

RE: Draft Fact Check re: Todd Smith

From: "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
To: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Cc: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Tretiakov, Ilia (ENERGY)" <ilia.tretiakov@ontario.ca>
Date: Fri, 17 Feb 2017 12:50:38 -0500

Edits highlighted below. Call me to discuss if you have q's

From: Campbell, David (ENERGY)
Sent: February-17-17 12:01 PM
To: Forgione, Andrew (OPO); Killorn, Bill (OPO); Teliszewsky, Andrew (ENERGY)
Cc: Nekolaichuk, Colin (ENERGY); Tretiakov, Ilia (ENERGY)
Subject: Draft Fact Check re: Todd Smith

Hey all,

See below a draft "Facts Still Matter" responding to the story in the *Intelligencer* about Smith being named as energy critic. Big thanks to Ilia in our office for taking the first crack at this.

Best,
David

The first thing Todd Smith has done as energy critic for the PCs is to spread misinformation about the file he is responsible for. So far he hasn't demonstrated an understanding that facts still matter in Ontario.

Todd Smith claimed : "When I was first elected we had the cheapest electricity in North America and now we have one of the most expensive"

FACT: The reality is that Ontario's rates are highly competitive with those south of the border, even after shedding the burden of being reliant on dirty coal. In 2015, Ontario's average industrial electricity prices were 8.35 c/kWh in the South and 6.35 c/kWh in the North. These rates are lower than New York (8.72 c/kWh), Pennsylvania (9.59 c/kWh), Michigan (9.13 c/kWh), and the U.S. industrial average (8.71 c/kWh). (Source: http://www.hydroquebec.com/publications/en/docs/comparaison-electricity-prices/comp_2016_en.pdf , Ontario Ministry of Energy, IESO)

In terms of Canadian provinces, Ontario sits in the middle of the pack in terms of energy, as has been confirmed independently by the FAO as well as the NEB. The good news is we've already done the heavy lifting in our province in getting off of coal, while prices in coal-dependent provinces like Alberta and Saskatchewan are likely to rise as they update their electricity systems. (Sources: http://www.fao.org/en/Blog/Publications/home_energy , <http://www.neb-one.gc.ca/nrg/ntgrtd/mrkt/snpsh/2016/11-04rgltnmrktcndtn-eng.html>)

Todd Smith claimed : "Across the province, electricity consumers have seen their rates sky-rocket, largely because of the Liberal government's mismanagement of the electricity system"

FACT: Our government reversed decades of neglect of the electricity system by previous governments of all stripes. Now, after investing approximately \$50 billion in rebuilding generation capacity, and both the transmission and distribution systems, our electricity grid is clean and reliable. We know that this transition has come at a cost to Ontarians, and that's why we've taken action:

- Providing a permanent rebate on the provincial portion of the HST to reduce bills by 8%
- Cutting delivery charges for the rural customers even further for a combined total savings of 20%

- Removing the Debt Retirement Charge, saving the average family \$70/year on their bills.

Todd Smith claimed: "Auditor General reported residents and businesses have paid \$37 billion more than the market price for electricity and will pay another \$133 billion extra over the next 15 years."

FACT: Expert sources from the Ontario Energy Association, to the Association of Power Producers, to expert academics all disagreed with the AG's interpretation of the Global Adjustment as an "overpayment." The fact is that the GA helps Ontario build and maintain a reliable system. As an Energy Critic, Mr. Smith should know better than to offer this sort of mischaracterization. (Sources:

<http://www.theglobeandmail.com/report-on-business/rob-commentary/the-auditor-general-left-consumers-in-the-dark-about-ontarios-electricity-upgrades/article27937636/>;

<https://www.thestar.com/opinion/commentary/2015/12/16/the-truth-about-the-price-of-electricity.html>;

<http://www.theglobeandmail.com/report-on-business/rob-commentary/auditor-general-offers-incomplete-picture-of-ontarios-power-upgrade/article27663368/>)