



For immediate release

October 25, 2011

Hydro Sale “Reckless” says Environment Group

Toronto: The proposed partial sale of Toronto Hydro has been called “reckless” and “short-sighted” by a leading environmental group, citing the future loss of conservation programs, lost revenue for the City of Toronto and rising rates for ratepayers.

The Toronto Environmental Alliance (TEA) called on the City to reject a staff proposal to sell off 10% of Toronto Hydro, the City’s electrical utility, as a stop-gap measure to reduce the budget deficit.

TEA staff note a wide range of benefits from continued full ownership of Hydro. Toronto Hydro provided the City with \$33 million last year alone. It’s leading edge conservation programs are less likely to survive private ownership, as most private firms seek to increase sales and consumption, not decrease it. Its commitment to the public interest helps keep rates low.

TEA also noted the poor history of asset privatization here in Ontario, and around the world, citing the sale of the highway 407 and the sale of Toronto Telecom as examples of public assets that grew larger and more profitable after their sale.

Learning from another municipality, the recent partial sale of Mississauga Hydro caused significant loss of autonomy as the minority shareholder gained a veto over major decisions of the public utility.

“It’s hard to see why anyone would even consider this,” said Emily Alfred of the Toronto Environmental Alliance. “It’s like killing the golden goose to get a meal, it’s like burning the furniture to heat the house. In the end, you lose a profitable asset and gain no long term benefit, and the taxpayers, who are also Hydro customers, will pay the price through their utility bills. And we lose control of an environmental policy lever.”

TEA staff noted that every councillor who completed the TEA pre-election survey just over a year ago agreed to keep Toronto Hydro publicly owned.

-- 30 --

For more information:

Emily Alfred, Campaigner, Toronto Environmental Alliance
416 596 0660 or 416 543 1542