

BRIEFING NOTE: Summary Ontario NDP 2018

Energy Platform

Update: May 29, 2018

UPDATE: This note includes updates since the version circulated April 16 to reflect statements during the election period and highlights certain elements of the NDP's electricity focused policy document released in February 2017.

The Ontario New Democratic Party released their 2018 election platform, *Change for the Better*, on April 16. The plan is available here: <https://www.ontariondp.ca/platform.pdf>

News release: <https://www.ontariondp.ca/news/horwath-lays-out-vision-healthier-more-affordable-life-all>

This Note focuses on the energy-related areas of the platform.

The Platform also refers to their electricity focused policy document *Plan to Cut Hydro Prices* released in February 2017, available here:

https://www.ontariondp.ca/sites/default/files/final_ndp_hydro_announcement.pdf

SUMMARY

- Finance the return of Hydro One to public ownership; financing repaid within 10 years through dividends [*Updated - see below*]
- Take immediate steps to address electricity rates through introduction of uniform delivery charges, ending mandatory TOU, and using tax benefits to help ratepayers, while exiting Fair Hydro Plan; Targeting reduced bills by 30% from pre-Fair Hydro Plan levels [*Updated - see below*]
- Continue with cap and trade and at least 25% of revenues will support lower-income, rural, and northern households, and trade-exposed industries
- Ending oversupply and renegotiating or cancelling “bad” private contracts [*Updated - see below*]
- Focus on renewables and importing affordable renewable electricity when needed
- The platform released today is silent on markets and capacity auctions

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ENERGY SECTOR THEMES

The energy related areas are mainly on pages 46 and 57 and can also be found here: ontariondp.ca/hydro; however, there is little that is new that was not previously disclosed in the policy document released in February 2017.

Return Hydro One to public ownership:

- No rate increase would be required to finance the return of Hydro One to public ownership; financing repaid within 10 years through dividends
- Establish an expert advisory panel to provide the most responsible path towards public ownership of power and power generation
- Re-establishing independent, transparent public oversight of Hydro One
- Require public referendum before future private sale

Immediate steps (all targeting rates under the More Affordability theme):

- Move to uniform delivery charges whether urban or rural and exempt First Nations communities from electricity delivery charges
- End Mandatory Time of Use [*Updated - see below*]
- Cap private profit margins [*Updated - see below*]
- Bringing “real oversight” to electricity prices
- Using tax benefits to help ratepayers
- Make the HST rebate permanent, and negotiate with the federal government to remove the federal portion on hydro bills (5%)

Updates:

1. *From the 2017 policy document: The first bill tabled by an NDP government would:*
 - *Begin the process of returning Hydro One to public ownership and control*
 - *Direct the hydro system to provide reliable low-cost, environmentally responsible power for all Ontarians instead of profits for private companies;*
 - *Re-establish independent, transparent, public oversight of Hydro One, including from the Auditor General, Financial Accountability Officer, Information and Privacy Commissioner, Ombudsman, Integrity Commissioner and French Language Services Commissioner;*
 - *Require a referendum on future private sale of Hydro One*

- *Establish an expert advisory panel tasked with providing advice for the responsible, expedient return of Hydro One to public ownership and control*
- 2. *From the 2017 policy document: Ending Mandatory TOU*
 - *Eliminate peak prices, and move a fixed rate*
 - *More effective means to reduce peak demand exist citing Conservation Programs and Peaksaver Plus*
- 3. *From the 2017 policy document: Cap private profit margins*
 - *When the OEB approves rate increases for privatized companies, cap at cost of borrowing plus a 3% ROR (reduced from 5.5%)*

Additional commitments:

- *Ending oversupply [Updated - see below]*
- *Not renewing and renegotiating or cancelling “bad” private contracts [Updated - see below]*
- *Renewables such as solar, water, and wind will be at the heart of the electricity system and integrated responsibly as needs grow*
- *Importing affordable renewable electricity when needed*
- *Reduce bills by 30% (from pre-Fair Hydro Plan levels) and cancel Fair Hydro Plan [Updated - see below]*
- *Double the Ontario Electricity Support Program (OESP) and fund this from general revenues, not rate base*
- *Respect local decision-making and ensure that local communities have a stake in the benefits that come from low-cost, zero-emission renewables*

Updates:

- 4. *It is still unclear how the full 30% target will be achieved*
- 5. *From the 2017 policy document:*
 - *Conduct an “independent, fact-based evaluation” to consider earlier Pickering GS retirement. The NDP responded to a request for clarification of the Society of United Professionals on their plans for Pickering NGS stating:*

“If, in August of 2018, the license for Pickering Nuclear Generating Station expires, any government would have to shut the plant down. However, if the license is renewed and is

therefore not due to expire in August, the NDP will not seek its immediate closure against the opinion of the experts and the CNSC. “

- *Not renew 550MW of NUG gas contracts set to expire between through 2022*
- *Establish an independent panel of energy experts to address long-term systemic issues. The panel will conduct a cost-benefit analysis for cancelling the “most egregious existing contracts” and “enter aggressive negotiations” for better terms on contracts not up for renewal.*

Markets

Previously, the NDP has made unfavourable statements towards markets, targeted at capacity auctions as “failed” in other jurisdictions. The platform released today is silent in this area.

Carbon Pricing

The NDP has committed to continue with cap and trade (previously the NDP did not specify a preferred carbon pricing model):

- Support polluter-pay principle
- Will set “clear” greenhouse gas reduction targets
- At least 25% of the revenues from cap-and-trade will support lower-income, rural, and northern households, and trade-exposed industries

Other Platform takeaways

- Introduce \$50 million no-interest and on-bill home retrofit program to help people consume less power at home
- Update the Environmental Bill of Rights [the platform is not specific on this]
- Committed to natural gas expansion to rural Ontario
- Will implement Auditor General suggestions

APPENDIX

Platform Summary

The Top 5 featured “*changes for the better*” are:

- Cut hydro bills 30% by bringing Hydro One back in public hands
- Provide drug and dental coverage for all Ontarians
- Protect middle class families by having the wealthiest people and most profitable corporations pay their fair share
- Take on student debt by converting loans to grants and creating thousands of student jobs
- End hallway medicine and fix seniors care

The Platform (<https://www.ontariondp.ca/platform.pdf>) is organized by these themes:

- New Services (page 6)
- Better health care (page 14)
- Better long-term care (page 18)
- Healthier Communities (page 22)
- Overhauling mental health and addictions services (page 32)
- Better schools, better education (page 36)
- More affordability (page 44) [Electricity]
- Safe, healthy province (page 52) [Climate change]
- Modern economy (page 70)
- Better government (page 79)
- Indigenous Reconciliation (page 82)
- Fiscal plan (page 88)

Costing is on pages 94-97 of the platform and forecasts deficit spending through fiscal 2023 (though forecast smaller deficits than forecast in the 2018 Liberal budget). Kevin Page (former Federal Parliamentary Budget Officer) has reviewed the costing and assumptions and said they are “reasonable”; The 2017 PC Party platform was also reviewed with the same conclusion.

Selected Media Coverage:

- CBC News: Ontario NDP platform proposes big spending on health care, social services
- iPolitics: Taxing the rich, cutting hydro rates, cash for hospitals among Ontario NDP plans
- Ottawa Citizen: Leaving Liberals for dead, Andrea Horwath out-lefts Kathleen Wynne with a smile on her face: <http://ottawacitizen.com/news/local-news/reevely-leaving-liberals-for-dead-andrea-horwath-out-lefts-kathleen-wynne-with-a-smile-on-her-face>