MEDIA SCAN: HYDRO RATE REDUCTION PLAN

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Online Coverage

HamiltonNews.com: Ontario Energy Minister Glenn Thibeault promises lower electricity bills by summer

By: Kevin Werner

http://www.hamiltonnews.com/news-story/7179528-ontario-energy-minister-glenn-thibeault-promises-lower-electricity-bills-by-summer/

Alectra Utilities' customers could see a 27 per cent cut in their electricity costs by the summer under a proposed strategy announced by the Ontario government that promotes a 25 per cent reduction in hydro bills.

In addition, rural residents, along with small businesses, will also see "significant" savings once the Liberal's Fair Hydro Plan is passed by the legislature, said Ontario Minister of Energy Glenn Thibeault, who was at Alectra's Hamilton office March 8 for a news conference.

"It's will depend on everyone's bill, "said Thibeault. "(But) they will see the savings by the summer. This is the single largest electrical rate reduction in Ontario's history."

Max Cananzi, president of Alectra's electricity distribution company, said under the provincial plan Alectra customers could receive on average about a 27 per cent reduction on their bills, while small businesses may see on average a 28 per cent cut. He said on a monthly bill – Alectra will be sending monthly electricity bills starting May 1 to customers – from $115 to $200, the savings could be anywhere from $40 to $50.

On a sample bill distributed by Alectra officials, a monthly bill of $146.56 would be reduced to $105.77, a $39.77 reduction.

Cananzi said the savings from the provincial hydro plan is on top of the expected $40 on average savings Alectra has promoted to its customers over the next 10 years as the result of merging Horizon, PowerStream, Enersource and acquiring Hydro One Brampton, which was all completed last month.

The electricity savings comes from a number of initiatives by the Ontario government, said Thibeault including extending the province's repayment costs (identified on electricity bills as the global adjustment) from 20 years to 30 years, but will add $25 billion in interest expenses.

"Yes, it is going to cost us more over the 30 years," said Thibeault. "It is the right thing to do because it is fairer for everybody."

The Liberals argue since the electricity assets will be providing power to generations of people beyond the next 20 years, everybody should pay the cost for upgrading the service.

"It shouldn't be just our generation pay for assets that will be used by many, many other generations," said Thibeault. "So we decided as a government to extend the global adjustment payments for 30 years."

Thibeault, Hamilton Liberal MPP Ted McMeekin, and the Liberals, who have been under pressure from Ontarians to cut electricity costs, both acknowledged their government messed up when it signed long-term contracts for green energy producers.

Back in 2009 when the Liberals signed the contracts, “it looked like the right thing to do,” said Thibeault. “These contracts led to a lack of competitive tension. And when you have a lack of competitive tension: higher prices. That’s one of those mea culpas that we say we could have done better.”

In addition, the provincial government has removed a number of social programs from the rate-based bill, such as the affordability fund for low-income customers and First Nations residents, and will now pay for the programs through taxes. The cost is projected to be about $2.5 billion over three years.

“We are in a good fiscal place to meet our deficit reduction targets,” said Thibeault, in answer to a question if Ontario can afford to spend the money.

He said over the next four years Ontario’s hydro rates will only increase by two per cent a year.

Electricity rates have soared over the last decade, increasing faster than inflation, and contributing to rising anger among the public, protests in Hamilton, and plummeting approval rates for Premier Kathleen Wynne.

Rural residents are projected to have even deeper electrical rate reductions under the Liberal plan. Last fall the Ontario government cut the delivery cost of electricity by $60 in the rural and northern areas. Under the Liberals plan there will be an additional $75 reduction.

“So these families will go from about $175 (in delivery costs) to $38 on average,” said Thibeault.

McMeekin said the Liberals’ proposal has received good reviews from his constituents with “calls ranging easily 12 to 1 in favour.

“There was a collective sigh of relief across my riding,” he said.

Mayor Fred Eisenberger, who is one of Hamilton’s representatives on the new Alectra Utilities Ltd. board, applauded the Liberal electricity strategy, including eliminating the coal-fired plants

“Making that (savings) almost 50 per cent is beyond significant,” he said. “That’s wonderful.”

Opposition parties have already criticized the Liberals’ hydro plan as “kicking it” down the road.

NDP Leader Andrea Horwath said recently that “we have to stop the damage the Liberals are doing to our hydro system and tackle the root cause of the hydro problem.”

Hamilton East-Stoney Creek NDP MPP Paul Miller said the Liberal plan “is disastrous” to residents and businesses.

The NDP unveiled its proposal to reduce electricity costs by up to 30 per cent by opting out of time-of-use pricing, cap profits for private power producers supplying energy to the grid, ask the federal government to eliminate its five per cent HST, and buy back shares in Hydro One to return it to public ownership.

Thibeault, who was appearing in Hamilton at nearly the same time Wynne was holding a roundtable discussion about hydro rates with non-Toronto media in Queen's Park, dismissed the NDP plan, calling it "more of an ideology than ideas."

He said the 30 per cent reduction is a number "that doesn't add up.

"Our plan will bring relief immediately as soon as we can get the legislation passed," he said. "They are talking about spending billions of dollars to buy back Hydro One. Doing that won't save a single cent on the ratepayers' bills."

Progressive Conservative leader Patrick Brown has yet to present his party's hydro plan.

INEWS880: HAMILTON'S MAYOR APPLAUDS ONTARIO'S HYDRO PLAN

By: Rick Zamperin
March 08, 2017 10:09 am

http://www.inews880.com/syn/66/104902/104902

Hamilton's mayor is applauding the province's latest move to lower electricity bills.

Fred Eisenberger says the Liberal government's 25 per cent reduction "is a very positive step for the city's hydro customers."

Eisenberger says he credits the government for listening to Ontarians and implementing what he calls "dramatic" reductions.

He adds many Hamiltonians, especially those who rely on social services, have called his office to complain about hydro rates.

Eisenberger says he's also heard from many local businesses who share the same concerns.

iNews880: *Energy Minister touts hydro plan*
By: Shiona Thompson
March 08, 2017 09:14 am

http://www.inews880.com/syn/66/104883/energy-minister-on-hydro-plan

While in Hamilton, Ontario Energy Minster Glenn Thibeault stopped by the CHML studios to speak with Bill Kelly.

He's been on a road show to sell the benefits of the 17 per cent hydro rate cut and admits the single source green energy contracts have added to energy costs.

However, Thibeault says the two opposition leaders promises to rip up those contracts are not feasible because that would only add to the costs.

The minister says collaborative work will continue to keep energy costs down beyond 2021, the length of the hydro rate cut plan.

NIAGARATHISWEEK.COM: CULIC: HYDRO TRICK PLAY MIGHT BE ENOUGH TO WIN LIBERALS THE GAME

By: James Culic

http://www.niagarathisweek.com/opinion-story/7178894-culic-hydro-trick-play-might-be-enough-to-win-liberals-the-game/

It's being called a 'hydro hail Mary' from the Ontario government. Others are calling it a financial shell game that merely kicks the can down the road a few decades.

I'd be more inclined to call it a desperate political maneuver that merely puts a bandage on a gaping chest wound. It's as if they witnessed a guy getting mercilessly beaten down in a back alley, and they intervened, but only to tell the attackers to beat him slower and over a longer period of time.

It's also devilishly clever, and just crazy enough to get those crafty Liberals elected once again.

With Ontario's increasingly absurd hydro prices continuing to soar, the governing Liberals are feeling the heat. Polls show staggering levels of negativity directed at the government; all of it directly attributed to the skyrocketing hydro rates.

Viewed as the soft spot that could finally fell the Liberal giant, the David's began winding up their slingshots last week. On Monday, the NDP cast their stone, unveiling a plan they said would cut hydro rates by 30 per cent. That plan, announced with great fanfare by NDP leader Andrea Horwath, included letting people opt out of the time-of-use pricing scheme, and (somehow) getting the federal government to drop HST from hydro bills.

The PC party has been less specific about their hydro plan, but leader Patrick Brown has repeatedly said he would (somehow) scrap or renegotiate the costly Green Energy Act contracts, which are soaking up massive subsidies and costing the taxpayers billions.

Then, after a week of taking a beating on the hydro file, the Liberals came out of left field with a surprise announcement: they would be (somehow) cutting hydro bills by 25 per cent.

Right out the gate, however, the numbers seemed a bit wonky. For starters, that 25 per cent figure includes the 8 per cent cut which is already in place because the provincial portion of the hydro tax bill was dropped back in January.

Digging further in, it's immediately evident that the plan wouldn't really provide much relief to hydro customers, but rather, would simply lower the payments in the short term by shifting billions of dollars to the larger provincial tax base, while spreading the hydro debt out over a longer term.

Those costly green energy contracts? They're still in place, we're just paying them off more slowly now. A lower individual hydro bill sounds like a good thing, until you realize that over the next 30 years, we're picking up the tab for those payments with an extra $25 billion in interest payments.

The Liberals gleefully pitched this plan as being akin to "remortgaging your house" to lower the monthly payments. What a great metaphor, because everybody knows that remortgaging your house is something people do when they are in a great financial position, and the benefits of lower monthly payments have no consequences, right?

Of course not. As anyone can tell you, remortgaging your house simply means you will pay much more in the long run. And that's all that's happened here.

And yet, pulling a hydro spin-o-rama to toss more debt onto the provincial books — $300 billion and counting — is probably going to be enough to appease voter concerns and save the Liberals yet again from a deserved ousting from Queen's Park.

While the opposition parties will make sweeping claims about lowering hydro bills, the truth is that Ontario's energy situation is broken beyond repair, and hefty hydro bills aren't going away anytime soon. What no one wants to seem to acknowledge is that the hydro situation was allowed to spiral out of control because income inequality created the conditions to let it do so.

The people steering the boat and controlling the hydro rates are all fat cat high earners with zero regard for the hardships of middle-income families trying to pay hydro bills.

The people who work for the energy companies are, literally, the highest paid people in the province. Ontario Power Generation's CEO has topped the Public Salary Disclosure list for the last two years, with a $1.5 million salary. Over at the Ontario Energy Board -- the folks in charge of regulating hydro rates -- their CEO earns $512,000 annually, and there are 97 other people from the OEB who all earn more than $100,000. The CEO of Hydro One earns a staggering $4 million when all his various benefits and incentives are added to his annual salary.

MPPs will claim to understand the plight of the frustrated hydro consumer, but with a salary of $116,000 they aren't exactly feeling the pinch for higher hydro bills themselves.

So at every level of the hydro situation, we have exorbitant salaries insulating the people in charge of hydro rates from actually being affected by those rates.

And now we have the Liberals pulling some financial trickery to make it seem like they've cut us a sweet deal on hydro rates, when in fact the opposite is true.

Unfortunately, the smoke and mirrors hydro ploy just might do the trick and let the Liberals cling to power a bit longer. I hope not. I hope the hydro boondoggle finally sinks the Liberal ship, not because I hold some deep-rooted disdain for the Liberals, or a strong fondness for any of the opposition parties, but simply because it's time.

After 15 years at the helm, the Liberals have been in power too long. They've grown too cozy with too many sectors of the province, including the vast and varied teacher's unions, and the subsidy-crazed green energy producers.

It's high time someone else had a go at unfracking Ontario's shambolic hydro system.

Two Row Times: Elected Chief Hill says Ontario Fair Hydro Plan a step towards reconciliation

By: The Staff
March 8, 2017

https://tworowtimes.com/news/local/elected-chief-hill-says-ontario-fair-hydro-plan-step-towards-reconcilliation/

TORONTO — First Nation leaders say the announcement from Premier Kathleen Wynne committing to eliminate hydro delivery charges for on-reserve citizens, among other benefits, will provide significant financial relief to First Nation communities while strengthening the Political Accord between the Province and First Nations.

"Each one of our community members will benefit from Ontario's Fair Hydro Plan. This is a step towards reconciliation and recognition of our inherent rights as Treaty Holders," said Six Nations of the Grand River Chief Ava Hill. "I am grateful that Premier Wynne and Minister Thibeault listened to our concerns and took action."

Ontario's Fair Hydro Plan, announced Thursday, would lower electricity bills by 25 per cent on average for all residential consumers in the province. It will also eliminate the monthly service charge for customers of licensed distributors which charge a bundled rate.

"The elimination of the delivery charge will assist our citizens by reducing energy poverty in our communities. It also represents recognition for the use of the land in the development and expansion of the provincial energy grid," said Ontario Regional Chief Isadore Day. "Poverty, lack of opportunity and choosing to pay for electricity over food is a reality that affects our people. [This] commitment by the Ontario government is commendable and allows a path forward for greater quality of life for First Nations in Ontario."

The plan includes the First Nations On-Reserve Delivery Credit, a complete elimination of the delivery charge for on-reserve First Nations citizens and an overall 25% reduction of the overall bill.

Additional enhanced relief through the Rural or Remote Electricity Rate Protection, at approximately $75 a month for Hydro One R2 customers and $18 month for Hydro One R1 customers.

A New Affordability Fund will provide consumers up front funding for energy conservation measures such as cold climate air source heat pumps, insulation, weather stripping, energy efficient lighting, energy efficient appliances and windows.

Another enhancement is also being added to the Ontario Electricity Support Program which includes indigenous specific support of up to $113.

"We appealed to the Wynne government and they responded, not only to First Nations, but to all Ontarians. We acknowledge Premier Wynne and her cabinet for such a bold and humane decision. This demonstrates that the Wynne government is dedicated to reconciliation through meaningful action," said Association of Iroquois and Allied Indians Grand Chief Gord Peters. "We got everything we asked for, plus. This strengthens our Political Accord with Ontario and lays a better foundation for further negotiations."

In June 2016, the Minister of Energy directed the Ontario Energy Board (OEB) to examine options for an on-reserve First Nation Energy Rate. Through the fall of 2016, the Chiefs of Ontario in collaboration with the OEB held a series of engagement sessions with First Nations to capture feedback on current hydro rates, ultimately working towards a First Nations specific rate.

Throughout the sessions, it became clear that current hydro rates were unaffordable and creating an additional level of stress within communities dealing with several other socio-economic issues.

Participants expressed frustration that First Nation citizens were struggling to afford a service that was built upon the resources identified within their Treaties. Based upon the outcomes of this engagement, the Chiefs recommended that the Delivery Charge be waived for First Nation citizens.

The changes are expected to be implemented by the summer of 2017.

DURHAMREGION.COM: LIBERALS TAKE THE 'WIMPY' WAY OUT OF HYDRO MESS

http://www.durhamregion.com/opinion-story/7170621-liberals-take-the-wimpy-way-out-of-hydro-mess/

People of a certain vintage might remember the Popeye comic strip character Wimpy who proudly proclaims "I'll gladly pay you Tuesday for a hamburger today."

Wimpy's signature catchphrase more or less encapsulates Ontario Premier Kathleen Wynne's big hydro announcement on Thursday, where she's all for giving Ontario taxpayers a break of 25 per cent (17 per cent this summer, added to the eight per cent reduction coming from Ontario's portion of the HST), but it's going to cost the same taxpayers many billion dollars more in carrying costs down the road by stretching out the bills over a longer period of time.

It's like stretching a 20-year house mortgage out over 30 years, the premier said in her hydro announcement news conference by way of explanation of how the rate reductions would work. Or, in other words, allowing you to have your burger today and dealing with the actual costs on another day, to paraphrase the immortal Wimpy.

How much is this plan going to cost? Billions and billions of dollars will have to be shouldered by future generations of Ontarians over the long haul. The government is suggesting it's going to cost $25 billion to spread the carrying costs of those generating contracts over 30 years; opposition parties believe it could be more in the $42 billion range.

While a 25 per cent reduction to an already overburdened Ontario taxpayer is nice in the short term, and will no doubt help many Durham families that could use a break, it smacks of a cynical, political manoeuvre meant to placate the masses while giving the Liberals faint hope of remaining in government after next year's provincial election.

What it doesn't do is provide any leadership and any meaningful reform to a bloated bureaucracy that is the Ontario energy file. Instead of dealing with the problems endemic to Ontario's hydro woes, the government and Wynne took the easy, quick-fix way out. Yes, they provided the rate break Ontarians were pining for — but it's coming at a great, great cost.

The hydro rate break comes at too great of a cost. It's a classic example of short-term gain that will surely result in long-term pain to future generations of Ontarians. And, it won't have fixed the root causes of the current mess.

So, even when you think you're winning, you're losing in Kathleen Wynne's Ontario when it comes to providing hydro to homes and businesses.

Hope everyone enjoys that burger.

TV Transcripts (Noon)

None