options which will pull billions of dollars out of our system because we're going to change the way that we procure and market our energy. I've got our Ontario Energy Board looking at working with our utilities to pull out costs by reducing red tape. So we're gonna continue to find ways not to see a spike in projections of where our dollars are going to go, but a plateau, right? To make sure that we can keep costs as affordable as possible for all ratepayers.

CFPL: But my question, Minister, is if these numbers are outdated or inaccurate and not reflecting the priorities and goals of your government, is there a document, is there a plan at all, public or private, that has benchmarks over the next ten years?

THIBEAULT: So right now the document is the 2013 long-term energy plan. That's the one that's projecting where our dollars are going, I'm sorry, where our costs are going to go. But that's why we're updating it. We're updating it with our 2017 long-term energy plan because we pulled costs out of the system previously. So we want to have an accurate reflection. The documents that we're talking about are part of a plan to make sure that when we're looking at, as you mentioned in the opening statement, the refinancing piece. And if you look at the documents that were released yesterday, they also had two different scenarios. Again, because we were going through many different iterations of how we can make sure, bringing down costs for all of the ratepayers in this province and at the same time, how are we going to pay this back? We did say, and we've never shied away from this, when we refinanced it, yes, it's going to cost us more, and yes, it's going to cost us, you know, it's going to take us longer to pay it off. But we weren't talking about a 10 percent spike one year. We were talking about over the long haul and that's what we're gonna continue to do. The 20, excuse me, the 2017 long-term energy plan allows us to project for the next 20 years and we're hoping to get that out as soon as possible because we are transparent with our costs and we are going to be starting at a 25 percent lower rate than where we are now because of the Fair Hydro Plan.

CFPL: But the number that you said is more accurate was from a 2013 plan. This document was from 2014 and 2015, I mean a lot of the data that was pulled in this. So this is a document that's more recent than the one you're citing. I'm just wondering, what is the target? Can you give one definitive dollar amount or percentage that the government is predicting under its current strategies with the information we have available, that we can expect our hydro rates and increases by 5 years from now and by 10 years from now like this document was predicting.

THIBEAULT: Yeah, so as we know right now, four years we're standing at the cost of inflation. On that fifth year, I'm making sure that we're pulling costs out of the system, right? So I mentioned those things to you, market renewal, market reform, the capacity auction. Those are going to pull costs out of the system which means our rates are going to be lower. The 2017 long-term energy plan, that is the document, that is the line that we should all be looking for and waiting for to see where the projection comes from..(overlap)..

CFPL: But I'm asking Minister, is there a number? Is there a firm number that you can give? Not just what you're trying to do, but an actual number, a target that we can look towards?

THIBEAULT: I can't give you a number, just like I couldn't give you the number where we're projecting where the Canadian dollar will be at that time or where our GDP will be. So what we can do is work as hard as we can to continue to pull costs out of the system and that's what we're doing. The examples are, the 2010 long-term energy plan, that projected what our costs were going to be, the 2013 projected where our cost's gonna be, and the cabinet document, again, we're looking at an overall system for helping us to find ways to reduce our 20, to reduce to the 25 percent reduction. The long-term energy plan is going to reflect this 25 percent reduction and where we're going to be. We're starting at a lot lower rate and we're not going to see those 10 percent increases. Because, you know, even on the other side, and I don't want to get into the weeds of all of this, but, you know, the vehicle that we created with OPG to help us with the financing is going to keep those costs as low as possible.So, again, here's another way for us to actually remove costs out of the system and let's not forget about the global adjustment. It's going down as well, reducing costs overall.

CFPL: But this brings us back to the discussion that I had with the Premier when the hydro reduction was actually introduced here, which is that there still seems to be a lot of uncertainty about what that fifth year is going to look like.

THIBEAULT: Yes, and part of that is as soon as we can get this 2017 long-term energy plan, and Andrew I'm not, I'm really not trying to avoid the question, it's just I can't give you that answer because we need to rely on the 2017 long-term energy plan. All of the stakeholders who are involved in setting the rates, from the generators, to our system operators, they're all the ones that help us get involved in this and when that's in place we will see the projections and then we know we can include the Fair Hydro Plan in this. So, you know, the numbers are coming. But I tell everyone to look at, we've been out there with the transparent numbers of where we believed costs were going to be in 2010, where we believed costs were going to be in 2013, and now we're bringing forward another plan that's going to tell us where we believe costs will be in 2017. And then we're going to continue to find ways to pull costs from the system. We're already doing that with our capacity auction. An example of, you know, market reform and capacity auction is, you know, we're moving to a dead ahead schedule, rather than, you know, doing it hour-by-hour right now, we're going to move it on a day ahead. So a natural gas peaking generator ..(inaudible due to technical difficulty).. so what does that allow them to do? It allows them to buy their fuel at a cheaper cost because they can plan ahead and of course coordinate their staffing accordingly which will save them money. When it saves them money, it saves the ratepayer money because we don't have to pay them as much. So we are looking at things right now to ensure that we can pull costs out of the system. So as we move forward, as we get to that fifth year, there's not going to be a significant increase. I'm, you know, my goal has always been keeping it to the cost of inflation.

CFPL: Is there a possibility, Minister, that this number here, for 2028, could end up being correct? Or can you give a guarantee to Ontarians that it will be less than that?

THIBEAULT: So, the number from 2028, was a 10 percent increase...

CFPL: Yes.

THIBEAULT: ...in terms of. Yeah, I don't foresee any increase ever being 10 percent in terms of where we're going. You know, we have got a role to play as the Minister of Energy and as the Ministry, to continue to pull costs. And who knows where technology is going to be in ten years. Like, you know, the storage capacity that we have in this province and the technology that is coming forward, you know, is going to be a game changer for us. We talk a lot about Elon Musk creating, you know, his power wall. But you should see many of the things that we're already having here in the province and it is very exciting for us and that's a game change in terms of how we'll use energy. So, you know, in ten years from now, it's gonna be a completely different world. But the long-term energy plan is part of the component, part of the mechanism that we will use to forecast on how we can keep our costs down and so people can know where energy rates are gonna go.

CFPL: Energy Minister Glenn Thibeault joining me on the line. Minister, thanks very much for the time on such short notice today. I really appreciate it.

THIBEAULT: No problem, a pleasure to talk to you Andrew. I always enjoy it.

CFPL: Alright, thanks a lot sir.

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