Legislative Assembly of Alberta

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[Mrs. Gordon in the chair]

THE DEPUTY CHAIRMAN: Could we have everyone take their seats, please? I'd like to call the committee to order.

Bill 27
Electric Utilities Amendment Act, 1998

THE DEPUTY CHAIRMAN: The hon. Minister of Energy.

DR. WEST: Thank you, Madam Chairman. I've listened carefully to many of the comments already made on Bill 27 in this Legislature and outside of it. During the detailed examination of this legislation we will undertake today, we will address many of the concerns that have been expressed. It is a multifaceted bill. You have to plunge into the component parts to see how it works and what each part sets out to achieve. I hope that through this process you will begin to see how the various sections work together to create a solid framework designed to benefit our electric power system and ultimately all Albertans.

We have before us some amendments to Bill 27. I believe they've already been handed out. At the same time I'm going to distribute a glossary of terms that members can use and refer to as they debate this bill in committee. I hope it helps to answer some of the questions as they relate to many of the complicated terms that are in this bill. Is that being handed out? [interjections] Okay.

These amendments that you have before you reflect some of the concerns about portions of Bill 27. They have been expressed not only here in the Legislature but by stakeholders, and we have listened. They reinforce several key principles behind this bill; that is, the change from regulation to competition will be fair, the playing field will be level for all market participants, and unnecessary regulation will be eliminated allowing firms to concentrate on being more efficient rather than preparing for regulatory hearings. I think that's one of the key elements of this, that the regulatory hearings that have taken place over the years have been very, very expensive, and of course those costs are reflected back to the customer. With this we'll remove those.

I move amendments A and B that are before you. Madam Chairman, we will work on these amendments altogether as one. Amendment A to section 20 responds to concerns by municipalities that may wish to compete in the retail electric sector by forming retail affiliates. I'll repeat that: it addresses the concerns by municipalities that may wish to compete in the retail electric sector by forming retail affiliates. That means that they're going into private business.

The bill makes it clear that if a municipality decides to compete in this sector, it must play by the same rules as everybody else. I'll repeat it one more time: the bill makes it clear that if a municipality decides to compete in this sector, it must play by the same rules as everybody else. It should not have any unfair advantages when competing with the private companies. This ensures a level playing field, and it's in the best interest of the consumers. After all, the consumers are at the forefront of this bill. As we know, competition in an open market promotes efficient, cost-effective operations and puts downward pressure on prices. That is a basic principle which throughout the world and in many, many deregulations is a truism.

Now, private-sector companies pay taxes, but municipalities do not. You can't achieve a level playing field if you have tax-free municipal affiliates competing with taxpaying private-sector companies. Bill 27 addresses this discrepancy by requiring that municipalities make payments in lieu of taxes if they set up an affiliate competing with the private sector in the retail electric market. So we can't charge taxes to another municipality, but traditionally we have dealt with that by grants in lieu of taxes. In fact, the provincial government has paid many grants in lieu of taxes to municipalities for their buildings, provincial buildings or otherwise, in their communities. Now we're going to require the municipality or their affiliate, if they're in the retail business, to pay a grant in lieu of taxes. Some municipalities called this a tax grab by the province, since the payments would have gone into the government's general revenue fund. We have responded to this concern with amendment A, that directs the payments not to the government but to the balancing pool.

As you can see in the glossary of terms that was distributed here recently, the balancing pool is essentially an account administered by the power pool of Alberta. It's main purpose is to ensure that the benefits of existing generating units continue to be shared among Albertans. With this amendment they also will continue to share in these grants in lieu of taxes. The net revenue in the balancing pool is returned to the consumers, whether it comes from the residual benefit of the generating plants or from payments in lieu of taxes by municipalities. These ensure that the Alberta electric consumers are the ultimate beneficiaries of these changes.

Now, some argue: well, it should have gone to the general revenue fund of the municipality. But that is not consistent with what we ask all private-sector companies to do. They send it into the province, and then we redistribute tax out of the general revenue fund to programs that help all Albertans. Some people will argue: well, if you take this and put it in the balancing pool, then you're not treating us fairly because you're giving it to other Albertans besides those in the city of A or B. Well, that's just a perceptional thing used to argue this point, because indeed if they're in the private sector, even though they're a municipality, then that revenue generally would go into the province's general revenue fund and be redistributed in programs. We have decided not to argue that point and to put it in the balancing fund that goes to all Albertans anyway.

If you get caught up on that philosophy, then that's all it is. It's just philosophy. The argument falls thin when you start saying: I want to be in a private business industry; that is, in the electrical retail business. Now, the city of Edmonton agreed with that and said: "Put it in the balancing pool. Put it in the balancing pool, and we're happy with that." A few other cities said: "Oh, no, no. Give it to our general revenue fund. We argue that this will be an unfair tax on our citizens." That's only because they're running a municipal electrical system today, and they don't like the change to a competitor in a free-market system.

Under the bill municipal power companies offering the stable rate option will not be required to make a payment in lieu of taxes for that portion of their business. This option provides customers with the option of a guaranteed stable rate for five years starting in 2001. I will repeat that. This stable rate option, then, will not be taxed, will not have to go into the balancing pool, and if you stay with the deliverer of your power today, like ENMAX in Calgary or EPCOR here, then you will be able to choose the

stable rate option, which will not be taxed. There will be no change whatsoever.

That will be legislated in the next part of this amendment for a period of five years. It ensures that they don't have to worry during the transition to a competitive retail market if they wish to continue with business as usual. With their existing distribution utility the payment in lieu of taxes to the balancing pool will only be made on the competitive portion of their businesses. So if they go outside of their traditional customers and start to go to new customers – that's new power which is existing today – then that is the only place where the grant in lieu of taxes will be applied. But if, in demonstration of the audits, they stay with the traditional Martha and Henry on Elm Street, then nothing changes to the year 2006. And of course that is eight years.

When people are saying, "Oh, this change is too much; I can't take this change," what is changing? Somebody says, "You're in too big a hurry." I hear that from some hon. members and others coming forward with, "Stop this act now; we've got to discuss that." Just remember what this amendment does and what it says. For eight years you're not exposed, if you're a traditional customer today, to any change. So if somebody says, "You're in too big a hurry," then they just don't understand this option.

8:10

I'd like to briefly address amendment B to section 42(a), which helps to ensure that cogeneration projects can proceed under an industrial systems designation. The glossary notes that an industrial system involves the cogeneration of electricity as part of an integrated industrial process; example, Dow Chemical, Syncrude, Suncor, Union Carbide, Nova Corporation in the petrochemical business, Shell, Imperial Oil at Bonnyville, Amoco. We could go on. These systems, the ones that I've just named, will contribute 1,064 megawatts. The applications are before the EUB as I speak. That is new power over and above the utilization today.

The electricity is used by the various components and facilities of that process, the integrated industrial process, such as the oil sands plant. The remainder – the example I'm going to use is that the Cold Lake-Bonnyville Imperial Oil is going to be putting out 220 megawatts of power in a cogen plant. They use 110; they're using 90 today. That means that the remaining 110 is sold to the power pool, and that power pool amount is available to all new growth in the province and to new customers. Believe it or not, it's made at a highly competitive rate, because we've checked these rates, and can go into that pool to keep our rates stable and lower for a long period of time. Remember that they're using off our grid right today the 110 megawatts that they're going to be replacing, so it is a net plus to the grid of 220 megawatts.

Somebody says: where's the new power coming from? Well, let's look at that under this thing. The new power is coming from that thousand megawatts. Right now we're using 7,200 megawatts. This is close to 15 percent more power added on to what we're using. We have another 700 right now, so we have about 1,700 megawatts waiting in the future still to be used, which buys us a considerable amount of time: no blackouts, no brownouts. This amendment ensures that this cogeneration will contribute to the province's total generation capacity.

The industrial system designation allows the EUB to exempt a cogeneration project from certain requirements under the Electric Utilities Act when electricity is produced for an on-site manufacturing process. Easing this red tape helps to foster further development of these energy efficient and environmentally friendly projects ensuring us new development, new power for the future. When this act, Bill 27, goes forward, it gives the green light not only to our regulator but to many more cogeneration projects to ensure the development of new power in the province of Alberta.

Because of a drafting oversight Bill 27 does not at present specify that projects eligible for this designation may be owned by a third party such as an independent power producer. Lack of this designation could impede the approval of the facility. It could result in unnecessary cost to the applicant and to the EUB. In addition, uncertainty about the outcome could prevent needed generation from coming forward in a timely manner. Amendment B redresses this situation.

Madam Chairman, I have strongly emphasized the need for these amendments and at the same time explained some of the integral parts of how the bill will work and the nuts and bolts of cogeneration, what it means to the province of Alberta, as well as customer choice, an integral part of that stable rate option which gives security of evolution into this system, and an understanding of how we are not requiring municipalities unjustly to have any penalty on them. They just must be on the same level playing field as private-sector companies that we're asking to do business in this province. Going the extra mile, we take the grant in lieu of taxes and give it back to the consumer, which people are saying must be front and foremost, and we must keep a lowering effect on power bills in the province going into the future.

Thank you for this introduction.

THE DEPUTY CHAIRMAN: Thank you. We will refer to this amendment as A1.

On the amendment, the hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Madam Chairman. Speaking to the amendment, you'll recognize that this is the informal part of the bill, and therefore the minister may in fact answer some questions in between, as he may. You'll also recognize that the minister, having the first opportunity really to speak to this bill after second reading, delved into some areas beyond amendment A1, specifically dealing with such things as the potential delay of this bill and what the cogeneration portion of this amendment does to the entire power pool, and not just the amendment that relates here. So when I and others venture into other areas, as I know my colleague from Edmonton-Strathcona will also, I hope it'll be reasonably accepted by the chair.

Dealing specifically with the first portion of the amendment. I would have preferred the amendments to be separated because in fact they are two completely separate and distinct elements of this bill and really have not a lot to do with one another. But that being the case, I'll try to speak to both of them in that we are in committee, and if I do go over the 20 minutes, I will be able to come back and deal with the other matter.

Now, with this particular amendment it amazes me that it wasn't discovered before in that this issue was made very clear prior to the introduction of this bill in this House by the mayor of Calgary and some other mayors. They didn't like this provision of taking the municipally owned ENMAX of Calgary and imposing what was then thought by the mayor to be a tax proper. He in fact was later told that it wasn't a tax, that it was a tax-like fee, I think the minister has said. The part of the act "shall pay to" is currently the Provincial Treasurer and now is the power pool "an amount calculated in accordance with the regulations." Well, the regulations are set to go to an adjudicator that decides what the amount of that fee in lieu of tax is.

Quite frankly, I believe this is the right thing to do in the way

of competition, because you recognize, Mr. Minister and all of those that are here present, that this part of this side of the House does not disagree with the fundamental thrust of the bill. What we do disagree with and disagree with a great deal is that those of us beyond this House and those of us that are in this House have a great deal of difficulty understanding all of the terms that are included in your glossary of terms and their interrelationship. Those of us who are in this House, those of us who deal with this kind of thing all the time recognize also that this is the single biggest change in electrical generation in the last hundred years, and to move on through with the haste that we are in our view is an error. It certainly doesn't bode well for the future of this bill.

And please, please do us the honour of not insisting that it'll be reopened in a year or a year and a half or two years to review, because in fact this bill, when passed, must set the fundamental rules for generation of electricity in this province for the next hundred years. You cannot come in two years later and say, "Oh, we changed the rules," because if there's a hint of that, you on that side of the House know and we on this side of the House know exactly what will occur. The generation again will come to a halt, as it did with the passage of Bill 34, I believe, in the 1995 session of another Legislature.

8:20

Dealing specifically with this particular amendment, this takes the approach that those dollars that are earned by a wholly owned subsidiary of a municipality are returned to the municipality, but then a fee is attached to that so as to level the playing field, as it were. Now, I don't know how you actually manage to do that, because the playing field cannot be leveled because there aren't any level playing fields. I can't see that they can be. What the bill attempts to do, though, is that if you must apply this tax, then yes, it should be returned in the manner that it is to the entire pool as opposed to the general revenue. But I have a little difficulty seeing how you can say unequivocally that, yes, this levels the field.

The regulation portion of this is simply all the same regulations that it masks for, something that the population doesn't understand. The Lieutenant Governor in Council makes these recommendations by orders in council at the behest of a group of ministers that review the matter and cause regulations to occur. Well, this is precisely the kind of thing that those folks out there who are paying the bill do not understand. They're not likely to understand it unless they have the benefit of being here in this Legislature to listen to all of this debate or unless the government does another thing that would be characteristic of a very good government, which would be to take the glossary of terms, take the fundamental elements of the bills and explain the history of generation, the history of EEMA, the Electrical Energy Marketing Agency, what plants came onstream and paid to the pool, what happened to those plants, the retirement of their debt and how that occurred, how the residual value of those was then on the regeneration after the plants were paid out, and how all of that fell to the benefit of the consumer.

Now, I don't expect all of that to be explained in one or two paragraphs, and it certainly would take some time. It has taken this member, with a bit of technical background in the area, some time to figure out the ins and outs of the terms that are used. They're highly specialized terms, not just in the generation of electricity but in this province. They're exclusively defined, oftentimes by what the now EUB heard at their hearings, and they defined words so that everybody knew what they were talking about. It's sort of like moving along from the 1890s to now in this grand semimonopoly game, changing rules as you go and having to define terms, with it becoming increasingly more complicated all the time with accounting, because that which is the value now is certainly not the value later on. The present value of an asset now certainly isn't the value of an asset in the future or in the past, and all of that is worked into it. So you ended up with these massive hearings.

Now, this bill reregulates the industry, and this particular amendment is in some small way, a very tiny way, in response to the concerns of those municipalities that in fact own the distribution part of electrical utilities. You'll notice that this entire section 31 in the original bill, that bill that is number – it's now chapter E-5.5 of the *Statutes of Alberta*. There was a Bill 34, I believe, at the time. The Electric Energy Marketing Act is one act, and then the Electric Utilities Act is the second act. Both of these are amended by the Electric Utilities Amendment Act of 1998, and chasing through all of these acts to understand simply how they follow and then to build them back up in effect is a bit of a chase.

But this particular amendment does what it says it intends to do. It does in fact modify – at least it comes partway to what the city of Calgary was looking for. Although the city of Calgary I suspect – although I don't know, having not spoken to them about this specific amendment, because the bill offends some other principles they're concerned about – would not be all that happy regardless of whether this amendment is in or out, because it in fact represents a net outflow of cash from their fair city that they have always had. They always have maintained a wholly owned subsidiary, and the total and complete earnings are returned to their pocket, such as many of the Crown corporations in Canada and in other provinces clearly still do: return a complete profit, if you will, to the beneficial owner.

Now, this amendment is better than nothing for sure, and I think the cities of Calgary and Edmonton would therefore agree, although I can't see them, as I'm saying, to be wholeheartedly in favour of this whole section. They would like this whole section in fact deleted or modified such that they will not have this fee attached to the profits of their wholly owned subsidiary.

As to the second part of the amendment, even though it should be totally divorced in another complete amendment, it is small enough that it doesn't offend this member, in any event, in that it deals solely and completely with those suppliers to the pool that sell off a portion of their production when they do what's called cogeneration. They generate electricity through the burning generally of natural gas and feedstock that turns the turbine, that produces some electricity, while almost at the same time taking the residual heat from that plant, that generation of electricity, and putting it through the heating they need for their plants, through heat pumps and the like, because they get the right amount of heat for their process, recognizing that some of these people are into fracking and breaking up the natural components that come out of the earth into their various components and subcomponents so as to be able to recombine these chemical components in order to market them, whether it be into plastics or specialized chemicals or all manner of hydrocarbons that in organic chemistry are combined with the use of the exothermic reactions, which are those that require heat inputs.

So they are most efficient by using both ends of the power production outputs. They can increase their efficiency overall by doing two jobs at once. Now, in doing this, they in fact are power producers of new energy, which is above and beyond what the amendments on this particular bill relate to. In fact, the 1995

bill, the Electric Utilities Act, set these producers completely aside from the others in that they were producing new generated power, which was totally and completely unsupported by a regulated rate. So they were in a separate category.

Now, they should be able to put the input of these producers on the grid at a better price than those that are producers of electricity in the traditional manner, because their heat in that fact is wasted or put into a heat sink, such as a lake or a cooling pond or a device such as that, where these cogenerators actually use the heat. They actually use the heat in their process.

8:30

Now, the minister says that the department in fact has checked out these prices and found them to be more than competitive and actually holding down the overall pool price. So these producers should be on-line if they're on-line at the base level and therefore be on-line all the time and contributing to the power pool on a sustaining basis, and more of this should occur.

From what I can read in the act, in the portions that are amended by section B of this amendment, it appears that is the case and allows them to produce this cogenerated electricity and that it's not simply, as the amendment so aptly states, striking out "the electric system and." This is being silent I suspect. The lawyers will tell you that this is an amendment by deletion, and therefore it's not specific. Then it will probably be allowed. Quite frankly, I think that portion is quite reasonable.

As the minister alluded to earlier and spoke to at some length, these producers need to have some certainty in law and regulations such that they will be able to say: yes, we now know what the rules are and can make good on our intentions that we've previously announced to be cogenerators. Now, I don't know what more they need to this point. This amendment may assist somewhat, but they're big boys. They understand that the government of the province of Alberta, whether it's this government or subsequent governments, perhaps subsequent Liberal governments, would not agree that cogeneration is something that should be fostered in this province, particularly with all the industrial development, the industrial development that requires input of heat in the processes that sustain them. They would know that this would be supported by any government and would not have to rely on a small amendment such as this.

Likewise, I wouldn't think they really require any great certainty, with cogeneration at least, on what the other utilities will do. They know that they can be efficient and compete in the marketplace under the regulated regime, as we are currently, or as a semideregulated or reregulated regime such as this bill and these amendments contemplate. They can exist under either situation.

So this particular amendment – the producers of cogenerated electricity in this province needn't have this bill: needn't have it right today, needn't have it April 9, needn't have it by the end of this calendar year. They are in production mode. That cannot be said, of course, for those that produce the traditional generated sources, from carbon sources, coal and/or natural gas. The big three – in this order: TransAlta, Alberta Power and EPCOR – do have to have this certainty of regulation. That's what the battle is, and that's what we see today, the battle between those.

Madam Chairman, I'll be happy to take my seat and rise again to speak this same matter perhaps later on. Thank you kindly.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Madam Chairman. I'm pleased to note at the beginning that the minister seems to have started to listen.

THE DEPUTY CHAIRMAN: Just one moment, hon. member.

Chairman's Ruling
Decorum

THE DEPUTY CHAIRMAN: If I could just ask the indulgence of all members of committee. It is very hard for the table to hear the debate that's taking place, and I want to ensure that the members talking are of course talking on the amendment. So if I could have some due diligence to ensure that I can hear. If you'd like to take your side conversations outside of the Assembly, I would appreciate it.

Go ahead, hon. member.

DR. PANNU: Thank you, Madam Chairman. It certainly would help if we had a little less noise in the Chamber.

Debate Continued

DR. PANNU: As I was saying, I am pleased, Madam Chairman, that the minister has brought forward these amendments. However small these are, it's reassuring to see that he is beginning to listen.

I just want to refer to the minister's introduction as he was introducing these amendments. He was talking about the fact that he remains committed to making the electrical utilities system in the province a level playing field. By level playing field, he obviously means giving the private sector complete free play in the generation of power – and it's perhaps the transmission as well – in the province.

Although he is listening and he did, I think with some satisfaction, mention that he has heard from the mayor of my city here in Edmonton that with the amendments that he has introduced, the mayor is now supportive of Bill 27. But I think it's appropriate for the minister to have also brought to the attention of the House the news release that was issued by the president of the Alberta Urban Municipalities Association. This news release was issued, of course, after the president and the board of AUMA had an opportunity to meet with the hon. minister.

The news release says the following:

> Our Association and its membership still have unresolved concerns about how this legislation, Bill 27 – even with the announced amendments – will affect municipal governments and taxpayers.

Then the news release goes on to say that

> the AUMA's call for a hold on Bill 27 came after the association's board met with Energy Minister . . . West. The board passed a motion calling for the province to provide a more comprehensive examination of residual value and stranded costs; current and long-term effects on residential homeowners, smaller urban centres and small business; and, loss of municipal tax revenues.

While the minister is right in suggesting that as a result of the amendments that he has introduced, he has swung the consent of the mayor of the city of Edmonton to his side, it remains unclear whether he has also been able to receive the support of the mayor of Calgary and the council of the city of Calgary. Also, I wonder if he has talked to the council members of the city of Edmonton to see whether they also support what their mayor seems to have communicated to the minister today on the phone. The mayor has – this is the very point I want to make – of course only one vote on the council. So the minister needs to have made clear, I guess,

this afternoon and perhaps in his introductory remarks that all he has is one vote from the council of the city of Edmonton unequivocally supporting his amended bill.

8:40

MR. DICKSON: It's not enough.

DR. PANNU: Certainly it's not enough.

Now, the president of the AUMA also happens to be the mayor of Grande Prairie, a medium-size city, a city that is undergoing major growth and changes, and the mayor of that city in the capacity of president of the AUMA is clearly expressing very serious concerns and certainly is willing to give advice publicly to the minister that he should hold action on this bill until further consultations have been completed.

The president of the AUMA, Mayor Gordon Graydon, concludes this news release with the following statement. He says, "Those amendments did partially deal with the some of our initial concerns." The implication here is that their closer reading of the bill has prompted some new concerns, and only partial satisfaction has been, I guess, derived from what the minister has introduced in the form of his amendments. So some of the initial concerns stand, while new concerns seem to have also arisen. Therefore, Mayor Gordon Graydon continues. He says:

> However, it would be prudent for the provincial government to consider all the impacts on local government and local taxpayers before moving any further with this legislation.

The minister also, of course, rightly drew attention to the fact that perhaps EPCOR is supportive of this bill, but he decided not to make any extended or even a brief reference to the position of the city of Calgary, which is the owner of ENMAX, with respect to . . . [interjection] Yes, it is conspicuously silent.

Chairman's Ruling
Relevance

THE DEPUTY CHAIRMAN: Hon. member, I would just like to remind you and all members of committee that we are dealing with the amendment as brought forward by the hon. minister. I would like us to talk on the sections within the amendment.

Debate Continued

DR. PANNU: Thank you, Madam Chairman. The minister, of course, you know with these amendments that he brought in, clearly tried to relate them to the concerns that were expressed to him, and it's only in the context of his remarks that I'm submitting to you, very respectfully, my comments on the amendments.

These amendments fall clearly short, very short, of what's wrong with this bill. I will have to say, in light of the information that has been received by the minister and by this government from power generators, companies such as Atco, the concerns that have been expressed very clearly and articulately by the city of Calgary, by the AUMA, that the minister's amendments fall seriously short of addressing those concerns. Consequently, I would have to distance myself from the bill and from cheering the amendments that the minister is making, the minister of course, having made these amendments, assuming that the bill now is ready to go ahead.

I respectfully submit to the minister that that is not the case. Just listen to the ordinary citizens of this province. Listen to residential homeowner users of the power and their representatives. I did attend the AUMA's last meeting in Banff, and there were hundreds and hundreds of representatives of different municipalities there. Please listen to them. Don't proceed unless you have satisfied their concerns.

I will close with that. Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you very much, Madam Chairman. It's been instructive. We've heard the opening comments of the Minister of Energy. We've heard observations from two opposition members. Just to put this in context, what I have in front of me and what I'm speaking to is amendment A1, which is the one page described by the Minister of Energy earlier. Also I find on my desk this document titled: glossary of terms. The glossary of terms is 11 pages long, identifies 86 different terms.

Now, Madam Chairman, I took it that the minister was being helpful in terms of providing supplementary information to help those of us who have no particular expertise or background in terms of electrical energy production. That was thoughtful, and I appreciate that courtesy on the part of the minister. Now, one of the difficulties I have – I'm hopeful the minister can clarify this – as I go through the 86-odd terms in the 11-page glossary is there's a host of terms in there which on my quick perusal do not appear anywhere in A1. What's more, many of them don't even appear in Bill 27. So I hope the minister can . . .

THE DEPUTY CHAIRMAN: Hon. minister, on a point of order.

DR. WEST: Well, on a clarification of the documents sent to the table. If he wants to put relevance to Bill 27 on that, this is a general glossary of the electrical industry and terms used over the last 10, 50, 100 years and ones developed today. I mean, you're not going to take that glossary and absolutely apply it against Bill 27, because you won't find those terms. It was an aid to help. On how many other pieces of legislation does a minister bring in here and lay down that type of information to bring you up to speed on certain elements? So I think that the argument for a point of clarification is redundant.

THE DEPUTY CHAIRMAN: The chair certainly recognizes that point of clarification. There's no correlation between the two documents, hon. member. One was for your information and reference only and was tabled.

MR. DICKSON: Okay. That's fine.

DR. WEST: Then give it back.

MR. DICKSON: The minister obviously misapprehends. I'm simply trying to understand if in fact there was some direct connection. I started off by acknowledging and appreciating that the minister had shared the information.

DR. WEST: I won't make that mistake again. I won't give you information to try to help you out.

THE DEPUTY CHAIRMAN: Now, let's get back onto the amendment before us, which is A1. Let's stick to the sections within that amendment, please.

On the amendment, please, Calgary-Buffalo.

MR. DICKSON: Madam Chairman, thanks very much. If the

Minister of Energy will keep his shirt on, I'm happy to move on to explore the amendments that I've got in front of me.

THE DEPUTY CHAIRMAN: On A1, Calgary-Buffalo. It's only 10 to 9; let's keep it on an even keel here.

MR. DICKSON: Madam Chairman, I want to assure that I'm not attempting to be provocative. I said I have some questions to ask, and I'm prepared to ask . . . [interjections]

THE DEPUTY CHAIRMAN: Hon. members, Calgary-Buffalo has the floor. Those of you that are interjecting, if you want to get on the speakers' list after he's done, I'd be glad to recognize you.

Let us continue on amendment A1.

8:50

MR. DICKSON: Madam Chairman, if there's any advantage in appearing hapless, it is the goodwill of members opposite that are anxious to help a fellow out in terms of trying to understand a complicated bill and an interesting set of amendments.

Now, I want to get directly to the issue that gives me some particular concern, and it's this. I'm an MLA from the city of Calgary. I respect the role of a mayor and a popularly elected council. I've had a great deal of information from the city of Calgary relative to Bill 27. The minister has put in front of us a set of amendments. So the very first question, the simplest question I've got, is that I did not hear the minister indicate that these amendments had been vetted through the municipal corporation of the city of Calgary, the experts. The city of Calgary has a considerable expertise, a number of people involved in this area with economics backgrounds. It is curious to me that the minister, in putting forward and promoting the amendment, didn't indicate that one of the two largest and fastest growing cities in the province was not onside with the set of amendments. I look at the A1 amendment, and it looks like it ought to be salutary. It looks like it is an attempt to address the concern that had been initially communicated to me by the city of Calgary.

I see that the chairman of the Calgary Conservative caucus is in the room, and I'm wondering, Madam Chairman, if either the Member for Calgary-Mountain View or the Minister of Energy can stand in their places in the Assembly this evening and affirm that the amendment package that is described as amendment A1 in fact has met with approval by the municipal corporation of the city of Calgary. I'd sit down for a moment looking for that direction from the chairman of the government caucus. I didn't hear that from the minister, and I thought that perhaps the Member for Calgary-Mountain View might have that information in preparation.

MR. HLADY: What are you asking for?

MR. DICKSON: My question, Madam Chairman, was that I'm looking for some verification that the city of Calgary (a) has seen amendment A1 and (b) has communicated either to the minister or to the chairman of the Calgary Conservative caucus that city council has no difficulty, that this set of amendments addresses the concerns that were raised by Mayor Al Duerr in that letter that I tabled in the House I think a couple of weeks ago. It was the letter dated March 9, 1998, by the mayor of the city of Calgary addressed to the Minister of Energy. So if I could get that clarification. It may not have happened, and that's fine. I'd like that information. If it has, I can save the Assembly a whole lot of torturous commentary. So I'd take my seat for a moment and encourage the member to address that.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Mountain View.

MR. HLADY: Well, thank you, Madam Chairman. To the Member for Calgary-Buffalo. I'm not sure what the exact position is of the minister. However, I know he has been discussing things with the mayor as well as with the commissioners of the city of Calgary. A lot of the issues that are here are to address the concerns. They may not address the concerns completely as to what they are asking for. However, the goal of the minister is to do what's best for the consumers of Calgary as well as the rest of the province. That is the goal of the amendments as well as of the act itself, so that's what he's trying to do.

MR. DICKSON: Madam Chairman, I'd like to thank the Member for Calgary-Mountain View for the explanation. That is helpful, and I appreciate his response. But I have to report that to do my job as a Calgary MLA, I was looking for something more specific in terms of the response of the city of Calgary. Since the Minister of Energy has chosen not to respond directly, I have to assume that's the best information we have, that which has just been put forward.

The Minister of Energy looks like he's not about to jump to his feet, so we'll move on. Madam Chairman, I just can't resist. My favourite game, when my daughter was little, at Chuck E Cheese was where the gopher keeps on poking his head out and you have to sort of wallop it over the head. The Minister of Energy bops around, you see, from desk to desk, and it's a little hard to monitor and determine exactly where he's sitting at any given time. Anyway, I'll put my mallet down and move on.

In any event, Madam Chairman, the point I was attempting to make was that the part about replacing "the Provincial Treasurer" and substituting "the balancing pool" strikes me as being very hopeful. Now, to make sense of that, though, what I wanted to do as an energy novice was go back and understand better the balancing pool and how that's governed. So what I did was I looked at the glossary of terms which the minister has given us and looked at the description of the balancing pool. It's an account administered by the power pool of Alberta. I then looked in the Electric Utilities Act, and I see section 7 there describes the power pool and the Power Pool Council. This is specifically to understand who manages the balancing pool, which is referenced in subsection (a) in the amendment. What I find interesting is that what the minister is representing is that by the amount going into the balancing pool rather than to the Provincial Treasurer, that would achieve the goal of returning 100 percent of the return to Albertans, which is the goal.

I see that in the Electric Utilities Act, chapter E-5.5, there is a purpose section, which is section 6. I notice that section 6(a)(i) talks about a purpose of the act being to share the benefits produced by regulated generating units, that they're "shared by all consumers of electricity in Alberta," which is positive. But then I go back and I see what will happen if amendment A1 passes. If it passes and it becomes part of Bill 27, the funds that formerly went to the Provincial Treasurer and go to the balancing pool are subject to the exclusive control of the Power Pool Council.

Under Bill 27 the Power Pool Council in fact is no longer going to be made up of representation by the different municipalities that formerly under the Electric Utilities Act held the hammer, if you

will, and had the decision in terms of managing these funds in the balancing pool. Now what's happened in effect is that the decisions will be made – if I can find the provision in the act as I relate amendment A1 to Bill 27. What then happens is we now have a Power Pool Council – the old section is gone – and the Power Pool Council is made up of people appointed exclusively by the Minister of Energy. It's not appointed by municipalities.

So if the city of Calgary, for example – and I don't want to be excessively parochial, but the city of Calgary is one of the municipalities that had major concerns with it – were to take comfort, which is what the Minister of Energy suggests, from the balancing pool, what we then see is the balancing pool is not going to have the representation that it had before. You see, before the city of Calgary and the city of Edmonton, the city of Lethbridge, the city of Red Deer and their designates effectively made those decisions. They comprised the Power Pool Council. Now what's happened is that the balancing pool is going to be subject to a Power Pool Council, and the Power Pool Council is going to be comprised of those members appointed by the minister.

9:00

The interesting provision there is that members of the Power Pool Council expressly can no longer be delegates from the city of Edmonton, the city of Calgary, the city of Lethbridge, the city of Medicine Hat, the city of Red Deer, and so on. You have people who are simply appointed by the minister. On what basis? Well, they'd be appointed as people who, in the opinion of the minister, will enhance the performance of the Power Pool Council and are independent of persons having a material interest in the Alberta electric industry.

[Mr. Shariff in the chair]

So I have that initial reaction that the amendment to go to the balancing pool gets us part of the way, addresses part of the concern, I think, identified by Mayor Duerr and Calgary city council, but it doesn't completely wrest control, if you will, away from the cabinet. What we find, Mr. Chairman, is that there's still a huge role for this province to play in – I don't want to use the word manipulation because that may be provocative to the Minister of Energy, and I don't mean it in that way. There is the potential that all of those benefits of deregulation are not going to meet the section 6 test of the Electric Utilities Act. So that's another concern I have with respect to the amendment.

You've got the Lieutenant Governor in Council that's going to make all of these calculations provided for in the amendment in the new section 20(2), which effectively manages both what goes into the pool and what's going to be paid out. All of that control is consolidated in the cabinet. So you've got the Power Pool Council over here, which has moved from being representative and in some senses accountable to local government and now is quite directly controlled by the minister. They're the ones that determine the input and the output of the balancing pool, and it just strikes me that there are some significant control issues around that. I daresay, Mr. Chairman, even if Calgary city council, for example, said that they were comfortable with that, I'd still express some reservation and some hesitancy around the arrogation of that kind of power to the minister. So I have that particular concern.

In terms of section 42(a) – that's the B part, because I've been speaking about the A part to the amendment – if one looks at 42(a) and the provision 2.2(3)(c), common ownership of all of the components of the industrial operations, it seems to me that we're removing an element of control. I need some explanation from the minister on that. What we've got currently in Bill 27 is that the board under the Hydro and Electric Energy Act has certain responsibilities, and it has responsibilities now in terms of the electric system and the industrial operations. As a consequence of amendment B they no longer have to be satisfied of this criterium: "there is a common ownership of all of the components of the electric system and the industrial operations." Now, presumably that is in furtherance of the deregulation, but the explanation from the minister, as I understood it, didn't make complete sense, and I saw some questions around that.

I think my most significant concern is determining whether we've had the full benefit of the kind of input that I suggest is essential, the input from the city of Calgary, from the municipal corporations, from the city of Edmonton for the reasons mentioned by the Member for Edmonton-Strathcona. In matters of this importance I don't necessarily take representation from the mayor or an individual council member as a representation from the municipal corporation. The minister may be prepared to march down a path without the full support of both major municipal corporations in the province, but surely that would be a high-risk strategy and not one that responsible Members of the Legislative Assembly would condone or be complicit in. So I have that concern.

I have some other concerns. I think there's been a lot of mention made in terms of the problems we've seen in New Zealand, and in fact it's interesting that Mr. Southern, who would hardly be regarded as a flaming socialist in any context, had this to say in his letter of March 13, 1998:

> Governments that have deregulated electricity . . . are now finding that plain deregulation is not enough.
>
> Markets need clear and firmly enforced rules to work properly – in other words – more market often requires better – not merely fewer rules.

I think it's essential, because of what's being discussed here, that we make absolutely certain that we have it right in this bill, rather than rushing into a new regime that is going to have an enormous impact on our municipal corporations and ultimately on consumers and taxpayers.

You know, I'm trying to contrast what happened here with the position taken on another bill the other day. We were dealing with Bill 210, and I heard people say that we can't legislate privacy in the private sector because there's some other activity happening. It requires more study; it requires more consideration. Yet here we have a brand-new energy regime that's going to be created for Alberta, at least furthered in the province of Alberta, with a multibillion dollar impact on the province, on the cities and communities of Alberta, an enormous impact on taxpayers, ratepayers, citizens. Here we are already at the committee stage of this bill introduced only a relatively short time ago and amendments coming in, and the minister in his usual efficient style is anxious for a quick vote and that we move on. It just strikes me, Mr. Chairman, that that's not satisfactory, and those questions I've raised and that I've heard from other members raised I think do warrant an answer. They warrant an answer before we move on a whole lot further.

So those are the points I wanted to make. I know that there are some other members who have indicated to me privately that they also had some questions that they wanted to raise, so I want to afford those members a reasonable chance to do that this evening.

Thanks very much, Mr. Chairman.

THE ACTING CHAIRMAN: The hon. Minister of Justice and Attorney General.

MR. HAVELOCK: Thanks, Mr. Chairman. I move that we adjourn debate on Bill 27.

THE ACTING CHAIRMAN: The hon. Minister of Justice and Attorney General has moved that we adjourn debate on the amendment to Bill 27. All those who agree, please say aye.

SOME HON. MEMBERS: Aye.

THE ACTING CHAIRMAN: Nay?

SOME HON. MEMBERS: Nay.

THE ACTING CHAIRMAN: Carried.

9:10 **Bill 19**
Protection against Family Violence Act

SOME HON. MEMBERS: Question.

THE ACTING CHAIRMAN: The question has been called. [interjection] You'll have to give us a few minutes here, please. The question has been called on amendment A5 to Bill 19 introduced by the hon. Member for Edmonton-Centre, that Bill 19 be amended in section 1(d)(iii) as follows: (a) by striking out "or" before "adoption" and substituting ","; (b) by adding "or guardianship order under the Domestic Relations Act" after "adoption."

[Motion on amendment A5 lost]

MRS. BURGENER: Mr. Chairman, I would like at this time to table an amendment to Bill 19, and I have copies here to be circulated. Perhaps while these are being circulated – for the benefit of the Assembly this is to deal with the issue that we just defeated in language that better reflects the need to protect under our act certain persons whose relationship is recognized because of a court order. So this would be for people who have a guardianship relationship. So I'll wait while the motion is circulated.

THE ACTING CHAIRMAN: The amendment being circulated will be amendment A6.

MRS. BURGENER: Colleagues, if you refer to the legislation, on page 2, under section 1(d), when we're dealing with family members under this act, after subclause (iv) we are going to look at language that amends the act to include:

> (v) persons who reside together where one of the persons has care and custody over the other pursuant to an order of the court.

This is to cover, under language that is more suitable, the issue that was raised by the Member for Edmonton-Centre.

I'll just wait while they finish circulating the amendment.

THE ACTING CHAIRMAN: Has everyone received a copy of the amendment?

HON. MEMBERS: Yes.

THE ACTING CHAIRMAN: The hon. Member for Calgary-Currie.

MRS. BURGENER: Thank you, Mr. Chairman. I don't believe there's a need for much more discussion about this. It was introduced by the hon. member in our previous discussion. We're just clarifying the language in this amendment.

[Motion on amendment A6 carried]

MRS. BURGENER: I call the question on Bill 19 in committee.

[The clauses of Bill 19 as amended agreed to]

[Title and preamble agreed to]

THE ACTING CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed. Carried.

Bill 23
Railway Act

THE ACTING CHAIRMAN: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Chairman. I spoke at second reading to the Railway Act, and I understand that most of it is just getting in line with the federal government. However, there is one clause in the bill, and I'm just getting it here. We thought we were back at 27. However we're back at 23, which is just fine.

I want to say again that I appreciate the fact that the minister of transportation took the time to brief us and to let us know what happened. That shouldn't preclude any debate in here though. So I do appreciate this opportunity.

I'd like all members to take a look at clause 56(1). It says:

> The Lieutenant Government in Council may make regulations for any matter that the Minister considers is not provided for or is insufficiently provided for in this Act.

[Mrs. Gordon in the chair]

Now, that to me is just too broad a statement. It gives the minister far more powers than I'm sure he wants or that I'm sure he needs. So I have an amendment to that clause, which of course has been approved by Parliamentary Counsel, and I will give the pages a minute to pass these around.

THE DEPUTY CHAIRMAN: We will refer to this as amendment A1, hon. member.

MRS. SOETAERT: Amendment A1. Thank you.

I had told the sponsor of the bill that I was very concerned about this section, and I was hoping that he would work with the department to possibly bring in his own amendments that would at least narrow the scope of the powers of the Lieutenant Governor in Council.

I'm assuming most people have it. It's actually a very straightforward amendment. It virtually strikes out section 56.

Now, if the minister really feels it's important that he has certain powers that are outside the act, then I would venture to say that maybe he could have a very specific amendment to that. For example, he could say: in cases of a disaster, a provincial flood or something like that, tornados or earthquakes.

9:20

MR. WHITE: Or a Tory election win.

MRS. SOETAERT: That'd be a disaster.

Madam Chairman, I'm just very concerned that if we allow this bill to go through with this section 56 the way it is, I will have some grave concerns. I think this is too, too much of a responsibility for the minister even. I know he will have a chance to have a look at it now. I appreciate the fact that all members can see that section 56 gives far too many powers. If we want to talk about regulations, maybe we should make some specific references in the bill, because I have some grave concerns about it.

I see the minister of environment shaking his head no. [interjections] Well, I did hear the Minister of Energy repeating something four times tonight in the hopes that everyone would listen. I thought that was maybe a good teaching technique. Maybe in a past life he was a teacher. So I've repeated this four times for the minister of environment because we don't want the power to go to his head. And you know what? He might have been a good student, because he's the only one who really paid attention, Madam Chairman.

I have grave concerns. I am urging all members of this Assembly to support this amendment. I'm hoping the minister of transportation has a chance to look at it and that he knows our concerns about it. If he still wants section 56 in, he could narrow that scope. Because when you think of it, that is not provided for in the act. Does that affect, then, everything? Could we be talking about health care, education, seniors? It's just too broad a statement. The minister, I know, is shaking his head: no, no, of course not; don't be silly. But it's there in black and white.

Maybe somebody from that side of the House would like to explain or justify why section 56 is still in and there's no amendment. I did ask the sponsor of this bill to clarify that, to possibly bring forward an amendment, and I don't see it here. So ever the resourceful group that we are, we are always helping the government out and providing them with some help with this amendment. We are making them a better government. Sometimes it's an uphill battle. In fact, it's often an uphill battle, Madam Chairman. But on this amendment we're making you a better government if you take the amendment. On behalf of Her Majesty's Loyal Opposition we are making the government better with this amendment.

Madam Chairman, I think there are a few people with probably even a better argument than I have on this. So I will give over the floor, of course, to your power to deem that as you wish.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Minister of Transportation and Utilities.

MR. PASZKOWSKI: Thank you, Madam Chairman. I'll try and stick to the amendment of course. Section 56 is really an interim measure, is what it is. Quite frankly, we're pioneering the administration of railroad acts as far as provinces are concerned. We don't know what the issues are going to be, and when it comes time to deal with issues, if indeed we're going to legislate them as is suggested, that becomes very cumbersome. There may be times and there may be needs where we have to be flexible and we have to move very rapidly to make adjustments to keep in tune with the times. It's critical that we have the flexibility. Indeed, the House is only sitting three or four months of the year at best. If a situation arises, something has to be dealt with. We have to have that flexibility to be able to manoeuvre and cover the needs without reconvening the entire House.

Without section 56 we obviously wouldn't be able to continue to be flexible. Section 56 is not unique. We have all kinds of legislation that's in place now that has that type of process in place. With section 56, of course, we're also placing a sunset. After three years, as we establish the process, we'll be able to sunset section 56 as well. So it's not something that's there permanently. It's there as something to cover the interim needs that may come forward.

We have to have the ability to manoeuvre, and we have to have the ability to cover the needs in an immediate manner. So without section 56 it would become really impossible to deal with issues of an immediate nature that may come forward. So I would urge the House to pose . . .

AN HON. MEMBER: Give us an example.

MR. PASZKOWSKI: Well, you want examples. We've got section 72 in the Electric Utilities Act, 609 in the Municipal Government Act, 35 in the Alberta Housing Act, 160 in the Local Authorities Election Act. These are all areas where we've incorporated the flexibility and then sunsetted the process, and that's all we're asking for here.

MR. DICKSON: Madam Chairman, I appreciate the explanation offered by the minister of transportation, but I remember speaking with the Member for Fort McMurray, who had been the sponsor of the bill, immediately after it first was debated at second reading. I pointed out the concern to him. I thought he acknowledged that section 56(1) was excessively broad. My comment to him was: we have never had a problem with reasonable regulations for exactly that reason: you need flexibility. The Legislature doesn't sit 12 months of the year, 365 days. There has to be discretion for ministers to be able to do the administrative kinds of things to make the act work.

My expectation had been, hon. minister of transportation through the chair, that the government was going to come back with an amendment to narrow this to allow the Crown to do exactly what the minister of transportation indicates has to be done.

The reason I support this amendment – people will know that when you have pets running out the back door, often what people do is in their back screen door they get that little thing installed so the pet can run in and out the door without having to open the door each time. What's happened here with section 56(1) is that instead of installing that little panel for the pet to run in and out, we've taken off the whole wall of the house. Section 56(1), if we just look at the wording, says:

> The Lieutenant Governor in Council may make regulations for any matter that the Minister considers is not provided for or is insufficiently provided for in this Act.

It doesn't say that it's consistent with the purpose of the act. It doesn't say having to do with railways. It doesn't particularize in any way.

I looked at the regulations section in another part of the act that listed something like 26 different elements. If you look at, for example, section 30, "the Minister may make regulations," we go

through from (a) to (y) offering up hugely expanded powers for the minister to be able to make regulations. But 56(1) jumps off the page because it's so audacious, it is so incredibly broad, one that brooks no limitation other than the minister considering it's not provided for. Well, to simply make the point, not because I'm suggesting that government would do this, if they decide that they were going to make a regulation dealing with property within a thousand metres of a rail line and that there could be no buildings painted white or painted yellow within a thousand metres of the rail line, there is nothing in section 56 that would stop the minister from doing that.

You know, we can think of ludicrous examples, but the point is just that surely we see all the time amendments that come in where there's some context, some parameters. It's clear that you can't expand the scope of an act by order in council, but with 56(1) we can throw out the act. Instead of the minister having to come back into the House and say, "We've discovered an area where we have to legislate further," now what happens is the minister would never, ever have to come back into the Legislature, could pass regulations to change this act. All the minister would have to say is: "This is something insufficiently provided for. We're taking out section 2. We've decided it's insufficiently provided for. It's gone, and we're going to substitute something entirely different. We do it by order in council." It's the most preposterous proposition that I can imagine. I don't think government wants that power. I think all government wants . . .

MR. PASZKOWSKI: Three years, Gary.

9:30

MR. DICKSON: I take the point. The minister reminds me it's a three-year limitation. There's a sunset, and there's a measure of comfort to be taken from that, absolutely. But for three years, for 36 months, we have this huge power.

My concern, Madam Chairman, is if we were to roll over on this amendment, if we were to say: "Okay. Because we have confidence in the minister of transportation, because he's a solid fellow, we'll support this amendment. We'll leave the section in because we know that he won't abuse it and that he won't abuse it, you know, within the three years." But if this minister is changed in the cabinet shuffle that we expect is going to happen immediately after the spring session, we may have another minister coming in to take his position that we may not have the same degree of confidence in. We may have that minister that wants to make sure that every house within a thousand metres of a rail line is painted only yellow or that there can't be any livestock within 2,000 metres of a rail line, those kinds of things. If government says they have no intention of doing that, then I say surely we can get Legislative Counsel to draft an appropriate amendment. If it were fair, I'd ask Parliamentary Counsel to give us an opinion on this right now on the record, but I wouldn't do that, because that's unfair.

Madam Chairman, we really could benefit by having somebody come in and tell us what it does to parliamentary democracy to allow the Lieutenant Governor in Council to be able to expand, contract, change a statute without anything more than an order in council and the law has been changed and the jurisdiction of the act has been expanded.

The other thing that's missing from Bill 23 is there's no purpose clause. So when the minister or the Lieutenant Governor in Council decides that something is not provided, what possible check is there on expanding the scope of the act? What would stop the minister from talking about something that has nothing to do with railways but because they happen to be close to railways? We may have a rule that says you can't have any pet armadillos within 2,000 metres of a rail line. I don't know how many Albertans have pet armadillos, Madam Chairman, but for those that do, they effectively would be absolutely barred from having their pet armadillo within 2,000 metres of a rail line. I don't think that was the intention, and that probably contravenes at least three statutes of the province.

I'm being facetious, Madam Chairman, and I know that the Minister of Education's always offended by a facetious remark in this House. So I want to come back and just say, again, Mr. Minister, we understand I think the flexibility you want to have. Hopefully you understand that we're not anxious to deny you the flexibility, but when you come and put forward as broad a regulation power as section 56(1), even for three years, we just can't accept it.

I think there's a lot of good remedial work in this bill. I think the bill deserves to be passed, but as long as this regulation provision is in there, even for three years, if this passes and one of your colleagues comes back in a year and wants this sort of thing in a different bill, does this become the new model? I mean, we can just turn the lights off not for 10 months of the year or nine months of the year but for 12 months of the year. There's absolutely no point in coming back. We can put one of these provisions in every bill, and that will be the last act of this Legislative Assembly. That's not what Albertans expect us to do. We already know we don't have very much input in a public way into regulations, but to take away the limited kind of input we have in public bills is, as I say, breathtaking.

I've been an MLA five years, and I'm always amazed at the bold steps government will take to expand their power. But section 56(1), I think, is unprecedented. We've objected in the past to far more modest regulations. I've stood, Mr. Minister, and I've raised the same concern with regulations since I became an MLA five years ago, and I've tried to do that as consistently as I could. I take the same position now. We simply have to take this section and modify it. I thought that's what the Member for Fort McMurray had undertaken to do. We're prepared to work with the minister to fashion an amendment that gives him the power, gives the government the power to do what they want to do, but this amendment is just way too broad. It's way too broad. It's simply a question of challenging Legislative Counsel to come up with an amendment that gets the thing done.

Let me just ask the minister now. You've heard my concerns relative to this thing. All I'm asking is for the minister to undertake that he'll have section 56 redrawn so that you can't expand the scope of the bill. [interjections] Well, okay. If we look at a continuum, and on one end the Legislature sits all the time and regulates everything, micromanages everything from the Assembly. That's at one end of the spectrum, and we'd say that's extreme and it's unreasonable and it's unworkable. If we go to the other end of the continuum where the government can virtually expand the scope of an act, can do whatever, I think we'd also say that's unacceptable. My point, Mr. Minister, however imperfectly I'm expressing it, is that section 56(1) is right out there at the very end of the continuum. At the very end of the continuum. I think all we want to see is that we bring it back to some middle balance. We're not being obstructionist. [interjections]

I think the minister has got some contribution to offer to the debate, so I'll sit down and allow the minister an opportunity to speak, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Minister of Transportation and Utilities.

MR. PASZKOWSKI: Thank you. What we had done and the reason the bill hasn't returned for two weeks is we have gone back to the various stakeholders, which include the municipalities, both the rural and the urban municipal associations. We've gone back to all the stakeholders and basically discussed this particular element. They have all concurred with the process the way we're doing it. We've committed to them that indeed as we draft the regulations and before we pass the regulations, we will be involved in discussions with them so that there are no surprises and there are no rude awakenings, as it was put.

We don't plan on doing something that Albertans don't want. That's not the intention. But we do have to be able to deal with the flexibility and the urgency of situations that may come forward that we don't have to reconvene the House for. This isn't new. This is something that's fairly consistent with other pieces of legislation, and the hon. member has been part of these pieces of legislation as they've been drafted and come forward. We're breaking new ground here, and to set principles in a firm, embedded process would really stymie the process and really could hurt the process. That's not really what the intentions are.

We have committed to the municipal organizations that we will consult with them as we move the regulations forward, and that is a firm commitment. That's our intention: to move ahead. Again, we can't stymie the process when indeed we need immediate changes and we're not in a position to do that. That's the purpose behind this. We have a whole litany of acts where we've done this before. We have made the commitment that we're going to sunset the process, and I think the time is the proper time. Within three years we should be able to recognize what the needs are and what they're not. We should be able to have the regulations in place, and quite frankly, Albertans agree with the process. The only opposition we're having is from across the way.

9:40

MR. DICKSON: Madam Chairman, I appreciate the clarification from the minister, but we're still way out at one end of the continuum.

MR. PASZKOWSKI: Everyone else is happy.

MR. DICKSON: Well, the minister says that everyone else is happy. It may be that there are a lot of stakeholders happy, but at some point we have a public responsibility here. You haven't surveyed 3 million Albertans to find out if this is the kind of power they want to give the provincial government. [interjection] Well, I represent 35,000 Albertans, Mr. Minister. My colleagues represent 34,000, 36,000, 37,000 Albertans. They have an interest too.

What happens is this. The government is entrusted to bring in legislation to move the province forward, to address its issues. We're expected to challenge the government to make sure they don't go further, that they don't take more licence than they ought to, that they don't abuse power. I mean, that's part of our responsibility. This is how simple it is to remedy, Mr. Minister. All you have to do is take section 56 and change this – if you had a purpose clause, it would be easier – to say "may make regulations for any matter for furtherance of the purposes of the bill" or to say "make regulations for any matter the minister considers is not provided for to achieve the aims of the bill," something like that that gives a context to it. The minister insists he doesn't want to be even fettered to that extent, and that continues to leave us smack out on the end of the continuum.

The minister talks about consistency, and I say to him that I've been concerned about the way we manage regulations in this province for over five years. If he wants to see the list, I'll go through them and show him the number of times I've raised my concern about regulation-making in the province, if he hasn't seen our standard amendment on Law and Regulations. The reason for that, Mr. Minister, is not to be obstructionist, not to antagonize members of cabinet, but simply because in this province the public interest isn't well served by the way we make regulations.

We might even feel more comfortable with this if in this jurisdiction the Standing Committee on Law and Regulations was ever charged to review a regulation. We have the committee. It sat there for more than a decade, has never been charged with any regulations to look at. We've seen a host of regulations. I think of the LPN regulation. That was controversial. We've seen FOIP regulations that have been controversial. We've seen a host of other amendments that have come in. Part of the problem has been that there's inadequate public consultation, public input.

I started off saying that when all we wanted to do was build that little flap in the door so the pet can get in and out, the minister has gone and taken off the whole wall of the house. He's, I guess, suggested that maybe we'll put up a piece of plastic to keep the cold wind out, but the reality is that we've taken off the whole side of the house. For the minister to say: well, we've got some other acts that give very broad subordinate lawmaking power – I guess, I have to say that we take these bills on their own. This is the very reason why we have to make a stand now, because the minister is going to turn around and he's going try and leverage this and say: "This is a precedent. This is fine. We can now allow secret orders in council to expand the scope of our legislation."

The Minister of Environmental Protection already makes probably more regulations than any other one of his colleagues. What's going to happen is that that particular minister following this sort of precedent – I mean, we can throw out the environmental protection act. We don't need it anymore. The minister simply decides what the law's going to be, issues another secret regulation, and away we go.

MR. LUND: Debby won't allow it. Debby would stop it.

MR. DICKSON: Madam Chairman, that's exactly the point. This government likes to think nothing stops them.

Well, to some members this may be water torture. This may be only a small grain of sand put in the face of this enormous three tonne steamroller coming down the road. [interjection] Thirty tonnes. My friend, the engineer in our caucus, tells me these things are 30 tonnes.

This may only be one small grain of sand. Maybe there'll be a few other grains of sand. Maybe after a while we'll start building a little hill in the middle of the road. But I've got lots of patience, and over the next three years I'm going to be happy to keep on trying to make that little sandpile in the middle of the road a little higher and a little broader. At some point, we're going to stop that steamroller from coming down the road. It's simply going to have to find a different . . .

Madam Chairman, I see you frowning, and I'll bet that's because you're concerned that I'm straying from the amendment.

I know that there are people in Lacombe, Alberta, that probably

say candidly to the chair of this committee that they like the job she's doing, because she's a fine MLA. They may really like the job the government is doing, because they think the government's doing a fine job. But I challenge those people in Edson and Hinton and those people in Lacombe. You know, they also are smart enough to know that power corrupts. Lord Acton was absolutely right about power corrupting, that "absolute power corrupts absolutely."

This is such a modest change we're asking for, this little speck of sand that we're putting in front of the steamroller. You would think that just out of a spirit of compassion the government would say: "We can make a minor amendment to section 56(1). We can make this problem go away." The Minister of Justice, the top law guy in the province, can offer some advice to the minister. He can tell us how easy it would be to change section 56(1) to make it possible to pass muster. Parliamentary Counsel could draft that amendment in a flash. We could do it tonight, and I'd be encouraging my colleague to withdraw the amendment so we can move on this other one. It would be that simple.

Madam Chairman, I may have overstayed my welcome. I expect that some other members have some interesting observations as well, but let's just keep remembering that the armadillos of Alberta are at risk. We have a chance to protect them right now.

9:50

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Norwood on the amendment?

MS OLSEN: Absolutely on the amendment.

Well, I have to agree with my colleague from Calgary-Buffalo. I do have concerns when we, you know, start to have government by regulation. I don't think a government needs to achieve its goals through this process, and I am concerned. I think this particular section is far too broad.

Yes, indeed it does have a sunset clause. However, one of the other things that the minister of transportation might consider is encouraging the Minister of Justice to have the Law and Regulations Committee meet. If the Law and Regulations Committee would meet, it may be helpful to us to be a part of that. As we are the opposition and we are the critics, it would be helpful for us to understand exactly what the government is indeed doing.

I have to quote former Premier Lougheed. This to me speaks to this particular section of this bill. He said that this system, this Legislature is one of the most democratic actions that we know today in the modern world. There are a lot of places that do not have this type of system. It's great to be here, and it's great to be able to discuss bills, but it concerns me when we consistently see . . .

THE DEPUTY CHAIRMAN: Hon. member . . . .

MS OLSEN: I'm speaking to the amendment.

THE DEPUTY CHAIRMAN: Hon. Minister of Justice, do you mind sitting down beside the hon. member.

Thank you.

MS OLSEN: Thank you. This hon. Minister of Justice has, you know, caused me problems again.

I think we have to come back to the middle ground. There has to be a balance between the ability to be flexible, the ability to have the minister able to make some decisions through regulation at some points. But let's look back to section 30. We already look at the regulations that are here. I find it kind of interesting that we would need a very broad section to cover more regulations. This is kind of an outrageous and sneaky way for the government to deal with issues that may come up and that the minister thinks he needs to deal with through regulation. This virtually cuts out the MLAs. We're here to represent all of our constituents, and that would be those municipalities as well, those constituencies. We don't need to be cut out of the process.

This section would also allow the minister to make regulations for issues or items that aren't even in this bill and that are not covered by this act. So that creates a problem.

You know, the minister has talked about getting support from other groups in the province, and I understand that he probably has spoken to other agencies and other municipalities and discussed that, but I'm not so sure that they actually understand sometimes what regulations can actually be enacted without discussion. I would really promote the whole notion of the Law and Regulations Committee meeting so that we can be a part of the potential recommendations the minister might make. This government already has a bit of a tendency to govern by direct democracy or govern by plebiscite, govern by commission, govern by summit, govern by regulation, all those kinds of things. So I think that we need to take heed of the way things are going.

Let's not forget Bill 57 that was introduced in the Legislature not so long ago. I think that was 1995. So I take heed from that particular time, and now I reflect back on that particular bill and I look at this one and I wonder: is this the daughter of that bill?

MRS. SOETAERT: That's the son.

MS OLSEN: Son, daughter. Either way there's the ability to make law without coming into this Legislature, not merely to pass regulations associated to this bill but to go well beyond that. That concerns me because this Legislature is representative of all people, all Albertans, all different agencies and municipalities. So I think that the whole issue of not considering amending this and striking section 56 and bringing in something that would be somewhat more restrictive would be an error.

Certainly the hon. minister spoke about regulations and the opposition participating in legislation that has a lot of regulations. Well, I would consider this one step too far. This is stepping into a huge mud hole, and I think that the minister might find himself sinking to the bottom if he did this. That would be a real tough thing. He's a pretty good minister, and I wouldn't want to see that happen.

Given that, I think I have made my point. I understand that he's talked to the various stakeholders, that he's committed to discussing the regulations and meeting with them when they're drafted. I wonder if he's committed to meeting with us when they're drafted, meeting with the opposition and giving us an opportunity to deal with potential regulations.

I don't agree with government by regulation, I don't agree with bypassing the Legislative Assembly, and I don't agree with a bill that has a regulatory section that is so broad that the minister can enact regulations that have nothing to do with this bill.

With that I'll take my seat.

THE DEPUTY CHAIRMAN: The hon. Minister of Justice.

MR. HAVELOCK: Yes. I move that we adjourn debate on Bill 23 and report progress when the committee rises and reports.

THE DEPUTY CHAIRMAN: Having heard the motion by the

Minister of Justice that we now adjourn debate on Bill 23 and subsequently report progress when the committee rises, are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Bill 29
Students' Financial Assistance Statutes Amendment Act, 1998

THE DEPUTY CHAIRMAN: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you, Madam Chairman. First of all I'd like to propose two amendments to Bill 29, the Students' Financial Assistance Statutes Amendment Act, 1998. The amendments to sections 2(6) and 2(9) – and I believe they will be handed out here in a moment – actually just correct an oversight. The current limitation period for starting a legal action to recover a student loan debt is six years. Bill 29 retains the six-year limitation period, as was discussed in second reading. The amendment to section 2(6) corrects an oversight in Bill 29 and ensures that the six-year limitation period also applies to student loan claims which may be affected by the transitional provisions of the Limitations Act. The amendment to section 2(9) ensures that the amendment will become law on the date that the transitional provision in the new Limitations Act becomes law.

Madam Chairman, I will leave the amendment with the Assembly, and I look forward to their comments and discussion on this amendment.

10:00

THE DEPUTY CHAIRMAN: Thank you. We will call this amendment A1.

The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Madam Chairman. I had a glimpse of the amendment, and I know it's going around. I appreciate the fact that the member came over and discussed the fact that it is merely including an amendment that was made in '97 and that was forgotten to be included in the '98 amendment. So I don't see any problem in supporting this amendment.

Thank you.

[Motion on amendment A1 carried]

[The clauses of Bill 29 as amended agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Bill 27
Electric Utilities Amendment Act, 1998
(continued)

THE DEPUTY CHAIRMAN: On amendment A1, the hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. I'm happy to rise and speak to this amendment. I have a couple of questions that I would like the minister to clarify if possible. If not the minister, perhaps someone else on that side knows the answers to these questions.

The first one. In his opening comments this evening he talked about five- and eight-year terms for some of this information with regard to the amendment to be brought forward. He talked about opting in and out of the balancing pool by municipalities. [interjection] It's his birthday. Well, Madam Chairman, I cannot pass up the opportunity to wish my nemesis on the other side, the Minister of Environmental Protection, a happy birthday. Happy birthday.

MR. LUND: Thank you.

MS CARLSON: Going back to this bill, the minister talked about these terms. When I took a look at the amendment, there is no reference to five- or eight-year terms in the amendment. Then I went to Bill 27 and looked at that, and I couldn't find any references anywhere in that bill to these terms that he said would be enacted when this amendment was brought forward. Then I went back to the original bill and took a look at it to see if I could find out where those terms were identified in section 20, which is what this amendment deals with, and I couldn't find them in there either. So, Madam Chairman, clearly the minister had something in mind when he brought that forward. Perhaps it deals with another amendment that will be coming forward later this evening or the next time this bill is up for debate. Whatever the case, it certainly wasn't explained in his opening comments how that relates to this amendment. So we for sure need some explanation there.

When speaking to the amendment, he talked about the ability to opt in or opt out, and I need some clarification on that too. I couldn't follow the manner in which he addressed that particular issue.

Then getting on to the substance of this amendment, I found that there were a number of contradictions in the minister's comments when he introduced the amendment, so I'd just like to go through those. Hopefully he can explain them to me at some point, because certainly if there are contradictions in terms of what he's presented in the amendment and in terms of what he said and in terms of what we're hearing out there in the community, we have a problem. It'll be a long time before there's any support on this side for that kind of situation.

Actually, when this bill was first brought in back in 1995, there was a problem in that notice was given to industry at that time that there would be new legislation coming, the legislation that we see before us and the amendment we see before us. Well, of course, what happens when you're talking about multimillion-dollar plants in the province is that industry just stopped building any new plants. Clearly there's no way they would continue producing coal and energy generators when they knew that some substantial changes were coming into the industry soon. In this case, soon happened to be three years. Nevertheless, in terms of the legislative process, that's a somewhat speedy process.

[Mr. Shariff in the chair]

So literally all these companies just stopped production on any new generators. What happened when the minister at that time said they were going to be changing the rules because another bill

came on is that effectively we stopped the consumer process. Well, the problem with doing that is that there are costs associated with that, and those costs get downloaded on the consumers at some point later. When you're talking about plants that are expected to have a 40-year life, you need to know in industry what the costs are going to be associated with not only building them but operating them in the near future and whether or not any new regulations that may come in may hamper that process. So then that's going to affect the amortization process. Clearly, smart businesses aren't going to invest dollars in a process that they know to be flawed.

This, then, counteracts the minister's point that he made in his introductory comments on this amendment when he talked about the potential downward pressure on prices as a result of bringing in this legislation. In fact, I don't think that's true at all. What we've had initially by the minister giving notice that changes were going to be made to the legislation some years hence is a distortion in the marketplace by industry not going forward with any capital construction. So one of the direct results of this is that you're going to be putting pressure on prices to be increased because we've got effective rises in prices over time. We've got now an extended amortization period for these new plants that will be three years further along down the road plus start-up time, so probably five years before any of the new plants can get generated. That puts pressure on consumer prices and not downward pressure, as the minister would have suggested in his opening comments, but upward pressure, Mr. Chairman.

What we could reasonably anticipate by that is that somewhere in the future we're going to see consumers absorbing the costs for this minister having given that kind of notice and taken the length of time that he has to bring forward this bill. I think that's a contradiction in terms of what he said when introducing this amendment, and I would like him to address that.

Now, another problem that has resulted from this having given notice and which he didn't address in this amendment, which is quite surprising, is the potential for brownouts that we've heard coming into the industry in the near future. Why are we going to have brownouts? Because industry didn't build new generators because they knew legislation was coming. They just halted everything, and now we don't have the capacity to fully meet demand. So we're going to see brownouts. Well, what do brownouts do? They scare consumers. They put pressure on consumers to demand more of their companies. If you force a demand before the market is ready, prices are going to go up again, Mr. Chairman. So, once again, I think we have another example of where we're going to have a potential problem down the road in terms of these changes in these regulations coming in. I see upward pressure on prices, not downward pressure as the minister talked about.

10:10

When the minister made his comments about this amendment, he said that he'd talked to someone from the city of Edmonton – I assume he was talking about the mayor – who approved of this amendment and this bill in particular. Well, I'm wondering, Mr. Chairman, as I know the mayor doesn't speak for the entire council and in fact doesn't speak for any of the municipalities in the greater Edmonton area, whether or not the minister also has the approval of those politicians. So if he could specifically address that question. Has he talked to any more councillors other than the mayor? Does he have approval for the amendment and the bill in totality from those people? Has he talked to the surrounding areas, the surrounding municipalities, the reeves, the mayors, the councillors, and so on, in the entire metro Edmonton area and got co-operation from them specifically on the amendment but also in general concept with the bill itself? I'm also wondering what other northern municipalities he's spoken to in this context, because certainly by having the balancing pool and having opting-in and opting-out clauses within this balancing pool, like the amendment states, I would think there would be different regions in the province who have different opinions.

We heard him talk about the mayor of Edmonton. We didn't hear him talk about anybody else. We didn't hear him talk about Peace River or Fairview or Grimshaw or any of those areas who are more isolated and have different kinds of demands on them for electrical needs and are facing potentially, under deregulation, different costs of power because they're in more regional areas. So I'm wondering if the minister could address that in terms of this amendment. I would like to have those answers before I can speak to them.

I had another question with regard to the comment that the Member for Calgary-Mountain View said in response to a question from my colleague from Calgary-Buffalo. He said that the goal of this amendment and this bill is "to do what's best for the consumers," in fact the people of the province. Well, that's an interesting comment, Mr. Chairman, given that what the consumers are actually having occur with this bill is that they are losing money. They're losing dollars that they invested in these utilities over the years, and there is no tangible payback for them. I'm wondering how the Member for Calgary-Mountain View can say that this is going to then be a benefit to consumers. I would like him to specifically spell that out to me, because clearly when we see consumers in this province forgoing $8.7 billion to $11.2 billion, I don't see that as a benefit to consumers in any way. I see certainly industry is going to be benefiting from this. I'm not saying that's a bad thing, but what I'm saying is that consumers clearly are not going to be directly benefiting from this in the first instance or in the year 2021, when this whole process happens.

Certainly, even if you present value that, those are really, really big dollars, Mr. Chairman. I'd like to know how it is that they think they can justify stating that consumers are going to be receiving some sort of tangible benefit from this. They're not seeing their investment returned in kind, in dollars, or in any kinds of tangible benefits that have got any kinds of guarantees tied to them right now. I think that's too bad. Here we have consumers who had no choice in terms of putting their dollars into this as an investment, so consumers took the risk for building these plants, not the companies, yet at the point in time when they can truly be profitable and when there is some net tangible return in it, consumers are being cut right out of the pie and it's said: don't worry; prices aren't going to go up, and you benefit in the long run. Well, I don't see where the benefit is.

This amendment addresses the benefits of municipalities being able to opt in or opt out of the balancing pool, and that's a good thing, but I don't see any balancing pool here for consumers. I'm wondering why the minister didn't address this in this amendment. He seems to have completely ignored the consumer-issue side of this and the net present value that those consumers are owed in terms of moving forward on this deregulation.

I'll say it again: it's $8.7 billion to $11.2 billion, Mr. Chairman, and that's a big amount of money. If you were to divide that amongst the people in this province who invested in these plants over time, that's a great deal of money. If you put that money into some sort of balancing pool like we're seeing happening for the municipalities which would be used to offset the

cost of electricity over the remaining life span of those plants, then I would say this was a good amendment and we'd be moving forward. You'd use exactly the same principle that you're using for the municipalities. Industry is receiving a net present value in 2021 of $8.7 billion to $11.2 billion. What you do is get all of the industry players to put in their share of that retained value that's in those plans into a pool, and then you would use that to subsidize consumer costs over the remaining lifetime of the generators that are left. Now, that would really cause downward pressure on prices in that time period. That would compensate consumers for the original investment that they made in these electrical utilities, and that could truly be classified an Alberta advantage. I think that's something that this minister should have looked at in this amendment. This makes good, common sense. If industry benefits, so do the consumers. Industry didn't take the risk; consumers took the risk. This is a way to reward those consumers, Mr. Chairman, and this is certainly something that should have been considered.

I am sure that with the mayor of Calgary being so upset about this deregulation coming forward, he has thought of these kinds of things. He knows that at the end of the day under this kind of bill and under this kind of legislation, this amendment in particular, one more time consumers are being opted out of the pie of goodies being offered here. He knows that isn't right. He knows that isn't what he was elected to do. We know on this side of the House that that is not what we were elected to do. We were not elected to cut consumers out of any net or tangible benefit, particularly from something that they themselves originally invested in.

[Mrs. Gordon in the chair]

I think that's something that should have been addressed in this bill. A balancing pool for consumers addressing their investment gives them the full benefits back from their investment over the time that the generating units have an existing life span. They're still going to be missing out on something, Madam Chairman, with this balancing pool for consumers, and that's the cost of not having done the investment in equipment in this three-year time span and the probably one- or two-year time span before companies get up and running. That is something that I think the government should be addressing as well.

When the original bill was brought in back in 1995 and production in any new generating units in this province was stopped, consumers on that day started to lose a tangible benefit. They lost the present value/cost of building that equipment as compared to what the value would be to start that production up now and the cost of completion. We all know that if you were to build any kind of piece of equipment three years ago and it was going to take two years for construction, the price to finish completion of it five years down the road is going to be much higher than what it was the five years past. That's a cost of doing business now being passed on to the consumer that is really a cost that is not their fault.

I think it's a cost that the government should be addressing in terms of some sort of acknowledgement at least. Even if they're not going to do anything about upping the ante in the potential operating pool that we can see for consumers, they should be addressing the facts. It's a fact, Madam Chairman, that consumers lost income, lost potential savings in generating costs over this five years. The cost for these large companies to now start production up and to start to build those generators, to bring them on line, to bring in the kinds of specialists they need, the technical knowledge, the upgrades in terms of what's available in the marketplace is a lot more than it would have been a few short years ago.

So somebody needs to acknowledge that that was an opportunity cost that has been forgone and that at the end of the day consumers are going to pay for. They're going to pay for that because the cost of operating that equipment is going to be passed on to the consumer through their rates, and that means they go up. There are no two ways about it. Once again I see this as one more example of where we're not seeing downward pressure on prices. It's one more example where we have upward pressure on prices, and that's too bad.

10:20

It's interesting that this amendment didn't talk anywhere about any kinds of green power costs and how they can be accessed in this new regulation and how municipalities can be opting in to green power. We've seen some remarkable things come from industry lately in terms of the progress they have made in addressing this issue. Industry itself is willing to pay a higher cost on some of these issues. There was an opportunity that could have been built into this and I think built into any one of these balancing pools, the one the minister is talking about or the one that I'm also talking about, in terms of incorporating and assimilating the options for green power. Certainly government had an opportunity to lead the way in this regard, and it's another missed opportunity on the part of this government.

MR. ZWOZDESKY: What is green power?

MS CARLSON: Green power is accessing any kind of power that does not burn up renewable resources. So we see wind power. We see avenues like that that are being pursued by industry. [interjection] Yes, absolutely. That too. [interjection] There you go. See, the Minister of Environment knows how important this is. I'm surprised that the Minister of Environment didn't sit down with the Minister of Energy – he sits right beside you; it would have been so easy to do – and say, "Minister of Energy, you have this amendment coming forward, and you're missing an opportunity in this amendment."

MR. LUND: They're going to go in a pool like any other power.

MS CARLSON: They're going to go in a pool like any other power, but where's the incentive, Mr. Minister, is what I'm asking. We should have seen government leading the way in this regard. We don't see any kind of incentives for companies.

MR. LUND: You want us to pick winners or losers.

MS CARLSON: No, we're not wanting to pick winners and losers. What we are acknowledging is that we have nonrenewable resources in this province that are polluters. There are no two ways to say it. They are contributing to CO_2 emissions and they are contributing to SO_2 emissions through the generation of these powers, and we need to take a look at other viable alternatives in this province. Government had an opportunity to lead the way, and they've fallen by the wayside. Instead, they've let energy companies move forward at their own pace, and it's too bad, because they could have been world-class leaders in this regard.

AN HON. MEMBER: Could we have unanimous consent?

THE DEPUTY CHAIRMAN: Pardon me. I've been asked if we could have unanimous consent to revert to Introduction of Guests.

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Edmonton-Calder.

head: **Introduction of Guests**

MR. WHITE: Thank you, Madam Chairman. Tonight we are graced with the presence of two groups of students in the public gallery. There are five obviously high school students, because if they weren't high school students, they would be off studying, I'm sure, because university exams are at present. They are in this order: Jim Lyons, Dawn Von Semmler, Brandi Marshall, Mike Lee, and our own page Janine Melnichuk. Would they please rise in the gallery and be recognized.

MR. MAR: Why aren't you studying?

MR. WHITE: She's got a week off from high school, sir. You can do that.

MR. MAR: It doesn't matter.

MR. WHITE: That's the Minister of Education.

MR. MAR: I'm not the minister of vacations.

MR. WHITE: The Minister of Education, not the minister of vacations, he's commenting.

We also have another group of students. These students are very special students. They hail from Monterey, Mexico. They are currently studying in Manitoba and stopped in to see how democracy is practiced in the province of Alberta. I'm not sure they got a great demonstration of it, but certainly they had some. I wish them to rise and those of us here to welcome our amigos de Mexico, and hola. Please rise.

Bill 27
Electric Utilities Amendment Act, 1998
(continued)

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Madam Chairman. I rise tonight to speak on amendment A1 under Bill 27. Viewing this amendment shows that this minister is trying to soften the approach on this bill. The Minister of Energy's opening comments were quite explicit concerning the accounts of how this bill has gotten this far. The minister has given the members of this House a glossary of terms. Humbly, I thank him, but if it's going to take us months or years to understand the terms, then give Albertans at least another six months to get up to speed on this supposedly knowledgeable bill that the minister has put forward.

With these amendments the minister states that they will address the concerns of the mayors of Edmonton and Calgary and the other centres, including the AUMA and the AAMD and C. The hon. Member for Calgary-Mountain View says that this will satisfy Calgary's concerns. Well, it's on the record, so maybe we can send this whole item to Calgary tomorrow, the whole *Hansard* of tonight concerning this bill.

Speaking to the fair mayor of our city, the city of Edmonton, maybe we should put it on the record that in Edmonton he is one of four members that sit on the executive committee, and of those four members only three actually agree with what he phoned in and told the minister today. So I know for sure that I'm going to be sending this *Hansard* to city council tomorrow. Maybe the mayor can speak for the whole council one of these times.

My initial reaction to this amendment is the same as I view the complete Bill 27: let's put the brakes on and come back in six months, when we should have a fall session. If the bill is so important, then what is six months, considering that we're looking at 2020 as the end result? The problems we read about in other countries, for example New Zealand – maybe another item we should be putting our brakes on. Maybe the letter of March 13, 1998, from Mr. Southern of ATCO should be tabled and really publicized across the province so Albertans should not be railroaded into an unsatisfactory bill at this particular time.

The bill is satisfactory if we look at it and look at it in the right terms and bring on the right amendments, time given, proper consultation. Then would Albertans not be better off? All consumers understand that under the principles of deregulation all consumers in Alberta share the benefits and responsibilities for costs associated with existing regulated generating units. Decisions about the removal of the existing generating units from regulated service must be in the interests of both owners of the generating facilities and the consumers of electricity in Alberta. We do not believe that Bill 27 fulfills the basic principles set out by the Minister of Energy in the overall framework document of proposed action dated December 17, 1997.

I did say that in principle the bill has got some proper direction to it. By salvaging a 20-year term effective from January 1, 2001, to December 31, 2020, on the power purchase arrangement, PPAs, under Bill 27, the government has potentially placed Alberta consumers of electricity, particularly residents, consumers, in a situation where they may not recapture the full value of the residual benefits commensurate with the risks incurred through their utility bills and regulated environment and construction of the existing generating units.

Madam Chairman, at this time, I would ask the minister to slow things down with this bill and the amendment for the next few months and bring it back in the fall.

Thank you, Madam Chairman.

[Motion on amendment A1 carried]

MR. HAVELOCK: Madam Chairman, I move that we adjourn debate on Bill 27 and report progress when the committee rises and reports.

THE DEPUTY CHAIRMAN: Does the committee agree that we report progress when we rise?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

The hon. Government House Leader.

10:30

MR. HAVELOCK: Thank you. I move that the committee do now rise and report.

[Motion carried]

[Mrs. Gordon in the chair]

THE ACTING SPEAKER: The hon. Member for Calgary-McCall.

MR. SHARIFF: Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following with some amendments: Bill 19, Bill 29. The committee reports progress on the following: Bill 27, Bill 23. I wish to table copies of all amendments and documents considered by the Committee of the Whole on this date for the official records of the Assembly.

THE ACTING SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So carried.

Before we adjourn until 1:30 p.m. tomorrow, I wish to extend birthday greetings to the hon. Minister of Environmental Protection.

[The Assembly adjourned at 10:33 p.m.]