



Message from Queen's Park



Monthly Column by MPP John Yakabuski

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After feeling the pressure for months, if not years, Kathleen Wynne and the Liberal Government finally had to admit that their so-called Green Energy Act has amounted to a monumental financial disaster for Ontario ratepayers. Without admitting it, the Premier has proven that the Auditor General was right when she stated that Ontario electricity customers have paid \$9.2 billion more for electricity than needed. (And that report only covered up until 2016.) With an election scheduled for June 2018, Kathleen Wynne knew she had to take significant steps to reduce people's hydro bills across the province.

On the surface, a 25 percent reduction on one's bill is going to look pretty good. But as they say, the devil is always in the details. We have been calling for fundamental changes in energy policy for years because the only way to stop the prices from skyrocketing is to stop doing things the way they have been doing them. In that regard, the Liberals have made no change whatsoever. The reduction is basically a remortgaging of a bad deal; it is essentially overpaying for a house, not being able to make the payments, and going to the bank to re-negotiate the length of the mortgage. All of the energy contracts that were in place before the reduction will still be in place. In fact, they are continuing to sign new ones even as you read this.

This will only result in continued upward pressure on rates. The Liberals are hoping that the 25 percent cut will result in a grateful response from the electorate. I, for one, am very happy to see this cut because relief was badly needed. But there is something people shouldn't forget: while Kathleen Wynne is going to legislate a further 17 percent reduction (on top of the eight percent off from the HST rebate) it is the decisions of this Liberal Government that caused the rates to go up in the first place. Of all the money you have overpaid during the last several years for electricity, not one penny will be coming back. Even though the Liberals are to blame, the ratepayer still pays the bill. If I am to draw an analogy, it's as if several years ago the Liberal Government took your car, and is now coming back baring a gift of a bicycle and expecting you to be grateful.

Some of the costs being removed from electricity bills will be placed on the tax bill. Here is a breakdown of costs added to your tax bill: \$1.0 billion per year to finance the removal of the provincial portion of the HST; \$833 million per year to pay for a new suite of rebate programs. And added to the energy bill: \$25 billion in total interest over 30 years to re-finance the debt.

Some things that could have been done, which the government chose not to do, that would have at least given an indication they were prepared to stop repeating the same mistakes are: to stop signing contracts for energy that we don't need (at above-market prices); stop selling electricity at a massive loss to neighbouring jurisdictions; stop allowing water to pass over our hydroelectric dams without generating electricity while we pay excessive prices to developers of wind; and stop the further sale of shares of Hydro One.

As I wrote earlier, with an election expected next June, I suspect that there will be additional attempts by this government to play more shell games and continue their sleight-of-hand tactics in order to try and dupe the people. I know the people are smarter than that.