Morning Media Scan: Hydro Rate Reduction - May 12, 2017

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Morning Media Scan: May 12, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

May 12, 2017

Click links below to view article:

Print Coverage

Print Coverage

Toronto Star: Hydro rate cut will be short-lived, leak reveals; A1; 2017.05.12

PUBLICATION:	Toronto Star
PAGE:	A1
DATE:	2017.05.12
SECTION:	News
EDITION:	ONT
BYLINE:	Rob Ferguson Toronto Star
KEYWORDS:	hydro,summer,leaked,cabinet,document,forecasts
WORD COUNT:	858

(no headline)

The short-term gain of a 25-per-cent hydro rate cut this summer could lead to long-term pain as a leaked cabinet document forecasts prices jumping again in five years.

In the briefing materials first revealed by the Star and obtained by the Progressive Conservatives, rates will start rising 6.5 per cent a year in 2022 and top out at 10.5 per cent in 2028, when average monthly bills hit $215.

That would be up from $123 this year once the rate cut - the subject of long-awaited legislation unveiled Thursday by Energy Minister Glenn Thibeault - takes full effect. There will be another 17-per-cent cut in addition to the 8 per cent taken off bills in January when the provincial portion of the HST was waived.

The leaked papers overshadowed Thibeault's efforts to tout the price break, which will be followed with four years of hydro rate increases at 2 per cent, roughly the rate of inflation.

Thibeault charged that the Conservatives used an "outdated" document to distract from the fact that they are the only major party without a plan for dealing with skyrocketing hydro rates, with a year to go until next June's provincial election.

"It's not a coincidence," he told reporters, denying any plans for an eventual 10.5-per-cent rate hike and promising the government's new long-term energy plan, due in a few months, will have better numbers.

"We are working hard right now to continue to pull costs out of the system."

Opposition parties said the Liberal plan doesn't deal with the underlying problems that have made electricity expensive and simply borrows money to spread the costs over a longer period of time, with $25 billion in interest charges over 30 years.

"The price of electricity is going to skyrocket after the next election," warned Conservative MPP Todd Smith.

"The government isn't being honest with the people of Ontario when it comes to the price of electricity."

The documents show average monthly bills peaking at $231 in the year 2047, before falling back to $210 the following year once the 30 years of interest payments are over.

Conservative sources say they obtained the papers stamped "confidential cabinet document" from a whistleblower after Thibeault's rate-cut plan was presented to cabinet ministers in early March. There is no date on the document, which the energy minister alternately dismissed as "inaccurate" or possibly one of many that have been prepared with different options in mind.

"We've had hundreds of briefings with hundreds of documents ... I can't comment on one graph when we've been looking at hundreds of scenarios."

New Democrats, who have proposed a scheme to cut hydro rates by 17 to 30 per cent if elected, also called the plan an election ploy with Liberals lagging in the polls.
"We're going to take on a huge debt so (Premier) Kathleen Wynne can look good on the hustings in the next few months, and for decades we're going to pay for it," said MPP Peter Tabuns (Toronto-Danforth).
Thibeault acknowledged the Liberal plan will start repaying borrowed money in the mid- or late 2020s and it will show up on hydro bills as the "Clean Energy Adjustment."
He compared the borrowing plan, which spreads the costs of upgrading the electricity system by closing coal-fired plants and using more clean sources of power over a longer period, with a homeowner extending a mortgage.
Aside from setting up an entity to do the borrowing, the legislation expands subsidies for remote rural residents and low-income families and shifts their costs to the tax base, instead of leaving them for ratepayers to cover, as is the case now.
Smith, his party's energy critic, said the Clean Energy Adjustment is akin to the recently axed debt retirement charge from the old Ontario Hydro, but "on steroids" and in place until the year 2047, according to the leaked documents.
"The debt retirement charge was $4 or $5 on the average residential bill. This one is going to reach $21 by the year 2028 ... that's a huge hit," he added.
"This is the Kathleen Wynne retirement charge that's going to appear on bills for not just my generation but our kids' generation."
Thibeault insisted the government can continue to trim costs from the electricity system as it has for several years, during which the Samsung clean power agreement was renegotiated and some renewable projects were halted. In the 2010 long-term energy plan, for example, the average monthly bill was forecast to be $178 by now. That was lowered to $170 in the 2013 long-term energy plan. The average monthly bill is now $156.
He said a new system of "capacity auctions" in which generating companies will be asked to bid will save money over the traditional system in which the government mandated how much power would come from nuclear, hydroelectric, natural gas, wind and other renewable sources.
Opposition parties also accused the government of trying to force the legislation through with little scrutiny in the eight remaining days the legislature sits before rising for the summer recess on June 1.
"This is just jamming it through at the end of the session," Tabuns said.

National Post: Make electricity dull; FP9; 2017.05.12

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SECTION:	FP Comment
EDITION:	All_but_Toronto
BYLINE:	Lawrence Solomon
SOURCE:	National Post
KEYWORDS:	electricity,heated,issue,ontario,judged,political
ILLUSTRATION:	Nathan Denette, The Canadian Press / ;
IMAGES:	Nathan Denette, The Canadian Press / [NTNP_20170512_All_but_Toronto_FP9_02_I001.jpg];
WORD COUNT:	710

Make electricity dull

Electricity is a heated issue in Ontario, judged by many to be the No. 1 political issue and a major factor in the collapse in support of the governing Liberal party. Natural gas, in contrast, is dull, dull, dull. Unlike electricity, which is in the news daily - mostly due to skyrocketing rates but also for poor service, blackouts and fights over wind turbines - gas gets almost no media attention.

Yet both forms of energy are used throughout the province by industry and householders alike. Both are delivered to customers by major monopolies. Both are regulated by the same Ontario Energy Board.

Why does electricity get all the attention? Different ownership. The gas companies are run by plodding private corporations whose pencil-pushers get their satisfaction by focusing on their bottom line. They keep their nose to the grindstone and avoid controversy. The electricity companies are run by promise-them-anything governments whose political leaders are focused on getting re-elected. Those promissory notes have historically been provided by the electricity sector, always at the risk of the taxpayer's and ratepayer's pocketbook, never the politician's.

This has been the story of Ontario's public power since the early 1900s, when politicians first saw the potential in exploiting "power at cost." Decades of scandal under public ownership followed, culminating in a gargantuan nuclear program that promised electricity "too-cheap to meter" and, by the 1990s, resulted in a bankrupt Ontario Hydro and the loss of Ontario's Triple-A credit rating.

This decade's politicians promise to make Ontario a global leader in combating global warming, financed through what they call a "global adjustment" on Ontarians'power bills. Their global-warming policies and their global adjustment have tripled Ontarians'power bills, making the province one of the highest-priced power jurisdictions in North America. Hardship among householders is widespread - fuel poverty is becoming a common term - as is an exodus of business to the United States, where power rates are low because Americans commonly have what Ontario doesn't: a private electricity marketplace.

There should be no surprise that government ownership led to the shambles that Ontario power has become. Only a government would voluntary dismantle one of the continent's finest fleets of coal plants, as Ontario's Liberal government did, to fulfil a boast of becoming a green leader. Only a government would pay producers as much as 20 times the market rate just so it could boast about generating renewable energy. Only a government could gut provincial planning and environmental laws to push through a single-minded agenda organized around the sole purpose of furthering its prospects for remaining in power.

Ontario's electricity system doesn't need to remain ruinous. To turn the system around, so that today's everincreasing rates instead drop year after year, Ontario needs only to break up and privatize the power sector. Rates would drop dramatically, as they did in the U.K. after Margaret Thatcher privatized the British power sector in 1989. Ontario almost did privatize its power sector shortly afterward - Mike Harris's Progressive Conservatives were elected on a "Common Sense Revolution" platform that promised to privatize the power sector and bring rates down through competition, as was occurring in the U.K. Harris failed to seize the day, though, and by the time the planners and consultants worked out the mechanics of privatizing the power sector, Ontario had a timid new premier in Ernie Eves, who pulled the plug on privatization in panic when a summer heat wave caused power prices to spike.

Today, Ontarians don't face temporary spikes; they face unrelentingly high rates destined to go higher because none of the major parties in Ontario today understands the root cause of the electricity-sector mess. The power industry's problems do not stem merely from the poor choices made in the generating technologies ordered, or in the managers at the helm. Fundamentally, the problems come from government ownership, which necessarily politicizes anything large and important enough to attract a politician's attention.

The times ahead won't be dull as the electricity sector continues its slow collapse. But what Ontarians need is dull - the dullness that comes of a private-sector industry that stodgily does the job of keeping the lights on without impoverishing its customers or bankrupting itself.

Lawrence Solomon is executive director of Energy Probe.
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The Globe and Mail: Ontarians to face hydro-bill surge, PCs say ; A4; 2017.05.12

ID: GAM.20170512.nwnahydro **PUBLICATION:** The Globe and Mail **EDITION:** Ontario **DATE:** 2017.05.12 **SECTION:** News **PAGE:** A4 **BYLINE:** By JUSTIN GIOVANNETTI **WORD COUNT:** 704 **DATELINE:** TORONTO

Ontarians to face hydro-bill surge, PCs say ;Leaked cabinet document indicates big long-term rate hikes are in works, but Energy Minister says ‘confidential’ draft is out of date

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Staff
Ontarians could end up paying significantly higher electricity bills over two decades in exchange for short-term relief, according to an early draft of a government plan to cut hydro rates by 25 per cent this year.
The average Toronto Hydro consumer would save almost $2,500 through to 2025, at which point they would pay an extra $4,800 over the following 22 years, according to the six-page draft provided to reporters by the Progressive Conservatives on Thursday.
The cabinet paper is stamped “confidential” and was released only hours before Energy Minister Glenn Thibeault was set to unveil the government’s plan to cut hydro rates and cap increases at the rate of inflation for the next four years. Mr. Thibeault’s office said the document was outdated but did not provide more current numbers.
Premier Kathleen Wynne’s popularity has waned over the past year as rapidly increasing hydro rates have become a political liability for the Liberals only a year out from the next general election. To reduce rates, the government has decided to refinance electricity costs over 30 years, lowering bills in the first few years but increasing costs in later years.
“This fair hydro plan will cost more and it will take longer to pay back,” Mr. Thibeault said Thursday. He dismissed the release of the cabinet document as a political ploy by an opposition that has yet to announce its own hydro plan. “The documents that we provide to cabinet are topics for discussion,” he said.
“And, you know, plans change.”
Todd Smith, the PC Party’s energy critic, told reporters the plan was leaked by a disaffected Energy Ministry employee. “We’ve seen this government interfere time and time again in the electricity sector. They can’t keep their fingers out of the pie,” he said, blaming the Liberals for high power prices.
New Democrat Peter Tabuns also said that the plan, which the government hopes to move through debate at Queen’s Park by the end of next week, is a mess. “This is a ‘get through the election’ plan. That’s what this is all about,” he said.
The leaked plan shows the average monthly bill in Toronto falling from $158 last year to $123 this year.
The plan would keep hydro costs off the political radar for years, potentially through to the following general election in 2022, at which point monthly costs would have grown to just $142. The relief for consumers ends after that, with bills increasing quickly to $215 a month by 2028. For the following two decades, Ontarians would see a charge of about $20 on monthly bills to repay the almost $28-billion in debt accrued to lower rates for almost a decade.
Mr. Thibeault vowed there would be no rapid increase in rates like those envisioned in the leaked plan and said prices would remain low for years to come. “We will continue to work to pull costs out of the system to ensure that any graph, that any line, will continue to plateau,” he said.
The cabinet document charts electricity prices out to 2050, and many of the assumptions in the plan could change to lower future costs borne by consumers, according to a senior official who spoke to The Globe and Mail on condition of anonymity. A number of factors, including interest rates and natural gas prices, could alter hydro prices decades from now.
The billions of dollars in extra debt needed to lower rates after 2017 will not appear on the government’s books but will instead be raised by Ontario Power Generation, the Crown corporation responsible for generating about half the province’s electricity. While the province and OPG will provide some of the money for the plan, most of it will be raised by selling debt to private investors, said Jeff Lyash, OPG’s chief executive.
Mr. Lyash said OPG can assure access to capital markets and “act like a financial services manager to make sure that whatever gets implemented here has the right underlying basis. … I would expect nominal rates to be fairly low. We think of this as nominally 5-per-cent interest rate depending on how this develops over time.”

Toronto Sun: Kicking the problem down the road; A5; 2017.05.12

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EDITION: Final
BYLINE: Lorrie Goldstein
SOURCE: Toronto Sun

KEYWORDS: confidential,cabinet,documents,ontario,electricity,rates
ILLUSTRATION: Source: Cabinet Documents Leaked To Ontario'S Progressive Conservatives / (See hardcopy for photo);
WORD COUNT: 547

Kicking the problem down the road

Confidential cabinet documents on Ontario electricity rates drafted for Premier Kathleen Wynne's government and released by the Progressive Conservatives Thursday reveal that the Liberals'so-called "Fair Hydro Plan" is a farce and a mirage.
They demonstrate that there is no free lunch when it comes to electricity prices, no matter how the Liberals try to spin it.
Simply put, when you take on $25 billion in new debt to give hydro consumers an average 25% reduction on their electricity bills today, it means you're going to hit them with even higher bills tomorrow.
Especially since the Liberals also say they'll limit annual hydro rate increases to no more than inflation for the next four years, meaning rates will explode once this artificial lid comes off.
That's assuming the entire plan isn't another one of Wynne's "stretch goals" (see auto insurance) that she'll abandon if she wins next year's election.
To be fair, hydro rates were going up no matter who won the 2003 election that brought the Liberals to power, because previous governments of all stripes had neglected the system.
But they didn't have to skyrocket as they did under the Liberals.
That was due in large part to their reckless blunder into expensive and unreliable green energy, chiefly wind and solar power, which wasn't needed to replace coalfired electricity, the main justification the Liberals gave for skyrocketing hydro rates.
(The Liberals actually replaced coal with nuclear power and natural gas.)
In 2011, then-auditor general Jim McCarter predicted that, according to the Liberals'own numbers, electricity rates would rise an average of 7.9% annually from 2010 to '15, with 56% of that due to renewable energy.
Electricity, McCarter warned, would cost consumers $4.4 billion more than necessary over 20 years, because the Liberals failed to follow the advice of their own experts by offering overly generous, 20-year contracts to wind and solar developers.
By 2015, McCarter's successor, Bonnie Lysyk, estimated the bill had soared to $9.2 billion, with the Liberals paying twice the average cost for wind power and 3½ times the cost for solar power, compared to the U.S.
The Liberals paid almost $2 billion for smart meters, double the original price tag.
They cancelled two unpopular gas plants before the 2011 election (needed, in part, to back up wind power) at a cost of up to $1.1 billion over 20 years, according to the auditor general, 378% higher than the Liberals'estimated cost of $230 million.
Because their policies created an energy surplus - as many manufacturing companies closed due in part to high electricity prices - the Liberals had to pay renewable energy developers not to produce electricity, since they were contractually obligated to buy their power first, or sell it at a loss to the U.S.
While the Liberals made blunder after blunder, the costs went up and up.
In 2013, they predicted residential electricity prices would rise 42% by 2018.
In the decade between '06 and 2016 prices doubled, making Ontario's electricity the most expensive in Canada, according to Hydro Quebec's annual survey of major North American cities.
With their so-called Fair Hydro Plan, the Liberals aren't solving the mess they've made of electricity rates. They're kicking it down the road and making it worse. lgoldstein@postmedia.com @sunlorrie

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Toronto Sun: Liberal lies laid bare; A4; 2017.05.12

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EDITION: Final
BYLINE: Sue-Ann Levy
SOURCE: Toronto Sun
KEYWORDS: noticed,streeter,asking,premier,kathleen,steadily
WORD COUNT: 594

Liberal lies laid bare

I noticed the streeter asking about Premier Kathleen Wynne's steadily fizzling popularity in a local newspaper dropped on my driveway two days ago.

Eight Midtown residents were asked whether the most unpopular premier in Canada could still pull a rabbit out of a hat and win a second term in 2018.

I shouldn't be surprised (seeing as Midtown is Liberal territory) that all but one actually thought she was doing what was right with her "fair" hydro scheme that will (temporarily) slash hydro rates by 25%.

One seemingly naive woman suggested that all would be right with the world once the rates are cut and, get this, that the embattled Wynne actually had her best interests in mind.

OK, then.

There was no recognition from any of them of the fact that the Liberals messed up hydro rates in the first place, or that selling off slightly more than 50% of hydro shares will give the government less control over energy prices, or that Wynne has opted to mortgage her own grandchildren's future with the temporary four-year rate fix (by amortizing the debt used to pay for electricity system upgrades over a longer period.)

But least of all, these naive souls seemed to have bought the Liberal spin and trust that Wynne was doing this to truly help them - not as a cynical attempt to improve her popularity before she returns to the polls next June.

It was truly frustrating to read, but I suspect there are many other Wynne deniers out there - voters who still don't believe (after so many $1-billion-plus fiascos) that this premier and her sad, tired, incompetent, duplicitous and arrogant cabinet only care about their own interests and those special interests (can we say teachers'unions and overpaid bureaucratic fatcats) who will endeavour to keep them in office.

So, I'm not the least bit surprised that while Wynne and Energy Minister Glenn Thibeault were presenting a public face of deep concern for Ontario residents and their hydro bills (and shamelessly lauding themselves for this alleged concern), privately they were only moving the shells around - temporarily.

According to a confidential cabinet document released by the Tories Thursday, once the dust settles on another Liberal term (at least in their fantasies), hydro rates will spike again and by 2024 they will reach on average $161 per month and $183 per month by 2026 compared to $123 per month this year.

The cabinet document also reveals that the controversial debt retirement charge will return under another name.

It has to happen. The government has no money. The Liberals can't prop up their vote-buying schemes forever.

Interestingly enough, in his statement Thursday, Thibeault does not deny the rate increases but instead tries to change the channel by insisting the cabinet document is "outdated," a distraction from their charitable efforts (the latter my words) and that PC Leader Patrick Brown has no "real plan."

Look, what or who would anyone believe: A leaked cabinet document or a government that has messed up nearly every file it has dealt with (I haven't even mentioned health care), has left the province mercilessly drowning in debt, put together a fake balanced budget and still has the gall to come out with cheesy spin about the great job it's doing for Ontario residents.

I know it. Likely most of those who will read this article will agree, as well.

If only those people who still think Wynne is going to save them with a few shiny baubles could be shocked into reality.

SLevy@postmedia.com @SueAnnLevy Scooplevy

Toronto Sun: Actions of a 'desperate government'; A4; 2017.05.12

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SECTION:	News
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BYLINE:	Shawn Jeffords
SOURCE:	Toronto Sun
KEYWORDS:	coincidence,secret,liberal,documents,hydro,rates
ILLUSTRATION:	/ SMITHEye on election;
WORD COUNT:	303

Actions of a 'desperate government'

It's no coincidence that secret Liberal documents show hydro rates will skyrocket after next summer's provincial election, says the Progressive Conservative energy critic.
MPP Todd Smith slammed the government's plan to slash hydro rates by borrowing billions, saying documents leaked to the Tories by a "whistleblower" show the true cost of the scheme.
He called the reduction plan a "desperate" ploy ahead of the key ahead of the key 2018 vote.
"They are simply borrowing to get them through the next election and (are) not dealing with the underlying reason why our electricity prices are as high as they are," he said.
"This is a desperate government. This is a desperate issue for this government. They've created legislation that we're only getting a few days to look at."
Smith also said the documents suggest the government plans to resurrect the much-hated debt retirement charge.
That fee, which was recently curtailed by the government, added about $4-$5 on the average bill.
But the new Clean Energy Adjustment, which will be placed on bills in the late 2020s to help pay down the debt created by the Liberals'rate cut, will be like the retirement charge "on steroids," Smith insisted.
Energy Minister Glenn Thibeault denied that people will once again have to pay a debt retirement charge.
NDP energy critic Peter Tabuns said he believes the cabinet document is legitimate and it points out what his party has been saying: The Liberal plan doesn't address the hydro problem.
"It just means that the Liberals allow all of the things that are driving higher prices to continue to be there," he said. "They're able to suppress the price for a while. They piled enough money on top of it that they can make it look good for a bit. But it's all going to burst out again."

Toronto Sun: We'Ll Be Zapped In 2022; A4; 2017.05.12

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BYLINE:	Shawn Jeffords
SOURCE:	Toronto Sun
KEYWORDS:	ontarians,hydro,shock,internal,cabinet,document
ILLUSTRATION:	/ (See hardcopy for photo); Dave Abel, Toronto Sun / Liberal Energy Minister Glenn Thibeault outlines the Ontario Fair Hydro Plan at Queen's

Park yesterday.;

WORD COUNT: 447

We'LI Be Zapped In 2022; Hydro rates will skyrocket, report leaked to PCs shows

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Ontarians are in for a hydro shock.
An internal cabinet document leaked to the Progressive Conservatives shows that electricity rates in the province will remain stable in the lead-up to the 2018 election, and then spike in 2022.
The document, which breaks down the Liberal government's recently announced plan to slash hydro rates by 25%, shows that prices will begin to rise for the average homeowner following this year.
The government plans to limit rate increases to 2% a year, but then prices will jump in 2022 when the cap expires.
The Tories say the document was presented to cabinet in March and that it obtained it from a "whistleblower."
It says that between 2022 and '27, Ontario residents will be zapped by a 6.5% jump annually.
That will be followed by a whopping 10.5% increase in '28.
When all those hikes are applied, the average monthly hydro bill in Toronto will leap from $142 to $215.
In March, Premier Kathleen Wynne announced a plan to cut hydro rates by 17% after months of outrage over increasing electricity costs.
The cut amounts to 25% if a previous 8% HST rebate is included.
But the cost of the rate cut is an estimated $25 billion in interest payments over the next 30 years because the government had to reorganize the system's debt in order to make the reduction possible.
Liberal Energy Minister Glenn Thibeault Thursday unveiled the legislation that enables the hydro cut, giving the Legislature eight days to debate and pass the bill before Queen's Park begins its summer break.
Initially, Thibeault said he couldn't confirm the document or verify its numbers.
"I've been in this position for 11 months," Thibeault said. "I've seen literally thousands of graphs. So for any confidential document, I can't verify it."
Thibeault stressed government has received figures for months on their hydro plan which included "thousands of documents" and "hundreds of briefings." But he did dispute the accuracy of the 10.5% in 2028.
Asked if documents presented to cabinet are often false, the minister said typically reports are presented as "topics for discussion."
But later Thursday afternoon, Thibeault released a statement saying the documents obtained by the Tories were only a draft.
"Patrick Brown and the PCs have instead decided to share an outdated document with data that is months old, as they try to distract from the fact that they have offered no credible ideas for hydro rate relief," Thibeault said in the statement. "We have been working on this plan for months, and as we worked on it, the documents and calculations evolved, meaning that numbers shared by the PCs today are completely inaccurate." sjeffords@postmedia.com

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Toronto Sun: Wynne Liberals can't be trusted; A16; 2017.05.12

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WORD COUNT: 373

Wynne Liberals can't be trusted

Premier Kathleen Wynne's government wants you to believe its horrid treatment of Maureen, a 75-year-old woman who was the victim of a government test program gone awry, is an exception to the rule.
A rare case of "human error", even if government bureaucrats had the gall to suggest she hire a lawyer to remove an obviously fictitious lien on her van placed by "Fred and Pebbles Flintstone" of "Yellow Brick Road".
This was when Maureen tried to sell it and learned of the lien.
Thanks to Tory MPP Randy Hillier, we know it took nine months for the government to acknowledge the lien was the result of a government worker erroneously putting the lien on her van - and possibly other vehicles - while testing Ontario's vehicle registration system.
Given the clearly fictitious names and address on the lien, this should have been resolved in a matter of hours, if not minutes, when the mistake was first brought to the government's attention.
The larger problem is, this wasn't an isolated incident.
Former Ontario ombudsman Andre Marin, for example, reported after an investigation into Hydro One that after the utility took too much money out of the bank accounts of its customers to pay their hydro bills, it refused to give it back, agreeing only to credit it against future charges.
Former auditor general Jim McCarter revealed the government's own energy experts told the Liberals they didn't need to make the Feed-in-Tariff (FIT) program for wind and solar power developers as financially generous as it was, to meet their environmental goals.
The Liberals did it anyway, costing electricity ratepayers an extra $4.4 billion over 20 years, according to McCarter.
A CBC news investigation found the Liberals'environment ministry misled people who contacted it to complain about ill health effects from wind turbines - telling them they were the only ones complaining, when hundreds of people were. This even as the same ministry was internally warning the government its noise limits and setbacks were inadequate, hard to monitor and difficult to enforce.
These examples have nothing to do with "human error" which is forgivable when mistakes are quickly admitted and corrected.
This is about a Liberal government that, demonstrably, no longer deserves the public's trust.

Northern Daily News (Kirkland Lake): Hydro selloff shocks MPP; A1 / Front; 2017.05.12

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SOURCE:	Northern Daily News (Kirkland Lake)
KEYWORDS:	vanthof,upset,liberal,announcement,selling,another
DATELINE:	KIRKLAND LAKE
WORD COUNT:	481

Hydro selloff shocks MPP

Timiskaming-Cochrane MPP John Vanthof is upset with the Liberal Government's announcement that is will be selling off another batch of shares in Hydro One.
In a statement to the Northern News, Vanthof said "Sadly, despite the opposition of the vast majority of Ontarians, the Wynne government continues the sell off of Hydro One. Over the long term, this

wrongheaded decision will increase the cost of electricity, and will ultimately cost Ontario taxpayers money as well. It just does not make any sense to sell off a public asset that makes an annual profit for the government. The Government's budget clearly shows that Ontarians have already lost over a billion dollars of dividend revenue since the start of the Hydro sell-off.
Experience tells us that private companies do not focus their attention on areas with lower populations like the North. For Northerners, privatizing Hydro One could mean less access to service and limited maintenance, on top of increased energy costs.
Adoption of the NDP plan would stop any further sales of Hydro One and start bringing this precious resource back into public hands where it belongs."
During question period Tuesday Andrea Horwath blasted Premier Kathleen Wynne for ignoring the vast majority of Ontarians and businesses who want her to stop hiking already sky-high hydro bills by further privatizing Hydro One.
"Families, business owners, municipalities, NGOs - they have all told the premier, loud and clear to stop this wrong-headed sell-off," Horwath said.
"People need relief from soaring energy bills, not to hear that the premier is doing more damage to our already broken system.
"Why does the premier insist on moving ahead with this ridiculous sell-off?" Yesterday the Wynne government announced it is selling off yet another batch of shares in Hydro One that will give away majority control of Ontario's most valuable public asset, Horwath said.
"Ontarians didn't vote for this.
The premier has no mandate to sell-off our public hydro utility, and Ontarians have been clear that they don't want this sell-off to continue," Horwath said.
"Electricity isn't a luxury, and it shouldn't be priced like one. By giving up the province's majority stake in Hydro One, the premier is guaranteeing that Ontario families will continue to see their bills go up.
"Why does the premier want to drive up hydro bills for families, businesses, and municipalities?" Horwath said that the premier put her opinion ahead of 80 per cent of Ontarians who oppose the privatization of Hydro One.
"She puts the interests of her party and her powerful Liberal friends and insiders ahead of the people of Ontario. Every. Single. Time.
"How arrogant and out of touch do you have to be to completely ignore 80 per cent of your constituents?
"Why won't the premier stop looking out for the people at the top, and stop her wrong-headed Hydro One sell-off and finally show Ontarians the respect they deserve?"

London Free Press: Hydro law cuts bills now, costs more later; A6; 2017.05.12

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Hydro law cuts bills now, costs more later

Ontarians will see lowered hydro bills for the next 10 years, but will then pay higher costs for the following 20 years, under new legislation tabled Thursday.
Ten weeks after announcing its plan to lower hydro bills, the Liberal government introduced legislation to lower time-of-use rates, take the cost of low-income and rural support programs off bills, and introduce

new social programs. it will lower time-of-use rates by removing from bills a portion of the global adjustment, a charge consumers pay for above-market rates to power producers. For the next 10 years, a new entity overseen by Ontario Power Generation will take on debt to pay that difference.
Then, the cost of paying back that debt with interest - which the government says will be as much as $28 billion - will go back onto ratepayers'bills for the next 20 years as a "Clean Energy adjustment." an average 17 per cent cut to bills will take effect 15 days after the hydro legislation receives royal assent, but there are just eight sitting days left before the Ontario legislature breaks for the summer. Energy Minister Glenn Thibeault insisted that leaves the opposition "plenty" of time for review and debate.
Electricity bills in the province have roughly doubled in the last decade, due in part to green energy initiatives, and Thibeault said the goal of this plan is to better spread out those costs.
"Like the mortgage on your house, this regime will cost more as we refinance over a longer period of time, but this is a more equitable and fair approach when we consider the lifespan of the clean energy investments, and generating stations across our province," he said.
NdP critic Peter Tabuns called it a "get-through-the-election" next June plan.
"We're going to take on a huge debt so Kathleen Wynne can look good on the hustings in the next few months and for decades we're going to pay for it," he said.
The legislation also holds rate increases to inflation for the next four years. after that, they'll rise more quickly, as illustrated by a leaked Liberal cabinet document the Progressive Conservatives unveiled Thursday.
The Liberals dismissed the document as containing outdated projections, but confirmed that it went before cabinet at some point before the government decided to go ahead with the hydro plan.
From about 2027 onward - when consumers would start paying off the debt associated with the hydro plan - Ontario electricity consumers will be paying about 12 per cent more than they would without the Liberal government's plan to cut costs in the short term, the government document projected.
But that was just one of many projections, said Energy Minister Glenn Thibeault.
"We have been working on this plan for months, and as we worked on it the documents and calculations evolved," he said.
The government's long-term energy plan is set to be updated this spring, and Thibeault said it will provide a more accurate look at how the hydro plan will reduce rates.
PC critic Todd Smith said the "Clean Energy adjustment" is nothing more than a revamped debt retirement charge, which was on bills from 2002-16 to pay down debt left over from the old Ontario Hydro, the giant provincial electrical utility that was split into multiple agencies in 1999 under the previous Conservative government.
"The minister can call it whatever he wants but it's right there in the graph, that there is going to be a new charge on the line," Smith said. "it's the debt retirement charge on steroids."