Minister's remarks | Auditor General's Special Report on OFHP

2 to 3 minutes

- Good morning everyone.

- Before we take your questions I would like to share a few remarks regarding the Auditor General's report.

- Firstly, I would like to thank the Office of the Auditor General for its report on Ontario's Fair Hydro Plan.

- The government respects independent officers of the legislature, and values the important perspective they bring.

- However, the government does not agree with the assertions and conclusions of the report.

- 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. That also includes as many as half a million small businesses and farms.

- These reduced rates will be held to the rate of inflation for four years, ensuring affordability over the medium term. Our Long-Term Energy Plan, which will be released later this year, will outline how we will make electricity affordable over the long run.

- 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, yes, but to do it in a way that increased 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 smooths the cost of those investments out over a longer period of time. This means that those benefitting from the investments we've made will be the ones paying for them. And that's fair.

- 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 Fair Hydro Plan also keeps 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.

- The policies and implementation process for the Fair Hydro Plan were designed, reviewed and verified by senior staff from the Ministry of Energy, Ministry of Finance, Treasury Board Secretariat, Office of the Provincial Controller, Cabinet Office, the Ontario Financial Authority, the Independent Electricity System Operator, and Ontario Power Generation. Through these consultations we considered a range of implementation options, and ensured due diligence was completed.

- These are policy choices we made to ensure that we continue to have a clean, reliable affordable electricity system for the ratepayers of today, and the ratepayers of tomorrow. That’s exactly what the Fair Hydro Plan has done, and what it will continue to do into the future.

- Thank you, we will now take questions from the gallery.