

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

---

**Official Report  
of Debates  
(Hansard)**

FT-11

**Journal  
des débats  
(Hansard)**

FT-11

**Select Committee  
on Financial Transparency**

**Comité spécial de  
la transparence financière**

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Monday 19 November 2018

1<sup>re</sup> session  
42<sup>e</sup> législature  
Lundi 19 novembre 2018

---

Chair: Prabmeet Singh Sarkaria  
Clerk: Valerie Quioc Lim

Président : Prabmeet Singh Sarkaria  
Greffière : Valerie Quioc Lim

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<https://www.ola.org/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

---

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

ISSN 2562-0452

**CONTENTS**

Monday 19 November 2018

Mr. Andrew Teliszewsky ..... FT-209



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**SELECT COMMITTEE  
ON FINANCIAL TRANSPARENCY**

**COMITÉ SPÉCIAL DE  
LA TRANSPARENCE FINANCIÈRE**

Monday 19 November 2018

Lundi 19 novembre 2018

*The committee met at 1302 in room 151.*

MR. ANDREW TELISZEWSKY

**The Vice-Chair (Mr. Doug Downey):** Good afternoon, committee. The Select Committee on Financial Transparency will now come to order.

I welcome Andrew Teliszewsky. You have up to 10 minutes for an introduction, then we'll go into 20-minute rounds for questions, starting with the government side.

Before you begin, I'm going to read a statement on parliamentary privilege and the rights and duties of witnesses. It's a standard opening that we do, so just bear with me, please.

Witnesses appearing before committees enjoy the same freedom of speech and protection from arrest and molestation as do members of Parliament. Furthermore, section 13 of the Canadian Charter of Rights and Freedoms provides that: "A witness who testifies in any proceedings has the right not to have any incriminating evidence so given used to incriminate that witness in any other proceedings, except in a prosecution for perjury or for the giving of contradictory evidence." Therefore, nothing said by a witness before a committee may be received in evidence against that person in a court of law or similar proceedings, except in a prosecution for perjury where evidence was given under oath. For this reason, a witness may not refuse to answer a question from the committee on the grounds of self-incrimination or that answering might expose the witness to a civil action.

Witnesses must answer all questions the committee puts to them. A witness may object to a question asked by an individual committee member. However, if the committee agrees that the question be put to the witness, he or she is obliged to reply, even if the information is self-incriminatory, is subject to solicitor-client or another privilege, or on other grounds that might justify a refusal to respond in a court of law. A witness may ask for clarification if he or she does not understand a question. Members have been urged to display the appropriate courtesy and fairness when questioning witnesses. A witness who refuses to answer questions may be reported to the assembly.

Witnesses must also produce all records requested by the committee. A witness may object to production. However, if the committee agrees that the document is to be produced, the witness is obliged to do so. A refusal or

failure to produce a document may be reported to the assembly.

A refusal to answer questions or to produce papers before the committee, giving false evidence, or prevaricating or misbehaving in giving evidence may give rise to a charge of contempt of the assembly, whether the witness has been sworn in or not.

That is the end of the opening.

So, Mr. Teliszewsky, if you would—up to 10 minutes, please.

**Mr. Andrew Teliszewsky:** Good afternoon. My name is Andrew Teliszewsky. For nearly 11 years I had the privilege of working as a member of political staff supporting the governments of Dalton McGuinty and Kathleen Wynne.

Like many young political operatives, I began my career at Queen's Park as an intern and eventually earned the rank of chief of staff. In 2011, I joined Minister Bob Chiarelli's team at the Ministry of Infrastructure and, later, was asked to serve as his chief of staff at the Ministries of Infrastructure and Transportation. In early 2013, after the transition of power, I joined Minister Chiarelli at the Ministry of Energy where I remained as chief of staff, subsequently serving in the same role for Minister Glenn Thibeault until I announced my departure from government in December 2017.

During my time in government, I was always aware of the unique and special role that political staff enjoy within these halls. We were not elected. We were not the final decision-makers. We were asked to support the platform and principles upon which our MPPs and ministers sought to govern. We operated at the intersection between democratically elected leaders and the public servants that support the administration.

For nearly five years, at the Ontario Ministry of Energy, I worked hard to develop a collaborative and respectful working relationship between the office of the minister and the incredibly dedicated teams within the ministry and at each of the agencies for which my minister was responsible. In the normal course, I was in the position of seeking policy advice from staff, working together to develop options for senior decision-maker consideration, supporting the ministry's submissions through Treasury Board and cabinet and ultimately working to execute and implement the decisions of executive council.

I was fortunate to rely on the talented and dedicated public service professionals who work at all levels of the

OPS and its agencies. From them, I learned how complex and interwoven the Ontario electricity marketplace truly is. I learned that energy policy initiatives are highly technical. Due to the nature of our system, there are often regulatory, legal and environmental considerations to be thought through. I learned that these complex considerations and decisions manifest themselves on the bottom line of the electricity bills of everyday Ontarians. I learned how decisions taken today in the electricity sector can have lasting implications for ratepayers for decades to come.

I also learned what it means to be a dedicated public servant. To a person, the OPS staff I worked with exemplified each day the central tenet of public administration: to advise fearlessly and to implement loyally.

My time at the Ontario Ministry of Energy provided me with a unique vantage point on some of the most interesting and challenging public policy files of the day. I supported Minister Chiarelli as he worked to renegotiate the landmark Bruce Power refurbishment implementation agreement and to amend the green energy investment accord.

Through the 2013 and 2017 long-term energy plans, we transitioned renewable energy procurements away from the standard offer feed-in tariff program to a more transparent and competitive bidding process. I worked as part of a team to support the implementation of the Premier's advisory council on public assets. And, working for Minister Thibeault, I participated in the creation of the Ontario Fair Hydro Plan, which sought to better match asset life with ratepayer payment schedule.

Public communication and issues management with respect to energy policy decisions were a regular consideration, as certainly many of these files generated media, stakeholder and general public interest. Through these and dozens of other policy initiatives, I did my best to support the work of government and implement the decisions of cabinet.

For a young professional interested in public administration, I believe there is no greater privilege than to support the work of MPPs and government. While I've since moved on to new and interesting challenges in the private sector, I know I will look back on my time in government as among the most challenging and exciting experiences of my career.

To the extent that my testimony here today can support the work of this committee, I'm prepared to respond to your questions.

**The Vice-Chair (Mr. Doug Downey):** Thank you very much, Mr. Teliszewsky. We'll start the first 20 minutes on the government side. Mrs. Martin.

**Mrs. Robin Martin:** Hi, there. Thank you very much for your statement, Mr. Teliszewsky. Can you just tell us where you're working at this moment?

**Mr. Andrew Teliszewsky:** I work at a start-up in the electricity services industry called Opus One Solutions.

1310

**Mrs. Robin Martin:** Okay, thank you. You said you were chief of staff to Minister of Energy Glenn Thibeault

as well as, before that, to Minister Chiarelli, when he was the minister. Is that correct?

**Mr. Andrew Teliszewsky:** Indeed I was.

**Mrs. Robin Martin:** Okay. I believe that Minister Thibeault started being Minister of Energy on June 13, 2016. Does that sound about right?

**Mr. Andrew Teliszewsky:** It was the summer of 2016.

**Mrs. Robin Martin:** You held that position through to, you said, December 2017, when you resigned from working for government?

**Mr. Andrew Teliszewsky:** I announced my departure in December. I believe my formal final day in government was January 7 or 8 of 2018.

**Mrs. Robin Martin:** January 7 or 8. Okay. So the government had, I believe, in 2016—maybe in the summer—announced an HST reduction of 8% on hydro rates. Is that correct?

**Mr. Andrew Teliszewsky:** Indeed that was a part of that fall speech from the throne, and then some subsequent implementation legislation that Minister Thibeault carried through the Legislative Assembly.

**Mrs. Robin Martin:** Right. And that was to take 8% off the hydro bills, starting in January 2017?

**Mr. Andrew Teliszewsky:** Equivalent to the provincial portion, indeed.

**Mrs. Robin Martin:** Right. It didn't actually take the HST off. It was a rebate.

**Mr. Andrew Teliszewsky:** The specific construction of that would have been laid out in the legislation, but yes.

**Mrs. Robin Martin:** Right. That was money financed out of government revenues, was it not?

**Mr. Andrew Teliszewsky:** It would have been—yes—an allocation, an additional allocation to the Ministry of Energy.

**Mrs. Robin Martin:** In November 2016, former Premier Wynne publicly acknowledged that her government had allowed energy rates to increase too much.

**Mr. Andrew Teliszewsky:** There was indeed a speech that the former Premier made where she indicated that government would concentrate further on rate mitigation and rate reduction for electricity ratepayers.

**Mrs. Robin Martin:** All right. There was a project to establish—I guess for your ministry to try to reduce rates further. Is that correct?

**Mr. Andrew Teliszewsky:** Yes.

**Mrs. Robin Martin:** I guess Minister Thibeault would have been leading the endeavour to figure out how to reduce rates and therefore, as his chief of staff, you would have been at the centre of that endeavour?

**Mr. Andrew Teliszewsky:** Indeed.

**Mrs. Robin Martin:** Andrew Bevan, I think, was the chief of staff to the Premier at the time.

**Mr. Andrew Teliszewsky:** Yes, he was.

**Mrs. Robin Martin:** But because this was an important objective for Premier Wynne, he was also working on this endeavour with you.

**Mr. Andrew Teliszewsky:** In my experience, the office-holder of the chief of staff to the Premier would

normally be interested in signature public policy initiatives throughout government.

**Mrs. Robin Martin:** Okay. And this was a signature public policy initiative that the Premier had already stated that rates had to be reduced.

**Mr. Andrew Teliszewsky:** Certainly.

**Mrs. Robin Martin:** So the Premier's office was taking an interest and indeed directing from time to time on this.

**Mr. Andrew Teliszewsky:** The Premier's office was part of the team of individuals who would work alongside the Ministry of Energy to prepare options for cabinet consideration.

**Mrs. Robin Martin:** We have an email addressed to you from Bryan Bossin, of the Premier's office, which I think we have copies of for everybody. Just for my staff who have the documents, it's in book 4. That document just starts off with Bryan Bossin saying "on direction from Bevan."

It's dated Thursday, April 20, 2017. The "Re" line is, "You're seriously attempting changes to the statement now?" And Bryan Bossin says, "Yes, on direction from Bevan. He approved the following"—and it's just a statement about the hydro rate decrease that the government was working on.

All I'm trying to say is that Andrew Bevan was giving some direction to your ministry as well on this important signature initiative.

**Mr. Andrew Teliszewsky:** This electronic correspondence appears to be related to a media statement. Bryan Bossin, as a staffer, was a communications adviser. So, based on the subject line and the quotations of the ensuing paragraphs, I would hazard that this was information for how our ministry could and should reply to public inquiry on the matter.

**Mrs. Robin Martin:** Right. And it concludes, just reading along there—sorry, where I said at the top, it says, "Yes, on direction from Bevan. He approved the following" communication, effectively.

**Mr. Andrew Teliszewsky:** If this was a media statement that our minister or press secretary was to issue that day, then it would have gone through the Premier's office issues management consideration.

**Mrs. Robin Martin:** Okay. And would you say that from about the time when the Premier announced in November 2016 that hydro rate reduction was a very important objective, a signature policy I think you said, that that occupied a fair deal of your time over the next year—to make sure that rate mitigation happened?

**Mr. Andrew Teliszewsky:** Certainly, that would be accurate.

**Mrs. Robin Martin:** From the documents that we've seen, the real work on this seems to begin around the end of December 2016. The Premier said something in November and everybody is working—maybe early December. I think we heard about a December 8 meeting. Is that your recollection?

**Mr. Andrew Teliszewsky:** It may be valuable for me to describe a bit the process after the Premier's remarks in

Ottawa that November. It was an aspirational goal that the then Premier set out which—I often made the analogy that we threw our hats over the wall, not sure if we'd get to see it again.

To that extent, we were certainly interested in the views from the general public, stakeholders, multiple experts within government agencies, as well as academics and other thought leaders in the industry. My recollection of the process was that it was amongst the most collaborative and dynamic iterative policy formulation processes that I got a chance to experience during my time in government.

**Mrs. Robin Martin:** I'm sure that's fine. I'm sorry to cut you off, but we have a very limited amount of time, unfortunately, given the way it was scheduled with you, so I don't really want to spend a lot of time going into that. I've looked at the documents.

It's true that the Wynne government was facing a lot of hostility about hydro rates. Isn't that true?

**Mr. Andrew Teliszewsky:** I would say that throughout the summer and fall of 2016, all members, certainly, were hearing about electricity prices from their constituents. The then Premier's response was in direct correlation with the advocacy of the general public seeking a solution from government on the important issue of electricity rates.

**Mrs. Robin Martin:** If I'm not mistaken, even the Prime Minister, Prime Minister Trudeau, got an earful, I think, according to one of the emails, about hydro rates being so high on his Tim Hortons tour in early 2017 and wanted a briefing from your representatives. Isn't that correct?

**Mr. Andrew Teliszewsky:** I don't recall briefing the Prime Minister, but certainly I do recall multiple instances of members responding to, and advocating on behalf of, their constituents that electricity prices were something that the government should focus some attention upon.

**The Vice-Chair (Mr. Doug Downey):** Mr. Romano.

**Mr. Ross Romano:** The question that my friend just asked you was whether there was hostility toward the Liberal government over hydro rates. You chose to characterize it in a different way, but people were angry with the Liberal government because of the 300% increase people had seen in their hydro rates over the course of the last several years. Fair point, correct?

**Mr. Andrew Teliszewsky:** Members advocate on behalf of their constituents.

1320

**Mr. Ross Romano:** Sure. I understand the need for political responses. A simple yes or no would do. When you say you threw your hat over the wall, and that you had an aspirational goal—you threw your hat over the wall and you had an aspirational goal because there was a lot of negativity surrounding the increasing hydro rates, correct? Yes or no.

**Mr. Andrew Teliszewsky:** The general public would often voice their concerns about multiple and various issues of the day.

**Mr. Ross Romano:** Right. But this was a very, very dynamic issue, as you indicated, because people were very angry about their hydro rates, correct? Would you like me

to take you to some of the specific emails, or can we just acknowledge that the answer is yes?

**Mr. Andrew Teliszewsky:** I don't want to imbue motive upon constituents who might be—

**Mr. Ross Romano:** All right. Let's go to some messaging from the Premier herself—I know you recall this—where she talks about this: “[We] have made mistakes in the way we've structured Ontario's electricity system.” Correct? You remember those types of statements?

**Mr. Andrew Teliszewsky:** Premier Wynne took ownership of this file and dedicated the resources of her government to alleviating the challenges that ratepayers were facing.

**Mr. Ross Romano:** She wanted to make sure she fixed the problem that this government had therefore created with hydro rates, correct?

I will accept your long pause as an answer, and I'll turn it back over to my friend.

**Mr. Andrew Teliszewsky:** Multiple governments have participated in the structuring of the Ontario electricity system.

**Mr. Ross Romano:** Multiple, but the government that was responsible for it for the last 15 years was the Liberal government, and you were the chief of staff for the Minister of Energy with respect to that government, correct?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Although I've only been here for a couple of minutes, I'm going to please ask that we temper the language in parliamentary fashion as well.

**Mr. Ross Romano:** Thank you, Mr. Chair.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I do ask that we respect that. You can continue with the questioning, but please do have regard for that parliamentary—

**Mr. Ross Romano:** I'll perhaps just let my friend continue.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mrs. Martin.

**Mrs. Robin Martin:** I had mentioned the fact that the Prime Minister apparently got an earful about hydro prices on his Tim Hortons tour. This is an email from you to people in the Premier's office. I believe we have copies of it, just for the team there. It's in package number 1. I think it's the third document. Maybe you could hand out copies to everybody.

It says, “Given that PM apparently got an earful about hydro prices on his Tim Hortons tour” this year, and then it goes on to talk about the other things that they were talking about. But they were given, it says in here, a full briefing. Jamie and Lindsay—I don't know who they are—“asked for a whole ‘Ontario Fair Hydro Plan’ briefing.”

We'll put the document in front of you.

**Mr. Andrew Teliszewsky:** Thank you.

**Mrs. Robin Martin:** Thank you. I didn't want to give you my copy, because then I can't see to ask you about it. It's from you. I'm not surprised you don't remember. You probably had a lot of emails. Anyway, that was the one I was referring to. So if we could just carry on, then—

**Mr. Andrew Teliszewsky:** If I may?

**Mrs. Robin Martin:** Yes.

**Mr. Andrew Teliszewsky:** Jamie and Lindsay are staff in the Office of the Prime Minister whom I would have interacted with. They're actually also former Queen's Park staff.

Based on my initial review of this correspondence, it indicates that I was in Ottawa and so would have had an occasion to see them.

**Mrs. Robin Martin:** Yes, that's fine. I ask the question—people were angry. Even the Prime Minister had heard about it. That is that you knew that, and you were there in Ottawa and gave the briefing to them. So even they were angry about that.

The Wynne government, I guess, decided it absolutely had to do something about these high hydro rates. That's correct, right? We've established this? Yes?

**Mr. Andrew Teliszewsky:** Yes.

**Mrs. Robin Martin:** Andrew Bevan described to you what a win would look like. I believe he said, “A win should be defined as making hydro not the electricity issue”—I'm just looking for the document.

**Mr. Ross Romano:** Perhaps I can just—

**Mrs. Robin Martin:** Here it is.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano?

**Mr. Ross Romano:** No, no.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Oh, sorry. Mrs. Martin.

**Mrs. Robin Martin:** “A win should be defined as neutralizing as an electoral issue electricity prices ... if we (govt and Premier) are recognized as having fixed prices appropriately.” That's what a win looked like for the policy. Is that correct?

**Mr. Andrew Teliszewsky:** You're quoting from—

**Mrs. Robin Martin:** A document—do you want it put in front of you?

**Mr. Andrew Teliszewsky:** May I?

**Mrs. Robin Martin:** Yes. It's page 9, or 29, in the fourth package. Can you find it?

**Mr. Ross Romano:** Just while it's being pulled out—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano.

**Mr. Ross Romano:** Just to assist your memory, it was dated February 12, 2017, written from Andrew Teliszewsky. The subject of it was “Re: Updated Draft.”

“Thanks Andrew

“Looks good.

“Slide 2. A win should be defined as neutralizing as an electoral issue electricity prices prices prices if we (govt and Premier) are recognized as having fixed prices appropriately.”

Do you remember that email and writing that email? I trust you would.

**Mr. Andrew Teliszewsky:** Is it possible to see the record?

**Mr. Ross Romano:** Absolutely.

**Mr. Andrew Teliszewsky:** This is indeed an email from myself to Andrew Bevan, dated Sunday, February 12, 2017.

**Mr. Ross Romano:** Sorry, just to correct: That is an email you wrote in your capacity as chief of staff to the Minister of Energy to the chief of staff to the Premier and principal secretary of the Premier's office, Andrew Bevan?

**Mr. Andrew Teliszewsky:** Per this responsive record, indeed it is.

**Mr. Ross Romano:** Yes, and that was dated February 12, 2017. You clearly are identifying the need to repair “electricity prices prices prices” because your government needs to find a way to fix those prices appropriately.

**Mr. Andrew Teliszewsky:** I apologize. Based on your question that—those were not my words; those are Mr. Bevan's. I was responding to his note.

**Mr. Ross Romano:** Oh, Mr. Bevan, the chief of staff to the Premier and principal secretary, said that. Thank you.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mrs. Martin.

**Mrs. Robin Martin:** They're still looking for that document, but I have the wording of it here in front of me. We're just trying to pull up a copy of it.

Is it fair to say that what you were aiming at—and I'm reading from the thing that I cut and pasted into my notes, as opposed to the actual document, from Andrew Bevan (OPO) to Andrew Teliszewsky:

“Re: Updated Draft

“Thanks Andrew

“Looks good.

“Slide 2. A win should be defined as neutralizing as an electoral issue electricity prices ... if we (govt and Premier) are recognized as having fixed prices appropriately.”

Was that what you were aiming at in creating this plan?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Two and a half minutes.

**Mr. Andrew Teliszewsky:** The process was very iterative and involved a lot of consultation across government, its agencies and stakeholders—

**Mrs. Robin Martin:** I know. I'm asking you about the purpose, though. What was your purpose?

**Mr. Andrew Teliszewsky:** The purpose of the Fair Hydro Plan, or of the initiative that became the Fair Hydro Plan, was certainly to recognize that electricity prices had become an issue of significant public concern. Throughout the analysis, we determined that it would be possible to better match ratepayer payment schedule with asset life.

**Mrs. Robin Martin:** I think, honestly, this is what your goal was: to reduce the prices so that electricity wasn't an issue anymore in the election. I know you came up with a rationale: that you could extend the life of capital assets, electricity resources. But, in effect, that was a rationale you offered so you could explain what you were doing.

You wanted to basically renegotiate—and I'm reading from an email of yours, from Andrew Teliszewsky, December 29, 2016, to other people in energy:

“Hi.

“I really would like to see worked up the item that I raised last week—effectively a re-amortization of” the

global adjustment “spreading the costs out over a longer period of time through an OEFC borrowing mechanism.

“A variant of the ‘renegotiation of renewables’ contracts without the pain of renegotiation.”

That was what you were aiming at.

**Mr. Andrew Teliszewsky:** The goal was to respond to the public concerns raised by members of the general public, media, opposition members, other stakeholders. It was in fact, at its core, an episode of direct democracy, where the general public was voicing their concerns and government responded, as elected members are in place to do.

1330

**The Chair (Mr. Prabmeet Singh Sarkaria):** That concludes the time for questioning on this.

A quick reminder for all the members: I urge you to display the appropriate courtesy and fairness when questioning witnesses.

I'm going to start giving a five-minute warning. I think that might be more appropriate, so the individuals have more time to wrap up the questioning.

Now we'll go over to the opposition for 20 minutes, starting with Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for being here.

Off the top, we're here to look at the recommendations of the commission of inquiry, so my question is, have you had a chance to look at and read the recommendations in that report?

**Mr. Andrew Teliszewsky:** The Campbell commission?

**Ms. Sandy Shaw:** Exactly.

**Mr. Andrew Teliszewsky:** I have had occasion to review it, yes.

**Ms. Sandy Shaw:** Just so you know where my line of questioning is coming from: As the opposition, we believe that there's merit in this committee, and we also want to get some answers about how we came to be here. But more than anything, we want to make sure that we can put in place provisions so this does not happen again. That's where our motivation is coming from.

In that regard, I want to ask you some questions about the decision-making. You did say at the beginning of your introduction that there were final decision-makers and you played a role in helping those decision-makers come to this place. But it wasn't just your staff, and it wasn't just the ministry or the civil service; it was a number of other outside organizations. You did say that it's complicated and it involved a lot of people. So I'm hoping I could ask you some questions about the governance structure and the accountability in some of those organizations that were involved, like the IESO and the OPG.

We had the IESO and the OPG here, and I'm wondering if you had a chance to listen to any of their testimony.

**Mr. Andrew Teliszewsky:** I've seen snippets of the Hansard, but I did not get a chance to make it through all of their testimony.

**Ms. Sandy Shaw:** Fair enough. From both the government side and our side, we got a sense from the IESO that they were under undue pressure from the government of

the day to participate in something that was a little bit outside of their normal course of business. Do you agree with that statement?

**Mr. Andrew Teliszewsky:** I don't recall pressure being exerted on any individual to support or implement the Fair Hydro Plan. We were working collaboratively as part of a team to implement the decisions of the executive council at that time, first supporting the decision-making process and then subsequently implementing the decisions taken at cabinet.

**Ms. Sandy Shaw:** The questioning and the testimony from the IESO had a lot to do with the changing of their accounting practices to allow them to participate in this fair hydro scheme, as it's called. Do you have any knowledge of the discussion around the changes they made to their accounting practices that would have allowed them to participate in the way that they did in the Fair Hydro Plan?

**Mr. Andrew Teliszewsky:** My recollection at the time was that the board of directors of IESO was engaged in a review of how their books would have been presented. That all was happening at around the same time as the policy formulation process—and I apologize; I don't think I could articulate where exactly in that timeline.

**Ms. Sandy Shaw:** The IESO is a crown corporation, but it's independent. It has an independent board of directors and a CEO. How would that request have come? Would it have come through the board of directors or through the chair of the board? How would the government have involved IESO in this Fair Hydro Plan—accounting aside—just even in the policy decision?

**Mr. Andrew Teliszewsky:** As I mentioned earlier, after the Premier's aspirational remarks in November, all aspects of the electricity ecosystem began to participate diligently and provide options and support the policy implementation process. At the Ministry of Energy, in my time, there was not a week that went by that we didn't happen to interact with one or all of the agencies in some capacity. So there was frequent iterative dialogue and discussion about the policy matters of the day.

**Ms. Sandy Shaw:** Okay. So between the IESO and the Minister of Energy, would those discussions have happened through the board? Would they have happened at senior management or CEO level? Would the Minister of Energy at any point have had discussions with the chair of the board of IESO?

**Mr. Andrew Teliszewsky:** The minister would have had cause, on occasion, to speak with the chair. I would maintain regular touch-points, perhaps three or four over the course of a calendar year. The main point of contact would have been with the chief executive of the agency on a day-to-day basis.

Certainly, at all levels of the ministry, there are frequent daily interactions, multiple times a day, between staff where staff at the ministry are asking staff at the IESO or OEB or OPG for information that helps support the policy decision-making of the day.

**Ms. Sandy Shaw:** So if IESO was not responsive to the Premier's vision, and not responsive to the Minister of

Energy's interest in IESO participating in this, what would the outcome of that be? Can you envision a time when the IESO board of directors or CEO would have said to the Ministry of Energy, "We don't want to participate in this?" Would they have been able to push back?

**Mr. Andrew Teliszewsky:** In my time at the Ministry of Energy, we had frequent discussions between the ministry and the various agencies about what the appropriate course of action could be on any host of policy files.

As I mentioned in my opening statement, I learned a lot about the electricity sector. A lot of that came from the staff at the IESO, who helped unpack the way in which the electricity contracts unfolded when the Ontario Power Authority was first created in 2004 or 2005 and then subsequently merged with the IESO.

**Ms. Sandy Shaw:** I'm learning also, Mr. Teliszewsky, a lot about the electricity file. It's complex, as you said, and it also involves OPG. We did have Mr. Lyash here, and we asked a number of questions about the independence of his organization. He made clear that the board is an independent board. He made clear that he is the CEO and he takes direction from the board. But he did say that they entertained, and he would entertain, any kind of request from their shareholders. I subsequently learned—and you correct me if this is wrong—that with OPG, the sole shareholder of OPG is the Minister of the Environment. Is that correct?

**Mr. Peter Tabuns:** Minister of Energy.

**Ms. Sandy Shaw:** Minister of Energy—sorry. Pardon me. I got my E's wrong. Minister of Energy.

**Mr. Andrew Teliszewsky:** Indeed.

**Ms. Sandy Shaw:** So that's still the case right now that the sole shareholder for OPG would be the Minister of Energy?

**Mr. Andrew Teliszewsky:** I would have to double-check that. It was, at the time that I left government.

**Ms. Sandy Shaw:** Okay. That's good. That helps. Sort of the same line of questioning that I asked about the IESO—really, we heard from OPG that they got into a business that they don't normally do, which is essentially that they created a security through their OPG Trust that they marketed on the open market. They sold bonds and they essentially played the role of, in some way, an issuer of bonds and securities, which is not something they normally do. My sense of this is that, again, they were pushed in a direction to do something that was not in the normal course of business and was not a core competency of OPG, but that they did this because they entertained a request from the shareholder, which at the time was the Minister of Energy.

My question is this: OPG was asked to in many ways expand their mandate, to go into an area that they don't normally participate in, to the point where they sought indemnities for their officers and the directors of the corporation, and they were not forthright in saying that participating in this OPG Trust was in the best interests of the corporation, which at the end of the day is what they're accountable for. So I can only assume, and it feels like, they were essentially—I have to use the word—pressured to participate in this.

1340

My question would be, what would have happened to the plan, what would the reaction have been from the Minister of Energy to OPG, the CEO or the board of directors, if they had just said, “This is too complex for us and we don’t want to participate in it”? Did they have an opportunity to push back on this?

**Mr. Andrew Teliszewsky:** So there’s maybe a point of confusion in some of your statement.

**Ms. Sandy Shaw:** Possibly.

**Mr. Andrew Teliszewsky:** Actually, in my understanding, OPG is frequently in the bond market to finance their undertakings.

**Ms. Sandy Shaw:** Their own undertakings, yes.

**Mr. Andrew Teliszewsky:** So they were out earlier this summer to initiate the first green bonds that OPG had ever issued. They’re frequently in the market to support the nuclear refurbishment program, as well as the other liabilities of the decommissioning fund. So they were frequently in the marketplace, and I believe—

**Ms. Sandy Shaw:** But they didn’t issue securities. They were borrowing but they weren’t issuing securities.

**Mr. Andrew Teliszewsky:** They issue bonds to finance their projects.

**Ms. Sandy Shaw:** Their own operations, yes.

**Mr. Andrew Teliszewsky:** Indeed.

**Ms. Sandy Shaw:** So I guess the question still stands. I’ll go back to my colleague, but my question still stands: What would have happened to the plan if OPG had said, “This is beyond the scope of what we would normally do. Our board of directors are not comfortable with this. It’s not in the best interest of the corporation, and we think that you’re overstepping your boundary as a government”? What would have happened at that point?

**Mr. Andrew Teliszewsky:** I don’t think I could speculate.

**Ms. Sandy Shaw:** Sure. Thank you.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Tabuns.

**Mr. Peter Tabuns:** Good afternoon, Mr. Teliszewsky. You and I have spent many a time around these tables in other contexts.

Following on my colleague’s questions, this intersection between the Ministry of Energy and Ontario Power Generation: Who was contacting whom between the Minister of Energy, yourself as the chief of staff, the CEO of OPG and the chair of the board of OPG? What were the lines of communication between the two entities?

**Mr. Andrew Teliszewsky:** As I mentioned a moment ago, we had a varying—I worked first, actually, driven by Minister Chiarelli’s vision that we have an open-door policy. That was one of his turns of phrase when I began to work for him. That meant that stakeholders, ministry staff and agency staff frequently interacted with both our office, myself, policy staff, as well as certainly the deputy minister all the way down through the department.

**Mr. Peter Tabuns:** So specifically with regard to OPG, did the minister, on a regular basis, talk with the chair of

the board of OPG in the course of developing the Fair Hydro Plan?

**Mr. Andrew Teliszewsky:** The interaction with the chair, similar to IESO, was certainly much less frequent than with the CEO.

**Mr. Peter Tabuns:** Okay. So did the Minister of Energy have regular contact with the CEO of OPG in the course of developing the Fair Hydro Plan?

**Mr. Andrew Teliszewsky:** There would have been multiple meetings and briefings on a regular basis about any number of issues that would put the minister in the boardroom with either the CEO or other representatives from Ontario Power Generation.

**Mr. Peter Tabuns:** And did you yourself have ongoing relationships with the CEO of OPG or other senior staff at OPG?

**Mr. Andrew Teliszewsky:** As chief of staff at the Ontario Ministry of Energy, it was my job to have interaction with the agencies and the departments, certainly.

**Mr. Peter Tabuns:** I’m not suggesting there was anything untoward. I’m trying to understand who contacted whom and what the web of relationships would be. I’m not suggesting anything untoward in this.

In looking at some of the emails that have gone back and forth, it looks like the Premier’s office had a fairly substantial hand in dealing with the Fair Hydro Plan. Was the Premier’s office also talking directly to the CEO of OPG and to the senior staff?

**Mr. Andrew Teliszewsky:** That would have been rare. In my experience, it was left to the minister and minister’s office responsible to steward the relationship with their agencies.

**Mr. Peter Tabuns:** So it may have been rare, but it wasn’t unheard of. It’s something that did happen in the course of business.

**Mr. Andrew Teliszewsky:** In the course of multiple years in government, I’m certain that there would have been interaction, but, as I indicated, it was not the normal course.

**Mr. Peter Tabuns:** And in the course of the Fair Hydro Plan, I noticed that Mr. Bevan was—I think it was an email that was introduced by the government noting Mr. Bevan was actually going through slide presentations and talking about correcting language. So there was a fair amount of interaction from senior staff in the Premier’s office with you and others in this whole project. Is that correct?

**Mr. Andrew Teliszewsky:** That would have been the case for any major policy initiative.

**Mr. Peter Tabuns:** Any major policy initiative?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes.

**Mr. Peter Tabuns:** Out of curiosity, given that Mr. Lyash, as the CEO of OPG, was brought here from a long career with American utilities, was he an advocate for this regulatory asset approach that you ultimately adopted?

**Mr. Andrew Teliszewsky:** Certainly, we’re lucky that we were able to recruit Mr. Lyash to serve in his capacity presently as CEO at Ontario Power Generation. He would

have been part of conversations about energy and electricity policy, and to the extent that his expertise south of the border could be relied upon, then it was wise of us to avail ourselves of that expertise.

**Mr. Peter Tabuns:** So you did avail yourselves of that expertise?

**Mr. Andrew Teliszewsky:** We would frequently engage in policy discussions and, on occasion, I would recall Mr. Lyash describing perhaps—and certainly we were at the time, as it related to the Ontario Fair Hydro Plan, looking to how other jurisdictions had sought to finance electricity assets.

**Mr. Peter Tabuns:** So was he an advocate for this particular regulatory asset approach that was ultimately adopted?

**Mr. Andrew Teliszewsky:** I would suggest Mr. Lyash was helpful information, a point of information.

**Mr. Peter Tabuns:** So if he wasn't the advocate for this regulatory asset approach, who actually pulled it together and brought it forward?

**Mr. Andrew Teliszewsky:** As I began to articulate earlier, the process of developing the Fair Hydro Plan was actually quite extensive and iterative, from the Premier taking meetings with general public who had corresponded with her about electricity issues to stakeholders, industry associations making submissions to government, as is the normal course, to opposition members offering their counsel. Ministry agencies and other stakeholder groups would have fed into the process.

**Mr. Peter Tabuns:** So there's no one person you can think of who actually put on the table, "Hey, here's a way of amortizing these costs over several decades" that's been employed in the United States using different accounting rules? This just sort of arose by itself out of the interaction of all the emails?

**Mr. Andrew Teliszewsky:** The concept of matching payment schedule to asset life could have taken multiple forms. The contracts that were ultimately contemplated or that were part of the underpinnings of the Fair Hydro Plan and those principles were the 20-year contracts—some longer but mostly 20- or 40-year contracts that were—

**Mr. Peter Tabuns:** I apologize for interrupting you, but a regulatory asset is an existing, defined in law in the United States, structure for dealing with this. I hear what you're saying about matching amortization periods. Who brought forward the idea that we should use the American structure for a special-purpose vehicle operated by OPG? Who actually had the brainwave that put that forward?

**Mr. Andrew Teliszewsky:** As I indicated, the policy formulation process was exceptionally iterative and multiple folks participated in that.

**Mr. Peter Tabuns:** Yes, I picked that up.

**Mr. Andrew Teliszewsky:** The ultimate, final result came to pass as a result, frankly, of interaction within government and its agencies that saw a way towards accomplishing the goal. So when considering the prospect of smoothing the schedule of repayment, it was put to the ministry and agencies, as well as the expert external

advisers, to help determine whether or not there was a feasible avenue towards accomplishing that objective.

**1350**

**Mr. Peter Tabuns:** Did Mr. Lyash suggest this as a way of doing that?

**Mr. Andrew Teliszewsky:** I could not recall.

**Mr. Peter Tabuns:** Did you at any point bring in American consultants to advise you on how to structure this regulatory asset?

**Mr. Andrew Teliszewsky:** I do not believe so. I believe all of the expert external advisers were Canadian, but I'm not familiar with the passports that they hold.

**The Chair (Mr. Prabmeet Singh Sarkaria):** That concludes the time for questioning from the opposition.

We'll push it back over to the government for 20 minutes, starting with Ms. Martin.

**Mrs. Robin Martin:** I just wanted to clean up where I finished off. I've got the documents now to put in front of you. The first one I think I was reading from before—the document is an email, and the front of it starts at January 5, 2017, from Keley Katona to yourself, but the document that I was referring to is one on the back, which is a December 29, 2016, email from you to Keley Katona. You've written in there what I was reading from before: "I really would like to see worked up the item that I raised last week—effectively a re-amortization of GA—spreading the costs out over a longer period of time through an OEFC borrowing mechanism.

"A variant of the 'renegotiation of renewables' contracts without the pain of renegotiation."

I wanted to put that in front of you. That's your email; is that correct?

**Mr. Andrew Teliszewsky:** This is an email from myself to the deputy minister's office, yes.

**Mrs. Robin Martin:** Okay. So that was what you were trying to see a workup of at that time.

The next email I wanted you to look at was one dated January 11, 2017, from yourself again to Keley Katona and copying Deputy Minister Imbrogno amongst others. If you'll see in the third paragraph there you say, "For the 'refinancing' deck (let's remove the term 'debt' from the deck,)" And in the fourth-last paragraph you've got the words "Start to add rationale as discussed (I recall someone said 'more appropriate recognition of life of capital stock...')"

Do you see that?

**Mr. Andrew Teliszewsky:** Yes. Your staff have provided the correspondence.

**Mrs. Robin Martin:** Okay. So this is the direction you were giving to people working with you in the Ministry of Energy on how you were working up your slide deck for presentation. Is that correct?

**Mr. Andrew Teliszewsky:** Per the correspondence, yes.

**Mrs. Robin Martin:** Okay. That's January 11.

The next document I wanted to take you to is a slide deck, which is a working draft for discussion purposes only, marked "confidential." On page 3, we have what lays out the rationale for financing the GA, or global adjustment.

The document says that you could extend—at bullet 2, “Some contracted generation assets are expected to have a useful life that extends beyond the term of their current financial contracts (typically 20 years).” But at the bottom it’s pointed out that not all generating assets will continue to operate beyond the 20-year term; correct?

**Mr. Andrew Teliszewsky:** So this was—

**Mrs. Robin Martin:** Just yes or no. Not all generating assets that we have will continue to operate beyond 20 years. Is that right?

**Mr. Andrew Teliszewsky:** Well, it depends on the state of that capital asset at the time that it comes off contract.

**Mrs. Robin Martin:** I know it depends on a lot of things, but all I’m asking you is, not all of them will continue?

**Mr. Andrew Teliszewsky:** I don’t think I could speculate about how these assets—

**Mrs. Robin Martin:** Well, how about the next thing in that document, which says, “Regulatory constraints (i.e., nuclear licences) or low-demand conditions ... would mean that some generators will shut down at the expiry of their contract”—correct?

**Mr. Andrew Teliszewsky:** Those would be commercial decisions that would be made on the part of those asset owners.

**Mrs. Robin Martin:** Well, regulatory constraints are not a commercial decision. Either they’re allowed to or they’re not. That’s a regulatory constraint; correct?

**Mr. Andrew Teliszewsky:** Certainly. For example, Ontario Power Generation has a sunset for when the Pickering nuclear generating station is allowed to continue operating, and that is through the Canadian Nuclear Safety Commission, the regulator.

**Mrs. Robin Martin:** Yes. Very good. “Future rate-payers”—it says in the last sentence on slide 3—“would be paying for these assets that are no longer producing power.” Isn’t that correct?

**Mr. Andrew Teliszewsky:** This was an early document. Then, the mandate of the Ministry of Energy, subsequent to cabinet’s consideration, was to find all means and mechanisms by way of mitigating risks going forward.

**Mrs. Robin Martin:** I understand that you were trying to mitigate risks, but this is pointed out in an early document on January 13, 2017. Whoever wrote the document knows—and I think it’s your staff on your direction—that not all generating assets will continue, that regulatory constraints and low demand would mean some generators will shut down at the expiry of their contract terms, and that future ratepayers would be paying for assets no longer producing power if you proceeded with your GA smoothing. Is that not correct?

**Mr. Andrew Teliszewsky:** It is the responsibility of the ministry to consider all of the considerations—pros and cons, if you will—

**Ms. Lindsey Park:** Sorry, I’m just going to interrupt.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Ms. Park?

**Mr. Andrew Teliszewsky:** —about any particular policy initiative—

**Ms. Lindsey Park:** I’m just going to interrupt. It was a yes or no question.

**Mrs. Robin Martin:** It really was.

**Mr. Andrew Teliszewsky:** It was our responsibility to look at all pros and cons.

**Mrs. Robin Martin:** That’s great.

In fact, without a contract renewal, no assets would be continuing operation, because there wouldn’t be a contract for them to be paid under.

**Mr. Andrew Teliszewsky:** Within the electricity marketplace, it is possible that they could continue without a contract—

**Mrs. Robin Martin:** Possible, but not for sure. Not all.

**Mr. Andrew Teliszewsky:** There are assets that operate today without a contract.

**Mrs. Robin Martin:** Mr. Romano, do you want to take over?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano?

**Mr. Ross Romano:** Certainly.

All right, Mr. Teliszewsky, I know this is painful. I know this is difficult. It could be as painful or as difficult as you want to make it, but—

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano, I’m going to ask you to withdraw that.

**Mr. Ross Romano:** Yes. So let’s just break this down. The simplicity—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano, please temper your language as well.

**Mr. Ross Romano:** The simplicity of the matter is this: You’ve got a situation where you wanted to fix electricity rates, pricing. Right?

**Mr. Andrew Teliszewsky:** That was the mandate the Premier provided my ministry.

**Mr. Ross Romano:** That was the Premier’s mandate. Correct. And that was the mandate because those rates had increased some 300% in the last 15 years, or thereabouts. Correct? Give me a “thereabouts,” at least.

**Mr. Andrew Teliszewsky:** The Premier acknowledged that electricity prices had risen and that she wanted to dedicate her government to resolving that issue.

**Mr. Ross Romano:** Okay. So the government was dedicated towards resolving the issue of the escalating hydro rates. Perfect.

Now, you made a comment earlier. I made a note of it. You said, in your introduction, that decisions today can have lasting effects. Remember that?

**Mr. Andrew Teliszewsky:** That was part of my opening statement.

**Mr. Ross Romano:** Okay. So decisions today have lasting effects on the future. Now, if you’re going to do a global adjustment refinancing—I like to use the word “refinancing,” because “smoothing,” let’s be honest, is political messaging. But if we’re going to do a global adjustment refinancing, why wouldn’t you just borrow the money and leave it on the tax base? Put it all on the books;

make it all readily apparent. It would have been very easy from your perspective as the chief of staff to the Minister of Energy to do it that way. In terms of simplicity, that was the easy way to do it. Correct?

**Mr. Andrew Teliszewsky:** You've raised a really important point and, if you'll permit me, I'd like to address that.

**Mr. Ross Romano:** Okay. Let me just ask you a question, though. Is it easier to just put it on the tax base: yes or no?

**Mr. Andrew Teliszewsky:** So the—

**Mr. Ross Romano:** Yes or no: Is it easier to have it on the tax base versus the rate base? A simple question.

**Mr. Andrew Teliszewsky:** In my experience at the Ministry of Energy, rarely was any policy decision easy.

**Mr. Ross Romano:** Oh, wow. I would tend to agree with you, because of the mandate you received. But we'll get to that.

Let's go this way with this, all right? You had this—I'm happy to reference it. Andrew Bevan specifically said, when he wrote you that email on February 12, "A win should be defined as neutralizing as an electoral issue electricity prices prices prices if we (govt and Premier) are recognized as having fixed prices appropriately."

The point of that is that there's an election coming, and you want to fix the electricity prices before the election, right? That was the mandate you were given. Fair?

**Mr. Andrew Teliszewsky:** The Premier gave the Minister of Energy the mandate to seek to respond to the public's concerns around electricity prices, to find a way to address those valid policy concerns that the general public and stakeholders had, yes.

1400

**Mr. Ross Romano:** Yes. My question is that it was an election issue, right? The email says that you received it—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Once again, Mr. Romano, imputing motive—please be careful about that.

**Mr. Ross Romano:** I'm just citing the email that was written. But that's fine. I'll pass on the question. The media is present here right now. They've already heard what the answer is. I'll move on.

You talk about an aspirational goal. The aspirational goal was therefore to reduce energy rates, because that was the mandate you got from the Premier, correct? A simple yes or no.

**Mr. Andrew Teliszewsky:** Electricity rates.

**Mr. Ross Romano:** Perfect, okay. Given the political aspect of it, though, fixing energy rates but saddling people with billions of dollars of debt that they actually see in the budget when Minister Sousa would stand up, whether it was a number like \$6.7 billion or \$15 billion—obviously you want that number to be lower, in terms of electioneering purposes. Fair? The lower the debt, the better your chances of re-election, right?

**Mr. Andrew Teliszewsky:** I think that recent examples, both provincially and federally, indicate that the mood of the electorate with regard to capacity and the

interest in debt financing may have shifted since the early 1990s.

**Mr. Ross Romano:** So you're saying that since the early 1990s, people would be happy to be saddled with a lot of debt? That's your answer, that the mood out there is that people are happy to be in debt?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano, once again I'm just going to urge you to please—  
**Ms. Sandy Shaw:** Point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** No, I'm sorry. The point of order I'll take after my comments.

Mr. Romano, I'm going to urge you to please show the appropriate courtesy and fairness to the witness, and please do temper the language into a parliamentary tone.

**Mr. Ross Romano:** Well, perhaps, Mr. Chair, I will ask the Chair as well to direct the witness to actually answer a question. But I'll move on—

**The Chair (Mr. Prabmeet Singh Sarkaria):** I'm going to take a point of order first from Ms. Shaw.

**Ms. Sandy Shaw:** Thank you, Chair. My point of order supports what you've just said. We all want answers here. As Mr. Romano has pointed out, the media is watching, and so are people at home, so we can dispense with the theatrics and conduct this in a respectful way. There is no reason to show disrespect, because that level of disrespect impugns all of us. So the direction from the Chair—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you. I take your point, Ms. Shaw. I've made my point now as well, that we display the appropriate courtesy. Thank you.

Please continue, Mr. Romano.

**Mr. Ross Romano:** Okay.

When we talk about decisions of today—these are your words—having a lasting effect on tomorrow, can we please acknowledge, respectfully, that people don't want to be saddled with debt for generations to come? Can we agree with that as a politically good policy, that debt is not a good thing?

**Mr. Andrew Teliszewsky:** I appreciate that you want simple answers, Mr. Romano, but to your question put just now—there are different segments of the population. There are constituents of yours who might agree with the statement you just made. There are other constituents who might disagree with that statement that you just made and articulate for a more activist and interventionist government objective.

So I'm trying to help you with your question, but in fact the business of government is rarely so simple.

**Mr. Ross Romano:** Okay. You yourself, Mr. Teliszewsky, in your personal life, would you be satisfied—do you own a home?

**Mr. Andrew Teliszewsky:** I do.

**Mr. Ross Romano:** You do own a home?

**Mr. Andrew Teliszewsky:** I own a home in Toronto, in the great riding of Toronto—Danforth.

**Mr. Ross Romano:** Okay. Would you be satisfied to extend the mortgage of your home long over its lifespan?

**Mr. Andrew Teliszewsky:** In your preamble there, you've touched upon a core principle of the Fair Hydro

Plan, in that the contracted nature of some of the electricity generating assets at the time of the construction of the Fair Hydro Plan did not match their useful life.

I will provide you with an example. Regulated assets that are hydroelectric generating through Ontario Power Generation, rate-regulated every day, every year, through the Ontario Energy Board, are amortized over the full useful life of that asset—80 years or 90 years in some instances, based on that asset. However, based on the contracts that the IESO, formerly the Ontario Power Authority, had signed with private sector developers, those were 40-year contracts, if I'm not mistaken. And so right there, members can see that there is a delta between the usefulness of that asset.

So we had, at the time, a circumstance where there was a duality of ratepayer schedules. For some assets, we were front-end-loading the burden on Ontario electricity ratepayers. On others, they were more appropriately matched with the useful life of that asset.

I thank you for allowing me to completely answer the question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Downey.

**Mr. Doug Downey:** Just a point of clarification: Did I just hear you say that the contracts were four-year contracts? We're talking wind and solar—that kind of thing?

**Mr. Andrew Teliszewsky:** Under the feed-in tariff regime, there were hydroelectric contracts that were also let out and those were longer—I believe 30 or 40 years, if I'm not mistaken. Wind and solar as well the natural gas plants—wind and solar through the feed-in tariff program and the natural gas plants through the clean energy supply contracts were typically 20 years. There was a variety of schedules.

**Mr. Doug Downey:** But you were using the value of those wind and solar projects long past their 20-year expiry.

**Mr. Andrew Teliszewsky:** No. There was a report that was produced by Navigant for government to underpin how those assets would potentially operate. It was, to my recollection, primarily the natural gas fleet that resulted in the majority of the Fair Hydro Plan smoothing construct.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Just under five minutes.

**Mr. Doug Downey:** I'll go back to Mr. Romano in a second.

The slide deck clearly says that you're amortized beyond the life of the assets.

**Mr. Andrew Teliszewsky:** As I indicated earlier, some of those were considerations that were raised. Subsequently, we did our best to mitigate as many of the legal and technical risks as possible. That included seeking further advice from experts at the IESO. The consultants produced a report for government to indicate that, in fact, many of these assets would live long beyond their contracted life.

**Mr. Doug Downey:** If the contracts got extended.

I'm going to take that as, "We tried not to make it happen, even though it probably happened." That's what I heard you say—you brought in experts to try to mitigate

around the very fact that these assets ceased to be used either because of regulation or the end of a contract.

I'll cede to Mr. Romano.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano.

**Mr. Ross Romano:** What I heard to that response was a yes, so I'm going to move on.

It really sounds like the goal here was to get some short-term gain for long-term pain—fair?

**Mr. Andrew Teliszewsky:** That was not my objective as chief of staff at the Ontario Ministry of Energy.

**Mr. Ross Romano:** I'm going to show you a document here. I'm just going to hand this to you. It was from December 2017. It's a six-page draft letter from Blakes. I don't have the exact document, but I'm sure this will refresh your memory.

*Interjection.*

**Mr. Ross Romano:** Oh, you do have that one there? Okay.

While it's being pulled up, I'll reference it here: "Your memorandum acknowledges that the claim may be 'literally true' but we understand the ASC's position is that the claim is not sufficiently qualified in light of the 'longer term financial pain, as has been argued by critics of the program.'"

**Mr. Andrew Teliszewsky:** I'm sorry. May I ask where you are quoting from?

**Mr. Ross Romano:** This is the document—I believe it was just presented to you. It's a letter from Blakes, which was the ministry's lawyer, in response to an ASC claim against the Liberal government with respect to your advertising of the Fair Hydro Plan. Do you remember that? I'm sure you recall that process. I think it cost you guys \$3 million to settle out of it.

**Mr. Andrew Teliszewsky:** This would have been correspondence prepared as part of that process?

**Mr. Ross Romano:** Yes. You guys retained this lawyer, Blakes, because you guys were being challenged by the ASC because of your advertising of the Fair Hydro Plan—that it was going to reduce people's rates by 25%. Then, you guys settled out. You were a big part of that too. I can give you those documents. It was about three million bucks.

**Mr. Andrew Teliszewsky:** External legal counsel would have provided advice to government, yes.

**Mr. Ross Romano:** Okay. I'll just leave it at that. This was a short-term gain response. It was going to give you guys about four years. It would give people in Ontario about four years of relief, and then rates were going to escalate. That was one of the big concerns that was raised, through all of the bureaucrats. OPG raised it. IESO raised it. They were worried that the rates were going to go up in the future, within four years.

1410

**Mr. Andrew Teliszewsky:** As part of the announced Fair Hydro Plan, there was a freezing of the rates for four years before increases were permitted to occur through the OEB process. I believe they were to be capped for a period of time.

**Mr. Ross Romano:** But the increases are going to come in.

Were you in government for the whole 15 years? Were you the chief of staff in that role? I heard Dalton McGuinty and Kathleen Wynne.

**Mr. Andrew Teliszewsky:** I began as a full-time staffer in early 2006.

**Mr. Ross Romano:** Okay, so you were never a member of the opposition. I guess you didn't want to be, right?

**The Chair (Mr. Prabmeet Singh Sarkaria):** That concludes the time for questioning on this round. We'll move it over to the opposition, starting with 20 minutes, and Mr. Tabuns.

**Mr. Peter Tabuns:** Mr. Teliszewsky, I intend to ask you hard questions as best I can. As you're well aware, I've tried to make your masters in the past, Ministers of Energy, as unhappy as I could in that seat.

But I also want to say I don't appreciate you being bullied or beaten about. I appreciate tough questions, but I think you need to be treated with respect. Where you haven't been, I just want to express my concern that that happened.

Now I'll go to my questions.

The Fair Hydro Plan was set up to borrow money to reduce rates today, with higher rates tomorrow. I think one of the members of the government just talked about short-term gain and long-term pain. Were you surprised when the Conservatives adopted the Fair Hydro Plan in their election platform, given that they had condemned it and voted against it?

**Mr. Andrew Teliszewsky:** The political machinations of individual political parties I wouldn't want to comment on. I would say that, as someone who gained a measure of respect and understanding for the complexity of the electricity marketplace in Ontario, I think that I would have advocated, as an individual, for maintaining the segregation of ratepayer costs versus taxpayer costs.

**Mr. Peter Tabuns:** You haven't commented on whether you were surprised, and I'll accept that you won't comment that you were surprised that a program the Tories had roundly condemned in the Legislature, they made a big part of their election platform. I'm sure you're well aware that they continued the program, and they are continuing to borrow money to keep rates low today. You're aware of that?

**Mr. Andrew Teliszewsky:** Borrowing to support important policy objectives is part of the business of government.

**Mr. Peter Tabuns:** I understand that. You're aware they are continuing to do that, even though we're hearing from that side about short-term gain and long-term pain? Even though they condemn it, they continue that. You're aware of that, I'm assuming.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Tabuns, I'm going to ask that you relate the questions to the mandate of the report, not to the decisions that you were discussing right now.

**Ms. Sandy Shaw:** Chair, on page 18 of the commission report, it does say: "Ex post, these assumptions seem

particularly implausible given that in the last election campaign all three major parties committed to significant electricity price relief for consumers over the next number of years." So it's referenced.

Also, on page 19, it says: "With the presentation and reporting issues resolved, the government will need to determine how best to address the risks described above in a transparent and cost-effective manner as it sets its own electricity policies."

**The Chair (Mr. Prabmeet Singh Sarkaria):** I appreciate that, Ms. Shaw.

**Ms. Sandy Shaw:** That's right from the commission report—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Exactly, and I appreciate that, but I'm just cautioning that the questioning be within the mandate of the report.

**Mr. Peter Tabuns:** Fair enough, Chair. Given, however, that the report noted this as a risk to Ontario's finances in the future, what we have with the witness here today is a discussion of the roots of a policy that continues today under a government that presents itself as diametrically opposed to everything that was done by the previous Liberal government. I'm just pursuing the line that if we're concerned about an error, we should be looking to the future, to avoid that error in future. It looks like we're simply replicating it.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I appreciate that, Mr. Tabuns, but—

**Mr. Peter Tabuns:** Some may not think it was an error. I do, and the government did, before the election, think it was an error.

That being said, did your department look at these regulatory assets in the United States in the course of assessing the proposal before you?

**Mr. Andrew Teliszewsky:** When evaluating any number of policy initiatives, a jurisdictional scan is a frequent go-to, certainly.

**Mr. Peter Tabuns:** And how did this particular rate-regulated asset compare in size to others that were being run in the United States at the point that you were putting this together?

**Mr. Andrew Teliszewsky:** I don't think I can recall specifics.

**Mr. Peter Tabuns:** Okay. Did you look at the risks of such plans at the time?

**Mr. Andrew Teliszewsky:** Certainly. Presenting clear and transparent risks to executive council was part of the normal course of any cabinet submission.

**Mr. Peter Tabuns:** So do you recollect what the largest risks were that were tied to this plan?

**Mr. Andrew Teliszewsky:** There were multiple risks that were identified as part of the operation of the Fair Hydro Plan, and then senior public servants sought to help government mitigate those risks to the greatest extent possible.

**Mr. Peter Tabuns:** From your response, I'm wondering, do you remember what one or two of the biggest risks were?

**Mr. Andrew Teliszewsky:** There certainly were legal risks that were articulated, as well as accounting risks that would have been evaluated.

**Mr. Peter Tabuns:** And when we're talking about legal risks, are we talking about the potential for a constitutional challenge?

**Mr. Andrew Teliszewsky:** Yes.

**Mr. Peter Tabuns:** And what would the nature of the constitutional challenge have been?

**Mr. Andrew Teliszewsky:** I'm not a lawyer—I preface my answer by indicating I'm not a lawyer—but my recollection is that there was some concern around whether or not the repayment initiative that would have occurred as part of the refinancing could, in and of itself, have been deemed unconstitutional. To mitigate that risk, significant undertakings occurred through both the Ministry of Energy and the Ministry of the Attorney General.

**Mr. Peter Tabuns:** What were the risks with unwinding such plans, these regulatory assets?

**Mr. Andrew Teliszewsky:** Unwinding—

**Mr. Peter Tabuns:** When you were looking at this, did you do an assessment: What will happen if the next government comes in and wants to shut this down? What are the risks that then present themselves?

**Mr. Andrew Teliszewsky:** Certainly there would be risk—one would assume that there would be risk for public bondholders when an initiative was potentially going to be reconsidered.

Earlier, the question was put about how Ontario Power Generation was adding to their borrowing platform through this financing initiative, and so certainly to the extent that government, through legislation or cabinet direction, could direct that the financing plan be terminated, there is ultimately a risk between the private markets and, in this case, the Ontario Fair Hydro Trust, as managed by OPG, around repayment. So there certainly would be a concern through the public markets if, under any circumstance, the government, say, suggested that the bonds not be repaid, as an example.

**Mr. Peter Tabuns:** Okay. Thank you. I think my colleague wants to follow up on that.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Ms. Shaw.

**Ms. Sandy Shaw:** Just on that question about the OPG Trust, so that I understand what you had said and what has occurred, we're talking about what could have happened and what has happened with the fall economic statement and the government's policy around this. We had OPG Trust. They said they were owed about \$1.8 billion—that's \$1.8 billion, bondholders. But now they have been made whole. Is that not correct?

**Mr. Andrew Teliszewsky:** I'm not certain exactly what transpired through the fall economic statement and how that would have occurred, but I think what you've hit upon is precisely the risk that comes with a transition in government, and perhaps an important point as to why those individuals and boards saw fit to request indemnities.

1420

**Ms. Sandy Shaw:** So, essentially, what I'm understanding is that the bondholders, those people who traded the securities, have been made whole. But that OPG Trust regulatory asset, that was never an asset, is now on the public books, so it's owned by the taxpayers. Was that the risk that you were concerned with when you talked about the unwinding—that the taxpayers would end up owning that OPG Trust debt financing?

**Mrs. Robin Martin:** Point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** A point of order from Ms. Martin.

**Mrs. Robin Martin:** Frankly, this witness isn't even in the government now. This is not stuff that he has been involved in. He has already said he wasn't following it completely.

Also, I think it's outside of the scope of the mandate of the committee—

**Ms. Sandy Shaw:** I can rephrase my question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes, I'm going to ask you to rephrase. But before you rephrase, I'm going to exactly echo those comments, as we're not here to examine what happened last week from the government side but, consistent with the mandate that we have in front of us, “investigate and report on the accounting practices, decision-making, policy objectives of the previous government”—

**Ms. Sandy Shaw:** Okay. You've read this to me before, I think.

*Laughter.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes, but I just wanted to once again remind you.

**Ms. Sandy Shaw:** I've been read the riot act once before.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you.

**Ms. Sandy Shaw:** So, when you were looking at the risks of unwinding—the OPG Trust, the borrowing of \$1.8 billion was bondholders, and it really was a good deal for the bondholders. The risk of this unravelling was, that debt would then come back onto the tax base, back onto the debt. Is that correct?

**Mr. Andrew Teliszewsky:** Certainly the risk of any policy initiative in government is that, in the complex contracted nature of the Ministry of Energy and its agencies, there are relationships with private sector participants, be it energy developers, electricity generating stations and the public markets. So there is certainly an inherent risk with all of these contracts that if government were to intervene and direct a particular course of action, that could then take on significant liability for that government.

**Mr. Peter Tabuns:** Chair, if I may?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Tabuns.

**Mr. Peter Tabuns:** My understanding, though, is that the government, in the course of this process, provided guarantees that the debts would be repaid. Is that not correct?

**Mr. Andrew Teliszewsky:** The specific financing initiative was exceptionally complex. That was pulled together by experts at the Provincial Controller's office as well as OPG and the Ontario Financing Authority. I'm not nearly in their league of financial acumen or expertise.

**Mr. Peter Tabuns:** Okay. Then I'll go to a different question which is simpler for both me and for you. The Financial Accountability Office estimated that the Fair Hydro Plan would result in financing costs \$4 billion greater than if the government had financed the plan directly.

You're aware of the idea that the FAO expects that the government would be able to borrow money at a lower interest rate than the Ontario Power Generation's special-purpose vehicle.

Given the interest rate spread, and the larger cost that would be put on the backs of ratepayers, why did the government that you served not go with the lower-cost option?

**Mr. Andrew Teliszewsky:** Thank you for giving me the chance to respond to that specific issue. As I mentioned earlier, maintaining a segregation between taxpayer and ratepayer became an important consideration during my time at the Ministry of Energy. While the cost of borrowing is certainly a factor in the decision-making, much like the regulatory accounting and legal considerations that went into that cabinet submission, the cost of borrowing was one of those inputs.

Maintaining an appropriate segregation occurs every day in the normal course of how government operates. Public transit assets that Metrolinx and Infrastructure Ontario are in the process of building are financed differently and, in fact, garner a similar kind of bond, a different structure.

As I mentioned earlier, Ontario Power Generation is itself in the market to support its nuclear refurbishment program. The bonds that OPG is putting out for its nuclear refurbishment program and their green bonds may be at a different rate than what the Ontario Financing Authority is able to ascertain. However, matching who pays with the asset is an important public policy consideration.

I would further argue that if interest rates were the only consideration, then that might lead the province, through the Ontario Financing Authority, to take on all borrowing from municipal orders of government and, conversely, that at present, the federal government is able to garner a more attractive cost of capital than the province. So should the federal government undertake all borrowing instead of the Ontario Financing Authority?

I'm not trying to be glib, but you can see that matching the appropriate wheelhouse within which the borrowing would occur is in and of itself an important public policy imperative, ensuring that the ratepayers who will benefit from electricity assets in the future were going to shoulder the cost of those assets in a more proportionate way, which would include borrowing, as is included when we build out new generation or refurbish existing generation. Borrowing is part of that, through an appropriate amortization schedule.

Again, maintaining a segregation between the taxpayer and the ratepayer, as a result of those principles, formed part of the construction of the Ontario Fair Hydro Plan.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Four minutes.

**Mr. Peter Tabuns:** I understand the argument you're making. I disagree with it fundamentally.

The municipality, the city of Toronto, is a corporation that, generally speaking, doesn't get orders from the Minister of Municipal Affairs, whereas OPG does get orders from your minister—your former minister. There's a very different relationship in terms of ownership. OPG is owned wholly and entirely by the province of Ontario; the city of Toronto is owned by the taxpayers of the city of Toronto, the ratepayers of the city of Toronto.

In any event, I understand the logic that you're giving. I now see the argument in its entirety.

At the time that the Fair Hydro Plan was being developed, did you raise any concerns about it?

**Mr. Andrew Teliszewsky:** It was my responsibility, as the chief of staff to the Minister of Energy, to ensure that the policy documents that went to decision-makers and ultimately to cabinet would articulate the challenges and implementation risks of any policy initiative.

**Mr. Peter Tabuns:** But did you personally say to the minister, "You know, we could have real problems here"?

**Mr. Andrew Teliszewsky:** No.

**Mr. Peter Tabuns:** Okay.

When the Auditor General came forward and objected vociferously to the accounting method that was used for this Fair Hydro Plan, what discussions did you have internally at the Ministry of Energy about responding to her pointing out that you weren't following public sector accounting? I know what was publicly said. What was said internally?

**Mr. Andrew Teliszewsky:** Our point of contact for most of the dialogue with the Office of the Auditor General would have been the Office of the Provincial Controller. We spent a significant amount of time with the controller and her staff. That would have been Cindy Veinot.

**Mr. Peter Tabuns:** That's not actually responding to my question.

You and the minister: Did you notice that the Auditor General was disagreeing with the way you were approaching this thing?

**Mr. Andrew Teliszewsky:** The auditor certainly made her position clear.

**Mr. Peter Tabuns:** And you noticed it?

**Mr. Andrew Teliszewsky:** It was one of the inputs into the implementation process in the fall of 2017.

1430

**Mr. Peter Tabuns:** What did you say between yourselves in response to a very credible source saying, "Your accounting here is really bad news"?

**Mr. Andrew Teliszewsky:** As I indicated, it would have been one of multiple inputs. Government was at the time receiving advice from the Provincial Controller as well as from external experts.

**Mr. Peter Tabuns:** Did you think that she had a good point?

**Mr. Andrew Teliszewsky:** The auditor's office expressed their accounting opinion, and certainly government had occasion to ask the Office of the Provincial Controller how to unpack that concern.

**Mr. Peter Tabuns:** So neither you nor the Minister of Energy at the time gave any credence to what the Auditor General had to say?

**Mr. Andrew Teliszewsky:** Well, I answered a moment ago that I'm not a lawyer; I'll answer that I'm not an accountant, and so—

**Mr. Peter Tabuns:** Nor am I. But when I heard what she had to say, I thought, "Hey, wait a minute. I've got to pay attention to this." Did you and the minister at the time say, "Hey, wait a minute. We've got to pay attention to this"?

**Mr. Andrew Teliszewsky:** Absolutely. In my capacity as chief of staff to multiple ministers at a variety of portfolios, when the Office of the Auditor General raises a concern, then it has been my experience that the minister responsible would turn to officials within government who had that expertise—in this case, the Office of the Provincial Controller—to help unpack and explain and/or mitigate the risks that the office of the auditor was articulating.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you. That concludes the time for questioning on this round. Just as a quick reminder, we have 20 minutes for the government, 20 minutes for the opposition, then followed by two 10-minute rounds. I just wanted to give a quick warning on that.

Also, once again, I'll ask that members keep their language tempered and make sure the language is worthy of this assembly and of the office that we all hold.

I will go back to the government side for 20 minutes, starting with Mr. Romano.

**Mr. Ross Romano:** Thank you, Mr. Chair. I'll just let Mr. Teliszewsky get back to his seat.

**Mr. Andrew Teliszewsky:** Thank you, Mr. Romano.

**Mr. Ross Romano:** Not a problem.

Mr. Teliszewsky, I want to talk to you a bit about some of the reasons, or the reason, to go ahead with the global adjustment refinancing; specifically, the reason to proceed with that and to have that applied to the rate base, as opposed to the tax base. Now, you obviously, I trust, were privy to the document that was produced by the Auditor General in October 2017, her report. I trust you would have seen the Fair Hydro Plan report by the Auditor General.

**Mr. Andrew Teliszewsky:** Yes.

**Mr. Ross Romano:** Okay. And in that report, she specifically references that the reasoning why this particular form of accounting was used, why it was made on the rate base as opposed to the tax base—the financing of the Fair Hydro Plan—was to make sure that it would not affect the net deficit or the net debt of the province of Ontario. Do you recall seeing that in the Auditor General's report?

**Mr. Andrew Teliszewsky:** That was over a year ago. If you want to bring me the quote from that report, we

could review it, but certainly as I was describing a moment ago and as we discussed earlier, segregating ratepayer versus taxpayer costs was an important principle of the plan.

**Mr. Ross Romano:** Now, do you recall, in February 2017, you had written what looks like an email—sorry, February 20, 2017. You're discussing something to do with Toronto Hydro and the Ontario Energy Board. You say something about, "We should ... own it. PO isn't afraid of that.... Will need to add this in our next turn."

Then it goes on—oh, my apologies. I missed the date here. It was actually on February 19, 3:50 p.m. There was an email from Landon Tresise at Energy. He says to you:

"I know I'm not actually DComm, but I thought I would have a once-over anyway. Do with it as you will.

"Added comments to the NR.

"Other general comments:

"GA doc—why is Toronto the example...?"

And then, getting to the crux of my question, there is a reference to "point #3 briefly mentions moving to tax base. Are we avoiding talking about the fiscal impact? Either way, obviously we'll have to [be] ready" for the question.

"Let me know if there is anything I can help with in Dan's absence."

Signed, "Landon."

Do you recall that dialogue with Landon?

**Mr. Andrew Teliszewsky:** Is it possible to get access to the document the member is raising?

**Mr. Ross Romano:** I believe someone in here is trying to pull that, but maybe we'll just have a brief discussion while they're coming up with it or else—my copy is very marked up.

You will, I trust, agree with me that by having the deficit—or by borrowing the money through the rate base, which is what the Fair Hydro Plan did, it would not have an impact on the net deficit or the net debt of the province; correct?

**Mr. Andrew Teliszewsky:** Specifics on accounting would best be directed to the Office of the Provincial Controller.

**Mr. Ross Romano:** Okay. That's the evidence we received from all of the bureaucrats who testified before us, and that's certainly what OPG advised us of. You wouldn't dispute what the experts told us; right?

**Mr. Andrew Teliszewsky:** I would not. I would add that—

**Mr. Ross Romano:** Okay. As the chief of staff to the Minister of Energy, clearly, you would have been aware of the potential, at least, of the money being borrowed through the tax base as opposed to the rate base; correct?

**Mr. Andrew Teliszewsky:** As I indicated to some questions earlier, OPG is currently borrowing to support their nuclear refurbishment project.

**Mr. Ross Romano:** That's not my question, though, Mr. Teliszewsky.

You were chief of staff to the Minister of Energy who directed this particular plan; right?

**Mr. Andrew Teliszewsky:** As I indicated in my opening statement, yes.

**Mr. Ross Romano:** So, clearly, you will agree with me, there are only two ways to borrow to do global adjustment refinancing. Either you borrow it from the rate base or you borrow it with the tax base. Those are the only two options available; right?

**Mr. Andrew Teliszewsky:** Multiple permutations and combinations were actually considered in terms of what percentage of borrowing could occur from either entity.

**Mr. Ross Romano:** But those were the only two options. It was one multiple permutation of one or the other. It was either the rate base or the tax base; right?

**Mr. Andrew Teliszewsky:** Incorrect. As I just indicated, if you have permutations and combinations, then you could have everything from 99% private borrowing, 1% public and then every other scenario in between. So it is a number greater than two, in fact.

**Mr. Ross Romano:** I'm saying, though, that one way or another, it either comes from the rate base or it comes from the tax base or it comes from a combination of both. Fair?

**Mr. Andrew Teliszewsky:** Indeed.

**Mr. Ross Romano:** Okay. Now we're getting somewhere. So with respect to borrowing from the tax base, you must have known what the implications of that would have been.

**Mr. Andrew Teliszewsky:** Sorry; could you rephrase?

**Mr. Ross Romano:** Clearly, you would have known what the implications were before you implemented this policy, the Fair Hydro Plan, and you went with borrowing from the rate base—that was the plan. You must have at least examined what it would have looked like if you borrowed 100% from the tax base; right? You must have at least considered it.

**Mr. Andrew Teliszewsky:** That would not have matched the appropriateness of segregating ratepayer versus taxpayer.

**Mr. Ross Romano:** Right. But when you do it through the tax base, it affects the net deficit and the net debt of the province. Every dollar for dollar that's borrowed goes on the debt and the deficit of Ontario; right?

**Mr. Andrew Teliszewsky:** Again, principles on accounting should best be directed to the Office of the Provincial Controller.

**Mr. Ross Romano:** Clearly, though, you were the chief of staff, so you had to consider the option. You would have known that that would have caused an increase in the deficit, by borrowing from the tax base.

**Mr. Andrew Teliszewsky:** Depending on the structure, it could have been an increase in the debt and not the deficit. Again, I think questions regarding accounting principles would best be directed to the Office of the Provincial Controller.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Downey.

**Mr. Doug Downey:** So in all of this complicated machination, you never had that discussion? You didn't understand how the tax base and the rate base differ and how it impacts the deficit?

**Mr. Andrew Teliszewsky:** Certainly, we would have been briefed on this. But to support the important work of

this committee, as I've indicated in earlier questioning—I'm not an accountant, and so specific questions, to make sure that you get accurate information, would best be directed to the Office of the Provincial Controller.

**Mr. Doug Downey:** So you don't understand that if we go to the tax base, it goes on the deficit? You understand that or you don't.

**Mr. Andrew Teliszewsky:** That, at its core, is a principle I am certainly familiar with.

**Mr. Doug Downey:** And you're familiar with, if it goes on the rate base, it doesn't go on the deficit?

**Mr. Andrew Teliszewsky:** Correct.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano.

1440

**Mr. Ross Romano:** I'll just ask you another question here. I have a letter from Deputy Minister Serge Imbrogno to you where he talks about a series of risks and specifically identifies accounting risks. He says, "Make sure that we are creating a structure that meets reputable accounting opinion to ensure that the debt that is incurred doesn't represent a risk to a balanced budget." Do you remember that?

**Mr. Andrew Teliszewsky:** Is it possible to get access to the document the member is quoting from?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes. We're checking to see if we have a copy.

**Mr. Ross Romano:** It's on page 48 of my materials.

**Mrs. Robin Martin:** Yes, they're bringing it.

**The Chair (Mr. Prabmeet Singh Sarkaria):** They're bringing it, yes.

**Mr. Ross Romano:** All right. I'm going to go in a different direction here.

How am I doing for time, Mr. Chair?

**The Chair (Mr. Prabmeet Singh Sarkaria):** You've got about 11 minutes.

**Mr. Ross Romano:** Is your schedule—I trust you were planning to be here for the day, right?

**Mr. Andrew Teliszewsky:** I arranged my schedule with the Clerk's office.

**Mr. Ross Romano:** So you have nowhere to be for the next few hours? You're good to go, as opposed to having to come back if we had to come back? We might as well get it over with today, right?

**The Chair (Mr. Prabmeet Singh Sarkaria):** The motion that the committee has passed is for two and half hours, Mr. Romano.

**Mr. Ross Romano:** Thank you, Mr. Chair. Just making sure that your schedule—it doesn't sound like you have anywhere else to be, so we'll canvass that in a bit.

Moving on here, these indemnity agreements were pretty off the wall. With respect to these indemnity agreements, OPG had to be involved, we'll just say; I mean, we won't get into all the mechanics. We've heard enough of that because OPG was just here last week.

In order for them to be involved in this financing structure, they required an indemnity agreement, right?

**Mr. Andrew Teliszewsky:** As part of the implementation of the Fair Hydro Plan, that was one of the issues that was dealt with, yes.

**Mr. Ross Romano:** That was a requirement on their part. I'll try to pull up the specific emails to that effect, but I'm sure you can remember that they were not going to be part of the deal without an indemnity agreement, right?

**Mr. Andrew Teliszewsky:** Are you referencing a specific document?

**Mr. Ross Romano:** No. As I say, I'm going to look for that, but I'm saying you already know that. Obviously, you would never have given them an indemnity agreement. That was significant. There was lots of documentation. You would remember that part; correct, Mr. Teliszewsky?

**Mr. Andrew Teliszewsky:** I remember that in the course of implementing the Fair Hydro Plan, after cabinet approved the plan and then the structure was being operationalized, there were multiple and various issues and implementation risks that had to be addressed, and certainly that became one of them in the later stages of the program.

**Mr. Ross Romano:** Yes, and one of the huge things that had to be addressed—in fact, right to the very end—was an indemnity agreement. This thing could not go forward without that indemnity agreement, right? Correct? There was no way this was going to get done without those indemnity agreements, specifically provision A, that expressly provided that the guys at OPG and IESO—but specifically I'm going to refer to OPG right now—needed a complete indemnity, from criminal misconduct, civil—the whole nine yards, about as ironclad as it could have it.

I'm just reading from the actual provision: "This waiver could prevent the province, as sole shareholder, from being able to bring a claim against the protected persons for these types of breaches in the event they may occur (e.g. including where they engaged in criminal or other illegal activity that resulted in adverse consequences for the province)."

From a legal perspective, this is a significant restriction of the province's rights. You do remember this? You can't possibly say you don't remember this.

**Mr. Andrew Teliszewsky:** Certainly I remember the indemnity—

**Mr. Ross Romano:** Okay.

**Mr. Andrew Teliszewsky:** —as being part of one of a host of issues that were dealt with during the operation and orchestration of the implementation of the Fair Hydro Plan.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano, do you think we can get a copy provided?

**Mr. Ross Romano:** Yes. We're going to get there, Mr. Chair. Sorry.

We've had cabinet submissions presented to this committee, talking about the costs of the Fair Hydro Plan. It was specifically outlined that the cost of borrowing for the debt to implement this program, this Fair Hydro Plan, was going to cost \$2.2 billion per year, from 2021 to 2051. This would equate to \$66 billion in total borrowing costs. That's on our future. So when you talked earlier in your

opening statement about costs—the decisions you make today impact future generations, right? This is \$66 billion, total cost. You were the chief of staff to the minister responsible for borrowing \$66 billion on our future generations, for four years of just slightly lower hydro rates. How does that make you feel? Do you have any regret over that at all, any regret for that decision, for being a part of that?

**Mr. Andrew Teliszewsky:** I did my best at the Ministry of Energy to implement the decisions of cabinet, and to help research and advise on mechanisms to alleviate as much risk as possible with any policy initiative that was an undertaking of the Ministry of Energy.

**Mr. Ross Romano:** So, no regret from your perspective at all. You did your best, based on the direction you were given by the Minister of Energy.

**Mr. Andrew Teliszewsky:** We do our best, based on the information that we have at the time.

**Mr. Ross Romano:** Okay. You did your best with the information you were provided at the time. My question to you is, do you have any regret? It's \$66 billion; future generations—your own words, sir, your own words. I'm not trying to be difficult here. You talked about how the decisions you make today in government will affect future generations.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes.

**Mr. Ross Romano:** You borrowed \$66 billion of people's money for four years of slightly lower rates—slightly. It wasn't even that significant. From what I remember, one of the cabinet slides—I don't want to be misquoting here. I think it was by \$14—no, sorry—\$18 to \$19 a month you were going to decrease people's rates for four years.

So, out of your pocket—call it \$20. Let's round it up: 20 times 12—what's that? It's \$240 a year times four years. That's less than \$1,000 to one person, so that our kids, my kids, your kids, our grandkids would be forced to pay \$66 billion back.

Tell me, please: There must be some level of regret for this decision.

**Mr. Andrew Teliszewsky:** The Fair Hydro Plan was larger than the refinancing initiative. As part of that plan, there was a major decrease in the delivery rate structure for rural Ontarians.

**Mr. Ross Romano:** Oh, talking points.

**Mr. Andrew Teliszewsky:** There was a wholesale elimination of delivery charges for on-reserve Indigenous Ontarians. So those are things—

**Mr. Ross Romano:** Okay. So the answer is no, you have no regret. That's your answer?

**Mr. Andrew Teliszewsky:** —that are exceptionally important.

**Mr. Ross Romano:** I'm going to direct you to an email. Now, I apologize: I gave you the one that I have—

**Mr. Andrew Teliszewsky:** Sorry. Which document?

**Mr. Ross Romano:** I handed you—

*Interjections.*

**Mr. Andrew Teliszewsky:** Is it possible to get access to the document?

*Interjections.*

**Ms. Sandy Shaw:** A point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Point of order.

**Ms. Sandy Shaw:** Back to the direction from the Chair about decorum and respect: Mr. Romano is imputing motive by saying that the witness has no regret. I didn't hear the witness say that.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes. So another reminder to Mr. Romano to please temper the remarks—

**Mr. Ross Romano:** Thank you, sir.

**The Chair (Mr. Prabmeet Singh Sarkaria):** —and keep them worthy of the assembly and the office that we hold, please.

**Mr. Andrew Teliszewsky:** Thank you.

**Mr. Ross Romano:** Forgive me right now. I don't have some of these documents. Of course, as I'm sure you've heard, we've got over a million documents we've reviewed and we just learned on Friday that you were going to be here. So, sometimes timing isn't the best thing.

I gave you my working copy, so you're going to notice a lot of junk, and I've ripped off the top part of the page. There's an email that is written from you, Andrew Teliszewsky, on April 29, 2017, to Andrew Bevan. Again, he was the chief of staff to the Premier of the province of Ontario, Kathleen Wynne. In that email you'll notice—I want you to focus on the last sentence of that email, and these are your words to Andrew Bevan, chief of staff and principal secretary to Kathleen Wynne:

1450

“As a result, the final legislative product is a fine knit sweater = please do not pull on any threads, as the entire product might yet unravel!”

What did you mean?

**Mr. Andrew Teliszewsky:** I recall specifically that the formulation of the legislation which underpinned the Fair Hydro Plan was in and of itself a crunchy policy file that required a lot of input from both external counsel as well as legislative counsel, the individual members of the assembly staff who draft legislation on behalf of ministries. So there was, at the time, a great deal of iteration as part of that product, and we were headed to a stage where we needed to table the legislation so that the implementation of the Ontario Fair Hydro Plan could begin. Any reconsideration or issues with specific wording in the product from legislative counsel would have had concomitant issues related to the timing of the implementation.

**Mr. Ross Romano:** Sorry, I didn't follow that at all. I'm not sure how that answered the question.

You talked about this “final legislative product” of the Fair Hydro Plan—these are your words—to Andrew Bevan, chief of staff to the then-Premier of Ontario, Kathleen Wynne, saying, “a fine knit sweater = please do not pull on any threads, as the entire product might yet unravel!” What you're really talking about here is that this

was a highly complex scheme, as we heard from the Auditor General, as we heard from the FAO, as we heard from the commission of inquiry, as we heard from the bureaucrats who all testified before this committee and explained all the significant concerns. They said that they had legal concerns, constitutional concerns. They had concerns about the accounting of it. They had concerns about the financing of it. They had concerns that it wouldn't work anyway. They had concerns that even if it did work people's rates would escalate dramatically. That's what they were talking about.

I'm going to put the question to you again, sir. Do you have any regret at all about the \$66 billion that you've saddled our future generations with?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Mr. Romano. That's going to conclude the time for questioning. You can come back to that on the subsequent time.

I'm going to go back to the opposition, with Ms. Shaw.

**Ms. Sandy Shaw:** Thank you, again, for your testimony here.

I just wanted to reference the commission's report. On page 16, there's some background under the section “The Fair Hydro Plan and Global Adjustment Refinancing.” It says, “Electricity prices in Ontario have increased steadily, outpacing the rate of inflation over the last decade. This trend reflects investments in generation, transmission and distribution infrastructure, and efforts to achieve environmental objectives through energy policy.”

Mr. Romano talked a lot about decisions made today to impact future generations. I'd just like to put on the record that I have grandchildren, so this “future generations” are now for me and this is very important to me. Can you comment a little bit on the efforts to achieve environmental objectives through this energy policy that we are talking about?

**Mr. Andrew Teliszewsky:** The signature initiative of the McGuinty government was to initiate the closure of Ontario's coal-fired generating stations. That came at a cost, certainly, given that it is understood that coal-fired generation could have continued to provide capacity in energy for Ontario ratepayers at a cost lower than natural gas or other replacement options. However, the health benefits were well documented at the time, including costs associated with respiratory ailments, smog days and overall environmental degradation.

**Ms. Sandy Shaw:** So those costs that you were referring to—the costs of respiratory ailments and so forth—were costs to the health system, as well? Is that specifically lost production—or you can tell me what those costs were, specifically.

**Mr. Andrew Teliszewsky:** I recall there being a report produced during either 2005 or 2006 which indicated that costs to the treasury associated with the respiratory ailments were in the order of north of \$2 billion. As a result, it was certainly hoped that the economic, the fiscal costs of those ailments as well as the social impacts on those individuals—the general public, constituents—who would suffer from those ailments would be alleviated by the closure of coal.

**Ms. Sandy Shaw:** I get it. So you're saying that alleviating the impacts of coal would reduce the respiratory ailments that were impacting the Treasury Board to the amount of \$2 billion—is that what you said?

**Mr. Andrew Teliszewsky:** You'd have to go back—

**Ms. Sandy Shaw:** I just want to get that straight. It was significant dollars, some of the climate change impacts that you're talking about.

**Mr. Andrew Teliszewsky:** The smog associated with coal-fired generation, yes. I would just caution that I'm going based on memory here, so you may want to reference the specific report.

**Ms. Sandy Shaw:** Thank you for that. Finally, on page 31 of the commission's report, under Setting a Path Forward. I'll just read to you what it says: "Ontario faces significant challenges in the years ahead that will impact economic growth and the province's revenues and expenses."

Under these significant challenges, it says here, there are "significant risks outside the government's control." In that, they identify climate change. This report itself identifies climate change that will have impact on the economic growth and the province's revenues and expenses. Can you tell me your experience with the impacts that you talked about with your environmental considerations and the impacts on the economic growth in the province's revenues and expenses? Can you comment on what you think the commissioners meant when they said that climate change is a significant concern going forward?

**The Chair (Mr. Prabmeet Singh Sarkaria):** I'm just going to say, as long as the question ties in—I see that we've brought this point up before as well, but again, if it's within the mandate of the report, generally, I don't see, from where your question was going, that it's in line with the mandate that we were discussing previously—

**Ms. Sandy Shaw:** It's aspects of the report—

**The Chair (Mr. Prabmeet Singh Sarkaria):** —and how it ties into, as we were speaking to before, the practices, decision-making and policy objectives of the previous government or any other aspect of that, in that sense. I'll let you rephrase the question, but if you can tie it to—

**Ms. Sandy Shaw:** The report?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes, within the mandate of the report.

**Ms. Sandy Shaw:** In the report, page 31, in the mandate, which is to determine how these policy decisions were made, in the report itself it says—you've identified policy decisions that you made. They were about mitigating the environmental impacts of coal-fired generation that had significant costs to the Treasury Board. That's what you had said earlier. I'm just wondering if you could comment any further on what impact climate change would have had on the province's economic growth and revenues and expenses so that we can understand, going forward—which is the title, Setting a Path Forward—how we can mitigate against those.

**Mr. Andrew Teliszewsky:** I appreciate the question. I think it's an important one. I mentioned in my opening

statement that decisions taken today will have a lasting impact going forward.

Over the course of my tenure at the Ministry of Energy, we dealt with significant adaptation issues as they related to the electricity infrastructure in Ontario. To the extent that climate change has impacted the way in which Ontario's electricity assets need to respond and function, that often comes with economic cost.

By example, the ice storm which the greater Toronto and Hamilton area experienced in the winter of 2013-14, and the flooding in the summer in downtown Toronto—there was a case in 2014 where that had a dramatic impact on a transformer station in Etobicoke. Those carry costs for ratepayers and taxpayers as it relates to infrastructure. If I'm understanding the premise of your question, then certainly it was within our wheelhouse at the Ministry of Energy to understand that—or, rephrased: Ignoring climate change will add a burden to ratepayers and taxpayers in the future.

**Ms. Sandy Shaw:** Thank you very much. Mr. Tabuns?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Tabuns?

**Mr. Peter Tabuns:** Mr. Teliszewsky, I'm going to go to another section of the inquiry report, A Note on the Partial Divestment of Hydro One. You were involved in that process of divesting Hydro One?

**Mr. Andrew Teliszewsky:** As I indicated in my opening statement, that was one of the policy files that I supported the minister with at the time.

1500

**Mr. Peter Tabuns:** Okay, good. So you're familiar with the issue?

**Mr. Andrew Teliszewsky:** Indeed I am.

**Mr. Peter Tabuns:** Okay. At the point when Hydro One departed from the province, it was supposed to pay \$2.6 billion. If you'll remember, at the time, the Liberal government of the day gave them \$2.6 billion at the time of their departure. Effectively, we got no payment for that departure. We gave them the money and they gave the money back to us. They're \$2.6 billion richer and the province has given up its right to \$2.6 billion.

What was the thinking on the part of your minister and you at the time? Why did you give up \$2.6 billion?

**Mr. Andrew Teliszewsky:** I'll apologize at the outset. Those specific accounting and fiscal transactions, as they pertained to the Hydro One transaction, were some time ago. My recollection may not be perfect. Certainly, there were a lot of considerations as it pertains to the way in which utilities are taxed in the province of Ontario: the transfer tax and the departure tax: the rate of corporate income tax that the entities pay when they are municipally or provincially owned versus a privately held entity.

The exact tax implications there would have been considered by the experts at the Ontario Financing Authority and the Ontario Electricity Financial Corp., as well as the Office of the Provincial Controller. The ultimate result that you're referencing would have enacted the best advice that we received at the time.

**Mr. Peter Tabuns:** So were you part of that discussion?

**Mr. Andrew Teliszewsky:** In my role as chief of staff to the Minister of Energy, it was my job to be part of discussions of major policy import, certainly.

**Mr. Peter Tabuns:** So you were part of that discussion?

**Mr. Andrew Teliszewsky:** I'm not sure specifically which conversation you're referencing, if there is a meeting that you're quoting—we could go back. In the course of policy development and implementation of cabinet's direction, as chief of staff it was my job to shepherd those initiatives through the process.

**Mr. Peter Tabuns:** I actually questioned Minister Chiarelli at the time, and the deputy minister at the time, at length over a number of days in estimates committee. I think you followed estimates fairly closely. I'm assuming that's the case.

**Mr. Andrew Teliszewsky:** Less today than during my time in government.

**Mr. Peter Tabuns:** During your time in government, when I was giving your minister a hard time and the deputy minister a hard time, and their financial adviser was telling them not to answer questions, I'm sure you would have noticed that we were very persistent in this matter.

So you have no recollection as to why the government kissed goodbye to \$2.6 billion?

**Mr. Andrew Teliszewsky:** I would agree that, in your capacity as critic to various Ministers of Energy, you've been especially effective. As to the specific transactions that you're referencing, those are questions that would best be posed to the Office of the Provincial Controller and the financial experts who helped navigate that transaction at the time.

**Mr. Peter Tabuns:** Well, we never got to talk to the provincial controller, but your minister and your deputy minister seemed to be deeply briefed on these issues and had a defence in depth that was very difficult to get through. But your testimony today is that you have no knowledge of these matters. Is that correct?

**Mr. Andrew Teliszewsky:** I would certainly have knowledge about these policy matters. I'm attempting to just indicate that on that specific line-by-line transaction, the puts-and-takes of the way in which the broadening of the ownership of Hydro One was enacted, I am not an expert in those line items. But I do recall that in fact the goals, as set out by the Premier's advisory council on assets, the goal of achieving a particular sum for the Fair Hydro Trust was in fact exceeded by the former government.

**Mr. Peter Tabuns:** I'll just note that if you hadn't given them \$2.6 billion, you wouldn't have exceeded anything. In fact, you gave up on \$2.6 billion in revenue that, legally, should have been ours, the property of the people of Ontario. It's a lot of money to kiss goodbye to. It sure made a lot of investors happy, but it sure didn't make the people of Ontario happy.

I will move on, though. Going back to the Fair Hydro Plan: We understand that there was consideration at the

time you were going through this to extend the Fair Hydro Plan to industrial ratepayers. What we ultimately got was a plan that was just for residential. What can you tell us about the assessment of the large-scale borrowing to reduce rates now, with much higher payments later? What was the assessment of the time regarding industrial ratepayers?

**Mr. Andrew Teliszewsky:** My recollection is that one of the pillars of the overall Fair Hydro Plan was that the initiative known as the industrial conservation initiative was adjusted to allow for broader participation of industrial and commercial loads in a program that would encourage conservation and lower their exposure to global adjustment based on the class, the size of their usage.

**Mr. Peter Tabuns:** That's actually not the direction I'm going in, because I'm assuming everyone around this table is familiar with that program. No, in the course of developing the Fair Hydro Plan, in January 2017, there was a proposal to borrow money not only for residential ratepayers, to reduce their rates, but to also borrow many tens of billions of dollars more for industrial ratepayers. Were you part of that process?

**Mr. Andrew Teliszewsky:** I would have been part of the process of developing the Fair Hydro Plan and those initiatives.

**Mr. Peter Tabuns:** So do you remember the industrial component?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes.

**Mr. Andrew Teliszewsky:** I remember that, certainly, multiple permutations and combinations of the global adjustment smoothing were modeled for senior decision-makers and cabinet consideration.

**Mr. Peter Tabuns:** Do you specifically remember this element?

**Mr. Andrew Teliszewsky:** Certainly, there would have been models which would have included a portion for industrial and commercial loads. That would have most definitely been one of the scenarios that the ministry would have produced for decision-maker consideration.

**Mr. Peter Tabuns:** Did you argue against this particular option?

**Mr. Andrew Teliszewsky:** I don't recall specifically arguing for or in favour of a particular option. We were seeking to maximize the benefit for Ontario ratepayers writ large who had, in the summer of 2016, begun to articulate their concerns with electricity prices in the province of Ontario.

**Mr. Peter Tabuns:** Well, industrial ratepayers would have been part of ratepayers writ large.

**Mr. Andrew Teliszewsky:** Certainly.

**Mr. Peter Tabuns:** So why did you not extend this program to them?

**Mr. Andrew Teliszewsky:** The process of governing, in my experience—and having witnessed several cabinet ministers grapple with important public policy challenges—means that there are decisions and choices that need to be made along the way when implementing any specific policy initiative and that balancing a variety of interests is

part of the fabric of government. If I'm to respond to your inquiry, then certainly I do recall that at some juncture—I cannot recall specifically which—it was determined that the program should focus on RPP customers.

**Mr. Peter Tabuns:** Do you think that was the right decision?

**Mr. Andrew Teliszewsky:** That was the decision that executive council undertook.

1510

**Mr. Peter Tabuns:** No, I asked a different question. You're free, given that the government no longer exists; you're not advising a minister now. Did you agree with their decision to only deal with residential customers and to not provide a comparable program for industrial customers?

**Mr. Andrew Teliszewsky:** The orchestration of the Fair Hydro Plan was meant to be holistic. I mentioned a moment ago that there were different benefits for different types of RPP customers. If you were a specific category of rural customer, you received a proportionately higher benefit than in the riding of Toronto–Danforth, based on the cost of service of distribution in those communities. Indigenous on-reserve Ontarians received a higher benefit.

Continued at the same time was a liberalization of the ICI program for more industrial and commercial customers to participate.

**Mr. Peter Tabuns:** I'm familiar with all of those—

**Mr. Andrew Teliszewsky:** Okay.

**Mr. Peter Tabuns:**—because I've had a chance to ask your ministers about it, your previous employers.

Did you think that not extending this program to industrial customers was a good idea? What did you advise the minister?

**Mr. Andrew Teliszewsky:** My advice would have been to take a look at the considerations and what would be required to accomplish any of the options set out, and which of the scenarios was deemed most preferential by cabinet.

As I indicated, the act of governing is certainly complex, as you know, and requires that decision-makers face tough choices when—

**Mr. Peter Tabuns:** No, I understand. That's why we hire staff who are familiar with the program. But as a minister, I would have been very frustrated if I had turned to you and said, “Mr. Teliszewsky, is this a good idea or a bad idea, and why?” Did you ever say to the minister that something was a good idea or a bad idea?

**Mr. Andrew Teliszewsky:** The discussions that I had with the ministers that I worked for, and other cabinet ministers, were rarely that simple. We would debate and discuss the merits of multiple policy avenues.

I appreciate your question and I'm not trying to be difficult, but they were more complete and fulsome conversations.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you. That concludes the time for the opposition questioning.

We have two 10-minute rounds, and I will start with Mr. Baber—10 minutes.

**Mr. Roman Baber:** Mr. Teliszewsky, thank you for coming today. I fundamentally disagree with your premise that in order to extend the debt onto the ratepayer, or have the ratepayer pay the finance component of the Fair Hydro Plan, you had to create the special purpose vehicle. I don't want to get into that argument with you. Neither yourself nor myself are accountants. But you could have easily had the province subsidize the bills by giving money directly to the IESO. Subsequently, the IESO would impose additional rate surcharges, just like we did in previous years. There would be nothing new. The only difference between that and the Fair Hydro Plan is that there would be some debt owed to the province. So the province would have to expend some capital, and money would be paid back to the province and that would remain on the province's books.

But my submission to you is, respectfully, the purpose of the Fair Hydro Plan was to keep the cost of the plan off the province's books. Is that incorrect?

**Mr. Andrew Teliszewsky:** You've articulated the challenges with managing the electricity system in the province of Ontario, and that certainly there are multiple inputs into any major decision, like what became the Fair Hydro Plan.

**Mr. Roman Baber:** I appreciate that. I'm just going to provide you with a couple of emails. Mr. Teliszewsky, when the Fair Hydro Plan was conceived in fiscal 2016-17, your government was running a deficit. Is that correct?

**Mr. Andrew Teliszewsky:** The public accounts would indicate that, yes.

**Mr. Roman Baber:** And you would agree with me that, for fiscal 2017-18 and before the election, it was a government priority to tell voters—in fact, the government told voters that it was running a balanced budget. Do you remember that?

**Mr. Andrew Teliszewsky:** Messaging and policy decision-making, as it relates to fiscal policy, was the remit of the Ministry of Finance.

**Mr. Roman Baber:** Fine. But do you remember that, for years 2017-18, it was your government's priority to run a balanced budget, and in fact, you told voters that your books were balanced?

**Mr. Andrew Teliszewsky:** Sorry; which fiscal year are you referencing?

**Mr. Roman Baber:** It's 2017-18.

**Mr. Andrew Teliszewsky:** I'd have to check the messaging at that time, but in my recollection, Minister Sousa and his team worked diligently to craft a path to balance.

**Mr. Roman Baber:** A year before the election. I submit to you that from day one, before you even knew how you were going to make up the colossal hydro mess you and your government created, you decided that whatever structure was going to be implemented at the end, the cost, which at the time was estimated at \$45 billion, was going to be kept off-book. Isn't that correct?

**Mr. Andrew Teliszewsky:** As I've testified before this committee, it was an objective to maintain a distinction between the rate base and the tax base. That became one of the imperatives.

**Mr. Roman Baber:** I understand.

Let's look at the February email before you. My apologies; I think you've taken the same copies of—

**Mr. Andrew Teliszewsky:** There's a highlighted section.

**Mr. Roman Baber:** There are two emails. Sorry; I think that one was provided to you—thank you.

If you just look at the February 4 email, you say that we have “two options regarding GA smoothing mechanism.... Early research regarding using the IESO. Again, hope and goal here is to preserve the accounting treatment we desire.” Do you see that?

**Mr. Andrew Teliszewsky:** I do.

**Mr. Roman Baber:** I note that you don't refer to the policy priority you desire.

**Mr. Andrew Teliszewsky:** That was my desire.

**Mr. Roman Baber:** You refer to the accounting treatment you desire.

**Mr. Andrew Teliszewsky:** The turn of phrase in this particular correspondence is such—however, the overall principle of maintaining a segregation between rate base and tax base certainly came with legal and accounting considerations, and we began to articulate those in rough accounting terms.

**Mr. Roman Baber:** But you're talking about a distinction in terms of payback. It would be the ratepayer who would pay back the cost of the Fair Hydro Plan; correct?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes.

**Mr. Andrew Teliszewsky:** Should the structure have been appropriately crafted to achieve the desired accounting treatment.

**Mr. Roman Baber:** Right. The point was, as you just acknowledged, to achieve a certain accounting treatment; not to achieve the purpose that it would be the ratepayer who would repay the cost of the Fair Hydro Plan.

**Mr. Andrew Teliszewsky:** They are one and the same, sir.

**Mr. Roman Baber:** No, sir, they're not one and the same. You could have easily subsidized hydro bills with the IESO. The IESO would subsequently charge a surcharge on top of hydro bills down the road—repay the province.

**Mr. Andrew Teliszewsky:** That would not have maintained the segregation.

**Mr. Roman Baber:** It would have maintained the purpose of the policy, which was to externalize the cost on the ratepayer as opposed to imposing it on the taxpayer. The distinction between what you're suggesting and what I'm suggesting is that under your plan, you would actually get the accounting treatment you desire, as stated in the February 4, 2017, email.

Let's look for a second at another email, and that's the earlier email, on January 18, 2017. Do you have that before you?

**Mr. Andrew Teliszewsky:** I do.

**Mr. Roman Baber:** This is you writing to a number of stakeholders at the Ministry of Energy. This is a full month

and a half before the Fair Hydro Plan is announced. You say, “Meeting held today with KPMG to provide options on how to ensure the most appropriate accounting treatment (off-book).” Then, again you say, “The next step is finding the most appropriate financial vehicle.” I can see, Mr. Teliszewsky, through all your emails that you're really concerned with accounting treatment, and specifically the accounting treatment you sought here is that the cost of the Fair Hydro Plan would be off-book. Do you deny writing that?

**Mr. Andrew Teliszewsky:** I do not deny correspondence that's right here.

1520

**Mr. Roman Baber:** So then I have a few questions for you. The next step is to tell us: Why it was so important that the cost of the Fair Hydro Plan be off the province's books?

**Mr. Andrew Teliszewsky:** That would have preserved the segregation between ratepayer and taxpayer. The principle of the Fair Hydro Plan where assets that would provide benefit to future ratepayers would then also be financed and paid for by those ratepayers was an important policy consideration.

**Mr. Roman Baber:** Mr. Teliszewsky, I want to dispel your suggestion that the policy priority was to refinance for the life term of the asset.

I'm going to take you to a cabinet briefing note of March 1, 2018. Specifically, if I can turn you to page 19 of that document, you'll see that the middle paragraph, last sentence—the briefing to cabinet says, “Future ratepayers will be paying for these assets that no longer produce power in paying down the deferred GA and accumulated interest costs.”

In fact, the bureaucrats told you that the debt here, the hydro payments accumulated by future generations, would be paying for assets that no longer produce power. So, with respect, sir, I disagree with you when you say that the point of the plan was to refinance assets throughout their lifetime.

**Mr. Andrew Teliszewsky:** This is a document from March, the cabinet submission.

**Mr. Roman Baber:** Correct.

**Mr. Andrew Teliszewsky:** The implementation of the Fair Hydro Plan continued well into late 2017, which then included an important report from Navigant Consulting which was able, to my recollection, to help mitigate the risk, as articulated in this pink note.

**Mr. Roman Baber:** No report in the world could shorten the amortization period of those assets. In fact, Justice Ian Binnie, on the request of the bureaucracy, told you that he was concerned that the entire structure is illegal and is potentially a tax and is going to fail because you're financing assets that have outlived their usefulness.

**Mr. Andrew Teliszewsky:** Specifically to that point—and you raise a good concern. Again, that was a report, to my recollection, that was prepared for cabinet consideration at the time of March. Then subsequent work, through a variety of officials—through Treasury Board, finance, provincial controller, IESO, OPG, the Ministry of Energy

and expert external advisers—was specifically designed to mitigate those legal accounting regulatory risks.

**Mr. Roman Baber:** They did not go—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you. That concludes our time. We were a bit over on that.

I'll give it over for the final 10 minutes to the opposition. Ms. Shaw.

**Ms. Sandy Shaw:** I may not take up all of that. I just have a couple of quick questions. So the OPG Trust, that regulatory asset, is about \$1.8 billion. Is it still, to your knowledge, part of OPG Trust? Is it sitting on their books? Where does that asset now reside?

**Mr. Andrew Teliszewsky:** I'm not versed on what has transpired. I understand that there have been a lot of active conversations. Certainly I'm aware through the public announcements that the current government has made around that, and I don't think I could comment.

**Ms. Sandy Shaw:** Thank you. At the time, these were securities that were sold. Do you know who owns them or who bought them? Who sold them? Was it commissioned salespeople, and who bought them or who owns them? Did you have any idea who, at the end of the day, bought into the Fair Hydro Trust, that regulatory asset?

**Mr. Andrew Teliszewsky:** Those would be questions best posed to Ontario Power Generation. However, it is my understanding that they are, through securities laws, required to post a significant amount of information publicly, and that's available on their website.

**Ms. Sandy Shaw:** Thank you. The FAO, in his report, talked about the way in which this was financed. Their estimate was that it was \$4 billion higher in financing costs than if you'd gone through OFA or some other way of financing it. Do you know if that cost—whether you agree with it or not—or other costs, when you were trying to calculate that, included the cost of consultants or additional staff?

**Mr. Andrew Teliszewsky:** I don't think I know the answer to that.

**Ms. Sandy Shaw:** Do you know whether at OPG or IESO they were required to hire additional staff or they had to have additional resources to help implement this?

**Mr. Andrew Teliszewsky:** I don't think I know the answer to that.

**Ms. Sandy Shaw:** My last question: Had OPG or IESO at the time come back to you to say, "This requires significant resources on our part"—I forget who in the testimony said that when they saw this they knew it was going to be a lot of work. Work requires resources and staff time. Would your government have financially supported them with the additional costs to implement this plan?

**Mr. Andrew Teliszewsky:** Both the IESO and OPG are sophisticated entities operating within the Ontario electricity system, OPG being a dominant market participant with many staff. Since they were and are presently borrowing to support their own assets and infrastructure program—of the concerns that were raised, the staff time within both the IESO and OPG to implement the core

principles of the Fair Hydro Plan were not amongst the major ones that were articulated to me at the time.

**Ms. Sandy Shaw:** Thank you. That's all my questions for now. Chair, we rest, I suppose.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Shaw. That concludes the time—sorry, Mr. Romano?

*Interjection.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** Not for the opposition's time. We go by the allotted time through the motion, which was evenly split out.

Mr. Romano?

**Mr. Ross Romano:** Mr. Chair, I had a discussion with the Clerk a short while ago. I think we're going to take a five-minute recess before we adjourn for the day. Given that we were scheduled for the full day, the government side here would like to have Mr. Teliszewsky continue on. I understand that there are going to have to be some discussions. We're going to take a short break and then make that determination to see whether or not—

**The Chair (Mr. Prabmeet Singh Sarkaria):** We can take that five-minute recess.

**Mr. Ross Romano:** I suppose it's a question of whether we bring Mr. Teliszewsky back on a separate date or whether we simply continue today. That's why I had asked him a few questions earlier as to whether or not he'd be available to continue on.

**The Chair (Mr. Prabmeet Singh Sarkaria):** We can recess and have that discussion with Mr. Teliszewsky and our members as well.

*Interjection.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** Of course. Exactly. That's what we're going to do. We'll take five minutes. The committee is now in recess until—

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** No, no. We're not making the decision. We're having a recess and then we'll come back.

Is the committee agreeable to taking a five-minute recess? I don't believe Mr. Miller can vote right now. Ms. Shaw, you're agreeable to a five-minute recess? Yes.

Thank you very much. The committee will resume at 3:34.

*The committee recessed from 1529 to 1542.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** The committee is now in session. Mr. Romano.

**Mr. Ross Romano:** I've discussed the matter with the Clerk. I believe the witness is available; I believe my friends are prepared to proceed.

We are joined by the lovely company of MPP Mr. Miller. Thank you for being here today, sir.

**Mr. Paul Miller:** I've never been described as lovely company, but I'll take it.

**Mr. Ross Romano:** I think we're prepared to proceed at this time, and it's all ad idem that we proceed with 20 per side, and then 10 minutes per side.

**The Chair (Mr. Prabmeet Singh Sarkaria):** As I understand it, the committee is agreeable to two 20-minute

extra slots plus two 10-minute slots, so a complete hour. The committee is agreeable?

**Mr. Roman Baber:** Yes.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Ms. Shaw?

**Ms. Sandy Shaw:** Yes.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Agreed. Okay. So we will continue with the questioning. Over to Mr. Romano for 20 minutes. Thank you.

**Mr. Roman Baber:** Mr. Baber.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Oh, I'm sorry, Mr. Baber. My apologies. Twenty minutes. Thank you.

**Mr. Roman Baber:** Thank you, Chair.

Before we go back to where we left off, Mr. Teliszewsky, I'd like to confirm that you understand the principle of parliamentary privilege.

**Mr. Andrew Teliszewsky:** I'm sorry, could you repeat that?

**Mr. Roman Baber:** I'd like to confirm that you understand the principle of parliamentary privilege that the Chair alluded to before the commencement of your testimony today.

**Mr. Andrew Teliszewsky:** I believe so, yes.

**Mr. Roman Baber:** Okay. So you understand that it's incumbent on you to tell the truth?

**Mr. Andrew Teliszewsky:** Indeed.

**Mr. Roman Baber:** Thank you. I want to return now to the proposition you articulated at the beginning of your testimony; specifically, that part of the thinking, according to you, behind the Fair Hydro Plan was to match the life of the asset to the payment schedule. Is that correct?

**Mr. Andrew Teliszewsky:** Yes.

**Mr. Roman Baber:** You say that, despite the fact that on March 1, you were advised by the Cabinet Office—specifically, the language is, “Future ratepayers would be paying for these assets that no longer produce power in paying down the deferred GA and accumulated interest costs.” Do you see that?

**Mr. Andrew Teliszewsky:** This was certainly amongst a host of risks that were articulated as part of the pink note that Cabinet Office prepared.

**Mr. Roman Baber:** In fact, the Cabinet Office went out and commissioned Justice Ian Binnie, who also articulated that concern and suggested to you that the life of these assets—or at the very least, the duration of amortization of these assets—would be shorter than the time-span in which the ratepayer would be supposedly refinancing these assets.

**Mr. Andrew Teliszewsky:** That was a legal and constitutional argument around the repayment schedule that was being checked with expert external legal advisers. That included former Supreme Court Justice Binnie.

As part of the implementation subsequent to the March cabinet decision was the diligent work on the part of the Ministry of Energy, other portfolios and a host of agencies to do our best to mitigate those risks: to bring down the constitutional risk that you've articulated and to bring down the accounting risk that you alluded to in your earlier question.

**Mr. Roman Baber:** The only way to do that would be to go out there and refurbish those machines. Did you do that? Did you go out there and refurbish the machines, so you extend their life cycle?

**Mr. Andrew Teliszewsky:** No. So a more complete understanding of that process can be found in the very detailed document prepared by Navigant Consulting that underpinned exactly which assets within the portfolio could maintain a longer life. If you recall from an earlier answer that I provided, we had a duality between the contracted assets that the IESO had undertaken and the rate-regulated assets of OPG. The comparison I used was 40-year contracts for a hydroelectric generating station through the feed-in tariff program, contracted through the Ontario Power Authority, and an 80- or 90-year amortization of Ontario Power Generation hydroelectric assets. In that mix were both apples and oranges, so it's clear that those hydroelectric assets—while their contract with the Ontario Power Authority was for 40 years, those assets would have significant life and value to electricity ratepayers for multiple decades beyond their contracted life.

**Mr. Roman Baber:** Mr. Teliszewsky, I understand that your response to this committee's concern—that the bureaucrats warned you that the refinancing plan will outlive the life of the equipment and Justice Ian Binnie advised you of that—is that you went out and hired an external consultant, Navigant, who helped you work through the accounting issues. Nonetheless, we still heard from the bureaucrats, just a couple of weeks ago, that they were still concerned about the fact that the refinancing plan goes further than the lifespan of those assets.

But even if I were to accept your evidence at this moment, which is you realized what the risks were and you went out and worked out those risks before the implementation of the Fair Hydro Plan, then why did you announce the Fair Hydro Plan on March 2, the very next day after that warning that you got from the bureaucracy, saying, “This ain't right”? Why did you not wait to work those issues out, and instead went out and announced the plan the next day?

**Mr. Andrew Teliszewsky:** In my experience, when cabinet weighs an important policy initiative, they ask thorough and thoughtful questions and weigh those risks appropriately. If cabinet determines that those risks are deemed to be sufficiently manageable, then the communications objectives may follow from those decisions.

**Mr. Roman Baber:** Communications objectives, but you're saying—

**Mr. Andrew Teliszewsky:** Communicating a cabinet decision—

**Mr. Roman Baber:** But, Mr. Teliszewsky, you gave us evidence earlier today that this was the linchpin of the plan. Your words were that you participated in the creation of the Fair Hydro Plan, which was matched to the life of the asset to the payment schedule. But that's false. On March 2, 2017, you went out into the world and you announced that you were matching the lifespan of the asset to the payment schedule, knowing that it was false,

knowing at the time that the bureaucracy told you, “No, you’re not doing that,” and that Justice Ian Binnie told you, “No, you’re not doing that.”

1550

**Mr. Andrew Teliszewsky:** I would suggest that those are very strong words that you’re using.

The decision of cabinet to proceed was made with a full and open appreciation of the risks. There was a lot of work modelling—

**Mr. Paul Miller:** Point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Sorry; a point of order, Mr. Miller?

**Mr. Paul Miller:** Mr. Baber’s line of questioning—all know that the cabinet works under regulations and the only directive that can come from the cabinet is through regulations to these departments. This gentleman probably would not have acted without direction from the cabinet in regs. So I’m not quite sure what your line of questioning is—I mean, he’s not going to perjure himself or say he did something that—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Mr. Miller. I’ll let Mr. Baber continue.

**Mr. Roman Baber:** There may be a substantive disagreement, but the question was not out of order.

**Mr. Paul Miller:** The question was out of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I don’t believe it was out of order, Mr. Miller. But I will caution the member—

**Mr. Paul Miller:** With all due respect, Mr. Chairman, Mr. Baber is making accusations that the witness has done something illegal. I don’t think that’s proper for this committee.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you for your point. I will listen carefully to the question again from Mr. Baber. I didn’t make that same observation, but I will—

**Mr. Paul Miller:** Well, I’m sure you didn’t, but with all due respect, Mr. Chairman, he is inciting the witness, saying he said something that he may or may not have—false or not false. I’d like to know what information he has to prove those accusations, because I think this line of questioning is getting out of hand.

**The Chair (Mr. Prabmeet Singh Sarkaria):** So we’ll end with this, and I’ll ask, once again—I’ve cautioned all members on their language here in the committee and that we keep our remarks temperate. But I will allow Mr. Baber to continue his questions.

**Mr. Roman Baber:** Mr. Chair, I kindly ask that the time I just lost on Mr. Miller’s objection be made up to me from either NDP time or additional time. I’m not sure what Mr. Miller is objecting to. We had the bureaucracy here. We had Mr. Orsini come to this committee, present a briefing note that was provided to cabinet on March 1, 2017—

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** I’m going to ask that we end this right now.

I’m going to ask that Mr. Baber continue, and I will add a minute to your time.

**Mr. Paul Miller:** You won’t be taking it off our time, Mr. Chairman.

**The Chair (Mr. Prabmeet Singh Sarkaria):** No, we won’t be taking it off the opposition’s time, but we will be giving Mr. Baber an extra minute, and we will ask that we all temper our language and keep it worthy of the assembly and the office that we do hold.

Mr. Baber, please continue.

**Mr. Roman Baber:** Mr. Teliszewsky, we have established that you testified at the beginning of your testimony today that the signature legislation that the Liberals passed, specifically the Fair Hydro Plan, was meant to match the life of the asset to the payment schedule. That was one of the hallmarks; that was the linchpin of this plan. This is perhaps one of the manners in which you rationalized this plan. Yet I just showed you a cabinet briefing note in which cabinet was advised that the assets you purported to refinance will not live through the lifespan of the refinancing plan.

You said, “Well, we went out and tried to mitigate the risk.” Despite what a former Supreme Court judge said and despite what the bureaucracy said, you said that you went out and commissioned a consultant who helped you work through the issues. We’ve acknowledged that you haven’t gone out there and refurbished those assets to prolong their usefulness, but that you worked through the issues.

Then I went back and said, “But that’s not true, Mr. Teliszewsky, because you went out, despite the advice of the bureaucracy, and you announced the plan the very next day, on March 2, 2017.”

**Mr. Andrew Teliszewsky:** As I understand the question, and as I have been attempting to illustrate during this dialogue, when cabinet weighs an important policy initiative, there are often presentations of risks that are articulated throughout the document.

If I may, the quote that you return to is part of over 100 pages that were submitted to cabinet on that day. And if I could call your attention to slide 8 of the ministry’s presentation, I’ll quote from the Ministry of Energy’s document of this same record:

“The majority of the province’s electricity generators are under 20-year contracts and account for less than half of the GA”—global adjustment. “Some of these generators will continue to provide value to the electricity system beyond their contract lives....

“—There is an opportunity to recognize the long-term benefit of these assets to the electricity system and ‘bring forward’ that benefit for ratepayers today by deferring some of the current costs.

“—GA smoothing would spread these costs over a longer period and provide immediate ratepayer relief ... By recognizing that generation assets are expected to continue to provide residual benefit to future ratepayers, beyond the term of current contracts, future ratepayers are expected to be able to utilize these assets and reduce the need to finance the development of new generation assets.”

This is the same product that you are quoting from, so one must, as they do in cabinet, consider the full suite of

the document that's before them rather than zeroing in on a particular quote.

**Mr. Roman Baber:** The quote that you just referenced explains to us what the attempt and the purpose is. The very same page cites Justice Ian Binnie, which says to cabinet specifically: "Shifting too much of the current GA costs to future generations could jeopardize the nature of this being a regulatory charge and it being deemed a tax," which would probably have hit the province's books, to begin with.

So I understand that you wanted to commission a consultant that a couple of months subsequent to the announcement told you that maybe the asset matches, but the day before you announced the Fair Hydro Plan, the bureaucracy and a former Supreme Court judge told you that you're not matching the lifespan of the asset.

**Mr. Andrew Teliszewsky:** They were articulating the risks, and so in fact—the announcement may have occurred in March; the legislation was tabled later and only then received royal assent, in early June. Subsequent regulations passed by the LRC occurred in the fall and winter. Those implementation objectives form the full picture of how the repayment schedule would have occurred. And so, adjusting the repayment schedule in the out-years is how one mitigates the risks articulated by former Justice Binnie.

So it's those risks that were considered by cabinet and then, through the implementation of the plan—the plan did not cease undertaking with the announcement in early March. In fact, the chamber was seized with it through the legislative process and debate in committee. And then, regulations and implementation, the creation of the Fair Hydro Trust, within the wheelhouse of Ontario Power Generation, didn't occur until much later. Those implementation details are vital to understanding the full document that you're quoting.

**Mr. Roman Baber:** Those are not implementation details. This is a central premise of your plan. I don't propose to go back to this again. I think you and I understand each other by now. Nonetheless, I still don't understand how it was that the central linchpin of your plan, being the lifespan of the assets, was not something that the bureaucracy or the Supreme Court justice was satisfied with—nonetheless, you drew the trigger the next day. So I suggest to you that perhaps the goal of the Fair Hydro Act was not to match the assets to the lifespan and through the repayment plan, but as you said, provide relief to the ratepayer, or maybe another component of policy. But it certainly wasn't to match the lifespan because you knew at the time when you announced the plan that it wasn't going to happen.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes.

**Mr. Roman Baber:** I'd like to—

**Mr. Andrew Teliszewsky:** We knew that there were risks.

**Mr. Roman Baber:** Yes.

**Mr. Andrew Teliszewsky:** There are risks with every major policy initiative that comes before cabinet. These

are difficult policy files that cabinet was grappling with. It wasn't one appearance before cabinet. There were multiple appearances before cabinet to ensure that the final vision had merit.

**1600**

**Mr. Roman Baber:** Mr. Teliszewsky, I don't want to bring a motion again to extend your stay here. I want to try and finish this today. Let's try and answer questions in an expeditious fashion. I just want to run you through a few.

You remember that some time during the tenure after the sale of the shares in Hydro One that the province repaid what was called at the time the "debt retirement charge." Do you remember that? The debt retirement charge was a surcharge on consumer bills that went off to pay debt previously associated with hydro that was on provincial books, and it was ratepayers that were responsible for the repayment—

**Ms. Sandy Shaw:** That was Harris.

**Mr. Roman Baber:** Excuse me—it was ratepayers that were responsible for repayment of the hydro debt, not the taxpayers.

So when you're sitting here all afternoon telling us that the purpose of the plan was in order to saddle the ratepayer with the debt, with the hydro refinancing plan, I suggest to you that you could still have accomplished that, except that you would have kept the hydro debt on the province's books. You could still get it from the ratepayer, though. Isn't that correct?

**Mr. Andrew Teliszewsky:** I think in a way, with respect, you're helping me to articulate my point that a segregation of taxpayer versus ratepayer is in fact an appropriate policy objective, and so as a result—

**Mr. Roman Baber:** One second. Then maybe you misunderstood me. You're saying that the reason for the segregation is the accounting? Because I'm saying you can still have the ratepayer pay you back; you just have a different accounting treatment. It seems to me like you're just concerned with the accounting.

**Mr. Andrew Teliszewsky:** I guess I do not understand your question.

**Mr. Roman Baber:** Okay. You gave us testimony earlier today that the reason you wanted to keep the hydro plan off the books is so you can saddle the ratepayer with it. You can still saddle the ratepayer with a refinancing charge, just like we did in the debt retirement charge. It was financed by the province and it was still paid off by the ratepayer. So why did we need to go through OPG instead of going directly through the province and the IESO?

**Mr. Andrew Teliszewsky:** Again, as I've testified earlier, I am not an accountant. We were relying on the best advice from senior staff at the Office of the Provincial Controller—

**Mr. Roman Baber:** I appreciate that. Now I want to go back to my original line of questioning. In 2016-17, you were running a deficit. In 2017-18, it was a policy priority of your government to go out to the voter base and say that you were running a balanced budget. In fact, this was a major policy priority and you have announced that in

2017-18 you were running a balanced budget. Do you remember that?

**Mr. Andrew Teliszewsky:** I was very involved with energy policy during my time in government. Fiscal policy was the remit of the Minister of Finance and his staff.

**Mr. Roman Baber:** So when the Fair Hydro Plan was conceived, it was your task, Mr. Teliszewsky, to come up with an accounting structure whereby the tens of billions of dollars that the province had to borrow to subsidize the Fair Hydro Plan would be kept off the province's financial books. Isn't that correct? Were you not tasked to keep the cost of the plan off the province's books?

**Mr. Andrew Teliszewsky:** There were multiple considerations that went into—

**Mr. Roman Baber:** Was that one of them? Was that one of the desired outcomes of whatever structure you came up with?

**Mr. Andrew Teliszewsky:** To my view, maintaining the segregation of the taxpayer versus ratepayer was an important principle, and to accomplish that principle the structure that we are discussing before us was researched and created with best advice from across government and expert external advisers.

**Mr. Roman Baber:** We just discussed this four questions ago when you told me you're not an accountant. You could have subsidized the IESO directly and then charged it back directly from the ratepayer, just like we did with the debt retirement charge.

Let's go back to your email—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Mr. Baber. Unfortunately, we are out of time on this round of questioning, so we will now go over to the opposition. But one more time: a reminder to all members to please temper their language.

Now we will go over to Mr. Miller for 20 minutes.

**Mr. Paul Miller:** I just dropped in, unfortunately, but I have followed this reasonably closely.

Would it be reasonable to ask you, did you at any point feel that you were doing anything that was—how would I put it—misleading the public, or the government members, or the bureaucrats that you represent? I heard the word “bureaucrat” mentioned quite a bit here. Bureaucrats who had to report to you—do you feel that you, in any way, shape or form, overruled those bureaucrats or that you followed the direction of the minister, the minister's office and the cabinet, or do you feel that there was conflict between you and your employees?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Sorry, Mr. Miller. On the language of “misleading”—parliamentary language. So if we could just rephrase that—

**Mr. Paul Miller:** I don't think I used the word “misleading.”

**The Chair (Mr. Prabmeet Singh Sarkaria):** I believe you did.

**Mr. Paul Miller:** “Untowards”?

**The Chair (Mr. Prabmeet Singh Sarkaria):** “Untowards”—okay.

**Mr. Paul Miller:** Basically, what I'm saying is, do you feel that you followed the regs that set up your job

description? Do you feel that you went out of your job description at all?

**Mr. Andrew Teliszewsky:** The job of chief of staff is an interesting one within government. I mentioned during my opening statement that it's very much an intersection between the democratically elected officials and the public servants who support the administration. In that function, we can serve as a communication vehicle to articulate the desired policy objective. We can seek advice and input from these experts.

In the norm, my time at the Ministry of Energy was exceptionally rewarding from a career perspective because of the tremendous back-and-forth and iterative dialogue that we sought to maintain and build between public servants and elected officials. There was a level of trust that I worked hard to maintain, where we could debate the important public policy initiatives of the day in a free and open manner that did not include any pressure or recrimination or comeuppance if individuals were to raise concerns or if individuals were to express alternative points of view. That's part of what we're all here to do—

**Mr. Paul Miller:** Sorry for interrupting. Would it be safe to say that in any decision at that level there are many variables and many roads to take? Would it be safe to say that you were probably in the middle of the situation in reference to what the cabinet wanted, what your minister wanted and these bureaucrats that keep being mentioned by Mr. Baber—I'm not sure who these bureaucrats were and if they fall under your direct position. Do these people come to you on a regular basis with concerns about the direction you were going in in the forecast? Because anything that's done in a ministry is usually forecasted for the next three years—of any ministry. There are all kinds of things that can happen in those three years. It could be an economic crash, or it could be all kinds of things that may affect it.

So in your best judgment, would you say that the decision you made was a forecast that, if everything went right, that's how you could see it ending up? But it didn't go that way, obviously. Do you feel any responsibility for the direction that it took, that it may have gone differently if you had made a different decision?

**Mr. Andrew Teliszewsky:** The role of political staff is to advise the ministers and members we work with and then to implement the decisions of executive council.

**Mr. Paul Miller:** Right. So you did your job.

**Mr. Andrew Teliszewsky:** I did my best.

1610

**Mr. Paul Miller:** Okay. Getting off that topic, my next question would be—I don't know if we're reiterating here because I came in late; I'm not even a part of this committee, actually. The IESO decided against adopting rate-regulated accounting when it was formed in 2015. What was the thinking around the decision at that time according to reports the IESO's auditor agreed with that decision, and what was their thinking?

**Mr. Andrew Teliszewsky:** So I—

**Mr. Paul Miller:** Do you want me to repeat that for you?

**Mr. Andrew Teliszewsky:** I don't think I can speak to exactly the way in which the accounting treatment was constructed upon the merger between the IESO and the Ontario Power Authority. We did get into some questions earlier around the change that the IESO board undertook. From my recollection, it was undertaken as part of the normal course of their undertaking.

**Mr. Paul Miller:** Who did the IESO speak with in the government when the change was being considered? Who did they talk to?

**Mr. Andrew Teliszewsky:** Again, the IESO and the Ministry of Energy, in my experience, were in frequent contact. There are policy staff at multiple divisions within the department who would reach out to IESO staff. I don't think I would be able to give you any specific details beyond that.

**Mr. Paul Miller:** If both the leadership and the audit team felt one way, what was the rationale for the change? What caused that to happen?

**Mr. Andrew Teliszewsky:** Again, those are questions, perhaps, best put to the IESO.

**Mr. Paul Miller:** Okay. The recent firings of individuals, which we've read about: What's the rationale behind that—

**The Chair (Mr. Prabmeet Singh Sarkaria):** I don't see how that's relevant to the mandate of this committee.

**Mr. Paul Miller:** You don't see the relevance?

**The Chair (Mr. Prabmeet Singh Sarkaria):** I don't see the relevance Mr. Miller.

**Mr. Paul Miller:** Well, it certainly has something to do with the financial well-being of the cabinet and the assistant ministers. When someone is there for one day and then they're gone, it certainly has a negative impact on the overall budget, I would say. Wouldn't it? Isn't that part of it?

**The Chair (Mr. Prabmeet Singh Sarkaria):** If we look at the mandate of the committee—

**Mr. Doug Downey:** Point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** If I could just finish, and then I'll take Mr. Downey's point of order.

**Mr. Paul Miller:** Okay, I'll put it this way then: Would they be independent—

**The Chair (Mr. Prabmeet Singh Sarkaria):** But I have to take the point of order from Mr. Downey first before we could—

**Mr. Paul Miller:** Oh, go ahead, Mr. Downey.

**Mr. Doug Downey:** Just to be fair, we've had several issues come up that have been ruled out of order in previous days, and this is one of them.

**The Chair (Mr. Prabmeet Singh Sarkaria):** This is one of them, exactly. The previous—

**Mr. Paul Miller:** This was ruled out of order?

**The Chair (Mr. Prabmeet Singh Sarkaria):** That was ruled out of order, yes sir.

**Mr. Paul Miller:** Okay. We'll have to change our direction then.

Go ahead.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Ms. Shaw?

**Ms. Sandy Shaw:** Am I going to ask the question again in a different way, I'm wondering. I just want to emphasize that in your time, when you were devising the Fair Hydro Plan, OPG acted as an independent organization. Is that correct? With an independent board?

**Mr. Andrew Teliszewsky:** Ontario Power Generation plays an important role in the electricity system of the province. What I would say is that I believe this committee has received testimony about the nature of OPG's reporting relationship to government.

The board is appointed by the shareholder. In my time in government, that was the Minister of Energy. To my recollection, that's done through an annual shareholder declaration. That means that once a year the Minister of Energy—during my time in government—would have had occasion to change the composition of the board of Ontario Power Generation through a shareholder declaration. That would certainly send a signal about the confidence that the government had, as the shareholder, in that organization.

So it was the practice of the ministers that I worked for for government to constrain themselves and to operate as a commercial shareholder while certainly getting the advice from the entity, because they are a public crown corporation and there is a mandate that that may go beyond specific electricity generation in certain instances.

But getting into the weeds of how the corporation is in fact managed, our ministers would have found that to be highly irregular and, in fact, irresponsible.

**Ms. Sandy Shaw:** Okay. The reason we keep going back to this is, as I said before, we are trying to see where there were points along the way where the pressure—we all agree there seemed to be undue pressure on these individual organizations—where was the pinch point where this could have been prevented?

I know that the recent reports that we're not referencing but raise issues about ensuring that this organization, OPG, as you said, which is a large and important organization in—not just electricity generation, but it's a large and important organization. We really need to assure ourselves that there continues to be independence there.

I'm still struck by the notion that the sole shareholder of OPG is the Minister of Energy. It was in your time, and that's currently the case now. Is that correct?

**Mr. Andrew Teliszewsky:** It was in my time.

**Ms. Sandy Shaw:** Okay. And the energy minister appoints the board of directors. That was the MOU during your time, and it is my understanding that still exists. So not only is the minister the sole shareholder, the minister appoints the board of directors.

**Mr. Andrew Teliszewsky:** Indeed.

**Ms. Sandy Shaw:** Explain to me how this is independent. If you're a shareholder and you actually appoint the board—and you are the sole shareholder—where is there any independence between the board and the shareholder? This does not in any way sit with the kinds of good corporate governance rules that ensure that there is due diligence, that there is independence.

**Mr. Andrew Teliszewsky:** Your question—and I appreciate it—strikes at the very heart of what I was trying to articulate in my earlier reply that, first off, the board of directors of Ontario Power Generation—and this was something that both Minister Chiarelli and Minister Thibeault were quite focused on. As part of the process of that governance, we recruited the best possible calibre of individuals to create a skill-set matrix for that board. On more than one occasion, executive search firms were retained to help bring in board members—

**Ms. Sandy Shaw:** I understand that.

**Mr. Andrew Teliszewsky:** —for those organizations.

**Ms. Sandy Shaw:** I do apologize—also for interrupting—but I'm not talking about skill set and expertise. I am talking about an alignment of interest that you have to have independent so that you have someone who has sober second thought so that you don't end up with a board that is directed by the shareholder. The shareholder directs the board and the CEO has a vested interest in making all of them happy. At what point would a CEO—I mean it would be not in the best interests of a CEO's career to object to not only the board of directors, who were appointed by the shareholder, and the shareholder who, at the end of the day, is the Minister of Energy. And there's nothing different with how that stands today.

So I will just say that that is why this news item is so concerning, because we think that we can agree that we all want to ensure that we can assure people that there is independence of decisions. This isn't—I imagine "collusion" is not a proper word, is it?

**The Chair (Mr. Prabmeet Singh Sarkaria):** I don't believe so.

**Ms. Sandy Shaw:** No, I didn't think so, but I can't think of it. There is an alignment of interests that aren't in the best interests of the taxpayers.

I guess my question—you know what, I'm just going to leave that as is. I suppose I just wanted to ask you—you've read the testimony, you've read the reports and you've been here for some time now. I guess I want to ask you what you think of this committee—or I guess what I want to ask you is, what do you think is the best thing that can come out of this committee? What would be the legacy of this committee that would be of any value to all of us who have spent time and energy and money, to the people who've sat watching it, to the media that has dutifully sat here? What would be a benefit that would come out of this committee that you can articulate?

**Mr. Andrew Teliszewsky:** I wouldn't presume to divine what this committee will ultimately recommend.

**Ms. Sandy Shaw:** Okay.

**Mr. Paul Miller:** I've got one question. In reference to—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Miller.

**Mr. Paul Miller:** What's that?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Sorry, Mr. Miller. I have to recognize you before you can speak.

**Mr. Paul Miller:** Thank you. I have one question. In reference to the board itself and the chair of the board, you

say that its one shareholder is the minister. He obviously has some impact on the board. You've noticed the trouble in the papers where they've said they've given themselves raises. How can a board independently operate away from the one shareholder, the minister, and give themselves raises? Even the minister at the time and the Premier were outraged about the money that they received—they gave themselves raises. Where's the scrutiny, where's the accountability, there? Is the minister unable to step in and say, "No, these raises are unreasonable and you can't have them"? Or they had a mandate to do whatever they wanted to? I think that's one of the major problems that the public was looking at. Would that be a fair assumption?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Five minutes remaining.

1620

**Mr. Andrew Teliszewsky:** I'm just going to tease out from your question there—the compensation, are you referencing—

**Mr. Paul Miller:** The personal raises they voted for.

**Mr. Andrew Teliszewsky:** To my recollection, that is the former board of Hydro One?

**Mr. Paul Miller:** Former, right.

**Mr. Andrew Teliszewsky:** Okay. But the earlier question was about OPG and—

**Mr. Paul Miller:** And how does OPG operate? Do they have the same—

**The Chair (Mr. Prabmeet Singh Sarkaria):** The questions on the personal raises: I don't see how they tie into the mandate of the—

**Mr. Paul Miller:** With all due respect, Chair, it's part of government structure and how decisions are made.

**Mr. Andrew Teliszewsky:** My understanding is that the composition of the board of Ontario Power Generation is set by an order in council.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Yes, and if I could just repeat the mandate which we're working on: It's to report on the accounting practices, decision-making and policy objectives of the previous government, or any other aspect—with respect to the report that we have in front of us.

**Mr. Paul Miller:** The board makes decisions, Mr. Chair.

**The Chair (Mr. Prabmeet Singh Sarkaria):** With respect to the report that we have in front of us, Mr. Miller.

**Mr. Paul Miller:** There are always amendments to reports, and there are always things you can add and take out of reports. You don't go verbatim on a piece of paper. That's what this committee is for.

**The Chair (Mr. Prabmeet Singh Sarkaria):** But the mandate of this committee is based on the report that has been provided.

**Mr. Paul Miller:** Well, I respectfully disagree with you.

Okay, go ahead. Go on.

**The Chair (Mr. Prabmeet Singh Sarkaria):** That is a mandate through the Legislature as well, Mr. Miller. You can continue with the question—

**Mr. Paul Miller:** Well, I think you'd better reread that section, but anyway.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Shaw.

**Ms. Sandy Shaw:** Something that is being brought up quite a bit is this whole idea of planning for future generations and our concern for future generations. I greatly appreciate your answer with regard to the impact of climate change on future generations and also the impact of climate change on the expenses and the revenue of this province, the costs it incurs.

What I want to ask—just to go back, because Mr. Baber talked about the debt retirement charge. I don't know if this was before your time, but it's my understanding that the debt retirement charge was put in by the previous Conservative government under Harris. Do you have any knowledge of that?

**Mr. Andrew Teliszewsky:** The creation of the OEFC in and of itself goes to the breakup of the former Ontario Hydro.

**Ms. Sandy Shaw:** And when did that happen?

**Mr. Andrew Teliszewsky:** I believe it was in 1999.

**Ms. Sandy Shaw:** And who was the Premier at the time?

**Mr. Andrew Teliszewsky:** That would have been Mike Harris.

**Ms. Sandy Shaw:** Okay. So the debt retirement charge was a legacy of Premier Harris beginning to privatize the hydro system. In fact, he's on record as saying it's his only regret during his time—that he wasn't able to complete the privatization of Hydro One.

That debt retirement charge was something that was quite hated by people, and it went on for quite some long time. My question is that, given that the former Conservative government—again, the privatization of Hydro One, which resulted in a debt retirement charge, which was about making future generations, future ratepayers, as opposed to taxpayers, pay that: Would that kind of political motivation and the kind of historical—

**Mr. Paul Miller:** Direction.

**Ms. Sandy Shaw:**—direction, or the historical way, that the Harris government was penalized at the election for that—would you say that influenced your government in not wanting to repeat the mistakes of the previous Conservative government during the hydro file under Premier Harris?

**Mr. Andrew Teliszewsky:** With respect, there's a lot there—

**Mr. Paul Miller:** A simple yes will cover it.

**Mr. Andrew Teliszewsky:** In my time at the Ministry of Energy, we coped with an awful lot of difficult and challenging public policy files, taking into account, as we discussed earlier, jurisdictional comparisons, taking into account evolution in policy thinking and evolution in accounting practices—the way in which you went from cash to accrual accounting occurred within the last generation. There is constantly an ebb and flow to these sorts of public policy decisions. Certainly, a retrospective review of how Ontario and other provinces had coped with the

issue of energy policy would be part of the dialogue and discussion for policy formulation going forward.

**Ms. Sandy Shaw:** Thank you for that, but I would just say the other side talks a lot about how this wasn't a policy decision and that this was a political decision. What we had seen with Premier Harris's debt retirement charge was a political, public backlash.

My question is: Did that experience of a debt retirement charge that went on and on, and the public's negative reaction to that—did that political landscape impact a policy decision?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you very much, Ms. Shaw. That concludes the time for questioning.

We'll move over to the government side for the final 10 minutes with Mr. Baber.

**Mr. Roman Baber:** Mr. Teliszewsky, we finished the last exchange with you telling me that one of the key elements of the Fair Hydro Plan was that the cost of the plan be kept off of the province's books. I would like to know whose idea it was. Who made it clear that the cost of the Fair Hydro Plan, which, according to the FAO is estimated now at anywhere between \$70 billion to \$90 billion—who in the former Liberal government made it clear that the cost of the plan be kept off of the province's books?

**Mr. Andrew Teliszewsky:** Cabinet.

**Mr. Roman Baber:** You attribute this to the collective decision of cabinet. Did this come from Premier Kathleen Wynne?

**Mr. Andrew Teliszewsky:** Cabinet, as a collective, undertakes the policy decision, and the results are a matter of public record.

**Mr. Roman Baber:** They are. Thank you, Mr. Teliszewsky.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Ms. Park.

**Ms. Lindsey Park:** I know we're getting late in the day, so thank you for your patience and endurance.

I want to just talk for a moment about this whole concept of global adjustment refinancing and where it came from. Was it your idea?

**Mr. Andrew Teliszewsky:** We spoke earlier about how the process of researching mechanisms—

**Ms. Lindsey Park:** I don't want a long-winded answer to this. Was it your idea?

**Mr. Andrew Teliszewsky:** We held a number of consultations and—

**Ms. Lindsey Park:** Yes or no, was it your idea?

**Mr. Andrew Teliszewsky:** I don't think I can answer in a way that will please you at this time.

**Ms. Lindsey Park:** So it wasn't your idea?

**Mr. Andrew Teliszewsky:** I was chief of staff at the Ontario Ministry of Energy. I participated—

**Ms. Lindsey Park:** That's not what the question was.

**Mr. Andrew Teliszewsky:**—in multiple discussions and stakeholder consultations where a variety of inputs came together, which then ultimately gave rise to the genesis of this as a policy lever—

**Ms. Lindsey Park:** Who first presented the idea to you?

**Mr. Andrew Teliszewsky:** I participated in so many consultations that I don't think I could give you any more specific reference—

**Ms. Lindsey Park:** Okay, let's go about this another way. Was it Glenn Thibeault's idea?

**Mr. Andrew Teliszewsky:** I'm sorry, I don't recall.

**Ms. Lindsey Park:** You don't recall. So it might have been Glenn Thibeault's idea?

**Mr. Andrew Teliszewsky:** We participated in dozens upon dozens of consultations from industry stakeholders, the general public—

**Ms. Lindsey Park:** Okay, so that's fine. You think it might have been Glenn Thibeault's idea. Might it have been Kathleen Wynne's idea?

**Mr. Andrew Teliszewsky:** I apologize. With respect, I didn't say that. I said we were participating in a number of consultations—

**Ms. Lindsey Park:** So was it Glenn Thibeault's idea?

**The Chair (Mr. Prabmeet Singh Sarkaria):** We're going to have to temper our language and also give the witness an opportunity to answer the question.

**Mr. Andrew Teliszewsky:** Thank you, Mr. Chair.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Park.

**Ms. Lindsey Park:** Was it Glenn Thibeault's idea? Yes or no? I still haven't received an answer to my question.

**Mr. Andrew Teliszewsky:** We participated in multiple stakeholder consultations.

**Ms. Lindsey Park:** That wasn't—

**Mr. Andrew Teliszewsky:** That is my answer to the question. The idea germination for such a complex file cannot have one specific owner.

**Ms. Lindsey Park:** Who first presented it to you?

**Mr. Andrew Teliszewsky:** The idea germination of such a complex public policy initiative would not have had one specific owner—

**Ms. Lindsey Park:** Who called the meeting on January 18, 2017?

**The Chair (Mr. Prabmeet Singh Sarkaria):** If I may, I ask you once again to please temper the language.

**Mr. Paul Miller:** Mr. Chair, this is getting rather aggressive.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I know it can get heated, but I would ask that we—

**Mrs. Robin Martin:** There's nothing wrong with the question.

**Ms. Lindsey Park:** There's nothing wrong.

**Mr. Paul Miller:** But it's badgering the witness.

**Ms. Lindsey Park:** I'm asking a very simple question.

**Mr. Paul Miller:** With all due respect, for six times, he already said no to you. He's not answering it.

**Ms. Lindsey Park:** This was a new question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** It was a new question.

**Mr. Paul Miller:** It's the same question.

**Mrs. Robin Martin:** No, it was a different question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Park, please go—

**Mr. Andrew Teliszewsky:** I'm sorry. Which meeting are you actually—

**Ms. Lindsey Park:** Who called the meeting on January 18, 2017?

**Mr. Andrew Teliszewsky:** Which meeting are you referencing?

**Ms. Lindsey Park:** The meeting on January 18, 2017. 1630

**Mr. Andrew Teliszewsky:** I would have participated, in the normal course, as chief of staff in perhaps upwards of eight to 12 meetings per day. So, again, which meeting are you referencing?

**Ms. Lindsey Park:** Who called the meeting where this was first discussed?

**Mr. Andrew Teliszewsky:** What is the "this"?

**Ms. Lindsey Park:** The global adjustment refinancing.

**Mr. Andrew Teliszewsky:** We were engaged in multiple conversations, which included—

**Ms. Lindsey Park:** Okay. Let's talk about the first conversation. Who called that meeting?

**The Chair (Mr. Prabmeet Singh Sarkaria):** I just want to ask that we still allow the witness to answer the question. Thank you, Ms. Park?

**Mr. Ross Romano:** Perhaps, Mr. Chair—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Romano.

**Mr. Ross Romano:** It is within the Chair's role and discretion to perhaps ask the witness to actually answer a question for maybe even just one or two occasions today.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you.

*Interjection.*

**Mr. Paul Miller:** Point of order, Mr. Chair.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Miller.

**Mr. Paul Miller:** It's not for the Chair to force a witness to answer a question.

**Ms. Lindsey Park:** That's absolutely the role of the Chair.

**Mr. Paul Miller:** I think I'm talking at this moment. Thank you.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Okay.

**Mr. Paul Miller:** This gentleman's trying to answer to the best of his knowledge. He's saying that he cannot answer your question directly. You're saying "yes or no, black or white." He's not going to give you that. So I—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you very much, Mr. Miller.

We'll continue with the questioning.

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** We'll continue the questioning. Thank you.

Ms. Park?

**Ms. Lindsey Park:** Thank you, Chair. I'll keep going as long as I need to here.

We can perhaps rule out some people, because you can't seem to quite remember who first presented this idea

to you. Did Kathleen Wynne first present this idea of global adjustment refinancing to you?

**Mr. Andrew Teliszewsky:** I was not in the habit of having regular conversations with the Premier. I worked for a specific cabinet minister during my time in government.

**Ms. Lindsey Park:** So it wasn't Kathleen Wynne, for sure?

**Mr. Andrew Teliszewsky:** I was not in the habit of having individual conversations with the Premier in my capacity as chief of staff to the Minister of Energy. I advised my minister, and that's where I spent the bulk of my time.

**Ms. Lindsey Park:** So you never spoke with Kathleen Wynne about global adjustment refinancing?

**Mr. Andrew Teliszewsky:** As part of meetings and briefings during the course of policy implementation, I certainly would have been present for conversations and meetings where the Premier and other cabinet ministers were in attendance. In those forums, we would have been encouraged to air all issues, risks and policy considerations openly and in a thoughtful way.

So, specifically to your question, yes, I've been in a room where I had occasion to speak to the former Premier about the structure of the electricity system and the nature of the global adjustment. But again, my role was to advise the minister.

**Ms. Lindsey Park:** So she didn't first present this idea to you?

**Mr. Andrew Teliszewsky:** No, she did not.

**Ms. Lindsey Park:** Thank you. That was my question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Four minutes.

**Ms. Lindsey Park:** Serge Imbrogno, the deputy minister: Was he the person who first presented this to you?

**Mr. Andrew Teliszewsky:** I don't believe so. The role of deputy minister is to support the consultation process and to help germinate ideas that come forward. As part of the consideration of all policy levers, after the Premier's announcement or speech in November 2016, we had multiple products from the Ministry of Energy from their divisions on levers to accomplish—

**Ms. Lindsey Park:** I'm just going to cut you off, because that's not related to my question. Again, I just want to go back. Was it Glenn Thibeault who first presented the idea of global adjustment refinancing to you?

**Mr. Andrew Teliszewsky:** It would not have been, I think, an initial concept. These things germinated organically. Ideas germinate organically when you're having a meeting or a conversation—

**Ms. Lindsey Park:** Okay, thank you. They germinate somewhere. Who conceived this idea?

**Mr. Andrew Teliszewsky:** The collective team of the Ministry of Energy; the stakeholders that advised us; the independent experts that provided submissions; the industry associations that submitted thoughtful policy concepts for consideration—

**Ms. Lindsey Park:** When were you first presented with this idea?

**Mr. Andrew Teliszewsky:** It's hard to speak to an exact moment. I believe that the first inkling that we weren't appropriately matching ratepayer cost schedule to asset life was considered in late 2016.

**Ms. Lindsey Park:** And who was part of that conversation?

**Mr. Andrew Teliszewsky:** Again, all those stakeholders that I just mentioned.

**Ms. Lindsey Park:** Can you please list off who was part of that late 2016 discussion?

**Mr. Andrew Teliszewsky:** It wasn't one discussion.

**Ms. Lindsey Park:** The first discussion. Who was part of the first discussion?

**Mr. Andrew Teliszewsky:** There was no first discussion. The idea germination occurred as a result of all of these inputs from multiple stakeholders.

**Ms. Lindsey Park:** Again, who first presented it to you? Did your cat present it to you, at home?

**Ms. Sandy Shaw:** Chair? Please.

**Mr. Paul Miller:** Chair, with all due respect—

**Ms. Sandy Shaw:** She asked if his cat presented it at home.

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** I will remind the member to use parliamentary language, and language worthy of the assembly and the office that we hold.

I'd ask you to move on to the next question as well.

**Ms. Lindsey Park:** Sure.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Park.

**Ms. Lindsey Park:** Did you come up with it at your kitchen table over a beer?

**Mr. Paul Miller:** Oh, come on.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Once again, Ms. Park, I'm going to ask that we please—

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Ms. Park.

*Interjections.*

**Mr. Andrew Teliszewsky:** Our work at—

*Interjections.*

**The Chair (Mr. Prabmeet Singh Sarkaria):** I would ask that we please keep this—order. Continue to answer the questions.

Mr. Romano. Thirty seconds.

**Mr. Ross Romano:** Earlier, I had presented you with an email. I'm just going to hand you this document. This was actually a letter. Can you tell me who the author of that letter was? This was one of the questions I asked you earlier.

With respect—well, perhaps we can allow the witness to actually review the document.

This was something I presented to you earlier, on the accounting risks and something specifically related to—

**The Chair (Mr. Prabmeet Singh Sarkaria):** Unfortunately, we are out of time for this session of questioning.

I'm going to have to ask, for the final 10 minutes, that the opposition get their 10 minutes of questioning.

**Ms. Sandy Shaw:** Thank you, Chair.

**Mr. Andrew Teliszewsky:** Do you want me to answer?

**Mr. Paul Miller:** No, your time's up. You can't answer now.

**Ms. Sandy Shaw:** Mr. Teliszewsky, I want to say thank you for your testimony here. I also would like to say that I apologize if you've been treated disrespectfully. I know that these are important issues, and we all want to get to the bottom of this. We all want to make sure that nothing like this happens again. But that doesn't mean we can't do this in a respectful way. Behaviour that discredits this committee discredits all of us, so I do want to apologize there.

You have had a number of questions asked of you—

**Mrs. Robin Martin:** Mr. Chair, on a point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mrs. Martin, on a point of order.

**Mrs. Robin Martin:** That's the fourth time the opposition has pontificated. I think it's up to the Chair to decide what is appropriate and what isn't appropriate. You're making your rulings, and I don't think it's up to the opposition to make speeches.

**Ms. Sandy Shaw:** Chair, I have a question.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you, Mrs. Martin.

Ms. Shaw? But please do take it under consideration.

**Ms. Sandy Shaw:** Mr. Teliszewsky has been asked a number of questions from either side. You have answered them dutifully. I've noticed that you have really been trying to answer these questions. But I would like to give you an opportunity, based on the questions. Is there something that you would like to add to this? Is there something that was in the Report of the Independent Financial Commission of Inquiry that you feel was an omission? Is there a question that you think we should have asked here that we didn't ask? Or would you like to make some final comments on the proceedings here today?

**Mr. Andrew Teliszewsky:** I appreciate the opportunity from the member. I appreciate all the questions that came from all sides, and I have done my best to answer completely. I appreciate that this committee has an objective that is outlined in its mandate, and that specific public policy and political concerns form part of this undertaking. That is understood. That is the nature of this place. That is where I spent a decade of my career.

The work supporting an important, significant public policy initiative like this cannot, by definition, come down to one individual owner or person responsible. It is a part of a collective research project that the ministries worked together on to tease out policy goals, implementation risks, challenges and objectives. When you set out—as has been articulated in multiple questions, this began with a speech that former Premier Wynne gave in November 2016 and was still being implemented at the time that I left government in December or January, beyond a year later. OPG had not gone to market. At the time that I left government, OPG had not yet gone to market with the first tranche of borrowing to support the Fair Hydro Trust.

1640

Along the way, from the early discussions with stakeholders to cabinet documents to legislation that then followed and regulations that came after, there were multiple decision points and pivot points on the pathway to implementation that are the course of normal governance. When you announce a budget or a fall economic statement, not all of the specific details can be known or released on that day. It is the business of governing that we then rely on the dedicated public service to help government navigate those shoals. The path is often arabesque from A to B. As a result, you often face important policy considerations that come up during and after implementation.

In the completeness, to conclude, I encourage the committee to take a look at the complete picture of the record that you have before you. Splicing specific highlighted quotes from specific late-night or early-morning emails as government staffers worked diligently to prepare for a Treasury Board or a cabinet meeting, or to meet the timelines provided by legislative counsel, are at risk of setting this committee astray from the mandate that I understand is your objective.

**Mr. Paul Miller:** My question would be—

**Ms. Sandy Shaw:** Thank you. You have to—

**Mr. Paul Miller:** Sorry.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Mr. Miller.

**Mr. Paul Miller:** My question to you would be this: Were you privy to or were you involved when the decisions were made by the independent officers of this Legislature, when they all recommended not to sell Hydro One and they did? Were you privy to those types of conversations? What was the reaction of your department and yourself when the government decided to go ahead with that sale against all odds, against the public, against the officers that are assigned by this Legislature to be public watchdogs for the budget, the money and the taxpayers' dollars? What was your position and how did you feel at the time when they did that?

**The Chair (Mr. Prabmeet Singh Sarkaria):** Just under four minutes.

**Mr. Andrew Teliszewsky:** This is now going back to the Premier's Advisory Council on Government Assets and the decision of cabinet to proceed with the broadening of ownership of Hydro One. In my capacity as chief of staff to the Minister of Energy, we would have been working diligently to implement cabinet's objective at the time, which was to—

**Mr. Paul Miller:** But that's not answering my question. My question was—

**Interjection:** Oh, how rude.

**Mr. Paul Miller:** There you go. Cheap shot.

Anyway, that's not really what I asked you. I know you have to implement things. I know you have to follow procedures within your mandate. What I'm saying is, at the time, when those decisions were made, you had to personally think—you might have questioned the direction they were taking at that time due to the fact that the public was against it, voted against it, the independent officers of this Legislature were against it—basically,

everyone was against it except Premier Wynne and her cabinet. Even some of her members were against it.

Let's put it this way: What ability do you have to make a public opinion or statement at the time these things are going on, or do you just be quiet and follow orders?

That's a simple question.

**Mr. Andrew Teliszewsky:** The role of staff is to implement cabinet's objective. I suppose that if staff were uncomfortable with cabinet's objective, they could opt to no longer participate as a member of staff.

**Mr. Paul Miller:** Okay. Did you have any resignations at the time? Did anybody leave under that auspice?

**Mr. Andrew Teliszewsky:** Not from my office.

**Mr. Paul Miller:** Nobody? Okay. Thank you.

**Ms. Sandy Shaw:** No more questions. Thank you, Chair.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you very much.

To conclude, I'd like to thank Mr. Teliszewsky for your time today, appearing before the committee and also agreeing to extend your time. You are now free to go.

We do still have committee business that we have to discuss. Unless the committee wants a five-minute recess, we can go right into it.

**Ms. Sandy Shaw:** A five-minute recess, yes.

**The Chair (Mr. Prabmeet Singh Sarkaria):** If the committee is agreeable or not—five minutes—or should we continue?

**Mr. Roman Baber:** Just continue.

**The Chair (Mr. Prabmeet Singh Sarkaria):** It's very quick.

I'd like to draw to the committee's attention the letter we received from the Ontario Energy Board. At last Monday's meeting, the committee agreed to keep all documents received from the OEB confidential and to revisit the decision once the OEB has completed its review. The OEB has now provided two sets of documents electronically, confidential and non-confidential. The non-confidential documents have been made available publicly. The confidential documents will not be made available publicly. Agreed? Agreed.

We suggest to remove the original documents received on October 25, 2018, to avoid confusion. Agreed?

**Mr. Paul Miller:** We don't have someone from the committee actually here to agree to that. You're going ahead and asking questions when we don't have any representation. I'm not on this committee.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I believe Ms. Shaw was aware that we were pushing—

**Mr. Paul Miller:** Ms. Shaw was called out. I'll get her, if you can hold off for one minute.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I will hold off.

**Mr. Paul Miller:** Could you repeat it, Mr. Chair, those two things that—the first one you agreed to when nobody was here—could you repeat it?

**Ms. Sandy Shaw:** Did we not agree to take a recess of five minutes?

**The Chair (Mr. Prabmeet Singh Sarkaria):** No, we didn't. I thought—

**Mrs. Robin Martin:** We didn't notice you'd left. I was looking down.

**The Chair (Mr. Prabmeet Singh Sarkaria):** I thought we had agreed to continue.

I will start it again. I'm going to bring our attention back to the letter received from the OEB. At last Monday's meeting, the committee agreed to keep all documents received from the OEB confidential and to revisit the decision once the OEB has completed its review. The OEB has now provided two sets of documents electronically, confidential and non-confidential. The non-confidential documents have been made available publicly. The confidential documents will not be made available publicly. Agreed? Agreed.

We suggest to remove the original documents received on October 25, 2018, to avoid confusion. Agreed? Agreed. Okay. Thank you very much.

The committee is now adjourned until tomorrow at 3 p.m.

**Ms. Sandy Shaw:** Point of order.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Sorry. Before I do that: Ms. Shaw?

**Ms. Sandy Shaw:** There was a jump drive, and I didn't receive that. Did one of our members receive the jump drive that had the additional data?

**The Chair (Mr. Prabmeet Singh Sarkaria):** According to the Clerk, we are putting that on the link.

**Ms. Sandy Shaw:** Okay, thank you.

**The Chair (Mr. Prabmeet Singh Sarkaria):** Thank you very much. Any other discussion?

The committee is now adjourned until tomorrow at 3 p.m.

*The committee adjourned at 1648.*



## **SELECT COMMITTEE ON FINANCIAL TRANSPARENCY**

### **Chair / Président**

Mr. Prabmeet Singh Sarkaria (Brampton South / Brampton-Sud PC)

### **Vice-Chair / Vice-Président**

Mr. Doug Downey (Barrie–Springwater–Oro-Medonte PC)

Mr. Roman Baber (York Centre / York-Centre PC)

Mr. Doug Downey (Barrie–Springwater–Oro-Medonte PC)

Ms. Catherine Fife (Waterloo ND)

Mrs. Robin Martin (Eglinton–Lawrence PC)

Ms. Lindsey Park (Durham PC)

Mr. Ross Romano (Sault Ste. Marie PC)

Mr. Prabmeet Singh Sarkaria (Brampton South / Brampton-Sud PC)

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Mr. John Vanthof (Timiskaming–Cochrane ND)

### **Substitutions / Membres remplaçants**

Mr. Peter Tabuns (Toronto–Danforth ND)

### **Also taking part / Autres participants et participantes**

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

### **Clerk / Greffière**

Ms. Valerie Quioc Lim

### **Staff / Personnel**

Mr. Ian Morris, research officer,  
Research Services