

## Legislative Assembly of Alberta

**Title:** Tuesday, April 7, 1998 **8:00 p.m.**  
**Date:** 98/04/07  
 [The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: Please be seated.

**head:** Government Bills and Orders  
**head:** Committee of the Whole

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd call the committee to order.

### Bill 2

#### Conflicts of Interest Amendment Act, 1998

THE CHAIRMAN: The hon. Member for Edmonton-Norwood.

MS OLSEN: Mr. Chairman, some of the amendments were passed out the last time that we were to speak to this bill. That would have been five amendments that were distributed at that time. There are another three amendments to be distributed and introduced by my hon. colleague from Calgary-Buffalo. All members should have received – and we distributed them that night in anticipation, so we do indeed have five amendments that have been approved and distributed.

#### Chairman's Ruling Amendments

THE CHAIRMAN: The chair would remind all hon. members that a ruling was made last evening that when we hand these amendments out ahead of time, which is of course a courtesy to other members, and then the amendment is not moved that evening, in order to save exactly what we're going to get into now, we would ask the person that they bring again 90 copies when they do move them on a subsequent day or a subsequent sitting. So we might have just a moment here. Which one are you intending to begin with since we haven't got any of them named?

#### Debate Continued

MS OLSEN: Mr. Chairman, I have the first amendment that could be distributed again and have given the page the other four to copy.

THE CHAIRMAN: Certainly. That would be good.

MS OLSEN: If we can start with that one . . .

THE CHAIRMAN: Which one is it?

MS OLSEN: That would be section 16 as amended to the proposed section 44.2 on all-party committees.

THE CHAIRMAN: Okay. We do have that. Do other members have that, or are we waiting for it to be distributed?

For purposes of identifying them, this will be amendment A2. Is there anyone who needs one and doesn't have one?

Okay. I think we're ready to begin, hon. member, so if you would move your motion, we'll proceed.

MS OLSEN: I'd like to move that Bill 2 be amended as follows:

section 16 as amended in the proposed section 44.2 by adding "all party" after "special".

Back in January 1996 the Tupper report was commissioned by the government. It's known as Integrity in Government in Alberta: Towards the Twenty First Century. It's commonly known as the Tupper report. A number of recommendations were outlined in that particular report that spoke to the need for some change within the existing conflicts of interest legislation. Out of 27 recommendations only seven have been accepted to this date by the government.

One in particular that this particular amendment speaks to is mandating a five-year review of the act to take place. My concern with that is that I view this as a piece of legislation that all MLAs, every MLA in the House, should be aware of and also a piece of legislation that all MLAs should have a voice in creating and in reviewing. So consistent with legislation such as the Freedom of Information and Protection of Privacy Act I would like to see an all-party committee as part of the review of this act within five years. That way all the interests, all those views of all MLAs from all parties that are in this Legislature would be represented. I think that would strengthen the act. I think that would allow for some debate on the issues that arise out of this review, and I think it would really help with the credibility that we're trying to promote and the integrity that people would like us to have. The democratic thing to do is certainly to have an all-party committee. As you know, in all reviews that we look at, we always recommend an all-party review. Indeed, if we were on the other side of the House, we would have an all-party committee, and I would even recommend that the minister of environment be on that committee to represent the needs of his caucus.

So I think that this is an amendment that could indeed absolutely be accepted by the government. It's an amendment that is certainly a friendly amendment. It does nothing but strengthen the integrity of the act and speaks to the needs of all MLAs. I think that that's absolutely something that's important. It also reflects the intent of the Tupper report, and that is for MLAs to be open and accountable.

So I will take leave and have one of my colleagues rise and speak to that amendment and certainly in support of that amendment.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, Mr. Chairman. In speaking to the amendment to section 44.2, the actual amendment is really quite small. It's because that section of the act talks about the review of the act and states that

within 5 years after the coming into force of this section and every 5 years after that, a special committee established by the Legislative Assembly must begin a comprehensive review of this Act and must submit to the Legislative Assembly, within one year after beginning the review, a report that includes any amendments recommended by the committee.

So it's in the first sentence of that section, "a special committee," that this amendment would add the words "all party" after "special."

#### 8:10

The source of this amendment within the bill itself, as has been indicated, is the Tupper report, and it was recommendation 13: "The Integrity in Government and Politics Act should be reviewed by a committee of the Legislature every five years." The government saw fit to accept that recommendation and to intro-

duce the amendment that we have before us now, and the amendment is designed to enhance that amendment and to make more open the review process.

We've had, I think, good experience in this Legislature and the last Legislature with all-party committees. We've had a number of task forces. The Member for Calgary-Buffalo participated with, I remember, the Member for Edmonton-Manning. Calgary-Shaw was on one of those all-party committees and the Member for Peace River. So there is a tradition that has been established of the government working with opposition parties to try to come up with the best solution possible to problems that are faced and to come up with solutions that will see their way supported in the House.

I think that an issue such as conflict of interest is a particularly important issue. It's one of the issues where the concurrence of members on changes goes a long way to making the legislation work. If you look at different parts of the Conflicts of Interest Act, there are obligations that are placed on members not just for the legal words that appear in the act but obligations on their ethical behaviour, on their behaviour as members of this Legislature, on the motives that they have to do the right thing by citizens and to act in ways that do not put them into conflict and do not put them even in apparent conflicts of interest. So this particular amendment would further that all-party co-operation.

Again, as I indicated, I believe that the amendments to the act will be better for being inclusive of all parties in the Legislature rather than this again being a government committee that would review the act and we would find ourselves back here five years hence in exactly the same position with a number of recommendations coming forward, legislation being proposed, and the opposition standing and making critical comments partly on the merit of those amendments but partly because they were not included in crafting them and making sure that any amendments that came out of a review were ones that were the best and ones that would be acceptable from a variety of perspectives.

There are a number of reasons, Mr. Chairman, why this amendment should be accepted. I think that the whole notion of a democracy and our obligation to our constituents is to try in a very important area like this, a very personal area like this to make sure that the legislation is absolutely the best possible legislation we can make it.

With those comments I would urge the members of the Assembly to support the change to a special all-party committee from a special committee as it appears in the amendment.

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

MR. HAVELOCK: Yes. Thank you, Mr. Chairman. Just very briefly, there is actually no need to put "all-party" in the legislation because, quite frankly, it's drafted in such a manner that if the government of the day chooses to have a committee examine this issue, it could, if it so desired, request that members of the opposition sit on the committee. So while the wording would of course bind the government to do so, the government has in the past indicated some flexibility in that regard, assuming, of course, that there's co-operation from the other side.

MR. DICKSON: Mr. Chairman, I rise to speak. I'm not sure the intervention by the Minister of Justice was very helpful. The amendment in front of us . . . [interjection] Well, the Minister of Environmental Protection has got some advice to offer the

House. Maybe he'll stand in his place when he has his turn and offer his views on this.

Mr. Chairman, if I understand the Minister of Justice's comments just a few moments ago, I distinctly heard him say what he might give us. If the Minister of Justice thinks, when it comes to matters of ethics, that somehow there are two sets of rules and there are those who make the rules and those who simply are subject to the rules, he's sadly mistaken. There are three reasons why I support the amendment. What I expected the Minister of Justice to say, as somebody learned in the law, would be that there's no need for this amendment because there is a practice in the Assembly that select committees typically are all-party committees. But even the Minister of Justice would . . . [interjections]

#### Chairman's Ruling Decorum

THE CHAIRMAN: Hon. members. Hon. members, we hope the committee is not disturbing you in your conversations, but you are us. So I wonder if you could go outside the Chamber and carry on your lively discussion, with the whip's permission, so that we could hear the hon. Member for Calgary-Buffalo.

#### Debate Continued

MR. DICKSON: Thank you, Mr. Chairman. The issue, I think, is why the Minister of Justice would take what is arguably the most innocuous, least offensive, most innocent of all of the amendments that my colleague for Edmonton-Norwood is putting forward – of course, none of them are offensive, but from a government perspective they sometimes apply very different criteria than we might.

What's happened is this, Mr. Chairman. If we look to see where the definition of a special committee is, we look in Standing Orders. If we look at standing orders 49 through 65, we find those relevant provisions. But trying to make some sense of it, if we look specifically at the provision in terms of Standing Order 53, what we find there is that "no special committee may consist of more than 11 members, without leave of the Assembly," and "a member may be added or substituted," but it's clear that there's no provision in terms of whether a special standing committee must include members of the opposition. Now, there has been some custom and some tradition, but why wouldn't we simply reflect that in very express wording?

The provision that the Minister of Justice might have referred us to, being a man learned in the law, might be *Beauchesne*, article 765(3), which says:

The membership of the committees is allocated by the Striking Committee in generally the same proportion as that of the recognized political parties in the House itself.

It seems reasonably clear from *Beauchesne* 765(3) that a special committee should have representation from opposition and from government in roughly the same proportions as they have out of the total number of seats in the House. Now, if that's the case, I guess we're left with this. Does the government accept that tradition, that direction, and that authority in *Beauchesne*? If they do, all that this amendment does is regularize and codify a practice in *Beauchesne* and supplement what's omitted from our Standing Orders. If, on the other hand, the government refuses the amendment, then we have to infer quite reasonably from that that the Minister of Justice, on behalf of this big powerful government of 63 MLAs, is prepared to repudiate, expressly abrogate provision 765(3) of *Beauchesne*. That's a very serious

matter which raises a whole host of other questions and other concerns.

8:20

Now, the Minister of Justice, with those 200 lawyers and the civil section of the Department of Justice, presumably has been told of that. He's chosen not to cite any authority. We might ask the Minister of Justice: which is it? Does he want to overturn *Beauchesne* and the authority and the customs that have been established? If he does not, then there's absolutely no problem in terms of taking the step of codifying the existing practice. So I think one has to ask for some clarification from the Minister of Justice. I see he's engrossed in conversation with the Minister of Public Works, Supply and Services, no doubt attempting to pool their aggregate experience in the House and determine what position the government will take.

The reality is that the Minister of Justice is either repudiating the provision in *Beauchesne*, provision 765(3), or if he's not intending to do that, then I think we are entitled to some explanation of why he'd break with that long-standing practice. If he accepts the *Beauchesne* authority - it's article 765(3) - then I would think he would be very eager to accept this amendment and get on and deal with more contentious amendments. [interjection] You don't do this for me, hon. member. You're doing this for Albertans, and you do it for the integrity of the Assembly. It's 765(3). All this amendment does is effectively codify what's been a long-standing practice.

MR. HAVELOCK: So what?

MR. DICKSON: Well, I hear the Minister of Justice say: so what? Maybe that sums up the government position with respect to this rich parliamentary history that the Member for Calgary-Glenmore took us through this afternoon. He talked about the origins of parliamentary democracy, he talked about Runnymede, and he talked about the king's advisers and how Parliament has been established. Maybe the Minister of Justice should talk with the Member for Calgary-Glenmore and pool their experience in terms of the way the parliamentary system works and find out why this amendment is perfectly appropriate.

Now, the Minister of Justice has been referred to the authority and still insists that somehow he's above and apart from this, so I'd go on to make the other arguments I intended to. We have this enormous irony that the government says they're moving on changes to our conflicts law to incorporate what the eminent persons panel said. The eminent persons panel was to be an all-party panel. The Ethics Commissioner is the person who in effect polices the conflicts of interest law. The Ethics Commissioner is subject to an all-party panel, with representation roughly proportional to the number of seats in the Legislature. So what we've got is that even though the Ethics Commissioner is subject to an all-party committee and the very recommendations that according to the government underlie Bill 2 come from an all-party exercise, we have this minister who says in high-handed fashion that he doesn't want to be bound; he doesn't want to be obligated to include opposition members. I think that's a sad and unfortunate position for him to take.

The purpose of section 16 is to ensure that you've got a five-year review. I think of the current review going on under the Freedom of Information and Protection of Privacy Act, which is an all-party committee. I think of the committee that gave birth to the freedom of information law in late 1993, in which the Minister of Justice indeed provided a huge leadership role. And

no slight on the chairman at the time, the Minister of Environmental Protection, but I think it's fair to say we would not have the strongest freedom of information law in the country had it not been for the contribution of the current Minister of Justice. But he did that through an all-party committee. [interjection] No, Minister of Environmental Protection. I'm reflecting the reality of my experience.

The Minister of Environmental Protection chaired the panel that wrote the report. He understood that as painful as it may be working with members of the opposition, you end up with a significantly stronger product than would have been the case otherwise.

MR. LUND: You found it painful?

MR. DICKSON: I found it a wonderful experience, working with the Minister of Environmental Protection, and I want to make that clear. I'd like the chance to be able to do it again. I know ministers can't sit on one of these panels, but I'd enjoy a chance to travel around Alberta in little airplanes, whether it's in Fort McMurray checking out VLT machines or in Medicine Hat, where we had a terrific experience, a terrific bonding experience. You can see the tremendous connection that exists currently between all of those members who served on that committee in 1993.

Seriously, the point is that all-party committees work. They work better than one-party committees, and if that's the case, what possible resistance would there be to this amendment? All I can say, hon. members, is that if there's this much resistance to this amendment, this is going to be an exceedingly long evening for all of us and it's going to be an exceedingly long session, because to take a simple, inclusive amendment like this . . . [interjections]

#### Chairman's Ruling Decorum

THE CHAIRMAN: Hon. member, I think if you didn't prod some of these people that are so easily perturbed, we would have a lot more attention to the debate.

Hon. members, we would appreciate your diligence in working on the things that you have. If you wish to carry on conversations, go outside. If you wish to enter debate, go to your places and stand in your turn. Otherwise, we expect not to hear further from you.

#### Debate Continued

MR. DICKSON: Mr. Chairman, when we see the cacophony of protest from the back corner, the government corner, when we deal with the most innocent of amendments, I can't imagine where we're going to be when we get to the more contentious amendments.

Mr. Chairman, it seems like we're in a bit of a power tussle tonight, and it looks like that's really what's going on with this amendment. It has nothing to do with the merits of this particularly innocent amendment. What we've got is that the 63-member government caucus is going to try and teach the 18-person opposition caucus a lesson tonight. It looks like implicit in what's going on is that the government's going to wield its might . . .

THE CHAIRMAN: Hon. member, can you deal with the amendment?

MR. DICKSON: Absolutely, Mr. Chairman. Absolutely. Just trying to set a context.

8:30

To come back to this. The provision is that in a five-year period a special committee of this Assembly must begin a comprehensive review of the act. It's fair to say that the review of the act is going to be invested with no legitimacy whatsoever, because the government is going to deign whether opposition members may be part of that committee. They may deign to decide which or how many opposition members would be on it, if at all.

What you've got is a government that may be still smarting from the car expense abuse that was identified and recorded in a CBC television program recently. The government may be smarting from a failure to meet the commitment that had been made by the government earlier to table detailed expense records for government MLAs, a commitment that still hasn't been met. All of these things, Mr. Chairman, may motivate the government to oppose this amendment, and it's relevant, I think. It's relevant in trying to identify what possible reason the government would have in refusing to make this special committee an all-party committee.

MR. MAR: Then stick with your deal.

MR. DICKSON: Well, I don't know what the Minister of Education is hot about when he talks about sticking to the deal. What I know is we've got an act in front of us and we're putting some amendments forward, and I'm prepared to deal, Minister of Education, through the chairman, with the amendment on its merits. If the Minister of Education has got meritorious reasons to oppose making this special committee an all-party committee, let him stand in his place, not shout from his seat, and enumerate what his reasons are.

MR. MAR: I associate myself with the remarks of the Attorney General.

THE CHAIRMAN: Order. Through the chair in your turn.

Hon. member, if you'd just address yourself to the amendment, that would be helpful.

MR. DICKSON: Mr. Chairman, again speaking to the amendment. The amendment deals with whether this special committee is going to be an all-party committee or whether it's going to be simply an instrument of the government. Why don't we simply call one of those standing policy committees to order to review the Conflicts of Interest Act, you know, one of those committees that has a few people come forward and make presentations and then adjourns to go into the back room and have an in camera discussion about what should be done. Is that the model that the Minister of Education and the Minister of Justice would put forward this evening? It seems to me by implication that's exactly what's being proposed.

Now, I know that there may be other compelling reasons in support of this amendment, but it seems amazingly simple. It's a very straightforward proposition, and I'm looking forward to further amendments and further debate on the current amendment in front of us, Mr. Chairman.

Thank you very much.

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

MR. HAVELOCK: Yes. Thank you, Mr. Chairman. Very briefly. At no time did anyone on this side of the House indicate that we did not wish to have the participation of opposition members in any legislative committee which would be struck to review the Conflicts of Interest Act. In fact, this is just another example of the hon. Member for Calgary-Buffalo putting words in the mouths of people when those people actually haven't uttered those words. We experienced that rather dramatically last week when he was required and actually fled from the House after he was called to order by members on this side of the House. In any event, he has indicated that we're in for an exceedingly long evening. Well, that's right, because we've listened to him for about 20 minutes, and I can tell you that was an exceedingly long period of time.

Getting to the issue at hand again. As I indicated earlier, the government of the day has the option, if they so desire, when appointing a committee to make it an all-party committee. This government has a good track record of actually inviting opposition members to become involved in committee work. In fact, the Member for Edmonton-Norwood was requested to participate in the all-party committee that's involved with the Justice Summit to travel throughout the province and hear submissions from the public. We also invited a member of the New Democratic Party opposition to participate in that.

I guess the point I'm trying to make is that there is really no need to put in this amendment and bind this government or any other government with respect to what's being suggested, because this government has a good track record of establishing all-party committees to do the job. In fact, the Member for Calgary-Buffalo indicated quite appropriately that when we reviewed the freedom of information legislation some years ago, it was an all-party committee that was appointed and traveled throughout the province.

Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Chairman. I find the debate quite interesting. I find the comments from the Minister of Justice quite interesting, and I find the comments from the Minister of Education over in the corner quite interesting.

There was some indication to me that this particular amendment would be accepted, and now there is an indication to me that it won't be accepted because of some deal made. I don't know what it is, but if indeed this amendment is a good amendment, then it should be accepted. If the minister was prepared to accept it 15 minutes ago, but for some reason it's just disappeared, then he should accept it. We should not in this Legislature be held hostage to any . . . [interjections] Whatever the minister's referring to – deals, whatever they may be – good legislation does not come through that kind of negotiation. Good legislation comes from putting it on the floor and debating it. This is a good amendment. Maybe the minister would like to clarify for this side of the House what he's talking about instead of just ranting off in the corner. Maybe he could come to his seat, Mr. Chairman, and maybe he could enlighten us as to what it is he's specifically speaking to.

Now, if we're to make gains in this House and we're to pass good legislation, if we have indeed an amendment that's on the floor that's acceptable, that's great. That's what I would like to see. But I don't think any amendment needs to be held hostage to any deal, as the Minister of Education refers to.

MR. MAR: Compromises are made on both sides. So stick to your side of the compromise.

#### **Chairman's Ruling Decorum**

THE CHAIRMAN: The hon. Minister of Education has not been recognized except now, and you're not in your place. Please enter debate when it's your turn, not as a continuous interjection, because that becomes an interference.

Hon. member, please address the amendment instead of haranguing other people who may or may not vote for you.

#### **Debate Continued**

MS OLSEN: I am addressing the amendment. My concern, Mr. Chairman, is that we have on the floor a reasonable amendment. I would like to see this particular amendment adopted into the legislation so we could be guaranteed that there would be an all-party committee to look at the legislation and review the legislation. That's the right thing to do, to have an all-party committee. This impacts all of us. It just doesn't impact that side of the House or this side of the House. This is a piece of legislation that impacts every single one of us. By virtue of that notion we should be participants in debating and reviewing this legislation.

You know, I look at information as far back as in 1990, when the Wachowich report came out. I look at particular recommendations made there, and I look at what's happening now with the legislation. I would really like to see all-party input to the legislation. I think it's friendly. I think that if the Minister of Justice has anything to say, he should be supporting it because he believes in the democratic process. I believe he believes in that, given that he's sitting in that chair.

There's no need for the hon. Minister of Education to suggest for one minute that we would compromise any amendment that we have to this legislation for some sort of deal, because we do have some principles to stick by, Mr. Minister, and that's what we'll do.

**8:40**

THE CHAIRMAN: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Chairman. I couldn't resist getting up and making a few comments because quite frankly this is really a nuisance type of an amendment, totally unnecessary, as the hon. Government House Leader has indicated. I can't support it now, because in the future someone might go back and look at *Hansard*, and then they'll see where the hon. Member for Calgary-Buffalo was citing this type of representation. You know, if they've got three-quarters of the representation on a committee, then they'd need three-quarters of the representation in the House. Well, at the rate that they're declining in this House, I would be very fearful, because it won't be long before they'd have one member on a seven-member committee.

Mr. Chairman, speaking to the amendment, I would hope that the members of the House would reject this amendment so that in fact we won't have to come back and look at *Hansard* and decrease their numbers.

With that, Mr. Chairman, I will adjourn debate.

THE CHAIRMAN: The hon. Minister of Environmental Protection has moved that we adjourn debate on Bill 2. All those in support of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

The hon. Government House Leader.

MR. HAVELOCK: Mr. Chairman, I move that we report progress on Bill 2 when the committee rises and reports.

[Motion carried]

#### **Bill 27**

#### **Electric Utilities Amendment Act, 1998**

THE CHAIRMAN: There are no amendments outstanding on the bill. Are there any further comments? Offers of amendments? The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm happy to move on to this bill, seeing as we couldn't get any kind of agreement on the previous bill, even though there had been commitments to accept those amendments.

MR. MAR: You didn't stick to your end of the deal though.

MS CARLSON: Well, let's speak to our end of the deal. You know what? I think you guys . . .

#### **Chairman's Ruling Relevance**

THE CHAIRMAN: Hon. member, there were no deals. Let's get on with the bill. We have before us Bill 27, the Electric Utilities Amendment Act. The chair does not recognize any deals one way or another. Those are between hon. members, but we are dealing with the bill, so let's get on with the bill, please, on both sides of the House.

MS CARLSON: Then can you keep the rabble-rousing crowd in the back a little quieter?

THE CHAIRMAN: Don't inflame.

#### **Debate Continued**

MS CARLSON: Thank you, Mr. Chairman. We still have a problem with Bill 27. The member who introduced this bill said that there have been four years of consultation on it, that there should be no problem, that people should be happy to just quickly, like that, pass it through this House. Yet in the interim, from the time that it's been introduced to the time that we see it having arrived now, that minister has introduced amendments on his own bill that he said was completely flawless, did not need any more review, did not need any more consultation. That just feeds into our argument that this is a very complicated bill that impacts consumers.

Consumers in this province have not been consulted, and therefore this bill needs to go back out for a full-blown public consultation, not just business consultation but public consultation, so that every consumer in this province knows the impact of the bill and the implications of it in terms of what kinds of ramifica-

tions it's going to have on their lives in the future and particularly on the rates that they're going to have to pay for electrical service over the coming years.

Mr. Chairman, we have industries saying that we need to take more time on this bill. We have industries saying that consumers are being impacted by this bill in a way that they haven't been properly informed of and in fact in a way that the Minister of Energy has misinterpreted information that he has sent out to people and in statements he has made in this House and in statements that he has made outside of this House in public and in quotes that have come through a variety of media sources. So I would like the Minister of Energy to respond to those comments, because it seems to be a true contradiction in terms of what he's been telling us here in this House in terms of full and open and complete consultation.

First we see amendments come from him. Then we see all kinds of information coming forward that would indicate that in fact he hasn't truly consulted with all Albertans. He's only consulted with those Albertans he's chosen to consult with, and those are just select members of companies that are going to be affected by this bill in a positive sense. It doesn't seem to me that he's properly consulted with any of the industry members who have an opinion contrary to his own. Mr. Chairman, I would like to say that it is not uncommon for that particular minister to refuse to consult with anyone who doesn't share his own opinion. So that is not the kind of process that we should see occurring in this Legislative Assembly.

What we need is full and open consultation so that all the views get brought to the floor and all views get fully debated and that when we leave this Assembly with the bill passed in law, consumers and industry stakeholders know beyond a shadow of a doubt that absolutely every avenue has been explored, every possibility has been explored in the bill and that there will not be any unforeseen ramifications for people in the future, that there will not be any unforeseen costs for people in the future. You know what, Mr. Chairman? This bill just doesn't cut it. It doesn't do it at all.

When we have people like the ATCO Group coming forward just this past seven days with letters to all of us here in the Assembly saying that they are concerned with the comments that the minister has made about this bill and that they are concerned about the implications for the general public, then, Mr. Chairman, we have to extend debate on this bill for a good long time. It would be a really good idea to park this bill for some time for the Minister of Energy to do the right thing, to take public consultation on the road to fully, completely inform the people of this province of all of the ramifications, not just give them partial information, not just give them the information that he wants to share with them, and not give them information that seems to be meaningless and misleading, as is indicated in this letter.

I'll quote this directly from the ATCO Group. The letter is signed by Craighton O. Twa, who's the president and chief operating officer, who says this about the minister:

Minister West's letter emphasizes the fact that the owners of 80% of the generating capacity in Alberta support this legislation.

With all due respect to the Minister, that is a meaningless and misleading statement.

Well, Mr. Chairman, we need the minister to explain that statement, to explain what context he said it in, and to explain to us that he did not intend for it to be either misleading or meaningless. If that was his intent, then surely we deserve an explanation and the people in the province deserve an explanation to that statement. The very people that he has been saying have been

championing this bill have come out with this information just in the past seven days. I say that those are very serious implications, and I think we deserve an explanation.

In the letter he goes on to talk about the intent of deregulating generation being to provide a benefit to consumers of electricity, not to the owners of existing generating units. Yet in fact what we see happening by this legislation is: who is going to benefit at the end of the day? The owners of existing generating units? That would be completely contrary to the initial intent, which would have been to benefit the consumers of electricity. Many of the municipalities around this province who have taken the time to delve into this very complicated matter and come up with some kind of end result see that it is the consumers that are being adversely affected by this bill and that those who are currently supplying existing generating units do have a significant benefit.

Mr. Chairman, that has to be addressed. We have to debate with full participation from the government whether or not that's a fair thing to do. To date we have had very little feedback from government members in terms of what their expectations are there. Does that silence mean that these members condone the public being disabused of what can be probably close to \$9 billion in moneys, that the consumers have been led down the garden path, so to speak, and bilked out of that money? That's in essence what happens with this bill. Can every member on that side of the House say categorically that they agreed to that? If they don't speak, by their silence they are implying that they have agreement to that, and I don't think the people in their constituencies are going to be very impressed with that. I think the people in their constituencies want to know that they are fully informed members in terms of what's going on here and that they fully understand the ramifications, that they are fully willing and able to sell their constituents down the river in terms of not doing anything to recoup this money.

**8:50**

Well, I'm not going to do it to my constituents, Mr. Chairman. That's for sure. The ones that I've talked to recently around the province don't like it either. They feel that if there is a net present value or a retainable value at the end of this 2020 time line, then they should get their fair share of it, whether they get their fair share of the retained value by lowered rates, by a pooled payout, or by some sort of acknowledged recognition that they do have a vested interest in this asset. If they don't get that by the end of this bill being passed, then that is a disservice to these people, and I would expect every MLA in here who supports the bill at that stage, then, to be accountable to their constituents on that basis.

Truly there is a great deal of residual value that is going to be left in these generating units at that point of time. That residual value belongs to the ratepayers of Alberta, and that wealth, that acknowledged unit that is left at the end of the day needs to be repaid to them in some fashion. At the very least the government could be recognizing that at this stage, that is a recognized value that is being passed on to these businesses without any kind of acknowledgment. I think that is something that needs to be addressed today. [interjections] I don't know why the Minister of Energy won't address it. If he would address it, then the debate on this bill could be shortened.

THE CHAIRMAN: Hon. member, through the chair. Through the chair. And I'll take greater notice of the two ministers.

MS CARLSON: If he would address this, if he would lay all the

cards on the table, if he would properly put this information before the consumers of Alberta instead of trying to hide something under the table, then we could be done and finished with this bill in a very speedy fashion. But the fact is that if he continues to hide the facts or to skirt around them or to not openly state them, then, Mr. Chairman, I'm sorry, but we're going to be here for a long time. We cannot allow this to escape the eyes of the ratepayers in terms of their knowing what's going on and having full participation.

Mr. Chairman, we know from having been here for many years that sometimes it takes a very, very long time, a time lag, from when it's talked about in here to when it gets out into the community, until the media picks it up, until it gets fully assimilated into the minds of the ratepayers, until they have time to think about it and to react to it, till those reactions get back here to the House. I suggest that if we have to go that route, we could happily be here until September or October until we have fully debated the merits of this bill, because certainly I will not support it at any stage until we've had that kind of full-blown debate.

Now, if the Minister of Energy could just come out, up front, and say, yes, we acknowledge that there is a residual value here that needs to be passed on to the consumers, to those ratepayers who originally, without any consultation, were forced to invest in these generating units, that now their investment is acknowledged, that's all he needs to do, Mr. Chairman. Such a simple statement for him to make. It would end all this protracted debate, and it would end the need for us to go out in this kind of full-blown manner and get participation from people in this province. Without that acknowledgement, without him coming straight and clean with the people of this province, then we can't pass it, and we will bring in whatever necessary amendments there are, as many times as we need to, in order to make sure that people understand what is going on in here.

He's got to explain to the people of this province what the big rush is. Why does he want to just ram this bill through in a couple of days in such a fashion that nobody has a chance to properly take a look at it? Mr. Chairman, that makes me very suspicious.

MR. DICKSON: Me too.

MS CARLSON: Yes. It makes my colleague for Calgary-Buffalo very suspicious too. He doesn't like it either.

We have seen this minister in other capacities ram things through this Legislative Assembly, huffing and puffing and blowing steam all over the place because he couldn't get what he wanted as fast as he wanted.

MR. DICKSON: And who picks up the pieces after?

MS CARLSON: At the end of day, who has got to pick up the pieces? That's a very good point. It's the people of the province who get stuck with the costs and the ramifications of the pieces, and that is always bad news. It is never good news.

What is wrong with him taking the kind of process that we have available to us here in the Legislature, a full and open process where we can discuss everything that needs to be discussed on the bill, where he can come in a very open fashion and tell us exactly what his intent is? That's all we're asking for here, Mr. Chairman. It isn't a lot to ask for: just the truth, just the true explanation, just the discussions about what went on between him and the companies that have the generating units and why there was no

discussion between him and the ratepayers. I think that that is something that's very valuable to debate here, and if he isn't prepared to debate, then I see more than 60 members on that side who, hopefully, have been privy to the discussions that he has had, who would be prepared to stand here and explain to us what the process has been and what the big rush is here and why they won't address this in a more systematic fashion.

We see the Premier of this province every second week saying: oh, you know, that's a very good point; we should study that point and appoint some kind of summit. Every time there's been a contentious issue in this Legislature in the past year, he's said: good idea; we'll appoint a summit, and we're going to study the issue. He did it for the Growth Summit. He's doing it for VLTs. He's doing it for justice now. Well, Mr. Chairman, why doesn't he do it for this bill? Why doesn't he do it for this Bill 27, that the Energy minister is trying to ram through, when he sees that it is a contentious issue? When the Premier can see that the ratepayers of the province have not been properly informed on this issue, why doesn't he get an electrical summit together? Surely that would give us enough time over the course of the next few months for people within the province to submit their information.

They could do what they're doing in the other summits. They could have a big information seminar so that everyone could come and fully hear both sides. You could have the businesses that have these generating units now there giving presentations. You could have the electrical suppliers that don't have generating units right now giving presentations. You could have all the green power people coming and giving presentations and talking about deregulation and talking about the impact of this bill and how it's going to affect their lives. Then you could have the ratepayers give their presentation, Mr. Chairman. Then we would have something that was really, truly consultative.

I don't understand why the Premier doesn't do that, Mr. Chairman. He has done it on every other contentious issue. We need an electricity summit. We absolutely need an electricity summit. If the Minister of Energy is not prepared to stand up here and properly . . . [interjection] Well, we've had a summit on everything else. We might as well have one on electricity, because you know what? It's the only way that the Premier seems to think the people of this province get informed on issues, where he truly gets that grassroots feedback that he's so happy to have all the time in terms of knowing what the people who have voted him into office want. So an electricity summit would be an excellent way to do that.

If he leaves it up to the Minister of Energy, you can just imagine that we are not going to get ratepayer feedback. They're going to be railroaded, they're going to be walked over, they're going to be nakedized, they're not going to have an opportunity to have any kind of feedback, and that will be too bad. I know that's not what the Premier wants to do in this instance. I know that what the Premier wants to do is have an electricity summit so that he can have the kind of feedback that he's become accustomed to before he makes decisions in this Legislature.

If we don't have a summit, Mr. Chairman, if we don't have the funds for that, if they're trying to downsize – I know oil prices are dropping, so there are considerations there – then why don't we at least have a task force? Given the Minister of Justice's comments tonight, it wouldn't be an all-party task force, because he's not in the mood for tolerating an all-party task force anymore, which is too bad. Even though in *Beauchesne* it says that these kinds of committees should be in fact all-party committees,

the Justice minister isn't happy to do that. He would just be recommending to the Premier that he would have a government task force for the electricity task force. That would be okay. We'd agree to that on this side of the House, because, you know, any kind of feedback from the people of the province would be much better than no feedback at all, which is what we have now.

So if the Minister of Justice wants to appoint just a government task force, just consisting of members from his side of the House, then we would reluctantly agree to that, Mr. Chairman, because that would be a lot better than what we have now. In the absence of having a full-blown summit on this issue where people have the opportunity to give proper feedback and have the proper information instead of the misinformation that's floating around out there now, then that kind of a task force would be fine.

9:00

We know that other members from that side of the House would be prepared to actually go out and consult with Albertans, and that's what's being asked for here, just that the ratepayers have a chance to know exactly how they're being impacted, to know exactly how their \$9 billion in residual value is being dealt away without their knowledge. That's the kind of information they need to know. Then they need to know what kind of variations are going to happen in their rates over the next 20 or 30 or 40 or 50 years, Mr. Chairman.

I know the Minister of Energy has said time after time in this House that he can't guarantee anything. But you know, that's not the story he started out with when he first introduced this bill. When he started out on this bill, Mr. Chairman, he talked about this having a downsizing effect on rates. Suddenly, when we get into the nitty-gritty of taking a look at the dollars and cents, he's not prepared to commit to that anymore. So I think that should be another thing that the task force takes a look at. Certainly we don't need that kind of misinformation out in the community. Either this kind of deregulation is going to have an effect on downsizing prices or it isn't. The people of the province, those ratepayers, need to know that. That's a legitimate question for them to be asking. It's a legitimate question to be answered before we can vote on this bill. So if he isn't going to do it and we don't have a summit, then clearly this is something that the task force could address.

So, Mr. Chairman, I think with those few comments I'll . . . [interjection] Don't laugh. I've got lots more to say, but I know my colleagues are all champing at the bit. I haven't read any of my notes yet, so I'll be back, Mr. Chairman.

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

MR. DICKSON: Mr. Chairman, thank you. I was trying to think back to the date when I tabled in the Assembly a letter from the mayor of Calgary to the Premier of the province dated March 25, 1998. At the time I tabled the letter, the Minister of Energy basically said that the mayor of the city of Calgary was just plain wrong and that he was going to proceed apace anyway. I thought that was fine, that was the minister's initial reaction, and he may not have had much time to consider his position and consider the legitimate concerns raised by the municipal corporation of the city of Calgary. Also, there are 20 MLAs on the government side from various Calgary constituencies, some of them high powered: the Minister of Labour, the Minister of Justice, the Minister of Education, senior, senior members in the provincial cabinet. One would have expected that those people would have taken those

concerns raised by the municipal corporation of Calgary and insisted on, at minimum, a major overhaul of Bill 27.

[Mr. Shariff in the chair]

So if I tabled that letter in the Legislature quite innocently three weeks ago, I'm amazed at what's happened since that time. That letter from Mayor Duerr was the beginning of what's turned out to be an avalanche of correspondence. I keep asking myself – I know those Calgary MLAs on the government side are reasonable, intelligent people. They understand that the city of Calgary has a large and well-trained administration. They have economists. The Member for Calgary-Cross knows far better than I the quality of people involved in advising Calgary city council and the mayor's office. I would have expected – and in fact this is the thing that I find puzzling as I look at people like the Minister of Education, the Member for Calgary-Cross, or the Minister of Labour, those members. I wonder: why is it that the bill hasn't been fundamentally changed, not by opposition amendment, not by a challenge by ATCO and Mr. Ron Southern, but why hasn't it been changed through the Calgary Conservative caucus? As I look around, I wonder: what have those intelligent, reasonable, elected representatives from the city of Calgary been doing to protect the interests of Calgarians? And that's only one community in the province. This, of course, is a bill that's going to affect a much broader cross-section of people in this province.

The other thing I find particularly troubling would be this. The Minister of Energy put a guest column in the *Calgary Sun* on Thursday, April 2, 1998, and I'll read his comment. I'll just quote it, because it's a very short one. It is this:

These are just some of the major benefits of Bill 27. Once the Bill is passed, my intention is to subject the regulations of the Act to full public consultation.

Mr. Chairman, this is the equivalent of my driving down 9th Avenue in Calgary and seeing Smiling Stevie's used car lot and going in to find an old Rambler sitting out in front that's been polished up on the front and the windshield has been replaced so that it's not cracked anymore. I want to inquire about what kind of a Rambler I'd be getting, so I pop the hood, and I find there's no engine there, no power plant. Then I look a little more closely, and I see that this old Rambler is up on blocks. I look inside: the dashboard is missing, and all the instrumentation is out. You wander around and you find that all you're looking at is simply a shell, just the chassis and nothing else.

So you ask Smiling Stevie, the proprietor of the used car lot on 9th Avenue in Calgary: "Just what's the deal here? Where are the rest of the items?" What Smiling Stevie tells you right off the bat as proprietor of this lot – he'll tell you what kind of a price he wants for the vehicle, but he suggests that it's going to cost a little more when we put in the engine and it's going to cost a little more when we put the instrument panel back in and it may cost a little more when we put the wheels on this Rambler. You start realizing that this Rambler – there may a coat of fresh polish on it, but actually this is kind of a tired, beat-up, old vehicle, and you start wondering just what the cost is going to be once you get this vehicle home, assuming you can get it off the blocks and moving under its own locomotion.

Well, I feel a little bit like that customer who has been looking at the Rambler, and Smiling Stevie has now got me in a headlock. I only wanted to stop by and have a look, but the proprietor of the car lot's got me in a headlock, and he just keeps on insisting that he knows what's best for me. Mr. Chairman, that's a lot the way I feel as a legislator looking at Bill 27. I say to myself: if this is



such a good deal, why has Smiling Stevie got me in a headlock in front of the car lot? Just why is it that he doesn't let the value of this spanking, all shined up, buffed up Rambler sell itself? Then we start looking a little more closely, and we start scraping the paint a little bit. What we find is a lot of rust underneath. What we find is that big chunks of the drivetrain are missing, and as we look a little more closely, we see some corrosion. We quickly realize that even if we were fortunate enough to get this Rambler off Smiling Stevie's used car lot, it's not going to be serviceable. It may not even get us home, never mind be able to get us to work and to our constituency office and so on.

So a couple of things happen when we have an experience like that with Smiling Stevie and his car lot. I think the first one is that the credibility of Smiling Stevie is a bit battered, Mr. Chairman. You know, we look at that, and we start wondering what other representations of Smiling Stevie, the proprietor, are suspect. And then we start wanting to find out what other cars have moved off this lot.

What we start doing – we then look at the privatization of liquor stores that the current Minister of Energy had been involved with. I know we can't ask questions about what the minister had done in a previous position, but fortunately in debate the rules are a little more relaxed, and we get a chance to look not only at the product; we get a chance to question the background of the salesperson. What we find doesn't give us a whole lot of comfort. What we find is a gentleman who rushed full steam ahead in terms of privatization of liquor stores even though what happened is that we assumed an enormous cost for premature lease surrender. What we found is that liquor stores in prime locations were dumped at fire sale prices. Why? Not because it made economic sense. Why? Not because it advantaged Alberta taxpayers, but because it suited a minister's particular ideological bent.

### 9:10

Despite concerns that we were going to have a problem with more people being able to access liquor without proper identification and concerns with registry offices in that there would be more teenagers going around with false ID, well, those concerns that were pooh-pooed, those concerns that were discounted by the minister at the time in fact have turned out, many of them, to have been realized, and I say that with regret.

Mr. Chairman, we now are presented with this bill. I think there are a number of questions for the Minister of Energy, and I suggest we start keeping count of those questions, because I know the Minister of Energy, before we move further, is going to want to come back in and start responding to those questions. I hope some of my colleagues and I hope members on the other side, too, are going to start keeping track of the questions that go to the Minister of Energy, because I think on a bill that's attracted this amount of notoriety, let's tally up all those questions. I'll talk to my colleagues here, and I suspect, being reasonable people, they'll be prepared to afford the Minister of Energy as much time as he requires to answer fully and squarely each one of those questions. I've just quickly surveyed my colleagues, and I see some nods. I think my colleagues would be prepared to afford the Minister of Energy that kind of opportunity. [interjections] They say: not if he bore any resemblance to Smiling Stevie, the proprietor of the used car lot.

Let's just address the questions as they come up. One of the questions that I want to ask the Minister of Energy is: why is it that he's prepared to undertake consultation after the bill is passed when he won't undertake that kind of public consultation before-

hand? I want to ask the hon. Minister of Energy: why is it that Mr. Stan Klassen of Lethbridge, the executive director of the Alberta Irrigation Projects Association and a pioneer in this province and a man widely respected for his expertise in terms of irrigation initiatives and irrigation projects in southern Alberta, why is it that this gentleman who writes on March 31, 1998, representing some 10,000 irrigation and farmyard customers of Alberta electric utilities,

urges an amendment to the proposed legislation to allow the issue of residual value of existing generating units to be examined in the year 2018 by the Alberta Energy and Utilities Board.

Why is it that that proposal hasn't been accepted by the Minister of Energy? Why is it that that reasonable request hasn't been answered? Maybe somebody will tell me that the minister has answered that question. I haven't heard it. If somebody has received a letter from the Minister of Energy answering that question, I hope somebody will signal that, and I'd be happy to read the letter and sit down.

Failing that, Mr. Chairman, my question would be: why did the Alberta Urban Municipalities Association's president, Mr. Gordon Graydon, the mayor of Grande Prairie, write on March 31, 1998, that he had a chance to meet with the Minister of Energy in a little more intimate context than we're accustomed to in this place? In that sort of intimate context, Mayor Gordon Graydon reports that they had a chance to meet with the minister that past Friday to discuss Bill 27 and its most recent amendments. So they were working from very current information.

Yet he goes on to say:

Our Association and its membership still have unresolved concerns about how this legislation . . . will affect municipal governments and taxpayers.

What does Mr. Graydon want to know on behalf of AUMA? Well, here are more questions for the list, more questions for the Minister of Energy that we'll be looking for responses to tonight before we move on to a vote. What is the current position of the Minister of Energy on issues of residual value and stranded costs, particularly in light of submissions that have been received from AUMA members? The next question to the Minister of Energy: what changes has he made or will he contemplate to Bill 27 to address long-term impacts on residential homeowners? Next question: what is the Minister of Energy prepared to do to address long-term impacts on smaller urban centres and small businesses? Next question for the minister: what is he prepared to do to address the loss of municipal tax revenues, and what alternatives is he proposing to ensure that those municipalities and more importantly the citizens in those municipalities will not be disadvantaged by a diminution of municipal tax revenues? Those are some questions that I think it's fair for the Minister of Energy to deal with.

I want to come back and ask from the Calgary perspective again. We have 21 MLAs from the city of Calgary in this Legislature. That is the largest concentration of MLAs. One would think that concerns in that city would be top of the agenda for this government. The Minister of Justice is one of those members. I've been in the Assembly except when I've had to scoot back to Calgary, and most of time that I've been here, I've listened for government members from the city of Calgary to raise concerns on behalf of Calgary ratepayers. I've been interested to hear some advocacy on behalf of those colleagues, because when it comes to representing the 700,000 people in Calgary, I think I have similar concerns to those MLAs. I guess I'm a bit concerned that I don't hear those voices, Mr. Chairman. I don't hear those voices.

MR. CARDINAL: They do their talking in caucus.

MR. DICKSON: Well, I can barely see the former Minister of Family and Social Services peeking out from behind his laptop computer, but I can hear him, Mr. Chairman. He says that maybe they're doing their talking in caucus. Well, that's . . . [interjection] Some of them? Okay. Well, we don't want to defame all 20 Calgary Conservative MLAs. Maybe some of them are speaking up in caucus.

Let me pose this question to you, Mr. Chairman. If those 20 Conservative Calgary MLAs are doing such an outstanding job of advocacy, if they're doing such an excellent job in caucus . . . [some applause] I notice the only people tapping their desks are those who are not Calgary MLAs. This is heartening, Mr. Chairman. We have the Conservative rural caucus rallying in support of their Calgary colleagues, who are conspicuously silent.

If, former Minister of Family and Social Services, those Calgary MLAs were fighting hard in their caucus, why is it that it's not reflected in amendments tabled by the Minister of Energy in this place, where it counts? You can talk all you want in caucus, but until we see change coming in to a bill – it's got to come in by some form of amendment. Whether the minister introduces it or the Member for Calgary-Glenmore or Calgary-Cross or Calgary-North West, my own MLA sitting in the back here. I get two votes in this Assembly, Mr. Chairman. I get one vicariously through my member, and I get my own.

MRS. FORSYTH: He doesn't vote for you.

9:20

MR. DICKSON: No, no, no. Two votes on bills, Calgary-Fish Creek.

In any event, my point, Mr. Chairman – and I don't want to get distracted on this because I think it's a key issue. [interjection] The point is that those Calgary MLAs, minister of transportation, have not been able to get amendments to this . . .

MR. PASZKOWSKI: You're wasting precious time.

MR. DICKSON: The minister of transportation is suddenly concerned about time being wasted. This is the Legislative Assembly that sits the shortest number of days of any Assembly in the country, and the minister of transportation thinks we can do it all – why don't we do it all by regulation, minister of transportation? Why don't we eliminate the Legislature? We'll do it all by order in council. We can see where that's going. We can see where that's going, Mr. Chairman.

In any event the point is this: if these members from the Calgary caucus are doing such a darn effective job, how come we don't see the amendments here on the floor of the Assembly?

MR. PASZKOWSKI: They're not needed.

MR. DICKSON: Now, that's a really interesting proposition. So the minister of transportation would have us believe that the AUMA is all wet, that the elected people running the city of Calgary are all wet, because the minister of transportation is just prepared to discount that and say that they're all wrong. Well, I'm not prepared to do that, minister of transportation. I'm prepared to respect the local municipal electors. They've been elected too. They've been elected too, and they have a right to be heard, and they have a right to see a change in here.

Thanks, Mr. Chairman.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Chairman. It is with pleasure that I rise to speak this evening to Bill 27. We go through this, and we can label it, little tabs on the bill to bring our points forward. We can have yellow; we can have green; we can have red. I think that with all the talk that's been going on, not only in this Assembly but throughout the province by various groups, by industrial providers of electricity, by consumers, all the talk about residual value and what's going to be left in the year 2020 – now, it's unusual that a bill that's going to determine the price of electricity for both industrial and residential users is to be debated here this evening, and the hon. minister is not here to answer our questions. Pardon me. Pardon me, Mr. Chairman. I retract that. I apologize. It is a disappointment for me, because I have many questions on this.

The first I find quite unusual is in the back here, in the back of this bill, the first schedule, “regulated generating units,” and here we're talking about the type of plant. Some of them use water, hydro, some are coal fired, and some are gas fired. We're talking about the base life here, and we go on, and there are very few of these that are going to have any base life left, if we're to believe the contents of this bill, by the year 2020. Now, I find this very, very interesting, Mr. Chairman, because there's not a mention of the generating capacity of these facilities in this schedule. There is just the date, the base life, when their mechanical life will be over, when they will be worn out without repair.

If we go over a little bit further in the bill, we have in part 2 of this schedule “isolated regulated generating units.” They're listed here, and the owner is also listed, their type, and their rating by kilowatt. For the life of me, whenever one person will tell me that there's going to be a shortage of generating capacity, the next person will say, “Oh, no, that person was wrong, and there's going to be surplus,” why we cannot in this original schedule, which is so important in this bill – when we talk about base life, we also talk about the generating capacity of these, because, Mr. Chairman, the generating capacity of our electrical generating units is very, very important.

If we go back here to an earlier part of this bill, we're talking about a generating unit and the modification of the generating unit in accordance with regulations made in section 71. Now, if we go back to section 71, we see that this can all be changed by extension of the life of the generating stations. But how are we going to do this, and how is this going to reflect the residual value? We all know that with our modern construction techniques many of these generating stations' worn out parts can be manufactured anywhere in this world, Mr. Chairman, and shipped to this country and probably assembled in a matter of weeks to completely overhaul the station. This is not determined or outlined sufficiently in this section 71. It's something that it's unfortunate that we cannot talk about in detail here tonight, because the consumers of this province have bankrolled the majority of the coal-fired generating plants in this province.

MR. WHITE: All of them.

MR. MacDONALD: All of them, says my hon. colleague from Edmonton-Calder, who is the energy critic. All of them are bankrolled by the consumers, and the consumers have a vested interest in this. So if we're to talk about the extension of the normal life and if we were to have a complete overhaul of one of

these generating stations, we can even increase its generating capacity. This bill does not outline that sufficiently. It's deficient in its requirements here at the back in that schedule that I referred to earlier.

Now, we have to look at the intent of this bill, Mr. Chairman. The intent of Bill 27 is to complete the deregulation of electrical generation in the province of Alberta. This is a process that started in January of 1996. When fully implemented, as I understand it, deregulation of the electrical industry will enable customers to choose their retail supplier of electricity. It will also supposedly eliminate the need for regulatory hearings on generation costs and create better market incentives for efficiency and reduce electricity rates.

Well, whenever we talk about electricity – I noticed in here a little earlier that there seemed to be a lot of electricity in the air regarding Bill 2, and I thought I was going to see for one of the first times in my short time in this House a good exchange of debate and a good exchange of ideas. But that didn't happen. I was looking forward to listening to all hon. members in this House exchange their views on certain legislative initiatives, but that didn't happen. But I'm glad that now we're going to get our chance to speak in detail on Bill 27, because no matter where all hon. members go in this province, electricity, the electrical grid is everywhere.

I spoke earlier about in the Winter Olympics, whenever TransAlta Corporation had the advertisement on, and I used to think this place was in the southwestern corner of the province. It was a farmhouse, the lights went on, and it was a little over a dollar a day for electricity. That was for everything from washers and driers to laptops, to provide electricity to that household, and that is very, very good product delivery. With this bill and with the concerns that have been brought forward by all hon. members in this House, we don't know if this bill is going to be able to provide that.

I think of the hon. Member for Edmonton-Strathcona here. Earlier he was talking about what happened with the privatization and deregulation of the electrical power grid in New Zealand. Now, in New Zealand in Auckland harbour – it's a fine harbour – there were ships . . .

MR. BONNER: Have you been there?

**9:30**

MR. MacDONALD: Yes, I've been to Auckland, and I've seen for myself the ships, but they weren't there for power generation; they were there for trade. New Zealand is primarily a country that exports agricultural products. These ships were anchored right in the harbour, not only in Auckland but I understand they were also in Wellington, the capital. They were anchored there providing generation capacity for the cities of Wellington and Auckland because the normal power grid had failed. There was not only a failure of the generating stations; there was a failure of the distribution system.

Mr. Chairman, it is brought to my attention here that in Bill 27 we're talking about the generating units and the generating capacity – what's coal-fired, what's gas-fired, what's privately owned, what's a public utility – yet we're not talking about the distribution system. There was an engineering report put out that questioned the structural integrity of the steel pylons, the tapered pylons that support the majority of our transmission lines. There's probably not an hon. member in this House who didn't watch the news earlier this winter whenever we talked about the ice storms in eastern Ontario and all of Quebec that encompassed

both shores of the Saint Lawrence River. We saw what the ice damage did to those pylons. You could look at the newspaper photographs, or you could look at the television news, and you would see that they all bent or broke at about the same elevation. That indicates to me that perhaps there was trouble with these. Perhaps they were old.

We're not talking about the electrical distribution system like we should, because from what I understand, the pylon is supporting not only the transmission wires, but as electricity is transmitted, there is a vibration. Perhaps the hon. Member for Edmonton-Calder could elaborate on this, but the transmission process causes constant vibration, and this has not been determined in the transportation grid. If we have problems, hopefully we're not going to have the serious weather conditions that were experienced in Quebec, and Hydro-Québec had to deal with those. But what are we going to do with the mechanical deficiencies in our transmission system? I will wait patiently, and perhaps I will hear answers to my concerns.

There are critics of this bill, and I think we should discuss in detail, Mr. Chairman, what some of their complaints are. Now, the major critics of this legislation, as I read in the papers, are the municipalities. The hon. Member for Calgary-Buffalo spoke about, you know, the suspicions that the city of Calgary has towards this legislation. Well, the city of Edmonton also has some concerns.

MR. BONNER: Except for the mayor.

[Mr. Tannas in the chair]

MR. MacDONALD: Yes.

The town of Peace River has grave concerns about this and the city of Lloydminster, which is the capital of the heavy oil industry in this province. Whenever we think of the heavy oil industry, we think of electrical consumption because of the use of electric pumps to pump this oil. I can't think of anything more important than, at a minus 30 degree weather condition, an electrical failure in Lloydminster and what it would do for the heavy oil industry. It would be catastrophic. I don't know if the people of the city of Lloydminster or the oilmen out there in the heavy oil industry were aware of the plans with this Bill 27. I don't know if they are, and there would be no harm in asking them.

The city of Grande Prairie, the city of Bonnyville, most recently the AUMA, the council of rural electrification agencies – these are the REAs – and other groups have expressed concern. The Consumers' Association of Canada has a lot to say about this, and of course Alberta Power and Canadian Utilities. We're all aware of many of the concerns that Alberta Power has regarding this legislation. Alberta Power and Canadian Utilities were two of the first companies that went to England and developed large, efficient, gas-fired generating stations. When privatization and deregulation was all the rage in Great Britain, they went over there, and they experienced that firsthand, and now those corporate enterprises have doubts about this particular legislation.

We must ensure, Mr. Chairman, that customers who paid for the construction and operation of these existing generating plants under a regulated environment receive the full benefits of these investments under a deregulated environment. This has been more commonly referred to in this Bill 27 as residual value. We have to talk about this residual value at the year 2020, and whenever we talk about that, we have to look at the different schedules that are proposed in this bill and what sort of mechani-

cal modifications we're going to do to increase or decrease the residual value. This bill sets up this arbitrary cutoff date of December 31, 2020, after which the customers will no longer be eligible to receive the benefits from the residual value of generating plants. There are many concerned stakeholders who have expressed that they would like to see the cutoff date extended to at least 2030.

Now, we're talking a lot about this Bill 27, and I support the principles that would underlie deregulation of the electrical industry in Alberta. There are some ideas here: there's customer choice; there's increased competition; there's potentially lower electricity bills for consumers. But from what I understand about this, I'm rather doubtful about this, about customers sharing in the benefits created by the transition to a competitive marketplace.

One of the key sound industrial initiatives and strategies that this province has accomplished is a reliable and affordable electricity rate. Industry can count on the present system to supply their needs. Perhaps instead of something like this we should talk about the initiatives that have been put forward down in Pincher Creek. You can take highway 22 south, and these are very pretty towns going through there. Even in the summer, Mr. Chairman, you can roll down your windows, and there's always a wind blowing. It's a warm chinook. It surprises me that with the naming of all the constituencies in Calgary, not one of them was named Calgary-Chinook. You know, when we think of Calgary, we think of chinooks, but that's a different matter.

You go down south and you see all this wind power and the windmills, and we're developing turbines all the time. Perhaps the minister omitted wind power in his bill. There are some people who say that we could have 3.5 to 5 percent of the total electricity generating capacity in this province come from this source, Mr. Chairman. It would be a very good idea. [interjection] I see the Minister of Environmental Protection over there has suddenly thought, well, this is a good idea. I'm flattered that he would think that wind-powered electricity generation would be a wonderful, sound economic principle.

**9:40**

Now, we can also tie this into the fact that there are emission credits. Emission credits are very important in this, because Suncor, a fine corporate citizen, is now talking about trading emission credits not only within this country but also in the international market. We all know – and the hon. Member for Edmonton-Calder spoke earlier and reminded me, and I am grateful for that – about all the coal-fired generating plants in this province. And we're going to get back to the concept of emission credits. This is quite a concept, because if we could have all the wind-powered generating capacity in this province, which is environmentally safe, they could perhaps sell some of these emission credits that they would generate, and that would be also a reason that would make their electricity production competitive.

**THE CHAIRMAN:** The hon. Member for Edmonton-Calder.

**MR. WHITE:** Thank you, Mr. Chairman. I rise to speak again to this bill. I still have the same problem with this bill, always the same problem. We haven't had one whit of argument from the other side, not one. I keep asking the questions: where is the value in this? Where is the residual value? I keep getting the same single, one-line answer: all the value is there. Yet, sir, the studies that have come to be known all say the same thing, that there is either massive or astronomical value left in the utilities in this province that are currently, as my hon. colleague has

mentioned, of value to the customers. The customers have in fact invested in these things.

**DR. OBERG:** There'll be no wind power.

**MR. WHITE:** Well, Mr. Chairman, there seems to be a lot of wind power from the opposite side. I believe whence the wind is coming is way down Brooks way. Well, what I understand of Brooks and the wind that they have there, it's the power that moves the dirt past the doorstep, and that's about it. Quite frankly, if the Member for Strathmore-Brooks has such great expertise in this bill, perhaps he would do us the honour of joining debate and explain some of the fundamental elements. [interjection] Yeah. The minister opposite is explaining to me that it's much more fun heckling than it is having to debate. Well, I have to attest that there are certain members on our side that would agree wholeheartedly with him on that point. However, I'm being admonished to move on with the bill by the hon. member in the chair, so I shall.

I would like to now introduce an amendment, Mr. Chairman. Section 5(a) is amended (a) in the proposed section 6(a)(i) by striking out “of the benefits” and substituting “the full benefits”; part (b) in the proposed section 6(a) by striking out the word “and” at the end of subclause (i), by adding “and” at the end of subclause (ii), and by adding the following after subclause (ii):

- (iii) for decisions about the removal of existing generating units from regulated service that are in the interests of both the owners and consumers of electricity in Alberta.

It's duly signed and delivered.

**THE CHAIRMAN:** The chair would observe that it has been duly signed by Parliamentary Counsel. This amendment, which we hope will be moved by the hon. Member for Edmonton-Calder, will be known as amendment A2.

**MR. WHITE:** Yes, sir. I move the amendment as just read into the record and now being distributed.

The effect of this amendment, sir, is very, very simple. What it does is that which the minister has been explaining across this province since the fall of last year and in a noted speech that he delivered to a Calgary audience on the 22nd of September, 1997. I believe it was the Chamber of Commerce. He said: “This is imperative. And I'll be blunt.” As an aside, as the minister is known to be.

All residual value must be returned to the Alberta consumer, who not only paid for it, but who ensured the rate of return for its owners. This government will take whatever steps are needed to ensure this happens.

Now, Mr. Chairman, I'll read that again: it “is imperative [that] all residual value must be returned to the Alberta consumer.”

If you read this amendment, sir, you will understand that it substitutes so that there is no question about the ambiguity of any clause. It strikes out “of the benefits” in that section and adds “the full benefits.” Now, “the full benefits” is quite clear: all that which is put into the rate base in the way of return for the capital investment is also in this price. But that price, the amount that by regulation up to and including today is by design included so as to guarantee, in the minister's words, to ensure the rate of return for its owners, is paid for and the value that is in the plant itself. Now, this amendment, I would think, would be exactly what the minister would order if he were to so move an amendment. Of course, I cannot observe where his presence is at the moment, but if he were able to manage to say something to this

bill, he probably would say the same thing again. He would certainly repeat those words.

Now, I can also go to a response to a question in question period that this member asked, and the question was simply this:

Will this minister guarantee the Consumers' Coalition of Alberta that residential customers will receive the full value of the deregulated market?

Dr. West's response:

Mr. Chairman, in a deregulated market, as he has just put forth the question, I can assure that the consumers of Alberta will reap the full benefit of it.

He was speaking of the full benefit.

Now, that's all this amendment does. I'll read it again. "Of the benefits" is removed and "the full benefits" inserted, exactly and precisely the words that the minister has used not once but twice, very publicly, once in the record of *Hansard*, that goes down in the annals of history, and the other in a major speech to the Calgary Chamber of Commerce.

9:50

Now, there isn't a great deal of stretch to the answers to, again, some questions by this member on March 18 of this year, questions to the minister and his answers to me.

Mr. Chairman, by the year 2020 on the extended life of the plants that we have, all residual value will be returned to the consumer.

All residual value. That's precisely what we're talking about here.

Now, in making these arguments further, I'd have to cite the studies that have been done. The studies at the behest of the Department of Energy in March of this year, by a firm called London Economics in Cambridge, Massachusetts, noted for their expertise in utility finance, are clear and say in the second paragraph of their March 13 communiqué, under the title "The validity of the forecasts":

There are a number of suspect assumptions in the \$8bn forecast presented by Alberta Power. Firstly, the C\$8bn should be presented in current terms.

Well, they attack the value not – they don't even come close to saying anything about the value.

Earlier studies by this very same firm confirmed that there's at least, at minimum, \$8 billion worth of residual value in the year 2020. Now, that's residual value, and it's not that difficult to calculate because it's a straight-line depreciation and the costs are there, supported by their generation. Power plants, by their very nature, have relatively few moving parts and therefore don't burn out all that quickly. Certainly the old Ford will burn out much sooner than that. We're talking, for the most recent of plants, into the year 2029. That's the Genesee plant, which is scheduled for decommission, which coincides with the date by which the consumers in the present regulated system would have paid for that facility.

Well, we all know that power plants live far beyond their original decommission date. As a matter of fact, a stone's throw away from here there's a plant that one of the hon. members in this House knows a fair bit about because he spent a great deal of time in it. The Member for Edmonton-Beverly-Clareview, I believe, knows the plant well. That plant was scheduled for decommission the first time in the '30s. Then every 10 years thereafter it was scheduled for decommission, and it is still producing power today. So that's the simple extended life.

Now, nobody would argue that the money that is put into a plant after a plant has been slated for decommission and therefore has been completely paid for by the consumers, that any money put in thereafter in an unregulated market would, of course, be in

the free enterprise. No difficulty with that. Now, I don't have any difficulty with that. The members of city council in Calgary and most of the members, I believe, of the city of Edmonton – although their corporation, EPCOR, is heading in another direction, I understand; sooner or later we'll have some kind of a reading on that – city councils in Wainwright, in Red Deer, in Grande Prairie, and in fact the AUMA, with their some 288 members, all agree that the full benefits of these generation plants should and must be returned to the consumers.

They have supported that, and there's no question about it that it is the absolute right thing to do. It may not be the quick, expedient thing to do, and yes, it'll be an accounting exercise as the current system is an accounting exercise. To rush headlong into privatization without studying the ramifications will, in the words of at least one generator, hurt the pocketbooks of all the consumers in the province of Alberta.

Mr. Chairman, there is a body of evidence that was presented in a London Economics report that says the residual value is there. There is in fact a study by the IPCAA, which is the Industrial Power Consumers Association of Alberta. They a little over a year ago commissioned a study, and in fact it was a very in-depth study. They were of the opinion at that time that there was considerably greater residual value in the plants. As a matter of fact, they put the present value of taking all of the plants, taking their decommissioning date, which would be the same date as they would be assumed to be completely paid for by the consumer, and present valuing those to today, and they came up with a number of some \$3 billion to \$6 billion. That's 3,000 millions to 7,000 millions of dollars. That in their view and the study's view would be given at 2020 to the owners of the generating units.

They were of the opinion at that time that some major changes had to occur. Now, that's not their opinion as of April 1. I suspect at the invitation of the minister that they published a one-page opinion that they now believe that Bill 27 should be moved forward with all haste. Why? We know not, and we're not given a hint of information to believe that there's any kind of study behind it. [interjection] Pardon me? I'm speaking to the amendment, yes.

MR. HAVELOCK: I didn't say anything. What are you looking at me for? I'm just sitting here.

MR. WHITE: Well, you do it rather creatively, sir. You sit there rather well.

MR. SMITH: Question.

MR. WHITE: No, the question shan't be called at the moment. There are a great deal of speakers on this side of the House, members with a great deal to say on this.

I bring to your attention a letter from an independent and in fact a semiretired gentleman in the city of Edmonton, a man well known in legal circles. His name is Al Bryan. He's written a letter to the Premier, and it starts out: "I am forwarding this letter, on a personal basis." He goes on to explain at great length that he has spent a number of years representing clients at the now EUB, the former PUB, and in fact had said that he is distressed that the minister would take the expedient route of estimating the life expectancy of all plants and zeroing in on the year 2020. He ends by saying: "Hopefully this change will remove one of the major risks inherent in the proposed legislation." Well, the

change he's referring to is the terminal date, that he feels is rather arbitrary.

Virtually all of the consumer associations and those that represent consumers in the province of Alberta have said the same, which we can't understand. This side can't understand the haste with which the bill must be put through by the government, and the fundamental question of why we would not look to retiring the plants when their natural retirement date is and an accounting procedure at that time as to how much the residual value would then be to the beneficial owners versus the customers.

**10:00**

Every single plant today, no matter how small or how large, has an accounting package with it. They know the exact accounting costs, the dollars in and the operating costs. It's a matter of regulation. They're kept absolutely meticulously, and they can be produced at any time. If you read the existing legislation that this Bill 27 amends, it says precisely what's there and contained.

Now, if you're going to pick an arbitrary date, then the arbitrary date should be well beyond the termination date, if you will, of the last plant. The plant that was built the latest and put onstream would be the last plant. I personally am not in favour of that. I believe that every single plant that comes to a decommission date should in fact be evaluated at that time. The costs that have been put in to that time to enhance the production or to extend the life are put in as of passage of a bill, this bill perhaps, would be in the unregulated market and therefore be at the risk of the beneficial owner and therefore not returnable to the consumer or the customer in this case. But everything to that point absolutely should be. This is not a difficult situation. It seems to this side of the House that for mere expediency of this bill it seems to be the minister who has decided that it had to be put forward and had to be pushed forward. It does not seem to make a great deal of sense.

I bring your attention to the mayor of Calgary and his under-

standing of this particular piece of legislation. He says, and I quote: the government has basically made an arbitrary transfer of a substantial amount of wealth from the consumer to private companies.

I would thank the Assembly for their time.

THE CHAIRMAN: The hon. Government House Leader.

MR. HAVELOCK: Thank you, Mr. Chairman. I move the committee report progress on Bill 27.

[Motion carried]

MR. HAVELOCK: I move that the committee rise and report, Mr. Chairman.

[Motion carried]

[The Deputy Speaker in the chair]

MR. SHARIFF: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on the following: bills 2 and 27. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:05 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]