

MPP HORWATH ANNOUNCES NDP ELECTRICITY PLAN

February 27, 2017

Time / Location:

10:00 a.m. / Media Studio, Queen's Park

Speakers:

Andrea Horwath, MPP and Leader of the Ontario NDP.

Media Attendance:

Print – 6

TV – 6

Radio – 1

Media Outlets:

Jones – CP; Ferguson – Star; Jeffords – Sun; Zochodne – QP Briefing; Crawley - CBC Radio/TV; Brule - Radio Canada/CJBC; Lewkowicz – Newstalk 1010; Bliss - CTV Ontario; Cruickshank – iPolitics; Smith – QP Today; Paikin – TVO;

Statement:

Thank you for being here. It's a very exciting day. This morning I'm announcing an ambitious, achievable plan to lower people's hydro bills by 20 and for some people 30 per cent. And we'll do it in a way that is long-term and sustainable. Electricity isn't a luxury. It shouldn't be priced like one. And people want something done about it. Everywhere I go, people are telling me their families are at a breaking point. People like Jane in Kingston, who's been forced to choose between groceries or electricity. She bought groceries; and hydro was cut off. It's heartbreaking to see what people are being forced to do. People like Rochelle in Smithville – her hydro bill is so high, she's being forced to choose between filling her family's prescriptions and keeping the lights on. No mother should have to do that.

So many people are trapped in a struggle every month to keep their family above water. People lie awake at night worried sick about how they're gonna pay their hydro bill. I get it. I see what families are dealing with. We're at a tipping point in Ontario and we've got to take bold action to help people right now, and help build a secure future for our kids. The Liberals have spent 14 years driving up hydro costs for families. And Premier Wynne is still doing more damage by selling off Hydro One and selling out control over our public hydro. We saw it again last week. The Premier has never taken the hydro crisis for families seriously until it became a political crisis for the Liberal Party. And as for the conservatives, they're offering no real solutions. After 17 years as a conservative politician, people have no idea where Mr. Brown stands or what he's proposing to do. That's reason to worry. But people also know that conservative cuts and privatization helped get us into the mess that we're in in the first place. Conservatives aren't going to solve the problems that they helped create. New Democrats know the privatization of hydro by Liberals and Conservatives has hurt Ontario families and businesses, and will continue to do so. Ontarians have made it clear they believe in public power. Ontarians know that to solve the real problems in Hydro, the system must be publicly owned and operated in the best interests of the people of Ontario.

It's time for the people of Ontario to pay less for – and own more of – hydro. And the NDP has the only plan to get it done. I will stop the damage that Premier Wynne is doing, and take immediate steps to regain control over hydro costs. First, we will stop the disastrous sell-off of Hydro One and bring Hydro One back into public hands, with full public oversight. I'm committing today that the first bill I will introduce as premier, will be to start returning Hydro One to public ownership, control and accountability. We will take immediate action to lower bills through such measures as making sure rural folks pay the same delivery costs as urban customers by capping private profits, by ending mandatory time of use, and giving the Ontario Energy Board a new mandate to stand up for the public and push for lower bills. We've got to make it fair; and we will fix the systemic problems by ending the ridiculous practice of paying for electricity

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we don't need, and cancel or renegotiate bad contracts. I'm talking about the private contracts that Liberals and Conservatives have signed that make insiders wealthy, but leave Ontarians paying for electricity that we're not gonna use, and we can't use. When you pay your hydro bill, you should be paying for electricity – not for someone else's profits. Public hydro is the only way to build a great future for everyone. We will put what's best for people first. People will see the result. We will lower bills by over 20 per cent and for most rural and Northern customers by 30 per cent. And what a change that'll be – affordable, reliable, clean public power will be the backbone of the electricity system under an NDP government. In the years to come when I talk to people across Ontario, I don't want to hear worry and frustration in their voices. I want to help put hope and optimism back into people's lives. For the sake of families today and the next generation, we need to change the way the system currently works. We need change that helps the people of Ontario; and this is our plan to get that job done.

Thank you very much for your attention and I'll take any questions that you have.

Media Questions:

Q. Bliss: the last two elections in a row, I asked you and the other leaders if they would promise to lower the rates. And every time all of you said the same thing. No, it can't be done. So, other than the fact now the public is outraged about electricity bills – what has changed that is allowing you to do this. I don't see what's changed.	In fact, we've done a lot of work reviewing what's happening in our system; and we see clearly that there are changes that can be made to our system to reduce people's electricity bills. And, as I said, that means getting rid of the mandatory time of use; it means making the distribution system more fair – the pricing of distribution more fair for those – those folks in rural Ontario. It means bringing oversight that we currently don't have, both with the OEB as well as – as the OPG. It means private profits that are currently built into our system, need to be capped and that will help us as well. So we have things that will help us in the immediate, and then things that we need to do in the long-term, because we need both. We need immediate relief, and we need to put in place a system that in the long-term is going to serve the interests of Ontarians – and that's when we're talking about the buying back of Hydro One; we're talking about possibly bringing more affordable electricity into our system through imports. The oversupply issue that we have is a huge cost driver for our system.
Q. Bliss: I guess my question is why you've done this for a while. Why hasn't this been part of your plan for going back to, say, 2014?	Well, again, we've watched – just since this premier was elected, or when she was elected three years ago – we've seen the increase in prices go up another 50 per cent. That's since the last election. We see the Liberals continue to drive the electricity system in the wrong direction and it has to stop. And so we've looked very, very carefully at what we can do to make the changes; and we're determined to make those changes for the people of Ontario.
Q. Lewkowicz: We're expecting an announcement from the Liberals (inaudible) bringing hydro prices down. Are you hoping that they will take put this into consideration? How do you convince them to change the tunes on Hydro One?	You know what – I think it would be fantastic if the Liberals took this plan and implemented. I would, I would be happy because it would be in the best interest of the people of Ontario. This is what needs to happen. This is what people want. They want to see our electricity system brought back into public ownership and they want an electricity system that once again operates with people at its heart with people at the center. And so if the Liberals take this plan and implemented it. God bless. You know it's the right thing to do for the people of Ontario. It's absolutely the right thing to do.

Q. Lewkowicz: Not to sell off another 30 percent before the next election?	Well, you know, our plan if – if they if they continue down this wrong-headed path to sell off even more of Hydro One. Our plan takes heading into consideration, and we will be able to still achieve the, you know, bringing this Hydro One back into public hands it'll just take us a little bit longer to do so. But I would urge, as I've been doing day after day in the legislature here, I would urge the Premier to stop any further sell off of Hydro One and to adopt our plan to bring it back not only into public control, but public oversight as well.
Q. Ferguson: You think the current climate, in the current political climate with hydro makes it tough for them to do another tranche of shares with Hydro One?	Well, I mean, you're going to have to ask the Premier who has stubbornly, you know, stood behind her decision to sell off Hydro One, whether she intends to sell off more tranches or not. I think obviously that's the wrong direction. I think she has to do the exact opposite and bring Hydro One back into public ownership. That's certainly what the NDP would do.
Q. Paikin: Any concern about the elimination of the private electricity generation or transmission system in Ontario, which I presume is the foundation of what you're putting forward here?	Well, you know what? The – there's no doubt that there needs to be a removal of the private profit motive in our electricity system. This is what the conservatives started many years ago and the Liberals have continued with that – that kind of regime. We saw it as you said in transmission, now with Hydro One being sold off. We've seen it in generation since the Tories started doing that a couple of decades ago, and we see the difference. We look at Manitoba. We look at Quebec. We look at systems where – where the electricity's – the power systems are completely public and the rates are less than half of what we're paying here in this province. I believe our paper has a chart that shows exactly the difference in the rates. This is about making an electricity system that can fuel our economy once again instead of being a burden to businesses and to those who want to invest here. It means making sure that families and seniors can pay the bills and not have to make those kinds of choices between literally paying for their kid's prescriptions and paying to keep the lights on; you know, paying to put food on the table or paying their electricity bill. Those are choices that nobody in Ontario should ever have to make. And that's why we want to see an electricity system that is operated in the public interest for the people of Ontario and for our economy.
Q. Ferguson: (Inaudible) 10.3 cents projected for the price of power if you're not on time-of-use, is that actually high enough to cover the cost of – that are built in to the system right now?	Well, I mean, let's not forget a big part of the – a big part of the plan is to try to reduce some of those costs that are built into the system right now. But yes, we believe that our plan holds up and that – and that it makes sense all the way around, and that it deals with not only an immediate problem that families are facing, but also puts in place that the changes that will make sure that we have a sustainable electricity system going into the future where those prices will remain affordable for the people of Ontario.
Q. Zochodne: Is there a price for Hydro One shares that would be too high for an NDP	Well look, I mean, it's all funded through the dividends in the first place. Or I mean this is how it's all internally funded.

government to pay, or is it come hell or high water, like these shares are getting bought?	And so what we would see if we – if we see that kind of pressure is a lengthening of the time it's going to take to fund the buyback of the shares. But look, we know very well that this – this is complicated stuff. We have every intention of engaging experts in the field to do this kind of work in financial markets all the time. We've certainly seen even in the private sector where public companies have gone, you know, to sole ownership or gone to a more kind of private model if you will. And we know that people exist that do that work and we would be engaging those folks in – in helping us to put that plan together.
Q. Ferguson: Under this plan, so we've got the existing eight per cent off from the HST, the provincial portion of the HST, which is costing about a billion a year. So under your plan to make that permanent, it is – is a billion a year for that eight per cent – per cent still coming out of general revenue or are you – do you think you have enough to cut in the system that (inaudible) won't be that drain on the treasury?	What we are hoping to do with a number of these initiatives is to make the system self-sustainable so that we're not, you know, doing what you describe. So that we're taking in – the problems that are inside of the system and dealing with those – for example capping the profit margins for example, getting rid of or renegotiating some of those terrible contracts that the Liberals and conservatives have been signing for a couple of decades. We think that there is a lot of room there to make a difference for people and to bring our system, you know, back into a focus on affordability. And again that's got to be the mandate of a public system. It's about affordability, reliability, and public oversight.
Q. Brule: (inaudible) quite optimistic (inaudible) renegotiate the contracts but in reality that might be quite difficult.	Well you know what? We're going to be very, very aggressive when it comes to a potential renegotiation. Look, I mean, we saw what happened with Samsung. I mean, the Liberal government was able to renegotiate that contract because it was obviously a contract that was completely in the best interests of, you know, private shareholder profits as opposed to – or private company's profits as opposed to the interests of people. You know, our plan doesn't hinge on these particular initiatives but I can tell you we will be aggressive. And you know, there's – there's no doubt that tearing up contracts is something that's – that's quite serious. But I've said in the past we would never tear up a contract sight unseen without knowing what kind of impact it will have on the people of Ontario. Interestingly enough a number of these contracts are actually due to expire over you know the, several years, the couple of years following the next election. So in some cases it might be quite, you know, appropriate to end those contracts early but we would not do that without knowing that the result would be in the best interest of the people of Ontario and the ratepayers.
Q. Lewkowicz: This plan will be dependent on your party becoming the governing party. Even with the Premier's deteriorating popularity, you haven't been polling that well versus the PCs, including a recent poll. What do you think it'll take to change that? Is this your plan to change that?	Well, I mean, as I always say, the only important poll is the one that comes on Election Day, but there's no doubt people will have a choice next election. They'll have a choice to make and they'll have to look at which party on the most important issues has the kind of ideas and solutions that make sense for Ontario. Nobody knows who Patrick Brown is. Nobody knows what he wants to do, except that he's been an elected politician for 17 years, nine of which he was in a Harper government that did a lot of cutting and a lot of

	privatization. That's something that Ontario has seen too much of under the Liberals. We don't need more of that here.
Q. Jeffords: Andrea, how would you prevent a future sell-off if you were to repatriate those shares?	Part of that first bill that we will introduce will require a referendum to take place for any future sell-off. So we would – we would include that, you know, that – that requirement in our first bill. I mean, it was shameful that the premier of this province went ahead with the sell-off of a public revenue-generating asset without the permission of the people of Ontario. That should never happen again. And so, should we form a government in 2018 – when we form a government in 2018 – well we'll make sure that first piece of legislation that deals with our electricity system also puts the power if you will back into the hands of the people about the future of that public system.
Q. Ferguson: (inaudible) where anyone would want to stay on time-of-use? I know that you would make time-of-use no longer mandatory for people (inaudible). Who would want to keep time-of-use and who would want to drop time-of-use?	Well, I mean, I guess it's a matter of – of providing choice for people. And if people choose to stay on time-of-use, that would be their choice. But we've seen that the time-of-use plan was – was a failure. I mean, it didn't provide the kind of conservation or the kind of reduction in use that the Liberals had hoped and it didn't help people to keep their bills down. That's the bottom line. So it was – it was a completely failed experiment and it's one that needs to be put on the scrap heap.
Q. Brule: I just would like to have you explain over there how we are going to buy those shares of Hydro One that have been sold already. Where is the money going to come from?	There continues to be dividends that are generated through Hydro – Hydro One and those dividends will be used to buy back the shares. And again, depending on how many shares have been sold off or the price of shares at the time that the buyback begins, that will determine how long it will take us to – to buy back those shares. But let's not forget, once those shares are bought back, the dividends going forward will once again bring a lot of revenue into the Ontario government coffers – and we're talking in the tune of billions of dollars. I think it's about \$1.3 billion in the first – first year, and after – after 10 years I believe it's up to \$5 billion. And then after that, it goes up to \$7-8 billion annually of dividends that would come in to Ontario's revenue stream. That's extremely important and that's why we know that this plan is something that will be beneficial to Ontarians not only immediately with the immediate relief, but it's a plan that will provide that stability in years to come as well. Thanks everyone.
<i>N.B.: Comments captured are not verbatim quotes</i>	

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