

RESPONSE TO QUESTIONNAIRE ON WIND POWER

FROM MPP CHRISTINE ELLIOTT

FEBRUARY 5, 2015

Dear Sherri,

I am pleased to provide this letter to outline my position on wind power in Ontario.

First, let me commend you and the rest of the activists in your coalition across Ontario who devote your time, talent and energy to advocating for affordable energy and to fighting with such passion and conviction. Our democracy is stronger when people like you hold government to account and educate their fellow citizens on important matters of public policy.

Since I was first elected as an MPP and certainly in the last few months of this leadership campaign as I travel to communities across Ontario, I have met dozens of individuals who have been affected by the reckless energy policies of the Liberal government. The stories of health problems, economic hardship and the psychological impact of neighbours being pitted against neighbours are heart-wrenching stories to hear.

The energy file is the most compelling evidence of how the Liberals' reckless policies and ideologically driven decisions have damaged this province. It is clear to me the Liberal government has mismanaged the entire energy file from the beginning. Starting with the fiscal and environmental disaster that has been the Green Energy Act, and extending to the mismanagement of nuclear refurbishment and hydro-electric expansion projects (in particular the Sir Adam Beck tunnel), the Liberal record is one of significant cost overruns and misplaced priorities at every turn. Every Liberal Minister of Energy and both Premiers McGuinty and Wynne have been blinded by ideology and their belief in policy that has left us with one of the most uncompetitive electricity systems in North America.

As I pointed out in a speech I delivered to the Mississauga Board of Trade a few weeks ago,

*"... our province's hydro system was once a competitive advantage for Ontario job creators. Now, it's one of the most expensive power systems in North America. Now, energy prices are hurting manufacturers and businesses.*

*I don't need to tell you that Ontario's energy system is in a state of chaos. We need energy to be an economic driver. We need it to be a recruitment tool for creating jobs. We need to ensure that families can afford to turn on the lights.*

*In the summer of 2003, just before Dalton McGuinty came to power, the total price of electricity in Ontario was 6.5 cents per kilowatt hour.*

*That included a base cost of 4.3 cents per kilowatt hour for the electricity. It included a delivery cost of 1.5 cents and a debt retirement charge of 0.7 cents.*

*Twelve years later and the cost of electricity in Ontario has skyrocketed to over 15 cents per kilowatt hour.*

*The base cost has risen to over 9 cents a kilowatt hour. Delivery has doubled to 3 cents. And somehow we're still left with the debt retirement charge, which should have been eliminated by now. On top of that, we've added the 8 percent provincial sales tax.*

*In total, Ontario families and businesses have had to deal with a year over year increase of 11 percent. And there's no end in sight: the price of electricity is forecasted to increase another 42 percent over the next five years.*

*The consequences of sky-high electricity prices are severe: businesses across the province simply can't afford it."*

As Premier I would seek to undo the damage by taking the following steps.

First, I will repeal the Green Energy Act. As legislation and as a strategy, it has been a financial disaster for Ontario and it is bad industrial policy. I would replace it with legislation and an energy strategy that is balanced, coherent, coordinated and not rooted in a false belief that our electricity generation choices should be the foundation of an industrial policy. My policy will break down the institutional barriers that exist between OPG, Hydro One, local distribution companies, the IESO, Ontario Energy Board and the other agencies. These companies need to work better together to improve the entire system.

Second, I will impose an immediate moratorium on any new wind or solar contracts under the FIT Program. The FIT program was excessive and led to overbuilding and uncompetitive rates for renewable power. Any renewable energy requirements could and would have been better met by a staged, managed and competitive RFP process which could have responded to system demand for power at the margin fairly quickly. Prudence, demand and cost effectiveness could have guided such decisions. Instead, the Liberal government opened the floodgates with their ill-conceived and overpriced FIT rates and of course developers rushed to take advantage of this damaging program. Going forward, new power from wind or solar will only ever be allowed if they can be added to the system competitively and with local support.

Third, I will examine each existing wind and solar contracts and determine if and where buying out any contracts is feasible when costs of cancelling contracts do not outweigh cost savings. This is an important point. As a lawyer and as a business person and if elected, steward of the economy, it will be important to make sound fiscal decisions based upon what is best for the province. It is also important to recognize that cancelling contracts will not be cost free and before cancelling any of them, I will need to know the magnitude of such penalties. Only then will I be able to weigh such costs against the punitive costs of power these contracts impose on the province. Of course, I will choose the path that is most fiscally prudent and is in the people's best interest.

Fourth, I would amend laws and regulations to restore the power of local communities and make it clear that when it comes to decisions around the siting of any energy development, local autonomy and planning authority must be respected.

Fifth, I would enshrine the independence and autonomy of the Independent Electricity System Operator (IESO) and ensure that this body has the best available energy system experts, economists and planners. Politicians need to get out of the way of these experts and let them make solid recommendations and decisions based on prudence, cost effectiveness and efficiency. Long-term planning is needed, but it must be done without political interference.

Sixth, my energy and environmental policy would not include a carbon tax or a cap and trade system. Closing old coal plants in Ontario was a big step in addressing Ontario's environmental legacy. It was a step initiated by the last Ontario PC government but credit for this work is rarely acknowledged. Going forward, we cannot have Ontario citizens paying twice for this reduced environmental impact, first through a cleaner energy sector and then with a carbon tax or the costs of a cap and trade system. That additional cost would simply weaken our entire economy and likely devastate our already fragile manufacturing sector.

Finally, my energy and environmental policy will be focused on what matters most to Ontarians – providing clean water, clean air and clean soil, parks for our children to play in and the conservation of land, flora and fauna for generations to come. I won't try to use energy policy to solve every social, political, economic or environmental policy in Ontario.

The “electricity file” in Ontario is a complex one and if there is one thing I have learned in my time in politics is that good policy can rarely be distilled into a sound-bite. I know that should I be elected leader and, in 2018, elected Premier, I will need the advice and counsel of many who have studied these issues and have informed opinions. My pledge to you and your colleagues at NAPAW is that

my door will be open and I will consult regularly. Together, we can make Ontario's electricity system work for Ontario again.

Sincerely,

Christine Elliott

*Member, Standing Committee on Social Policy*

*Deputy Leader, Official Opposition*

*Critic, Health and Long-Term Care*