

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

June 6, 2017

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ONLINE COVERAGE

TORONTO STAR: ONTARIO'S ELECTION . . . ONE YEAR TO GO AND THE PROMISES KEEP COMING

thestar.com

Tue Jun 6 2017

Section: News | Toronto Star

Byline: Robert Benzie

Only 365 days of campaigning to go.

The one-year countdown to the Ontario election has begun with all the major party leaders looking ahead to the vote on June 7, 2018.

Premier Kathleen Wynne, whose Liberals have been in power since 2003 and trail the Progressive Conservatives in most polls, will spend the coming months touting pharmacare, higher wages and transit improvements.

"We've brought in the first balanced budget(www.thestar.com)) in Ontario in almost a decade, and so we are in a position now to make some of the investments that will help people in their lives on a day-to-day basis," Wynne said Monday.

That includes the \$465 million "OHIP+" program(www.thestar.com)), which provides prescription drug coverage for everyone under 25 starting Jan. 1; a minimum wage that jumps from \$11.40 an hour to \$14 next year and \$15 in 2019, and billions in transportation spending ranging from a proposed high-speed rail link(www.thestar.com)) between Toronto and Windsor to a boost in TTC services.

Wynne's government is also pouring billions into reducing(www.thestar.com)) electricity rates for homeowners and small businesses by an average of 25 per cent, thereby turning down the temperature on an issue that was burning the Liberals.

The premier, who last week put to rest Tory-fuelled rumours about a snap summer election, hopes soaring hydro bills will be a distant memory by this time next year.

While PC Leader Patrick Brown is striving to keep electricity prices on the front burner, he is being careful not to make any platform commitments so far out from the election.

Brown, whose party(www.thestar.com)) brought in about \$10 million more than the Liberals last year before a ban on corporate and union donations took effect in January, wants to protect any lead he has in public-opinion polls.

"Voters are tired of promises by a government that it has no intention of keeping. We're going to give you the truth," said Brown. He added that was the formula for Ross Romano's stunning win in Thursday's Sault Ste. Marie byelection(www.thestar.com)), wresting away a 13-year Liberal stronghold for the first PC victory there since 1981.

"We spoke honestly to voters while the Liberals and NDP made pie-in-the-sky promises."

But the one pledge Brown has made - a vague assurance that a Tory government would impose some form of carbon pricing to tackle climate change - is causing him problems with his base.

The fledgling Trillium Party, which now has a sitting MPP thanks to Jack MacLaren's departure(www.thestar.com»)) from the Tories on May 28, is appealing to other disaffected Conservative voters by opposing any form of carbon taxation.

Social conservatives, who backed Brown's leadership in 2015 only to have him renounce them last year when he flip-flopped and endorsed Wynne's updated sex-education curriculum, are pouncing on the carbon(www.thestar.com»)) tax issue.

His advisers, however, believe his outreach to cultural communities in and around the Greater Toronto Area will more than offset any votes that bleed to the Trillium Party.

A wild card for both Brown and Wynne is NDP Leader Andrea Horwath.

Horwath, who led her party into both the 2011 and 2014 elections, has been pushing universal pharmacare coverage for all Ontarians for 125 drugs compared to the Liberals' plan to offer it only to those under 25 for 4,400 medications.

Still, the byelection defeat in the Sault was a setback for the NDP, which had put a lot of effort into winning a seat they held until the Liberals won it in 2003.

"The much bigger fight lies ahead," said Horwath.

"Just a year from now, the people of Sault Ste. Marie - and all Ontarians - will be given a choice not just to change a seat in the Assembly, but to change governments," she said, taking a swing at the policy-light Tories.

"We'll give Ontario the choice to elect a government that's focused on people. A government with the courage of conviction to create the first universal pharmacare program, a drug plan that covers everyone, no matter how old they are or how much money they make."

With files from Rob Ferguson

NUGGET: IF APPROVED, LIBERALS' FAIR HYDRO PLAN SAVINGS WILL DISAPPEAR – PCs

By: Michael Chen

Tuesday, June 6, 2017 6:58:55 EDT PM

<http://www.nugget.ca/2017/06/06/if-approved-liberals-fair-hydro-plan-savings-will-disappear---pcs>

Hydro One's recent application to increase rates in 2018 will cancel out the savings consumers were promised by the Liberals in their Fair Hydro Plan.

If approved, the application would result in an \$141 increase to the average household's annual hydro bill, according to PC Leader Patrick Brown.

"This hydro rate increase, which begins Jan. 1, 2018, is extremely unfair and unaffordable," Brown writes in a June 6 letter to Premier Kathleen Wynne.

Brown urges Wynne to reject the application until "executive compensation is reined in at Hydro One and the government has stopped signing expensive, new, unneeded power contracts.

"It was only a couple of months ago that you announced a brand new expensive hydro scheme and promised families there would be no more rate hikes," Brown writes. "It was also just a few months ago we learned that Hydro One CEO's compensation has jumped to \$4.5 million a year.

"It's bad enough that under your scheme hydro bills will soar after the next election, but now it appears you will rubber stamp this massive, new rate hike to pay for even more raises and bonuses for fat-cat hydro executives, while your government continues to sign even more energy contracts."

Nipissing MPP Vic Fedeli says "Hydro One's CEO is paid nearly 10 times more than similar positions in provinces like Quebec and British Columbia."

He also says that while Wynne can't directly refuse the rate increase request, the government could send a directive to the Ontario Energy Board to reject the rate hike if Wynne "really wanted to."

The Liberals announced earlier this year their Fair Hydro Plan would reduce consumers' hydro costs by 25 per cent, but Fedeli and other critics argue the plan will cost Ontarians more in the long run.

"After she announced those changes that were supposed to reduce your hydro bill, the financial accountability officer told us that it will cost \$45 billion for that rate reduction," Fedeli says. "The taxpayer and the ratepayer, that means they're going to split it onto your tax bill and your hydro bill...will pay that \$45 billion."

Energy Minister Glenn Thibeault says it's possible the Ontario Energy Board may decline the rate hike application.

And Thibeault argues that Hydro One customers will not see an increase to their bills.

“Our Fair Hydro Plan provides immediate relief in the short term by reducing electricity bills by 25 per cent on average for all Ontarians – up to 40 [or] 50 per cent if you're a rural or low-income Hydro One customer,” Thibeault says. “It then holds rates to inflation for the following four years, managing affordability in the medium term.”

Thibeault criticizes outspoken detractors like Brown and Fedeli for not having a plan when it comes to managing electricity rates.

BAY TODAY: REJECT LATEST HYDRO RATE INCREASE BROWN TELLS WYNNE

By: Jeff Turl

June 6, 2017

<https://www.baytoday.ca/local-news/reject-latest-hydro-rate-increase-brown-tells-wynne-635786>

Ontario PC leader Patrick Brown is demanding that Hydro One's recent application to increase hydro bills by \$141 per year be denied.

Brown calls the increase, which begins January 1, 2018, "extremely unfair and unaffordable."

"I am urging you to immediately reject this application, and all subsequent applications, until executive compensation is reined in at Hydro One and the government has stopped signing expensive, new, unneeded power contracts," said Brown. "It was only a couple of months ago that you announced a brand new expensive hydro scheme and promised families there would be no more rate hikes. It was also just a few months ago we learned that Hydro One CEO's compensation has jumped to \$4.5 million a year."

Brown accuses Wynne of rubberstamping the new rate hike to pay for even more raises and bonuses for "fat-cat" hydro executives.

The PC leader asked for action on three points:

Stop rate hikes

Rein in executive compensation that has skyrocketed electricity bills and

Stop signing even more unneeded power contracts

"It's bad enough that under this hydro plan rates are going to skyrocket after the next election, but now it appears that Wynne can't even wait until that date," said Nipissing MPP Vic Fedeli to BayToday. "She's going to raise rates \$141 a year for Hydro One customers and that's obviously very disappointing. If she really wanted to bring relief to northern Ontario families she would do two things.

"Number one, put a stop to the rate hike and number two, stop signing contracts for power we don't need."

Although the next election is scheduled for June 7th next year, there is increasing speculation that Wynne is thinking of calling a snap election this year.

Hydro One watchdog Ross Ayotte is urging Ontarians to express their displeasure.

"Not only does the application request a distribution rate increase, but they are also applying to have the service charges on disconnection/reconnections, removal of load limiters, account collections and access to their poles all increased," says Ayotte.

"The application goes on further to say that these increases would be added to your bill before any rebates from the Fair Hydro Act, 2017 are implemented. You may recall, Premier Wynne promised you electricity rate relief with her government's Fair Hydro Act. What the Premier didn't bother to tell anyone was that Hydro One would still be able to apply for rate increases despite this new law, and that this government's energy policies would continue to add burden to our already expensive electricity system."

You have a short window of opportunity to challenge Hydro One's application at the OEB. The OEB is doing public consultations on the application, but only until June 14th.

You can submit a written objection to Hydro One's application through the "Submit a Letter of Comment" at the bottom of the page here.

Late today the Liberals responded in a news release.

"He (Brown) has used these same tired speaking points dozens of times, and continues to use it to distract from the fact that he voted against our Fair Hydro Plan last week, which takes 25% off electricity bills on average, and opposes an increased minimum wage in Ontario."

BLACKBURN NEWS: HYDRO ONE SUBMITS FIVE-YEAR RATE APPLICATION

By: Josh Boyce

June 6, 2017 7:24AM

<http://blackburnnews.com/sarnia/sarnia-news/2017/06/06/higher-hydro-rates-possible/>

Hydro One has applied to the Ontario Energy Board (OEB) to increase distribution rates from 2018 until 2022.

Rates would go up an average of \$2.35 a month per year for each of the next five years, which is an increase of about 3%.

Hydro One spokesman Ferio Pugliese says the money will go toward maintaining and upgrading the distribution system.

"We essentially put an application in for capital, and asked for a certain rate of return on that capital when it's employed," says Pugliese. "The intent is that it allows us to generate a return that can be then reinvested back into the system, return back in the form of value to customers so that you have continuity of service."

The OEB is expected to make a ruling by the end of the year.

Pugliese says Hydro One bills will decrease by an average of 31% under the Ontario government's Fair Hydro Plan which takes effect this fall.

After four or five years of inflationary increases, critics say rates will increase dramatically over several years to cover the cost of the plan.

NIAGARA THIS WEEK: OOSTERHOFF: NOTHING FAIR ABOUT HYDRO PLAN

By: Sam Oosterhoff

Jun 05, 2017

<https://www.niagarathisweek.com/opinion-story/7354695-oosterhoff-nothing-fair-about-hydro-plan/>

Hydro rates have become the hot political topic in Ontario, and the subject of intense debate and discussion at Queen's Park.

During the November by-election campaign in Niagara West – Glanbrook, many families, seniors and business owners told me about the negative effects they were suffering from sky-rocketing hydro rates. In response, I pledged to challenge the government to reduce these rates and to make sure no one had to decide again between heating and eating, as some did last winter.

Following the by-election, it appeared that Premier Wynne had received this message loud and clear. She apologized to the people of Ontario at a Liberal convention, and then stopped winter disconnects for those who were unable to pay their power bills.

A few weeks ago, we hoped for real progress on this issue, as the Liberals announced they would bring forward the "Fair Hydro Plan", which would reduce the average hydro rate for consumers by up to 25 per cent.

Unfortunately, the Liberal plan does not hold up to scrutiny.

Leaked government documents reveal that although hydro rates will decline in the short term, rates will increase dramatically following the next election. The Liberal "reduction" is a political ploy that merely kicks the can down the road without solving the real problems in our electricity grid.

The Financial Accountability Officer of Ontario, an independent budget watchdog, also released a report to quantify the veritable harm that will be caused by the Liberal plan.

The Officer, Stephen LeClair, said the scheme will cost the province \$45 billion over the next 29 years while "saving" electricity consumers \$24 billion. In other words, the plan will end up costing us \$21 billion!

LeClair further indicated that this was a best case scenario since those numbers will only apply if "the province is able to achieve and maintain a balanced budget over 29 years." If not, the cost of the hydro plan could soar to between \$69 billion and \$93 billion!

Only the Liberals could call this a "Fair Hydro Plan".

There is nothing fair about a plan that will cost us billions of dollars because the Liberals refuse to face the serious problems they have created. The Liberals do not want to fix the real problem because that would mean getting them out of the bad contracts made in the Green Energy Act.

I voted against the Fair Hydro Plan because it fails to provide meaningful and sustainable relief for Ontario's energy consumers. It does nothing to take the serious steps needed to address the

structural problems in our electrical grid, and it hurts Ontario in the long term. Unfortunately, this “reduction” has nothing to do with the real needs of ordinary Ontarians and everything to do with Kathleen Wynne’s re-election.

Contact my office anytime with your thoughts and perspectives on the provincial government’s action on electricity prices.

Niagara West-Glanbrook MPP Sam Oosterhoff

CANADIAN MANUFACTURING: ONTARIO ELECTION ONE YEAR OUT, WYNNE LOOKS TO REBRAND, HANG ONTO POWER

By: Allison Jones

June 6, 2017

<http://www.canadianmanufacturing.com/human-resources/ontario-election-one-year-wynne-looks-rebrand-hang-onto-power-194656/>

TORONTO—Kathleen Wynne is all about the F word.

Listen to Ontario's premier speak these days and chances are she'll talk about fairness. It has become her mantra, an idea she ties to nearly every big announcement she has made lately, from a \$15 minimum wage to a basic income pilot to housing market cooling measures and rent control.

Expect that to continue through to next year's election on June 7, 2018.

"Everything we've done will be part of the re-election (bid), but I certainly hope there will be a discussion in the election campaign about how to have a fairer society," Wynne, 64, said in a recent interview.

Wynne said she is "being very intentional about fairness," whether it's by raising the minimum wage, giving low- and middle-income students free post-secondary tuition, a youth pharmacare plan or cutting electricity bills.

Hydro is where the renewed focus on fairness and affordability seems to have started. With voter anger over rising hydro bills reaching a fever pitch, Wynne first admitted at a Liberal convention in November that she made a "mistake" by paying too much attention to the larger problems in the electricity system and not enough to how costs were accumulating on people's bills.

She has always fought for "social justice," Wynne said, but what's changed is how she communicates her plan.

Wynne used the word fair and variations of it about a dozen times while unveiling a basic income pilot project in April and about two dozen times while talking about a \$15 minimum wage last month. She has unveiled the Fair Hydro Plan, the Fair Housing Plan and the Fair Workplaces and Better Jobs plan.

"Making sure that we do everything that we can to make people's lives fairer, make the province a fairer place to live, yeah, that has been a focus," Wynne said in the interview.

Greg Sorbara, who was finance minister under Wynne's predecessor Dalton McGuinty, called that platform a game changer.

Sorbara made headlines earlier this year for saying on TVO's "The Agenda" it was "extremely unlikely" the Liberals could win the next election with Wynne at the helm. Her approval ratings have been dismal of late.

“The night I was on ‘The Agenda’ the prospects looked very dim indeed,” he said in an interview. “I think there’s more light at the end of the tunnel...There’s a sense that the premier herself and the government is really getting its act together and that bodes well in the last year of a mandate.”

There is a renewed focus on vulnerable populations, which is often a political strategy of the left, Sorbara said.

“Is (Wynne) occupying all of the space of Andrea Horwath’s (NDP) party?” he said. “I think she’s occupying a lot of it and I’m not sure that’s a bad political strategy.”

Wynne swears she is still “leading from the activist centre,” her phrase of 2014, but many others have noted her shift to the left. A recent newspaper editorial called her a great NDP premier.

The next election will be the most difficult the Liberals have faced in a long time, Sorbara said.

Anger over hydro bills has not gone away, and opposition politicians will be sure to remind voters that the Liberal plan to cut bills in the short term means ratepayers will end up paying more in the long term. Wynne’s decision to partially sell Hydro One to raise infrastructure cash remains unpopular.

In September, not one but two trials begin involving Liberals. One in Sudbury on Election Act bribery charges and another in Toronto on mischief and breach of trust charges over the alleged deletion of emails about gas plant cancellations.

And by that time, the Liberals will have been in power for 15 years. One of their biggest challenges will be fighting an appetite for change, said Genevieve Tellier, a political science professor at the University of Ottawa.

“It’s to send a message that it’s not the old Liberals that are in power, but they have new ideas and they’re a dynamic and efficient and responsible government and they deserve to be re-elected,” she said.

That messaging was on display this weekend as 600 Liberals did a mass canvass in 54 ridings, knocking on 60,000 doors to promote their plan.

Polls have suggested they have a long way to go, but Wynne’s laser focus on pocketbook issues could still pay off.

One of the latest polls put the Liberals ahead of the Progressive Conservatives, though within the margin of error, and Wynne’s own dismal approval rating saw a slight uptick, though still below 20 per cent.

The Campaign Research poll is an outlier right now, but CEO Eli Yufest said announcements such as youth pharmacare, basic income and a balanced budget have helped the Liberals pull ahead in his polling for the first time in a long time.

“The provincial Liberals will not give up without a fight,” he said. “There’s no doubt that what they’re doing, what they’re unveiling in terms of policy is resonating among the electorate.”

TV TRANSCRIPTS

NONE