

Evening Media Scan: Hydro Rate Reduction Plan - March 9, 2017

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MEDIA SCAN: HYDRO RATE REDUCTION PLAN

March 9, 2017

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Online Coverage

Toronto Star: Tory Leader Patrick Brown says Liberals hydro plan
By: Rob Ferguson
Thu., March 9, 2017

<https://www.thestar.com/news/queenspark/2017/03/09/tory-leader-patrick-brown-says-liberals-hydro-plan-falls-short.html>

The Wynne government's plan to cut hydro rates 25 per cent sets a "low bar" for fixing Ontario's expensive electricity system, Progressive Conservative Leader Patrick Brown says.

As his party prepares to release its own plan in the "near future," Brown said Thursday it will delve deeper into problems than the Liberal effort in which lower rates will cost \$25 billion in interest over 30 years.

But Brown — who will square off against Premier Kathleen Wynne in the provincial election just 15 months from now — refused to set a target for any savings he'll offer ratepayers.

"I think the Liberals have set a very low bar when it comes to simply smoothing out the burden and they're not addressing any of the structural issues," he told reporters after a luncheon speech to the Toronto Region Board of Trade.

Those issues include a surplus of electricity, expensive 20-year contracts for renewable energy and new projects now being built under contracts signed before a moratorium on renewable projects was declared last fall.

"It's the definition of insanity when you're going to keep on committing the same mistakes that got us in this position," Brown said.

"Not only do we believe we should offer relief but we need to make sure that the same mistakes that were committed before are not repeated," Brown said, charging the Liberal plan "largely misses the business community."

Brown was outflanked last week as the New Democrats unveiled their hydro plan, pledging to cut rates up to 30 per cent, followed by the Liberal pledge several days later.

Energy Minister Glenn Thibeault has warned that cancelling contracts could cost taxpayers billions and send a dangerous signal to businesses looking to invest in Ontario.

In an email to supporters Thursday, the minister defended the Liberal plan to kick in this summer as "the largest cut to electricity rates in Ontario's history, and the right thing to do."

"The costs of building the clean, reliable energy system of tomorrow have hit household budgets particularly hard today....so, starting this summer, we're spreading those costs out over a longer timeframe."

In his speech to about 270 people, Brown tried to set the ballot question for the next election in June 2018 as "who will make it easier for you and your family to make ends meet and get ahead?"

After 13 years of Liberal government, he said "Ontarians work hard, Ontarians pay more, Ontarians get less....I want Ontario families to work hard to pay less and get ahead."

Those lines were repeated several times during Brown's 23-minute address, in which he called the Liberal plan to eliminate annual deficits in the coming fiscal year a "false balance propped up by one-time hydro money," referring to the partial privatization of Hydro One.

He made several accusations, saying the Scarborough subway is a “promise broken” by the Liberals and that the government is spending more on annual debt interest payments than on hospitals, transit and children.

Liberal officials called foul on those claims, saying provincial funding for the Scarborough subway remains on the table as Toronto city council hashes out its plan for getting the project underway.

Debt interest now costs \$10.9 billion annually, compared with combined spending of \$82 billion on health care, transportation, education and children's services.

The Barrie Examiner ~~Grammar~~ *Game of Shells means moving costs around*
By: Erich Jacoby-Hawkins
Thursday, March 9, 2017

<http://www.thebarrieexaminer.com/2017/03/09/game-of-shells-means-moving-costs-around>

Last week's column on the NDP's electricity price reduction plan was no sooner in the hopper than the Liberals released their own plan to lower your power bill.

What the two share is that both just move costs around, in what I style the 'Game of Shells' (coming soon to HBO Canada).

Like the NDP, the Liberals will – and in fact, already have – lower your bill by removing sales tax.

However, each dollar less you pay in HST on your electric bill is a dollar less of government revenue, so this “savings” merely becomes a higher tax somewhere else.

Or, in the time-honoured tradition of burdening our children with our excesses, it gets added to deficit and debt to be paid later, adding more interest costs in the meantime.

And in fact that's the main feature of the Liberal price promise: to lower our current bills by extending the amortization period of existing power contracts. This is essentially the same as lowering your monthly mortgage or car payments by lengthening the payback period.

I've actually done this myself, during a period of reduced family income, and it works, but in exchange for paying less each month, it will take us a few years more to pay off the house, and we'll end up paying more interest in total, without anything more to see for it.

Except in the provincial case, to achieve the promised 17% savings, the extension will have to be long enough to essentially move some of the burden of today's energy costs off the seniors and boomers and down to millennials already struggling to find a secure job and income, much less a career.

Is this really such a great idea? Should we have addressed our family's financial strain by charging our young children rent?

Another common theme is the shift of subsidies off ratepayers onto taxpayers. In the NDP plan it's the cost of rural service; in the Liberal plan, it's the cost of rebates to low-income families. In both cases you can argue for the subsidy, but either way, moving it onto the tax base doesn't make it go away, it just means the cost comes off your paycheck instead of your electric bill.

We are all ratepayers and taxpayers, so we all end up paying for it one way or the other.

The Ontario PC party will also provide their own power panacea soon. (First they said it would be after November, but now it will be “soon ... in the near future,” whatever that means. Perhaps it will again happen between writing and printing this column, in which case you can turn the page to read it.)

But expect it to also join the Game of Shells, by delaying payments for future generations, moving costs from your electric to your tax bill, or (as with the NDP's buyback), taking ideological measures that won't have any immediate effect on your bill.

Because when it comes down to it, there are only three real ways to reduce our power costs: produce electricity less expensively, purchase it from cheaper sources outside Ontario, or reduce the amount of energy we actually need. There is one party which has been proposing this all along and still does, the Greens.

For the rest, if their plan doesn't include one, two, or all three of these measures, then it's nothing more than yet another dramatic season of the Game of Shells.

Huffington Post: Liberals' Hydro Shell Game Is An Expensive Band-Aid
By: Mike Schreiner
03/09/2017

http://www.huffingtonpost.ca/mike-schreiner/liberals-hydro-shell-game_b_15248272.html

The hydro plan Premier Wynne announced last week is the most expensive band aid in Ontario's history.

To stop the Liberal's bleeding poll numbers, the Premier is going to borrow \$14 billion dollars over the next decade. She says her band aid will reduce electricity prices by 17 per cent. This is on top of the \$1 billion per year her HST cut on hydro bills will cost.

That's a \$24,000,000,000 dollar band aid, costing each household about \$5,000.

The premier has said nothing about what programs will be cut to pay for her Band-Aid.

\$14 billion in interest payments may be good for bankers, but not for you and me.

When I think about where I want my tax dollars to go, big banks aren't on my list.

\$1.4 billion per year would pay for 20,000 nurses in Ontario. It could save some of the 11 schools slated to close in Ottawa and dozens more around the province. It would go a long way to improving regional transit links. It could build hospitals, protect our water; the list goes on.

This is what happens when politicians mess up the hydro file and become desperate to buy votes. You end up paying big time.

Don't get me wrong. We have a real affordability crisis on our hands. No one should have to choose between food and heat.

But I think you deserve more than a Band-Aid. You deserve permanent, long-term solutions so we can put that \$14 billion into public services, instead of banks.

Here's the thing -- we do have better options! But first the government needs to stop repeating the mistakes of the past.

In 2002, Ernie Eves froze electricity rates. Debt went up and cost us billions.

In 2011, Dalton McGuinty moved two gas plants and we paid \$1.1 billion. Then he added another subsidy that had us borrowing \$1.1 billion a year.

Now Wynne's 25 per cent rebate is just the latest in a long line of shell games on hydro.

These shell games have cost billions. None of them have worked.

We should be looking at how we can provide relief to those who desperately need it now, and also save in the long run. Here's a plan on how we can get there:

First stop: target programs to provide rate reductions for people who need it the most.

Electricity rate increases are unaffordable for people with low/fixed incomes. The increases are punishing anyone on electric baseboard heating.

Across the board cuts like those supported by the NDP and Liberals are tax cuts for the rich. Wealthy

homes use more energy and benefit the most by these programs. Instead, it is more financially responsible and effective to target price cuts for those in need. This can best be achieved by putting more money into programs like the Ontario Electricity Support Program.

2. Next, tackle the expensive elephant in the room: nuclear.

The Premier must say no to the nuclear lobby. No nuclear project has delivered on time or budget.

Increases in the Global Adjustment (GA) are driving up electricity prices. 46 per cent of the increase in the GA is due to nuclear power. Two companies operate nuclear plants in our province: privately owned Bruce Power and publicly owned Ontario Power Generation (OPG). Between 2002 and 2016, their rates rose by 54 per cent and 60 per cent.

And now OPG is asking for a massive price increase over the next decade to finance the Darlington Nuclear plant rebuild.

Instead of pouring billions more into nuclear power, let's close Pickering Nuclear on time in 2018. This will save us money by reducing Ontario's electricity surplus. Right now our provincial electricity surplus means Ontario has to sell excess power at a loss. If we need additional power, Quebec water power is much less expensive.

3. Help people and businesses save money by saving energy.

Energy efficiency and conservation are the lowest cost energy solutions.

We will all save money now and forever by figuring out how to use less energy to power our businesses and homes.

A Green Building fund will help us do this and create thousands of jobs. We can finance this fund with the billions in savings from cancelling the planned nuclear rebuilds.

4. Stop the privatization of Hydro One.

This will prevent financial losses to Ontario's treasury and prevent future electricity price increases. Selling off Hydro One puts the Liberal's short-term desperate economic and political needs ahead of good public policy.

The Liberals' expensive hydro Band-Aid won't build an efficient electricity system. It won't reduce costs in the system. And it will cost all of us billions.

We deserve better in Ontario. We need honest solutions based on good public policy to get out of this hydro mess.

T V T r a n s c r i p t s (6 P M)

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