Saturday Media Scan: Hydro Rate Reduction Plan - October 21, 2017

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Saturday Media Scan: October 21, 2017

MEDIA SCAN:HYDRO RATE REDUCTION PLAN

October 21, 2017

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- **North Bay Nugget:** Fair Hydro Plan providing relief for families
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Print Coverage

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ILLUSTRATION:	Craig Robertson / Progressive Conservative leader Patrick Brown goes after the Liberal government in the legislature earlier this week over the auditor general's report on the Fair ***Hydro*** Plan. The Liberals don't know what to do with this "oddity" who is the Opposition leader, David Reevely writes.;
IMAGES:	Craig Robertson / Progressive Conservative leader Patrick Brown goes after the Liberal government in the legislature earlier this week over the auditor general's report on the Fair ***Hydro*** Plan. The Liberals don't know what to do with this "oddity" who is the Opposition leader, David Reevely writes. [OTCT_20171021_Early_A2_01_I001.jpg];
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Brown Tries To Make Liberals Look Like Ontario's Right-Wing Bad Guys

Ontarians should not only disapprove of Quebec's new face-coverings law, the government should find a legal case to support to get it struck down, Progressive Conservative leader Patrick Brown says, continuing to harry the Liberal party from the left.

They keep saying he's a frightening right-winger and he keeps refusing to play along. Brown criticizes the governing party not for being bleeding-heart incompetents, which they're used to and know how to answer, but for letting screw-ups compound their meanness. That's unfamiliar,

uncomfortable ground for people who are used to thinking of themselves as the party of building Ontario up.

We'll start with Quebec's ***Bill*** 62, which is purportedly about enforcing secularism in the public sphere but which will, in practice, mainly tell niqab-wearing Muslim women they have to take their veils off to ride city buses or go to school. Unusually, all the parties in the legislature Thursday agreed to make time to condemn another province's new law.

"This legislation would disproportionately affect women who are sometimes already at the margins and push them into further isolation. These are people that you and I know," Premier Kathleen Wynne said, leading off. "They are our neighbours: the grandmother who, if she lived in Quebec, would no longer be able to drop off her granddaughter at a city-run daycare, or a mother who would not be able to bring her children to a hospital to see the doctor. That is not the kind of society that we stand for in Ontario."

"My leader has often said it doesn't matter who you are, it doesn't matter where you're from, it doesn't matter who you love, it doesn't matter how much you make, and it doesn't matter where you worship; you have a home here, in the province of Ontario, and we respect you," agreed Ottawa Progressive Conservative MPP Lisa MacLeod, speaking for her party. "All Canadians have a legal right to their religious beliefs, including in the province of Quebec."

But, she said, and Brown echoed her Friday, Ontario should go beyond shaking its head grimly. "I would also ask that our government seek leave to intervene in any charter challenge on the constitutionality of this ***bill*** . I think that we must stand against it and stand firmly against it," MacLeod said.

This followed last week's social-issues kerfuffle, when Brown wanted to hurry a Liberaldesigned ban on abortion-clinic protests into law faster than the Liberals did.

The provincial Tories are light on actual policy, but in the twoand-a-half years Brown has been their leader, he's racked up a list of implicit promises through the criticisms he and his party have launched against the government.

The biggie is that ***electricity*** should be cheaper and the companies that provide it should be publicly owned. That's popular, mainstream Ontario opinion, and also pretty socialist.

Brown (though he's warring with his party base over this and who knows how it'll turn out) supports pricing carbon emissions to fight climate change but he's against the system of tradable permits the Liberals have set up. Cap-and-trade used to be the conservative way of tackling climate change because it sets targets and lets businesses work out how to meet them. The market rewards companies that do it well.

Our system is linked with one Quebec and California built when Arnold Schwarzenegger was the state's Republican governor, which creates a freetrade zone for carbon permits. Brown criticizes it because it "sends millions of dollars to one of the richest jurisdictions on earth for emission reductions there, which means failing to cut emissions here at home." Well, that's how trade works: we pay someone else to cut carbon emissions because they can do it more cheaply than we can. For conservatives, this is a feature, not a bug.

The Liberals are pushing school boards to close schools that are half-empty, as many as 600 of them, to save money; the Tories want to keep them open. The Tories criticize the Liberals for not spending enough on autism therapy, on mental health, on home care, on doctors.

They fret about conditions in Ontario jails, that the government hasn't done enough to get mining started in the Ring of Fire mineral deposits in the north.

Against all this, the Liberals accuse Patrick Brown of being a "Trump-style" politician for putting together ordinary attack ads and scour his record as a federal Conservative backbencher. Which is, to be sure, replete with socially conservative votes and mailers.

Brown has repudiated a lot of the things he used to stand for, which at best makes you ask whether he believes in the things he says. But he has repudiated them, directly and firmly, no sly wink-wink lines. He's marched in gay-pride parades and supported the Liberals on sex education, at considerable ***cost*** to his grassroots support.

The Liberals are setting themselves up to run against Tim Hudak and his Million Jobs Plan and his Stephen Harper Conservative friends, repeating the 2014 campaign. The Patrick Brown

we've seen so far is not that enemy. He's not the gentler Tim Hudak of 2011, not even the centrist John Tory of 2007. He's making the Liberals explain the things they've cut, the programs they haven't funded, the injustices they're not fighting hard enough.
Maybe the Tory platform, assuming there is one, will follow a different philosophy. But in the meantime, Brown's an oddity these Liberals have never seen before and don't yet know how to deal with. dreevely@postmedia.com twitter.com/davidreevely

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Fair *Hydro* Plan providing relief for families

To the editor: I'm not surprised to see Nipissing MPP Vic Fedeli try to get in the middle of an accounting dispute between the government and the Auditor General for personal political gain. It's what he does.
When Ontario families were asking for help, MPP Fedeli didn't share a single credible idea on how to lower *electricity* *rates* . When the time came to vote for real relief through the Fair *Hydro* Plan, he sat on his hands again, and voted against it.
Ontario's Fair *Hydro* Plan is the largest *rate* reduction in the history of the province. The average residential *ratepayer* has seen a 25 per cent reduction in their *electricity* *bill* . This *rate* relief was absolutely necessary - the *cost* of *electricity* had become too much for many Ontario families.
When we designed the Fair *Hydro* Plan, our intention was to lower *rates* and increase fairness. *Rates* had gone up because of investments we made in our *electricity* system - investments that were desperately needed. As a result, we now have a clean, reliable *electricity* system free from the brownouts and blackouts we were experiencing in the early 2000s.
The Fair *Hydro* Plan operates under a financial and accounting framework that is appropriate for its intended purpose. It is in accordance with public sector accounting standards and ensures the goals underlying the program are achieved in a *cost* -effective manner.
The accounting practices in the Fair *Hydro* Plan are well-established, and well-recognized within the industry. In fact, six of eight other North American *electricity* system operators use this type of accounting.
Additionally, world-renown third-party experts like KPMG, EY and Deloitte all agree the structure of the accounting is legitimate. Mr. Fedeli also argues that these changes should be on the tax-based, which is completely wrong. We made a policy choice to ensure that we keep the *cost* of borrowing within the *rate* -base, not the tax-base, because that's the logical thing to do.
Electricity financing should remain within the *electricity* system. When *electricity* generators build

hydro dams or power stations, we don't pay for them with provincial money. So why should we start now? While we've lowered *electricity* *bills* by 25 per cent on average for all residential consumers and as many as half a million small businesses and farms, the opposition has yet to present a credible or realistic plan for our energy system.
Glenn Thibeault
Minister of Energy

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Premier's bag of tricks disguised as treats

Over The Past Few Weeks, I'Ve Spent Much Time Talking To Folks From Across The Riding. Most Recently, At Waterford'S Pumpkinfest And, Of Course, At Other Fairs And Festivals. While People Are Happy To Attend The Festivities, They Are Quick To Speak About Concerns With The Way Our Province And Country Are Being Managed, Or, Should We Say, Mismanaged. The Mismanagement Can Be Deceitful, And Some Of The Tricks Can Often Be Disguised As Treats.
Case In Point, At The Norfolk County Fair, Literature Was Circulated Suggesting Government Would Continue To Cut Your *Hydro* *Bill* . And This From The Same Government That For The Past 14 Years Made Life Harder By Hiking Ontario'S *Electricity* *Rates* To The Highest In North American History. The Government'S 25 Per Cent Cut To Our *Bills* , As Part Of Their Fair *Hydro* Plan, Is Welcome News Today But The Trick Is, According To Ontario'S Financial Accountability Officer, That The Price Tag For Today'S $24- *Billion* Relief May *Cost* Ontarians $45- *Billion* -Plus Over The Next 29 Years. Predicated On Balanced Budgets And Low Interest *Rates* , This Re-Election Ploy Is "Fantasyland." There'S Definitely Nothing Fair About Sticking Future Generations With *Cost* Of Energy Blunders Dating Back To Dalton Mcguinty.
Government Is Masterful In Crafting Its Message. In Fact In Her Bid To Be Re-Elected, The Premier Is Presenting An Image As If She Cares And Wants To Be Fair. The Fair *Hydro* Plan Is Joined By The Fair Workplaces And Better Jobs Plan, And The Fair Housing Plan. And, As Official Opposition, If We Refuse To Support Her Fair Plan We Are - You Guessed It - Unfair.
Talk To Parents Of Children With Autism And They Will Confirm There'S Nothing Fair About This Government And The Promises They Made Prior To The Last Election. Back In June, After Cutting Essential, Transformational Therapy For Children With Autism, The Government Decided To Once Again Promise To Fix The Mess They Had Allowed To Continue. Sadly,

While Government Plays Politics, Too Many Families Remain Concerned About How To Get The Supports They Need.
Let'S Look At The Proposed $15 Minimum Wage. The Trick Here Is The Idea The Government Is Aiming At The Voter Who Uses Emotion To Vote, Rather Than Facts. For Small Businesses And Farmers, Increases In Expenses Must Come From Somewhere, And The Small Businesses I Speak To, Say They Simply Don'T Have The Profit Margins To Absorb Such A Dramatic Increase In Such A Short Time. The Government Plan To Rush It Through Is Reckless. According To An Ontario Chamber Of Commerce Report, ***Bill*** 148'S Increases To The Minimum Wage Will Result In 185,000 Lost Jobs And Will Drive Up Prices From Everything From Groceries To Child Care. It'S Too Fast, Too Soon. As A Member Of The Finance Committee, We Introduced Amendments To Require A ***Costbenefit*** Analysis Before The ***Bill*** Comes Into Force. If The Official Opposition Is Successful During The Next Election We Won'T Repeat The Mistake Of The Government By Changing The Law Related To The Minimum Wage Without A ***Cost*** -Benefit Analysis Or A Proper Economic Impact Assessment. Recent Ontario Government Tricks Go Far Beyond The Mere Soaping Of Windows At Halloween - They Can Make Life Miserable And Unfair For Years To Come. Toby Barrett Is Haldimand-Norfolk Mpp.

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Grits' ***hydro*** shell game unmoored from reality

Hiding ***billions*** of dollars the Ontario government is borrowing to lower ***electricity*** ***bills*** for a few years will ***cost*** ***hydro*** users an extra $4 ***billion*** , the province's auditor general reported Tuesday. Maybe worse, Bonnie Lysyk said in a special report on the Liberals'"Fair ***Hydro*** Plan," the tricks the government is using throw doubt on all the province's books. The government, citizens, auditors and institutions that lend the province money are pretty much operating in a post-truth universe, where what the Liberals say is going on with Ontario's finances has begun to drift from any previously understood shared reality.
What the Liberals have done "would be unacceptable in the private sector, and we maintain that this is also unacceptable in the public sector," Lysyk reported. "If the consolidated financial statements are so unreliable that an adverse opinion is warranted, terms like 'balanced budget,'deficit,'asset'and 'net debt'will be meaningless."
Here's what's happening. Earlier this year, Premier Kathleen Wynne gave up defending the increases in the price of ***electricity*** since the Liberals took over in 2003. She and her cabinet put

together a plan to cut ***bills*** that amounted to paying today's ***costs*** with borrowed money and repaying it with interest later. It has already cut residential ***bills*** by an average of 25 per cent, beginning last summer. And it will increase them by a combined total of $21 ***billion*** over time, when all that interest has to be paid, according to a previous report by Ontario's financial accountability officer.

The argument is the investment in cleaner, more reliable power will benefit us for a long time, so we should pay for it over more years. That "fairness" is ***costing*** $17 ***billion*** in interest, spread out over years.

The Liberals really wanted to keep that debt off their books, so they could also go into the next election saying the provincial budget is balanced. Borrowing ***billions*** in an election year would get in the way. So they did some advanced financial engineering to put the debt on Ontario Power Generation instead. The Crown corporation is publicly owned but it doesn't get interest ***rates*** as good as the provincial government itself, so that's where the $4- ***billion*** premium comes in.

The essence of the scheme is to say Ontarians are borrowing these ***billions*** of dollars as ***hydro ratepayers*** , not as voting citizens. Same people, different hats, different rules.

All of which is bull, Lysyk says. The point of accounting is to tell you how much money you have, how much you owe and how much you are owed.

"These standards are there to ensure that the financial reporting of government policy decisions reflects common sense: borrowings are debt, unearned revenue is not an asset today and when your expenses exceed your revenues, you incur a deficit," Lysysk said Tuesday. Nobody has used ***electricity*** in 2025 yet, let alone 2040. You can't count guesstimates of use and prices 20 years down the line as an asset today.

Energy Minister Glenn Thibeault and Treasury Board President Liz Sandals think the $4- ***billion*** estimate for the ***cost*** of hiding the debt is high.

They could be right - we won't know for sure till the 2040s. So it's a bit weird to account for it as if it's a fait accompli.

The government even went shopping for different accounting standards it might use, Lysyk's report says, trying out rules used for private businesses in the United States. Consulting firm Deloitte told the government this was OK.

Maybe reasonable accountants can disagree about this. But the ground they're fighting over is whether the trick the Liberals used to keep the debt off the books at a ***cost*** of ***billions*** of dollars is an acceptable trick, not whether they're keeping the debt off the government books or whether it's going to ***cost*** ***billions*** of dollars.

Which is just what you want from your government, right? - David Reevely is an Ottawa Citizen columnist. dreevely@postmedia.com

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