

RE: Energy Issues - October 17

From: "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>
To: "Beaudry, Jennifer (OPO)" <jennifer.beaudry@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
Date: Tue, 17 Oct 2017 08:10:58 -0400

Yep, making tweaks to get it closer to some of the language we used for Canadian Taxpayers Federation last week

From: Beaudry, Jennifer (OPO)
Sent: October-17-17 8:04 AM
To: Killorn, Bill (OPO); Forgione, Andrew (OPO); McPhail, Blane (OPO)
Subject: Fw: Energy Issues - October 17

Hey guys - Just wanted to make a comment about the Fraser Inst Report messaging. It feels like it's a bit out of step with what we've say about the changing economy, Ontario doing well, but not everyone sharing in that. Should we be acknowledging some of the struggles people are having, but then go on to highlight what we're doing to help? Not sure we do, but this just stuck out for me.

J

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Den Heijer, Kevin (ENERGY) <Kevin.DenHeijer@ontario.ca>
Sent: Tuesday, October 17, 2017 8:00 AM
To: @OPO-Media Relations and Issues Management
Cc: Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: Energy Issues - October 17

Good morning,

Please find below ENE's KMs for October 17.

1) AG is to issue a special report on the Ontario Fair Hydro Plan

- This morning the Auditor General will table a special report on the financing of the Fair Hydro Plan.

Holding KMs (Until 12:00pm)

- The Auditor General's report is technical in nature and I understand she will be discussing it with media and members of the Legislature at 12 p.m. today.
- We've also been addressing some of these points at the Standing Committee on Estimates.
- In respecting the independence of the province's Officers of the Legislature, including the Auditor General, our government will respond to the report following her news conference.

KMs

- The government respects independent officers of the legislature, and values the important perspective they bring but does not agree with the assertions and conclusions expressed in the Auditor General's Fair Hydro Plan report.
- The government has a strong track record of producing high-quality financial reports on a timely basis and continues to present the province's finances fairly and accurately and in accordance with Canadian Public Sector Accounting Standards.
- We worked carefully and thoughtfully to ensure the Fair Hydro Act will deliver 25 per cent average savings on electricity bills this summer.
- We've consulted with external and government legal and accounting firms, as well as the Provincial Controller, to make sure our plan is consistent with accepted accounting standards.
- The expert advice we've received confirms that 18 other jurisdictions in North America utilize bond markets in order to smooth, over time, the rate impacts of investments in their electricity systems, offering strong legal and financial frameworks to guide Ontario's own proposal.
- Since 2003, nearly \$70 billion has been invested in the electricity system, including more than \$37 billion in electricity generation to ensure the system is clean and reliable.
- One generation—today's generation—was unfairly shouldering the burden of nearly all of these costs.
- Families in the province have asked for real and immediate relief on their electricity bills and that's what we have delivered through the Fair Hydro Plan.
- A plan that is benefiting up to half a million small businesses and farms and holding any increases to bills to the rate of inflation for four years.
- Oppo: Meanwhile, the Opposition still has not put forward a credible plan...

2) Fraser Institute Report

A new report from the Fraser Institute, published Tuesday morning, says electricity prices in Ontario are to blame for most of the manufacturing job losses in the province.
KMs

- Our Fair Hydro Plan has reduced costs for all households by an average of 25%, and also for half a million small businesses and farms.
- For medium-sized and large industrials, the Fair Hydro Plan has expanded the Industrial Conservation Initiative (ICI), which helps more of Ontario's large consumers save on costs by reducing the amount of electricity they consumer during peak hours.
- Numerous other government programs help businesses to make electricity more affordable, such as the Industrial Electricity Incentive (IEI), the Northern Industrial Electricity Rate Program (NIERP), the Industrial Accelerator Program (IAP), and the SaveONenergy for Business Program.
- That said, Industrial electricity rates in Ontario remain competitive with other Canadian and American jurisdictions, with prices in Northern Ontario in particular among the five most affordable jurisdictions on the continent.
- And while other jurisdictions are still burning dirty coal for two-thirds of their power, we have

achieved competitive rates while undertaking the largest climate change initiative in North America.

- In Ontario's manufacturing sector, We've added 20,400 manufacturing jobs in the province this year. Manufacturing sales in Ontario increased 4.0% in 2016, following a 1.7% gain in 2015.
- Manufacturing employment increased in Ontario over the past year, with Ontario second only to Texas in growth of manufacturing jobs. We've also invested almost \$2 billion in support of manufacturers since 2004, leveraging \$18 billion in business investment, while creating and retaining 90,000 jobs.

Many thanks,

Kevin Den Heijer | Legislative Assistant & Issues Manager

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