MEDIA SCAN: HYDRO RATE REDUCTION PLAN

March 9, 2017

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Online Coverage

Guelph Mercury Tribune: Premier Wynne meets with Guelph business owners about hydro costs

Homeowners and small business owners will see additional savings on hydro bills

By: Chris Seto

https://www.guelphmercury.com/news-story/7181274-premier-wynne-meets-with-guelph-business-owners-about-hydro-costs/

Guelph small business owners say they're pleased with the province's plan to lower hydro bills, even if it means paying a little bit extra over a longer period of time.

On Thursday morning, Ontario Premier Kathleen Wynne was in Guelph to meet with two downtown business owners to chat about their hydro costs.

The premier's first stop was at The Bloom Room Floral Company on Quebec Street. Joined by Guelph MPP Liz Sandals, the pair chatted with owners Jason Dendekker and Francine Saliba about Ontario's Fair Hydro Plan.

The plan was announced on March 2 and involves reducing bills for ratepayers by roughly 17 per cent. This will be done by essentially refinancing the debt on electricity assets, stretching out the repayment a little further into the future so ratepayers won't have to shoulder so much of the cost upfront. Pay less now, but pay a bit more in the future.

Add this to the eight per cent rebate of the provincial portion of the harmonized sales tax that was introduced in January and it adds up to a savings of 25 per cent. This announcement comes a little more than a year before the next provincial election.

Sitting in a cozy room on the second level of the store, the owners the Bloom Room expressed their delight in the announcement.

With two coolers running all the time and an air conditioning system working hard to keep the 2,500 square-foot shop temperature controlled, the Bloom Room's electricity bills are higher than most spaces of this size.

Dendekker said they pay between $500 and $700 a month. He estimates that once these cuts come into effect this summer, the business could save more than $100 a month.

"I think right now it's a great start," he said. "Everyone within Ontario is definitely going to see a difference on the hydro bills.

"I know there's a lot of infrastructure upgrading that has been done and that will need to be done. I'm well aware of the debt that Ontario has to take on as a result of doing this to help out individuals and families," he said. While the debt is a concern to him, especially as a father, he said he sees these cuts to hydro bills as a positive move overall.

As part of the plan, rate increases over the next four years would be held to the rate of inflation for everyone.

Wynne next stopped in to The Bookshelf for a sit-down chat with owner Ben Minett and his mother Barb. Sitting at a small table at the back of the store, surrounded by books, Ben expressed his delight in the electricity bills being cut. He also used the opportunity to praise the government's work in shutting down Ontario's coal power plants in an effort to combat climate change.

"The hydro bill going down is fantastic for us," he said. With the eBar, the movie theatre, the restaurant Miijidaa and a kitchen in the basement all under one roof, the hydro costs are huge. "We pay between $3,000 and $4,000 a month," Ben said.

"Politicians always say small businesses are the engine of the economy but there's always so much for small businesses to fight against," Barb said, adding every little bit of saving helps.

With the money saved, Barb said the business might consider putting solar panels on the roof to save even more money.

Wynne said over the past few years, the government has made large investments in electricity infrastructure projects across the province, but these investments weren't financed the right way.

"The costs need to be spread out over a longer period of time," she said. "If we had it to do again, we'd probably spread those costs over a longer time to start out with. That would have been the fair thing to do. Better late than never."

The savings should show up on hydro bills by the summer, she said.

GUELPH TODAY: WYNNE DROPS IN TO TALK ABOUT DROPPING ELECTRICITY RATES

Premier trumpets the measures in the new Fair Hydro Plan

By: Rob O'Flanagan

https://www.guelphtoday.com/local-news/wynne-drops-in-to-talk-about-dropping-electricity-rates-556813

On a junket to drum up press for the province's Fair Hydro Plan, which involves recent cuts to electricity rates, Ontario Premier Kathleen Wynne visited two small businesses on Quebec Street in Guelph Thursday morning.

She sat down with business owners who were appreciative of a recent move to cut electricity rates across the province by a substantial 25 per cent by this summer. Small businesses that receive a time-of-use bill similar to residential customers will be eligible. Other new measures will eliminate distribution costs for First Nations, provide additional relief for low income families and those living in eligible rural areas.

Any rate increases over the next four years will be held to the rate of inflation for everyone.

Wearing a designer jacket that shared some characteristics of an bold abstract painting, Wynne was low-key in the early hour.

With a heavy security detail around her, accompanied by a public relations entourage, and with Guelph MPP and President of the Treasuring Board, Liz Sandals, at her said, Wynne arrived at The Bloom Room Floral Company at 27 Quebec Street just before 8:30 a.m.

There, she toured the relatively new business with owners Jason Dendekker and Fran Saliba, and then sat down with them for a chat about power.

Dendekker and Saliba, business and life partners, said it was refreshing to see a government measure that would trim a significant amount of money from their expenses. Their hydro bill was up to $600 last summer, and like other business owners they were struggling with "unmanageable" electricity rates, Dendekker told the premier.

Wynne said her government had grown increasingly concerned about the impact high rates were having on businesses and families, and made the decision to cut them. The government essentially refinanced debt on new electricity infrastructure, stretching it out for 30, as opposed to 20 years.

"It was humbling to be asked to have her here," Dendekker told reporters, calling the hydro cut a "great start" to helping small business and getting rates under control.

As Wynne prepared to leave The Bloom Room, security personnel appeared concerned about a man who was lingering on the sidewalk.

With two Guelph Police officers out on Quebec Street, and plain-clothes officers escorting her, the premier then moved a few doors down to The Bookshelf, where she was greeted by booksellers Ben and Barb Minett.

Wynne was impressed with the store, and she and Sandals spent some time browsing the shelves. Wynne later made several purchases.

“It’s not a good idea to bring me into a bookstore,” she said.

Ben Minett, president of The Bookshelf – the business also includes a bar, restaurant, gallery space and cinema – said in dialogue with Wynne and Sandals that he had watched with concern as hydro rates rose.

“The idea of a 25 per cent drop in our expense line is unheard of in business,” he said. Barb Minett added that the savings could possibly be used to invest in solar panels for the business.

While the Minetts are happy to see hydro rates coming down, given their $3,000 to $4,000 monthly bill, it is a more complete transition to renewable energy they are most in favour of it. Sandals said the government has been strong in green energy policy and investment.

Wynne said investments in renewable energy have been the right thing to do. She acknowledged that investments in the electricity system in recent years should have been spread over a longer timeline in the first place, but added it was “better late then never” in making changes now.

“We are making this change so you can have a bit of relief,” she said. “And if you can reinvest, that’s fantastic.”

The 25 per cent rate cut is a combination of an eight per cent rebate introduced in January, and a just announced 17 per cent additional reduction.

***CBC NEWS**: HYDRO CUTS TO MAKE 'REAL DIFFERENCE' TO SMALL BUSINESSES, PREMIER SAYS*

Premier stopped in Guelph Thursday morning to meet with independent business owners

By Kate Bueckert, CBC News
Last Updated: Mar 09, 2017 12:26 PM ET

http://www.cbc.ca/news/canada/kitchener-waterloo/guelph-bookshelf-premier-kathleen-wynne-hydro-rates-1.4017356

Premier Kathleen Wynne says her government's plan to slash hydro rates by up to 25 per cent this summer will help small businesses.

Wynne was in Guelph Thursday morning speaking to the owners of an independently-owned flower shop and bookstore.

"This will make a real difference to businesses that are on main street, that are family businesses, that are serving communities," Wynne told CBC News during her stop in The Bookshelf.

The reduction will be "substantial" for small businesses and will "make a huge difference to their bottom line," she said.

"When I've talked about the reductions, I've talked about mom-and-pop shops, so they're family, community businesses that we want to thrive," Wynne said.

Reduced costs means more chance to invest

Barb Minett of The Bookshelf said the reduced rates will help them with green energy projects, like adding solar panels to the roof of the building, which also houses Miijidaa restaurant, a cinema and the eBar.

"We can invest in more things," she told the premier during a conversation in front of the media.

Ben Minett said the cost of electricity can reach $4,000 a month for the entire building.

Wynne said the cost reduction will come from spreading the cost of paying for green energy projects out over a longer period of time.

"If we had it to do again, we'd probably spread those costs over a longer time to start out with. That would have been the fairer thing to do," she said.

'A good start'

Jason Dendekker and Francine Saliba are a young couple who opened The Bloom Room Floral Company on Queen Street in May 2016.

"Being a florist, we have two coolers that are running 24 hours a day. The space also has to be temperature controlled, so definitely within the summer months, we are running air conditioner. And this is about 2,500 square feet so that does substantially add up," Dendekker said.

"It goes, it averages anywhere from $500 to $700 a month."

When asked if the reductions go far enough to help them, Saliba said the province "had to start somewhere" and Dendekker called it "a great start."

"I think it's going to work well for small business owners and rural property," he said. "Everybody within Ontario is definitely going to see a difference in their hydro bills, and I think that's a good step and a good start."

ObserverXtra: Cuts to hydro bills come at a future cost

Local MPP Michael Harris sees move as little more than election posturing; Waterloo North Hydro has no details beyond premier's announcement

By: Liz Bevan - March 9, 2017

https://observerxtra.com/2017/03/09/cuts-hydro-bills-come-future-cost/

Weighing its election chances, the provincial government opted for the latter part of the "pay me now or pay me later" equation in an attempt to lower soaring electricity costs.

Residential customers will see a 17 per cent cut to their hydro bills starting in June, as Premier Kathleen Wynne opted to shift costs from consumers to the province's growing debt. The cuts don't apply to commercial or industrial users, and will be offset by higher taxes, including the much-criticized carbon tax.

The province will add more than a billion dollars a year to its debt, with Wynne arguing investments in today's infrastructure will benefit future customers who'll be paying to service the debt.

In making the announcement, Wynne acknowledged that today's cuts will be reflected in future payments to satisfy electricity-supply contracts she has described as "too generous" in the first place. The 20- to 30-year contracts will take longer to fulfill and will cost taxpayers an estimated $1.4 billion more per year in interest payments over ten years.

Kitchener-Conestoga MPP Michael Harris says that while today's customers will be parting with less of their money, they shouldn't have been paying such huge increases in the first place. The original contracts handed out for the likes of wind and solar projects weren't in the best interest of Ontarians.

"We're in this mess primarily because of bad contracts the Liberals signed for green energy. We have guaranteed contracts that are paying a premium, unlike anywhere else in North America," he said. "Hydro rates are the number-one thing that I hear about, especially in our rural communities because of the high delivery costs to consumers, but this is just kicking the can down the road," he said of Wynne's announcement. "They are not dealing with any of the structural issues that have led to high hydro rates other than extending the mortgage or adding more interest to the payment that we will eventually have to pay."

Rather than sound policy, it's a political move in the run-up to next year's election, said Harris.

"She realized hydro was now going to bring her a lot of grief, and of course, next year, there is an election. This is all a mechanism to save Kathleen Wynne, frankly," he said of the premier. "She even admitted it was her mistake. This is an opportunity where I will agree with the premier."

Having rolled out the cuts, the province has yet to inform local utilities just what the changes mean, however.

"The same announcement the public has seen is the same amount of information that we have at this point in time," said Waterloo North Hydro's Jeff Quint, adding that it seemed like good news for its 47,000 residential customers. “I guess what I can say is that we are glad to see it, and we are very happy to support it. The energy cost is the biggest part of the bill and it is expensive. We understand that sometime in the summer, we are going to start applying it. How it is going to be applied, whether it is retroactive, how long it will be applied for are still unknowns for us.”

***SUDBURY.COM**: THIBEAULT: THIS IS WHY WE'RE ABLE TO CUT HYDRO RATES BY 25%*

MPP and energy minister offers explanation for the rationale behind the Ontario Fair Hydro Plan

By: Glenn Thibeault, Minister of Energy

https://www.sudbury.com/local-news/thibeault-this-is-why-were-able-to-cut-hydro-rates-by-25-556827

On March 2, Premier Kathleen Wynne announced a plan that will lower residential hydro bills by an average of 25 per cent, starting this summer. This significant reduction in rates will go to every household in Ontario with no asterisks, loop holes or exceptions. And your bill won't increase beyond inflation for at least four years.

I don't have to tell you why this is needed. I have heard from people across our province struggling to deal with bills that have gone up too much and too quickly. Household budgets are stretched. Something needed to be done.

What I want to share is how we got to this point, how we're fundamentally restructuring the system to give you the biggest rate cut in Ontario history, and why you can be certain that this change is going to be lasting.

For a long time, Ontario enjoyed one of the best electricity systems around. But for decades, governments of all stripes stopped investing. About 15 years ago, those quick-fixes caught up with us. Brownouts, blackouts and dirty coal plants were a danger to our health, our environment and our economy.

So, we closed all of Ontario's coal plants, built new transmission lines and invested in renewable energy. We now have a clean, reliable system that is going to benefit us for decades. But that came at a price. And the terms we set to finance these necessary renovations weren't fair.

In effect, we put the $50 billion cost of the rebuild onto the hydro bills of just one generation. That was a mistake. It meant high bills because you were paying for past neglect and subsidizing ratepayers who will benefit from these energy assets for years to come. By stretching those costs out over a timeframe that better reflects the lifespan of the assets we're paying for, we can lower everyone's bills today and keep them from jumping back up. That's the fairer way forward.

We have also been asking ratepayers to pay for things that should really be part of the province's budget. Our program to help low-income families afford hydro is one example.

But I want to highlight the Rural or Remote Rate Protection program. The RRRP helps subsidize the high cost of delivering electricity to 350,000 rural residential customers. We're taking the cost of the program off bills and enhancing it so that now about 800,000 homes will qualify for lower delivery charges.

Hydro is a necessity. But for many of us living in the North, high delivery charges were leading to impossible choices between groceries, rent or electricity. That's not right. With this change, everyone in Ontario is going to be paying roughly the same in delivery charges. Again, it comes down to fairness.

As you can imagine, these huge and lasting structural fixes do come with a cost. We can afford it because of Ontario's strengthening economy, which is the fastest growing in Canada. After a decade of deficits, the provincial budget will be balanced this year. Our recovery is on track, but it hasn't been evenly shared.

Many families I speak to, whether in Sudbury or Timmins or Sault Ste Marie, tell me they aren't any better off than they were before the recession. It is why our team is determined to make sure growth in our economy means more opportunity and security for people in our community and all across Ontario.

Using the province's newfound fiscal strength to give everyone the break they need on their hydro bills is the right thing to do for the province and the fair thing to do for your family.

Glenn Thibeault is the minister of energy and the MPP for Sudbury.

SUDBURY.COM: WYNNE DENIES POLITICAL INTERFERENCE IN OPG ANNOUNCEMENT

McDonald argues that the March 6 announcement by Ontario Power Generation to move 44 employees out of the city was ordered delayed by the government in a political move

By: Jeff Turl

https://www.sudbury.com/local-news/premier-wynne-denies-political-interference-in-opg-announcement-556691

Ontario Premier Kathleen Wynne has denied some pretty powerful allegations made by North Bay Mayor Al McDonald about the OPG announcement this week.

McDonald argues that the March 6 announcement by Ontario Power Generation to move 44 employees out of the city was ordered delayed by the government until after Wynne made her announcement March 2nd to reduce hydro rates to avoid political embarrassment.

McDonald says the OPG announcement was originally supposed to be made public February 22nd.

"I didn't have any discussion with the Ministry (of Energy)," Premier Wynne told BayToday on a conference call Wednesday evening. "It was an OPG decision. I don't know who they had discussions with at this point. I certainly didn't have any discussions with them. It was an OPG staffing decision. You'll have to talk to OPG about their business decisions."

An email request for comment to OPG's Al Reid, Chief Operating Officer, two days ago has not had a response.

When pressed, Premier Wynne could not confirm there was no government involvement.

"I can't say that Jeff. You asked me what conversations I had. I didn't have any conversations with OPG. I'm sure there are officials that talk all the time, I really don't know, but I can't comment on their business decisions."

McDonald says Energy Minister Glenn Thibeault told him, he also knew nothing about it.

***570 News**: Local MPP launches hydro rate petition*

By: Paul Mcphee
Posted Mar 9, 2017 6:32 AM EST

http://www.570news.com/2017/03/09/2044329/

Hydro rates in Ontario is the focus of a petition launched by a local MPP.

Kitchener-Conestoga Conservative Michael Harris has posted the petition on his website.

He says there are “growing concerns over soaring electricity costs” and accuses the Wynne government of playing “shell games” that provide relief now, but push the full cost down the road to future taxpayers.

He contends, electricity rates have risen 300 per cent since the Liberals took power.

The petition calls on the government to “take immediate steps to reduce the total cost of electricity paid for by Ontarians, including costs associated with power consumed, Green Energy contracts, the Global Adjustment, delivery charges, administrative charges, tax and any other charges added to Ontarians’ energy bills without deferring those costs to the present and future Ontario taxpayer.”

It’s titled, “Cut power costs and hydro shell games.”

It can be accessed here.

SIMCOE.COM: ANYBODY ELSE TIRED OF PAYING MORE AND GETTING LESS?

By: Chris Fell, Meaford Express

http://www.simcoe.com/opinion-story/7170553-anybody-else-tired-of-paying-more-and-getting-less-/

MEAFORD — Am I the only person getting fed up with paying more for less?

And I'm talking specifically about our various levels of government. Everywhere I look, every level of government has their hands out demanding more of our money. We're paying more, but where is the return? Are our government services getting better?

And it's happening everywhere. In Meaford, tax increases have been stable for a few years now, but we're still seeing increases. And what are we getting for all these increases? Winter road maintenance has been cut. I don't see the hours at the library expanding. We still have the same arena, harbour, parks and other facilities.

Don't even get me started about water and sewage bills. They have been on the rise for years. We have the same water plant, the same sewage plant and the same infrastructure in the ground. Remember when conserving water was supposed to save us money? Forget about it — as people use less water, the rates have to increase to make up the difference.

My electricity bill is a lost cause. Hydro was in the news this past week, with the provincial government triumphantly announcing it was cutting hydro bills by 25 per cent. That's wonderful. My hydro bill is up over 60 per cent (and I'm one of the lucky ones). Just a few years ago, I could go online and pay $25 a week on my hydro bill (I like to stay on top of my bills by paying weekly), and that was more than enough to stay ahead. Now, it's $40 a week and I can barely keep up.

Years ago, the current government introduced the largest income tax (they called it a "health tax") hike in Ontario history. A few years later, they "harmonized" the PST with the GST. "Harmonize" meant extending the PST to more things. One would think those two hikes would have been enough, but nope. Now the people of Ontario are paying a "carbon tax."

What are all of these increases getting us? In the next few months, Meaford Hospital is going to lose elective day surgeries in favour of those services being consolidated in Owen Sound. Schools all over rural Ontario are on the verge of being closed by the board — there is no money to keep them open. Remember when the government told us they were bringing in tax increases to protect health and education services?

The real question is: when does all this end? Does it end when they have shaken every last penny from our pockets and we have no disposable income left? What happens to our economy then?

***WELLINGTON ADVERTISER**: HYDRO RATE CUTS IN ONTARIO*

Split Decision

By: Olivia Rutt and Jaime Myslik

http://www.wellingtonadvertiser.com/comments/columns.cfm?articleID=1000002035

Wynne, cut it out

If there was ever an appeal for votes, then Ontario Premier Kathleen Wynne's cut to residents' hydro bills is definitely one.

She announced last week the government would be implementing further reductions to hydro bills, totalling 25 per cent.

The reduction is being compared to remortgaging, where the government would make smaller payments to energy contracts over longer periods of time. This puts debt pressure on future generations because Wynne's future after the next four years is a little hazy.

Wynne estimated the move would save about $1.5 billion a year by keeping increases at the rate of inflation, but only for the next four years.

At least Ontario Energy Minister Glenn Thibeault admitted that eliminating coal and rebuilding the grid cost "billions of dollars" which "came at the expense of many families."

Wynne's "cuts" are a smoke screen and don't address the real issues with hydro bills: global adjustment fees and delivery charges.

As prices increased, people started to use less and less electricity, so the fees and charges increased. This is what Wynne should focus on; instead, she wants to get back into the "good books" of voters.

In the next election, this issue will put Liberals in hot water (hopefully heated by electricity they paid for). But Conservatives aren't any better … they don't even have a plan.

– Olivia

VS.

Take what you get, move on

Time and time again we hear about soaring hydro costs.

Whether at a casual dinner with friends or sitting in a council chamber while a municipality discusses its latest budget, hydro rate increases are the not-so-subtle elephant in the room.

Last week Premier Kathleen Wynne announced she had a plan. The government intends to pass legislation before the summer to cut residential hydro rates by 25 per cent. That's significant.

The government will also make cuts for rural and remote customers who have seen huge increases over the last decade.

The Wynne government listened ... and they're doing something to improve the lives of their constituents. That's what government is supposed to do.

Yet no one's happy.

The opposition is postulating this plan is a ploy to increase Wynne's support in opinion polls before the 2018 election. So what if it is? Hydro consumers are still benefiting regardless of the motivation.

Critics are also saying the cuts pass along this government's mistakes to future generations. Wynne doesn't refute that; she even confirms it. If taking more debt gets the rates down and buys the province time to come up with a long-term solution, so be it.

Debt is a healthy way of life - as long as it's managed. The real question is whether the government is looking for sustainable solutions. Can anyone else envision alternative energy sources?

– Jaime

***Wellington Advertiser**: Pettapiece pans Liberal hydro move*

http://www.wellingtonadvertiser.com/comments/index.cfm?articleID=34796

QUEEN'S PARK - Opposition Conservatives are calling Premier Kathleen Wynne's promise to cut soaring hydro rates by 17 per cent "a desperate shell game."

"Of course hydro rates need to come down," said Perth-Wellington MPP Randy Pettapiece in a March 6 press release.

However, he said the Liberals' latest announcement "doesn't get to the root of the problem, which is years of failed Liberal energy policies and the terrible contracts they continue to sign."

Pettapiece said Wynne compared her plan to "refinancing the mortgage and setting a new term that stretches over a longer period." However, he stated, it comes at a cost of roughly $25 billion in interest costs over 30 years.

"Over the long term, this will cost us more - much more. Our grandchildren and great-grandchildren will be paying for this government's mistakes."

Pettapiece also slammed the government over what he calls yet another mistake. The MPP stated reports indicate the government last week planned to sign more new green energy contracts.

"This is more high-cost power we do not need and cannot afford," Pettapiece said.

"It's as if the Liberals have learned nothing. People need to ask why this government would continue signing such bad contracts."

Opposition Leader Patrick Brown stated many of the contracts signed to date were handed out to Liberal donors; 30 of the companies donated $1.3 million to the governing party. The government "should admit its Green Energy Act has been a failure and repeal it," Pettapiece stated. "That would start to solve the problem. Pushing the costs onto future generations is not right."

In 2015, Ontario's auditor general concluded ratepayers overpaid $37 billion for hydro from 2006 to 2014. The report also showed ratepayers will spend an extra $133 billion by 2032 because of global adjustment fees on hydro bills.

TV Transcripts (Noon)

None