MEDIA SCAN: HYDRO RATE REDUCTION PLAN

October 19, 2017

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CBLT: *ONTARIO PC LEADER PATRICK BROWN CALLING FOR INQUEST INTO HYDRO REBATE ACCOUNTING*

Source: CBLT
Oct 19, 2017 6:24 PM (12)

Anchor: PC Leader Patrick Brown blasted Kathleen Wynne today over costing the province billions in interest fees to keep hydro bills low.

Patrick Brown, Ontario Conservative Leader: It's unbelievable, when you read the auditor general report and it says that they made up their own accounting rules. It's unbelievable. Those responsible should be held accountable. I am, therefore, calling on the Information and Privacy Commissioner to investigate the apparent misconduct.

Anchor: Earlier this week, the Auditor General's report on the Liberal's 'Fair Hydro Plan' found that $26 billion the Liberals borrowed from the Ontario Power Generation to keep hydro costs low would cost the province $4 billion in interest. Brown accused Wynne of attempting to hide the transaction. Brown is also asking for all correspondence about the borrowing to be kept as a necessary precaution.

CJOH: *Calls For Ministers To Resign Over The Accounting In The Fair Hydro Plan*

Source: CJOH
Oct 19, 2017 12:09 PM (9)

Anchor: The fallout continues over a scathing view of the province's plan for cutting your hydro bills with calls for the Finance or Energy Minister to resign. The report from the Auditor General shows hydro customers will pay $4 billion in interest more than necessary. The blame is being placed on a complex accounting scheme created so the Ontario Liberal government can cut hydro bills by 25 per cent.

Andrea Horwath, Ontario NDP Leader: This premier has never even opened a hydro bill in the last decade.

Patrick Brown, Ontario PC Leader: But how can you stand in the house and defend the Minister of Finance when the numbers are not believed by anyone including the Auditor General?

Glenn Thibeault, Ontario Energy Minister: We have kept with common practice. We have kept with accounting standards and we are making sure that we are keeping bills as low as possible with a clean system and a reliable system in this province.

Anchor: The government says this is simply a disagreement among accountants and it's not attempting to hide financial information.

Online Coverage

Toronto Sun: 30 years of debt unless province raises revenues, cuts spending: FAO

By: Antonella Artuso, Toronto Sun
Updated: Thursday, October 19, 2017 06:20 PM EDT

http://www.torontosun.com/2017/10/19/30-years-of-debt-unless-province-raises-revenues-cuts-spending-fao

Ontario is facing three decades of soaring debt unless the provincial government permanently raises revenues or cuts spending by at least $6.5 billion, the Financial Accountability Office of Ontario (FAO) says.

Otherwise, much like the recent decision to push off some hydro costs on future Ontario electricity customers, it will have to go on the tab of younger generations.

FAO chief economist David West said that as the baby boomers retire and age, it will put enormous pressure on the provincial budget.

Without a significant and speedy response from government, the debt-to-GDP ratio would rise to a staggering 63% by 2050, gobbling up public funds for debt replayment charges instead of health and education services, he said.

“The longer the government delays fiscal policy changes, the more expensive it will be for future Ontarians,” West said.

The FAO’s Long-Term Budget Outlook looked at the provincial economy and the province’s fiscal position over the next 30 years.

The report released Thursday opens with the Yogi Berra quote, “The future ain’t what it used to be.”

According to the FAO projections, unless Ontario makes significant changes to its budget, future governments will be in a poor position to respond to any financial crises such as a recession.

“Importantly, if the needed fiscal adjustments are postponed, the burden of stabilizing Ontario’s public finances would be increasingly shifted from the baby boom generation to younger Ontarians,” the report says.

The Ontario government’s vow to lower provincial debt-to-GDP from its current 40% to 27% by 2029-30 would require higher taxes or lower spending starting this year, the report says.

Finance Minister Charles Sousa said the report also notes that the growth in the province’s economy is projected to remain strong.

Seniors are living longer so the government is taking steps to encourage savings, one of the reasons why Ontario led the national discussion on enhancing pensions in retirement, he said.

“And as a government, we need to be fiscally responsible, we need to manage effectively those social programs, the extension of universal health care,” Sousa said.

PC MPP Vic Fedeli said the FAO painted “a very bleak and a very stark picture” of the province’s budget future.

“It won’t be left to just the baby boomers to pay the debt,” Fedeli said. “It’s now going to roll over into Ontario’s youth.”

Ontario already owes more than $307 billion.

GLOBE AND MAIL: *GLOBE EDITORIAL: ONTARIO'S INCREASINGLY CREATIVE HYDRO ACCOUNTING*
theglobeandmail.com
Thu Oct 19 2017, 7:13pm ET
Section: Other

Ontario's increasingly creative hydro accounting; The notion that the province's electricity bookkeeping practices are murky is hardly breaking news. And if those practices are reaching new creative heights, it's only because Queen's Park has already picked all the low-hanging fruit off the shenanigans tree

This week, Ontario's Auditor-General, Bonnie Lysyk, released a report on the provincial Liberal government's so-called Fair Hydro Plan, in which she accused the province of "making up its own accounting rules" to hide the program's true cost.

The government of Premier Kathleen Wynne of course disagrees with that analysis, but the notion that the province's electricity bookkeeping practices are murky is hardly breaking news. And if those practices are reaching new creative heights, it's only because Queen's Park has already picked all the low-hanging fruit off the shenanigans tree.

For example, Ontario's Liberals have a long history of using your tax dollars to lower your hydro bills. They trumpet lower rates, without mentioning that the money suddenly in your right pocket was actually pulled out of your left.

From 2011 to 2015, electricity bills included a 10-per-cent rebate called the "Ontario Clean Energy Benefit." The province used tax dollars to pay one-tenth of your power cost, and claimed that made sense because, um, you know, green energy. The program was recently replaced with a rebate of the 8 per cent of the provincial portion of the HST.

Then this year, the province found another way to lower power bills, at least in the short term, by extending the amortization on the electricity system's debt. Anyone who's ever borrowed money understands the math: An 84-month car loan carries lower monthly payments than a three-year loan. You feel richer today, but stretching out the repayment period means more interest payments, for longer.

According to Ontario's independent Financial Accountability Office, the Fair Hydro Plan will lower electricity bills by $24-billion over 29 years - but will cost taxpayers $45-billion.

All of which is bad enough, and all of which was well known before the Auditor-General's report. But Ms. Lysyk says that the government is now using complex financial structures, and torturing basic accounting principles, to make it look like some of its new hydro debt isn't really there. If it can make that extra borrowing to subsidize hydro bills disappear, it can show a balanced budget, and a lower provincial debt.

The hydro hocus-pocus, like every magic trick, involves sleight of hand. But once the audience figures out how it's done, the show's over.

Follow this link to view this story on globeandmail.com: Globe editorial: Ontario's increasingly creative hydro accounting((www.theglobeandmail.com»))

HAMILTON SPECTATOR: BEWARE WATCHDOGS WHO LIKE TO GRAB HEADLINES

thespec.com
Thu Oct 19 2017
Section: Opinion
Byline: mcohn@thestar.ca

Electricity is governed by the laws of physics. Government is bound by the rules of accounting.

But political power and electrical power have one thing in common: They follow the path of least resistance.

Now, Ontario's auditor general is trying to bend both to her will. Ahead of the next election, Bonnie Lysyk is fighting another rearguard action against the Liberal plan to curb hydro rates.

The auditor made headlines this week by accusing the government of short-circuiting the accounting rules with complex financial manoeuvres that could add $4 billion in borrowing costs over 30 years. Oddly, though, Lysyk doesn't quibble with their plan to cut hydro rates by 25 per cent - despite her mandate to seek value for money - possibly because it's far too popular with voters.

I've argued before that it's an expedient shell game that mortgages our future by refinancing power projects over a longer amortization term. But all major parties keep promising cheap electricity today (for higher rates tomorrow), so perhaps the auditor is wiser than me by staying silent on the overall strategy.

Instead, her quibble is over tactics - that the Liberals are borrowing the money through Ontario Power Generation (OPG), their wholly-owned electrical utility, instead of carrying it on the government's own balance sheet. And while the auditor bristles at this description, at root it's an arcane accounting dispute - though she is surely setting the stage for a broader political dispute that could affect the coming campaign.

It's true that the Liberals were loath to add billions of fresh debt to bankroll this hydro rebate, because they had promised in the last campaign to eliminate the budget deficit by this year (which they did). Better to bury the borrowings in their OPG subsidiary, claim a balanced budget, and cast themselves as credible stewards of the province's finances.

This wouldn't be the first government to rely on creative financial engineering to restructure our electricity infrastructure and engineering costs. Ontario's consolidated balance sheet has always required a decoding ring, and the auditor is right to question its complexity - even if her answers offer no greater clarity.

She faults the Liberals for off-loading the borrowing on a subsidiary, and then using creative (but legal) accounting techniques to count future "regulated" revenues as an upcoming asset. Lysyk likens that to treating your credit card debt as an asset.

That's a peculiarly misleading analogy for the auditor to make. No, you don't count your own credit card debt as an asset, but the bank surely does - it's an account receivable. And a regulated revenue stream is eminently reliable cash flow.

The Liberals argue that power projects have historically remained on the books of power producers like OPG. The difference, of course, is that the old Ontario Hydro once generated all our power, before it was dismembered and downsized (it's a pecuniary irony that OPG is being asked to clean up the mess from the stealth privatization of the energy sector).

The last time Lysyk attacked the government's deficit calculations, an outside panel of experts rejected her arguments - because not even an auditor can make a surplus disappear from a balance sheet. There is no permanent arbiter for auditors, but Lysyk is no longer the last word on accounting disputes - merely one of many voices, right or wrong. Expect that voice to grow louder next year when she formally assesses the 2018-19 spring budget - and once again challenges Liberal claims of deficit elimination.

The conventional narrative frames this as a political clash pitting our fearless auditor against feckless Liberal politicians. In fact, her fight is with senior public servants, the provincial comptroller, treasury board staff, and outside accounting firms - all of whom describe it as a "professional disagreement" over accounting standards.

Most of these experts, who are governed by their own professional code of conduct, gave their seal of approval to the government's books - rightly or wrongly. Lysyk countered that they are cooking the books - and demanded their internal correspondence in search of dissenters.

Without providing details, the auditor points ominously to emails (unreleased, unidentified and unquantified) from some bureaucrats questioning the government's plans - as if this is the ultimate proof point for her point of view. Was she expecting unanimity?

Interesting but irrelevant, until you consider this fun footnote: While the auditor was demanding confidential emails from public servants who give private counsel, she flatly rejected an Access to Information request filed this year by my colleague, Robert Benzie, for her office's sometimes testy correspondence with bureaucrats. The response? An Access to Information request demanding to know Benzie's identity (no secrets here - he readily waived the automatic confidentiality of the process). The auditor still refused to release any correspondence.

So much for publicly accepted principles of Access to Information, transparency and reciprocity. Some watchdogs don't like being watched.

CBC News: *Ontario's energy minister defends Fair Hydro Plan accounting*

CBC.CA News
Thu Oct 19 2017, 11:49am ET
Section: Sudbury
Byline: CBC News

Ontario Energy Minister Glenn Thibeault says Ontario's Auditor General may not like the accounting behind the Liberal's Fair Hydro Plan, "but that's the way we've always done this."

This week, auditor general Bonnie Lysyk released her report on the the Liberal's "Fair Hydro Plan." That plan has reduced the average household electricity bill in the province by 25 per cent.

Lysyk's stated the government is "improperly" accounting for the $26 billion in the debt the province is taking on to cut hydro bills in short term.

That money is being borrowed through Ontario Power Generation, so it won't appear on the province's books. Ontario residents will pay off that debt through electricity rate increases spread out over the next 30 years.

"We worked hard to come up with a plan that reduced bills by 25 per cent," Glenn Thibeault, the MPP for Sudbury and Ontario's energy minister said in an interview Thursday.

"It wasn't just us that agreed with the accounting of this. Our provincial controller, all of the Ontario public service accountants, all the bureaucrats, KPMG, Ernst and Young and Deloitte ? all agree that the plan we put forward is the way we've always done this."

But Lysyk says if accounting maneuvers are all that's required for a government to be able to say they've got a balanced budget at the end of the day, "It's a slippery slope ? You might as well not have Canadian accounting standards, because governments will be able to choose the bottom line they want."

Lysyk also says the plan could result in Ontarians paying up to $4 billion more than necessary in interest.

Thibeault disagrees with that prediction.

"We know that that number is going to be a lot lower," he said.

"This is an accounting dispute. We're going to continue to work with the auditor general's office. But we have all of our people too saying what we've done meets the public sector accounting standards."

Meanwhile, the Wynne Liberals are also being accused of hiding hydro emails from the auditor.

CBC News: *Wynne Liberals accused of hiding hydro emails from auditor*

CBC.CA News
Thu Oct 19 2017, 6:00am ET
Section: Toronto
Byline: CBC News

While Ontario's spending watchdog is slamming the Wynne government for allegedly trying to hide the true cost of its hydro price cuts, she's also criticizing the Liberals for trying to hide documents from her investigation.

Auditor General Bonnie Lysyk said the Ministry of Energy has still not provided all the emails she requested back in May to prepare her special report the government's Fair Hydro Plan.

- Auditor blasts Kathleen Wynne's 'Fair Hydro Plan'

- Liberals hope hydro rate cuts will douse voter anger

The Progressive Conservatives are now asking Ontario's top public servant to ensure that all relevant documents and emails are saved.

"We must insist that all records related to this matter ... be preserved," said PC leader Patrick Brown's chief of staff, Alykhan Velshi, in a letter to Head of the Public Service Steve Orsini on Wednesday. A copy of the letter was obtained by CBC News.

Brown will call for an investigation Thursday, according to officials in his party.

The Liberals insist they are not hiding anything.

"Over 13,000 emails have already been brought forward to the Auditor General's office," Energy Minister Glenn Thibeault said Wednesday during question period. "We're going to continue to work and provide her with all of the emails that she asked for."

Thibeault later told reporters that ministry staff expect to hand over the remaining emails to the auditor in the coming weeks.

Government hired law firm to sift emails

Lysyk's report said she received the documents she requested from all government departments except the Ministry of Energy.

"The Ministry of Energy signed a contract, with a retainer of $500,000, to receive help from a law firm to provide search services and to compile emails before providing them to us," writes the auditor in the report, released Tuesday.

"At the time we completed this Special Report, the Ministry had still not provided us with all of its emails, which we requested on May 31, said Lysyk.

Thibeault says the law firm had to be hired because an initial search suggested up to two million emails were relevant to the auditor's probe.

"Those two million emails then were reviewed by the firm to which we've paid approximately $40,000; we will not be going over $60,000 on this," said Thibeault in question period. "That firm then identified those 145,000 emails, which the Ministry of Energy is now identifying and releasing.

CTV News: Millennials will have to deal with Ontario's debt unless action taken: watchdog

By: Shawn Jeffords, The Canadian Press
Thursday, October 19, 2017 4:19PM EDT

http://www.ctvnews.ca/politics/millennials-will-have-to-deal-with-ontario-s-debt-unless-action-taken-watchdog-1.3640119

TORONTO -- Millennials will have to foot the bill for Ontario's rising debt over the next three decades if the government doesn't hike taxes or cut spending by $6.5 billion annually to address major demographic changes, the province's fiscal watchdog warned Thursday.

As the baby boom generation ages, the province's economy will change, experiencing slow revenue growth and requiring increased spending on social programs like health care, Ontario's Financial Accountability Office explained.

Consequently, government debt -- which currently sits at $312 billion -- will be driven up unless taxes are increased or spending is cut beginning next year, the office warned in its long-term budget outlook.

"If these difficult fiscal changes are postponed the burden of stabilizing Ontario's public finances would be increasingly, and arguably unfairly, shifted from the baby boom generation to younger Ontarians," said David West, the FAO's chief economist.

The FAO report, which took a year to research, said balancing the province's budget annually won't be enough to offset the financial impacts of the aging demographic. The government must generate surpluses and use that cash to pay down debt, it said.

West acknowledged, however, that a $6.5 billion tax increase or spending cut would have large budget implications.

"(It's) roughly equivalent to eliminating funding for 40 per cent of the province's hospitals, raising the HST rate by two percentage points, or a 25 per cent increase in federal transfers," he said.

The report recommends the Ontario government stick to a promise it made to drop the provinces' debt-to-gross domestic product ratio from its current level at 40 per cent to 27 per cent by 2030. West said the measure, which gauges the province's ability to pay back and manage debt interest payments, would actually increase to 63 per cent by 2050 if significant fiscal changes aren't made.

"Since the demographic pressures on the budget will not intensify until the mid-2020s it will be tempting to postpone or even ignore the difficult fiscal policy changes that are going to be required to stabilize or reduce Ontario's debt burden," he said, adding that would result in higher costs to reduce the debt.

Ontario Finance Minister Charles Sousa said the province takes the FAO's findings seriously, but he would not commit to either hiking taxes or slashing spending. The province will find ways to foster further debt management, he said.

"In all of Ontario's history, for that matter even Canadian history, very little has ever occurred in terms of reduction in actual debt," he said. "Ontario's debt is managed by its ability to support growth in our economy. I am very sensitive to the degree of debt."

Ontario Progressive Conservative finance critic Vic Fedeli called the FAO report a "bleak and stark" budget picture.

"The debt is going to crowd out the services that families need like health and education," he said. "All the things people have come to rely on they will struggle to pay for and the baby boomers debt will now roll over to the younger Ontarians."

Peter Tabuns, an NDP legislator said the government has been fiscally irresponsible and has tried to deal with budget shortfalls by selling off public assets.

"Their whole approach is one that's making the fiscal picture in Ontario much tougher," he said.

Northumberland Today: *MPP Rinaldi says there's no hidden hydro debt*

By: Valerie MacDonald
Thursday, October 19, 2017 12:42:56 EDT PM

http://www.intelligencer.ca/2017/10/19/mpp-rinaldi-says-theres-no-hidden-hydro-debt

NORTHUMBERLAND - While Northumberland MPP Lou Rinaldi says he respects the work of Auditor General Bonnie Lysyk as an independent reviewer, he disagrees with her findings that his government's accounting system is hiding hydro debt.

In a scathing report report released Tuesday, Lysyk said her review of the Liberal's Fair Hydro Plan reveals accounting practices that are like calling a credit card debt an asset and that the 25 per cent hydro cut to customers will cost them $4-billion.

The whole plan is calling into question the Ontario Government's entire booking keeping practices, she said.

The Progressive Conservatives are already running TV adds capitalizing on the report and saying Premier Kathleen Wynn will say anything to get re-elected and "can't be trusted."
But the riding's local MPP, who has already said he will be running to retain his seat, once again is defending the way his Liberal Government have been handling hydro.

"We disagree with her (Lysyk's) assertions and the conclusions of her report," Rinaldi said in an interview early Wednesday morning.

The accounting practices used by the government are the same as those used by Alberta and Toronto Hydro, he said. Many agencies and oversight bodies have audited the government's books without the conclusion reached by the auditor general, the MPP stressed.

The borrowed money will come out of hydro rates and not taxes, he stressed, addressing the $4-billion cost in Lysyk's report.

As to her analogy of credit card debt, that's like saying you have a car loan but ignore the fact you have a car, Rinaldi said.

"In reality we have deferred payment over a longer period of time," he said. "This is no different than municipalities undertaking infrastructure (projects) and deferring payment over a long period of time (through debentures)."

***Sault Star**: Letters to the editor*

By: MPP Vic Fedeli
Thursday, October 19, 2017 11:17:08 EDT AM

http://www.saultstar.com/2017/10/19/letters-to-the-editor

Wynne can't be trusted, says Fedeli

One thing is abundantly clear following Auditor General Bonnie Lysyk's damning report on Kathleen Wynne's 'unfair' hydro scheme.

Kathleen Wynne and her government simply can't be trusted.

As a result of "incorrect" accounting methods, and cooking the books for politically-motivated reasons, Ontarians are on the hook for $4 billion more than necessary.
The Auditor couldn't have been more blunt in her condemnation.

"The accounting proposed by the government is wrong and if used would make the Province's budgets and future consolidated financial statements unreliable," Lysyk said in her report.
"In essence, the government is making up its own accounting rules."

Make no mistake - this hydro scheme was a re-election ploy. We have seen hydro rates skyrocket to the highest across Canada, and if the Wynne Liberals are re-elected, rates will only continue to soar.

This is just the latest piece of evidence proving the Premier and her ministers are deliberately not being honest with Ontarians about the province's fiscal numbers, or the numbers on our hydro bills.

Just last month, the Auditor refused to sign off the government's Public Accounts, stating the deficit is actually $1.4 billion higher than stated. Prior to that, the Financial Accountability Officer stated the government is using "unlikely assumptions" in its budget forecasts, and that future generations could be on the hook for up to $93 billion in hydro costs. That came on the heels of a leaked Liberal cabinet document that showed hydro rates will rise to the highest levels we've ever seen.

So if the two independent financial officers of the Legislature don't trust the Liberals' numbers, why should Ontarians?

This hydro scheme is a sham drafted to benefit the Wynne Liberals, not the people of Ontario. Everything they have touched in the electricity sector has made life more unaffordable, including:

- Overpaying $9.2 billion for green energy contracts which were awarded to energy companies who donated $1.3 million in donations to the Ontario Liberal Party.
- Creating a secret millionaires club at Hydro One, including paying the CEO $4.5 million
- Hiding the egregious cost of the global adjustment on hydro bills
- Shelling out $7 billion to purchase an American coal-burning utility, instead of cutting hydro rates

- Wasting nearly $1 billion of surplus electricity last year alone.
- Using $5.5 million of taxpayer funds to run political self-congratulatory ads promoting the hydro plan, instead of cutting hydro rates
- The $1.1 billion gas plant scandal, and subsequent email deletion which is the subject of an ongoing criminal trial against two top former Liberal aides.

Life is already harder under the Wynne Liberals – Ontario families are paying more, and getting less.

Kathleen Wynne's cynical re-election schemes are only making it worse.

Vic Fedeli, MPP Nipissing

OBSERVERXTRA: WYNNE'S HYDRO FAILURES MOUNT, ONTARIANS SUFFER

By: Steve Kannon
October 19, 2017

https://observerxtra.com/2017/10/19/wynnes-hydro-failures-mount-ontarians-suffer/

It was not a good week for Kathleen Wynne on the energy file. Actually, it's never a good week for Wynne on the electricity front, and typically worse news for Ontarians.

First, a new study found skyrocketing electricity bills directly responsible for the loss of some 75,000 manufacturing jobs in the province. Then, a report from the Auditor General showed Ontarians will be on the hook for billions of dollars thanks to Wynne's attempts to buy votes with short-term reductions to hydro bills.

The news is just the latest evidence of Wynne's mismanagement, which extends well beyond electricity.

The report from the Fraser Institute found manufacturing jobs fell from 805,170 to 688,735 between 2008 and 2015, pinning 64 per cent of the blame on higher electricity costs, or 75,000 of the 116,435 positions lost.

Those numbers take into account global trends and the 2008 recession, from which every province but Ontario has recovered.

Auditor General Bonnie Lysyk, meanwhile, finds Ontarians are in for some long-term pain for the short-term gain of rate decreases ahead of next year's provincial election. She says the government created a complex financing structure to keep the true financial impact of most of its 25 per cent electricity-rate reduction off the province's books, a move that could cost Ontarians up to $4 billion more than necessary in interest costs over the next 30 years.

That's in line with the Financial Accountability Office's prediction that Wynne's scheme could cost $45 billion over that timeline, with direct savings to the ratepayers of $24 billion – all of us being hit down the road for the $21 billion shortfall, a case of pay me now and pay me later.

"The accounting proposed by the government is wrong and if used would make the province's budgets and future consolidated financial statements unreliable," said Bonnie Lysyk after the report was tabled. "This cannot be taken lightly."

"We're not questioning the government's policy decision to give Ontarians a discount on their electricity rates. What we are questioning is how the government is going to report the effects of that decision to the people of Ontario. There's still time to fix it, and we're encouraging the government to do so."

Wynne is no stranger to criticism from the auditor general, who has found her government to be sweepingly incompetent and corrupt. Some Lysyk's strongest language had been directed at the government's handling of all things electricity. Hydro One's transmission and distribution systems have become less reliable, yet their costs are increasing, for instance.

Ontarians are very familiar with the botched job Wynne has made of the electricity file. Quantified, Lysyk notes we paid a collective $37 billion more than market rates between 2006 and 2014. In that time, the price paid by residential customers rose by 70 per cent. While prices reflected increased costs for dealing with an aging system, much of the overpayment can be traced to poor policies. The Liberals routinely ignored expert advice – and even common sense – in pursuit of ill-advised policies and political patronage and vote-buying, decisions that went well past the billion dollars flushed away on the gas plant fiasco.

Despite all the extra money we've been dumping into it, the electrical system continues to worsen, at a high risk of failure.

***The Province**: Ontario's green energy policies killed jobs*

By: Postmedia Network
October 19, 2017 3:48 PM PDT

http://theprovince.com/opinion/editorials/ontarios-green-energy-policies-killed-jobs/wcm/4defa8aa-59f1-4367-b404-f6f4117133cd

Remember all those new, green jobs Ontario's Liberal government promised us under premier Dalton McGuinty and now, Kathleen Wynne?

A new study by the Fraser Institute released this week suggests rising electricity prices caused by Ontario's green energy policies, ended up costing more jobs than they created.

In "Rising Electricity Costs and Declining Employment in Ontario's Manufacturing Sector", Ross McKitrick and Elmira Aliakbari conclude Ontario may have lost at least 1.8 permanent manufacturing jobs for every new job created under the Liberals' green energy initiatives, many of them temporary, since 2008.

That's because the heavily-subsidized jobs governments create when they invest money in things like wind and solar power, have to be measured against the economic damage caused by the higher electricity prices that result.

These higher prices force many manufacturing businesses to downsize, shut down, or leave the province for more energy competitive jurisdictions.

McKitrick and Aliakbari estimate 74,881 of the 116,435 jobs lost in Ontario's manufacturing sector between the start of the global recession in 2008 and 2015 — 64% — can be attributed to Ontario's higher electricity costs, caused in part by its green energy policies.

Between 2010 and 2016, they note, electricity costs for small industrial consumers in Toronto increased by 48% and in Ottawa by 50%, compared to an average rate increase in the rest of Canada of just 15%.

These higher energy prices drove Ontario's traditionally competitive electricity rates to the highest levels in Canada, provoking substantial job losses, McKitrick and Aliakbari conclude.

While the Ontario Liberals argue the province has created 800,000 net new jobs since the 2008 recession and that the unemployment rate is now at a 17-year low, the study's authors note the manufacturing sectors in jurisdictions with lower energy prices, bounced back more quickly from the recession than Ontario.

In 2011, Ontario's then auditor-general, Jim McCarter, warned the Liberal government following its passage of the 2009 Green Energy Act, that studies in Spain and the U.K., among others, concluded about two to four jobs were lost in other sectors of the economy for every new job created by government green energy policies, because of their upward impact on electricity prices.

In that sense, the Fraser findings simply confirm what we already know.