

HYDRO PRIVITIZATION

CUPE Local 905, representing the Municipal and Library Workers throughout York Region including both the Municipal and Library Workers in Markham, in conjunction with our provincial body CUPE Ontario are opposed to the proposed privatization of our public infrastructure specifically Hydro One. This proposal is a bad deal for all Ontarians especially the most vulnerable.

Austerity, Economic Outlook, Fiscal Responsibility, Accountability, Tough Times, Economic Forecast, and Youth Unemployment. These were the terms used to describe the Ontario economy in the early 1990's.

At the beginning of the 20th century, electricity generation and transmission was controlled by a number of privately owned companies that did not compete with each other. Privately owned monopolies were supported by the Liberal government, in power prior to 1905. The opposition Conservative party supported the concept of public ownership of electric power. One of the main problems at the time in Toronto was that Toronto Electric Light Company was purchasing coal at very high prices from the United States, and using coal to generate electricity. It was also believed that the profits of the privately owned electric utilities were far too high and that publicly-owned electric utilities could deliver electricity to users at a much lower cost.

Public versus private ownership was one of the important issues in the 1905 Ontario election. The Conservative party, under James Whitney, won that election and one of those Conservatives elected was Adam Beck. Whitney made Beck a minister and he was charged with the question of electric power. In their book *Hydro*, Swift and Stewart, quoting from a newspaper of the day, state, "The Toronto World warned that 'the pure white light generated by God's masterpiece, Niagara Falls, should not fall into the hands of middlemen like Pellatt. Every citizen, however humble, should be able to have electricity at home, at cost. We want no electricity barons here.'"

The Hydro-Electric Power Commission was set up in 1906 with Adam Beck as chairman. From 1906 to the early 1920s, public and private ownership of the

electricity business co-existed. Privately owned electricity generators were bought out in the early 1920s on the orders of Adam Beck and effectively Ontario Hydro was born, becoming one the first of many public services we now take for granted. In 1999 Ontario Hydro was split to into separate entities including Ontario Power Generation and Hydro One. This is where we stand now.

This was a struggle that our great grandparents took up because they believed that publicly delivered services were better for everyone not just those that could afford them. Unfortunately our grandchildren will not be able to take up the same struggle as the proposed sale of Hydro One would completely remove the governance and oversight of Hydro by this government and all future governments. Hydro One would be removed from oversight by the Auditor General, the Ombudsman, the Financial Accountability Officer, and from the Freedom of Information and Privacy Act. Under law Hydro One would cease to be a public entity forever.

Perhaps one of the primary reasons why we should be opposed to this sale or the sale of any of our other public assets is the basic principle of as the owner we have control. When it is a private interest delivering a service we have limited or no control.

Economists have reviewed this proposed sale and advise that while there is a one-time gain in the sale of Hydro One the long term effect would be a net loss of income to the province in excess of \$300,000,000 per year.

We are all public servants of some sort, whether elected or employed, and as such we endeavor to ensure the common good is provided to all no matter what their social or economic status is. This proposed sale of Hydro One is not for the common good of all and as such I have prepared a draft resolution which I hope you will entertain.

RESOLUTION

WHEREAS the public electricity system in Ontario is a critical asset to the economy; and

WHEREAS the public electricity system generates significant revenue for municipal and provincial governments and gives Ontario a competitive advantage; and

WHEREAS Hydro One is a profitable and well-run provincial utility; and

WHEREAS local control and decision making is important to meet the needs of our communities and residents; and

WHEREAS local electricity distribution companies provide a source of stable and predictable revenue to our communities; and

WHEREAS some Ontario municipalities have examined possible sales or mergers of their local distribution companies, and have decided not to sell to Hydro One or the private sector; and

WHEREAS the privatization, partial or whole, of electricity has led to higher rates and less control; and

WHEREAS the following eight (08) independent officers of Provincial Parliament signed a rare joint letter on May 14th, 2015 stating concern that their ability to assess value and quality of service, among other matters, would be eliminated with the proposed sale of hydro one; Andre Marin, Ontario Ombudsman; Auditor General, Bonnie Lysyk; Information and Privacy Commissioner, Brian Beamish; Financial Accountability Officer Stephen LeClair; Integrity Commissioner Lynn Morrison; Environmental Commissioner Gord Miller; French Language Services Commissioner François Boileau, and Irwin Ellman, Provincial Advocate For Children and Youth; and

FURTHERMORE the loss of oversight by these independent officers to hold government, provincial agencies and corporations accountable on behalf of the legislature and on behalf of all Ontarians, which include the residents and rate payers of the City of Markham, is of grave concern.

THEREFORE BE IT RESOLVED that The Corporation of the City of Markham call on the provincial government to:

- Stop the sale of any part of Hydro One, and maintain Hydro One as a wholly public asset for the benefit of all Ontarians;
- Strengthen Hydro One by investing in the next generation of workers and upgrading aging infrastructure;
- Respect the autonomy and local decision-making powers of local distribution companies by not forcing these companies into mergers or sales; and

BE IT FURTHER RESOLVED that The Corporation of the City of Markham maintain ownership and control of its local distribution company; and

RESOLUTION

BE IT FURTHER RESOLVED that The Corporation of the City of Markham circulate this resolution to the Association of Municipalities of Ontario (AMO), all members of Provincial and Federal Parliament, all Ontario Municipalities and their Councils, the Electricity Distributors Association, and request that this Resolution of the City of Markham Council be endorsed.