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First Session

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The Honourable Gene Zwozdesky, Speaker

Legislative Assembly of Alberta The 28th Legislature

First Session

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Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

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Legislative Assembly of Alberta

7:30 p.m.

Monday, October 29, 2012

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

Government Bills and Orders Second Reading

Bill 9

Alberta Corporate Tax Amendment Act, 2012

[Debate adjourned October 25]

The Deputy Speaker: I believe the next member to be recognized is the hon. Member for Lacombe-Ponoka. You have the floor, sir.

Mr. Fox: Thank you, Mr. Speaker. It's with great pleasure that I rise again today, and I'd like to thank my fellow colleagues for all of their hard work so far today. I'm also standing to speak to Bill 9, the Alberta Corporate Tax Amendment Act, 2012.

The proposed amendments in this bill are intended to correct a number of loopholes and discrepancies that are currently found within the Alberta Corporate Tax Act. The proposed changes and amendments cover a number of industries, including insurance, oil and gas, research, and pleasure crafts. All of these amendments are in response to discrepancies found by either the industry or the Department of Finance.

Now, I do have to say that even though some of these changes are small, they're not inconsequential. Most of these changes seem like reasonable attempts to make the tax code more fair. I'm going to start to talk about something that causes the eyes of most of my friends and of people I know to glaze over. I'm going to talk about insurance for a few minutes.

In Alberta there is an insurance corporation tax, which is payable by insurance companies for business transacted in Alberta during the year. The rates are 2 per cent on premiums for life, accident, and sickness insurance and 3 per cent on other types of premiums for other types of insurance policies like property and casualty.

In the existing legislation it states:

88(1) The tax imposed under this Part is not payable . . .

(b) in respect of premiums receivable under a contract of marine insurance.

What we're seeing happen is a change in definition of what falls under that marine insurance act. What we're seeing it move to is bringing pleasure craft out, and we're going to see a change to that definition. Now, the definition of pleasure craft is a water craft or vessel used for recreational or sporting purposes. Whether or not the craft or vessel is chartered to another person for this use doesn't matter.

At the end of section 88(1) the terms "unless the premiums are receivable in respect of a pleasure craft" are added. We are seeing that there will be a 3 per cent tax now payable on these premiums by insurance companies. Fair as this might be in removing the marine exemption tax, what we're seeing is kind of a little bit of a tax grab. Now, I'm not sure if this is something that is good or bad, but we are seeing this happen to the industry.

Any time we see these kinds of changes, we know what's going to happen. The consumer will pay. These increases are going to be passed along to the consumer, although it is up to the insurance company as to how they are going to do it. I think that does need

to be noted here in the Chamber because, as I said, these changes may be small, but they're not always inconsequential.

With that, I'd like to thank you very much for your time here tonight. Take this into consideration as we move forward with this bill.

The Deputy Speaker: Thank you, hon. member.
The hon. Member for Calgary-*Buffalo*.

Mr. Hehr: Well, thank you, Mr. Speaker. It's a privilege to . . .

The Deputy Speaker: My apologies, hon. member. Standing Order 29(2)(a) provides for questions or comments from any member to the Member for *Lacombe-Ponoka*.

Seeing none, I will recognize the Member for *Calgary-*Buffalo** again.

Mr. Hehr: Well, thank you, Mr. Speaker. Sorry for jumping the gun there.

It's always an honour and privilege to rise to speak to any bill, even a bill that may make some people's eyes glaze over, the Alberta Corporate Tax Amendment Act, 2012. My friend from Her Majesty's Loyal Opposition got it mostly right. This bill really attempts to clarify the tax codes, both federally and provincially, and allows for extended deadlines for scientific research, experiment, and development tax, tax credits for three months, which seems like a reasonable thing to do, and it eliminates the ability of the insurance companies to claim different policy reserve amounts for Alberta and federal tax purposes. All in all, it seems like business as usual. We tend to see this every year when we review our corporate tax structure.

You know, I do, I guess, differ slightly from the last speaker on one particular issue. I have troubles where the individual would classify the government taxing of a marine pleasure craft as being a tax grab.

Mr. Anderson: You just said it. It was taxing.

Mr. Hehr: Okay, okay. I understand that.

Let's think about this, okay? Through some anachronisms in the insurance code we had forgotten that through the long history of Alberta we probably had marine craft that were canoes and other things like that, what people were using in their day-to-day lives to fish, to get around their neighbourhood, and the like. I guess over the course of time, the definition of marine pleasure craft has probably expanded. I've been out in B.C., and I see some of those nice riverboats there that would be considered luxury items in my view. You see some of those boats when you're here in Alberta. In my view this is not a tax grab. It's merely a situation where you have to recognize what the beast of burden you're taxing is. It's a luxury item that should fall under the Insurance Act, as other luxury items do, and be fairly taxed accordingly to reflect that in the insurance rates. It seems to be fair and reasonable.

Given the fact that policies have to be paid out in some regard, and the government needs to collect their pound of flesh from somewhere, it would seem to me that this looks like a reasonable place. If someone could afford a marine pleasure craft under that definition, we should be able to assess that as what it is and be able to recoup some money in that regard.

I don't have to go into this, but I will. I think in this year's budget with the deficit we'll spend \$44 billion. In the main we spend all of our fossil fuel revenue as it comes out of the ground. We only bring in personal and corporate tax revenue of roughly \$12 billion. If you're not going to get the money from somewhere, then I guess you have got to cut the services, although I hear a lot

of talk from that side. I hear you want also to keep the police college going, I hear you want to build a new hospital facility in Sylvan Lake, and all of these things that do take government revenue. At no time do I hear you want any tinkering with the Alberta tax code. This may be one of those circumstances where you can continue to build your Sylvan Lake hospital with some of the revenues from the marine beautiful boat levy that we're going to now incorporate.

I'm just warning you. There has to be some way to pay for government services because currently the only way we are doing that is by spending every last dime of fossil fuel resources. We structured it that way, okay? Unless we're going to change the structure of it, I have every confidence we're going to continue to do that. Okay? Maybe this is a small victory for future generations, the marine excise luxury tax. Maybe we can now save that small sum of money that we're going to recoup on behalf of the Alberta taxpayers to maybe save something for when, one, the oil and gas is all gone or, two, the world moves on. That would be the one difference I would have.

Nevertheless, other than that, it looks like a decent act that will hopefully simplify things for corporations. It will also allow the government to recognize that some of the services it provides here in this province also benefit their citizens, benefit their business, and the like.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. Questions or comments to the hon. Member for Calgary-Buffalo? The hon. Member for Calgary-McCall.

Mr. Kang: The Member for Calgary-Buffalo said that this is a step in the right direction, the tax increase. My question to the member is: how about the whole Alberta tax structure? What do you think of that? Should there be any changes there because we are spending all the royalty revenues, all the money coming in? Should we be doing things differently, in your opinion, so we could bring in more revenue because we have revenue problems?

7:40

Mr. Hehr: Well, here's what any government should do. You should look at what services you're willing to provide or what you think the electorate should provide and then run a program of taxation that allows for the covering of those services. It seems pretty simple. That's what governments should do. Decide what you believe the level of service should be. Decide what level of taxation you will bring in to get that level of service to go on. Different parties have different views on that level of service, but you have to have the confidence to then back up your position on what level of service you believe that is for public education, public health care, and the like and then tax.

What we have done in this province for far too long is simply said: "We can have the best of both worlds. We can have this high level of service or a level of service and still have this lower level of tax that really sort of is an anomaly here in Alberta. The rest of the jurisdictions don't have it. We'll have this kitty of \$11 billion to \$12 billion that will just paper over these deficits, these essentially structural deficits that are made up by fossil fuel resources." Okay? Really, I guess the true, honest position would be going to the electorate and saying: "We're going to provide \$31 billion in services, and we're going to save the rest of this. Then we're going to take the interest out of the heritage fund." I think that would be a reasonable position. We're going to save this; we're going to spend a little bit of the resource revenue.

Another position would be to be perfectly, I guess, moral to future generations. We'd say that we're going to tax on the first \$44 billion. We could probably do that by adopting B.C.'s tax code, which, by the way, would be the second-lowest tax jurisdiction in the country, look people in the eye and say: "What? We're the second-lowest tax jurisdiction of all the provinces. What's so wrong with that?" That could be another position. But I don't find the position right now of any moral substance, the one that we continue to do right now.

I'd say the government should either lead and go to the polls – whack the provincial budget by \$6 billion, \$8 billion, and go to the polls on that. Increase your tax revenue by \$6 billion, \$8 billion, and go to the polls on that. At least you might have something for when the oil and gas runs out. But right now this, in my view, is extremely unfair to what we should be doing for the long run in this province. Then again, Mr. Speaker, in the long run we're all dead, and there's the old saying: what have future generations done for us? I don't buy into those philosophies, but they are concerns of the government.

Thank you very much.

The Deputy Speaker: Thank you, hon. member.

There's still some time left. The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Speaker. I wonder if the hon. member would comment. A number of times I've heard the member talk about raising taxes. I know he is a big believer in the democratic process, and certainly in my riding, my constituency, the democratic process would dictate that the public is not in support of any new taxes whatsoever. Now, your constituency may be different, but I was wondering if you would comment on that. If the public is not in favour of any new taxes, how can we go down this road of passing bills or passing legislation that would increase taxes?

Mr. Hehr: Well, first off, you're wrong on that account. A public opinion poll during the election said that people were more than willing to pay a higher price, a higher taxation. One was in the *Calgary Herald*, and I will come back with that poll. Okay? Maybe it's different than people from Rimbey; nevertheless, that was a poll I read in the *Calgary Herald*.

The second thing. You know, governments lead. Oftentimes there are situations where your electorate at the time may not always agree.

The Deputy Speaker: Thank you, hon. member.

I'll recognize the Member for Edmonton-Strathcona.

Ms Notley: Thank you, Mr. Speaker. I just came in here, and I was trying to organize my notes just a little bit. I take it that I'm the last speaker on this one. Is that correct? Yeah. All right.

Well, it's a pleasure to rise to speak to Bill 9, the Alberta Corporate Tax Amendment Act, which has been characterized as a bill which is primarily geared towards housekeeping in order, in many respects, to bring our law around corporate taxation in line with that which is in place federally. I believe that there are certain elements of it that are probably going to be helpful and amount to reasonable initiatives. One of those seems to be the notion of amending the policy reserves for Alberta versus Canada in the insurance industry in order to ensure that there aren't different policy reserves between the two that can be claimed by the insurance company.

One, it appears as though we're giving the insurance companies four years to pay back the excess amount that they received due to

claiming the higher reserve, and I would certainly be interested in knowing what amount of money this may amount to and what the considerations were from the government in determining that four-year period. I'd also be interested in hearing from the government what their view is of the net tax outcome collectively as a result of the changes that are being made through this bill, and that doesn't just simply relate to the changes in the amount, the policy reserve that can be claimed, but also changes to the other elements that are outlined in the bill.

We have some concerns in the way the bill proposes to define recreational craft insurance and how it plans to treat it. On one hand, it makes perfect sense for recreational marine craft to be treated the same as other recreational vehicles. So that is completely appropriate, and I think it's a good thing. The concern that we have, which is really at this point just a question because I honestly don't know the answer to it, is how this change will impact aboriginal and Métis communities, particularly those that run small guiding companies, whether or not their insurance costs are going to go up as a result of this. That is a question that I'm hoping at some point will be addressed.

As the previous speaker from Calgary-Buffalo outlined, though, the real sort of interesting issue around this bill is the fact that we're tweaking little exemptions and loopholes here with our corporate tax calculations, but what we're not doing, of course, is looking at the overall issue of our provincial corporate tax rate. In the last election campaign the NDP proposed to raise corporate tax rates by 2 per cent while reducing taxes for small business by one-third to help them grow. We were, ironically, the only party of any of the political parties in the election to propose a tax reduction. That was a tax reduction for small business. [interjection] The Member for Calgary-Buffalo was saying something to me, but I didn't quite catch it. I'm sure it was very amusing and wise both at the same time, though.

Nonetheless, at the same time we certainly did suggest that we needed to increase the corporate tax rate in Alberta by 2 per cent, and that would have generated roughly another \$800 million annually. I think that there is good reason for this. You know, the government often likes to talk about, "Well, if we have low tax rates, of course, everyone is going to invest here," but the fact of the matter is that we have room to play around with our tax rates while maintaining a competitive advantage.

7:50

Of course, there are other reasons why corporations invest here, not the least of which has to do with the location of our resources. As much as this government likes to pretend that they are brilliant financial managers with a savant-like corporate skill that allows them to negotiate in superhuman ways, that personally and individually each member of the government is directly responsible for every business success that occurs in Alberta, the fact of the matter is that we have resources in this province, and business is here because we have resources.

While I will give some credit to the early versions of the multigenerational government that we have sitting over there for their foresight in terms of beginning the work with respect to our oil and gas industry, I would suggest that at this point there's not a lot brilliant management going on. Anybody could sell something for nothing and have people show up at their store. If you make it free, everyone's going to come. We're on the verge of doing that in this province. While I guess having everyone come through your doors is really exciting, and you can have a great big grand opening every week, and it really sounds like there's lots going on, if what you're doing by giving away everything virtually for

free is selling the next generation's future, then one really has to think about whether it's valuable.

When it comes to issues around corporate taxes, there is no need for us to continuously drop the corporate tax rate for individuals like, for instance, someone who featured prominently in our conversations earlier today, the Katz Group. Really, when someone is making billions and billions and billions of dollars, do we really have to reduce the corporate tax rate yet again?

Meanwhile, study after study shows that working Albertans, average middle-income families, have less and less expendable cash. Generally speaking, their quality of life is deteriorating. Overall the income of most Alberta families and their disposable income relative to the top echelons of this province and the country and the world – the gap is growing and growing and growing. So people are working harder and harder and harder for longer and longer hours. In two-parent families both parents are forced to work in order to meet basic costs, which previously could be met on a single income. When that happens, that impacts our communities. It impacts the strength of our communities. It impacts the quality of our community life. It impacts our quality of life.

So one wonders why it is that we continuously cut corporate tax and ask Albertans to work harder and harder and longer and longer, and at the same time we hold steady the cost for most of the public services for which those corporate taxes used to pay. The former Member for Edmonton-Riverview did a very compelling analysis of the trend with respect to corporate tax contribution to our provincial coffers as compared to the amount of expenditure by the government in a number of key areas. What he found was that over the space of about 15 to 20 years corporations had their contribution to the pot, as it were, reduced by almost one-half. Meanwhile, the per capita and inflation-adjusted investment that this government makes on antipoverty and child protection and family enhancement for those families that are at risk has also dropped by about one-half. So we've given lots of money to the big corporations, and we've pulled it back from those in our society who are most vulnerable.

Meanwhile, education has managed to stay almost steady. Not quite. It's actually gone down a little bit over time. Health care, as a percentage of our GDP, has remained roughly the same. Overall our social expenditures in this province have gone down on a per capita, adjusted-for-inflation rate over the course of the last 10 or 15 or 20 years while at the same time, coincidentally, our quality of life is suffering, while our infrastructure debt is growing, while our roads are falling apart, and while our kindergarten kids receive the least amount of hours of education in the country. While these kinds of things are happening, oh, we're so proud; our corporations pay the least amount of tax.

At a certain point you have to wonder, Mr. Speaker, what kind of choices are being made, whose side the government is on, and what their ultimate objectives in outcomes are when Alberta has the lowest transition rate from high school to university, when our kindergarten kids are pretty much the only ones remaining in the country who don't have full-day kindergarten, when we don't have prekindergarten, when our class sizes are growing notwithstanding the government's own studies that suggest that they should not, and when our special-needs kids are not receiving anywhere close to the support that they should. When young families from across the country are coming to Alberta, we are dropping the ball in terms of investing in their future, and we're doing that, in part, in the service of delivering that 10 per cent corporate tax rate here in Alberta, dropping it, dropping it, dropping it every year.

Of course, that's in line with the equally unfortunate and misguided flat tax that this government also insists on maintaining, ensuring that those who make more pay less. Again, that is regressive and antithetical, I would suggest, Mr. Speaker, to commonly understood notions of equality and fairness.

I'd like to comment on the exchange between two of the members recently. It's actually the case that many Albertans are prepared to pay their fair share of taxes. They do generally support the notion of progressive taxation, and in fact a huge number of Albertans, probably 70 per cent, support increasing corporate taxes. They do that if it means that their services will be protected.

Now, because the question was raised about this last election, what's interesting was that our Premier painted herself in what I would suggest was a combination of red and orange and went out to Albertans and promised them that she would preserve, build, and invest in the growth of those very important programs, the programs that focus on children, the programs that focus on family, the programs that focus on health, and the programs that focus on seniors. She did a great job of painting this picture of how she was going to build our community and support our families and that she wasn't going to slash and burn.

So when people say: what did people vote for? Well, what they voted for was the party that, coincidentally, had an extra \$430,000 in their bank account to run campaigns that allowed them to make Albertans think that they were electing a government that actually was not what they were electing. They were wanting a government that was progressive. They wanted a government that cared about public service. They wanted a government that was interested in building community. They wanted a government that was looking at progressive and fair taxation. But they voted for the government that, coincidentally, happened to have the most money to spend on advertising, which, of course, goes back to a previous comment we've made that votes should determine elections, not dollars. Unfortunately, in this province our electoral financing is so broken; it is really quite the unfortunate thing. [interjection] I believe the Wildrose did in fact raise more than the Conservatives, but it's very clear that the Conservatives spent more, and at the end of the day that's what voters made their decision on.

The fact of the matter is that I think the jury is really out on what Albertans are looking for. Certainly, I have spoken with people who were somewhat associated with the folks on the other side, and there was a time when they would say to me quite openly: "Yeah, you know, Alberta is changing. They actually are kind of interested in what you guys have to say, so sit back and watch. You're going to see the quickest costume change that you have ever seen, and we're going to run out and give them what it is they think they want, and we're going to pretend we're you." I had conversations like that with folks across the way.

You know, I don't believe that the last election in any way, shape, or form can be interpreted as Albertans voting to keep the Katz Group taxed at 10 per cent. I don't think Albertans voted to have the full-day kindergartens they were promised put off indefinitely because these guys can't find any place to teach those kids because they haven't built a new freaking school in God knows how long. That's not what Albertans voted for. Albertans voted for the kind of progressive change that the Conservatives suggested they would offer.

8:00

Unfortunately, what's now happening is that that very thin coat of paint that was thrown on that broken old bus right before the election is starting to chip off, and Albertans are becoming more and more aware that, in fact, what they're getting is the same old

same old except that that same old is so nervous of the folks on their far, far, far right that they're actually now starting to move closer to them, so we cannot look forward to seeing a genuine investment in preserving and protecting our environment for the future.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) provides for questions or comments to the hon. member. I'll recognize the Member for Calgary-*Buffalo*.

Mr. Hehr: Thank you, Mr. Speaker. I always enjoy hearing the member speak. My question is: can Alberta have the best of both worlds? By that, I mean we still have probably the lowest taxes in Canada. I suggest that by charging \$1 less than B.C., you would be still the lowest tax jurisdiction in Canada. So we'd have the best public service and predictable, sustainable funding as well as savings for the future generations. I have come to the fundamental belief that in 50, 60 years the world could move on. Do we have some obligation not only to do things a little better today but to save for that time when we don't? Comment on whether remaining with the current tax structure allows us to do that, all these promises.

Ms Notley: Well, thank you to the Member for Calgary-*Buffalo*. You know, there are no simple solutions, but what I will say is that we can't continue on the road that the government has laid out for us. We need to take those resources that we have right now, and the exploitation that is going on right now of our natural resources needs to be converted into a benefit for Albertans. In doing that, we need to overhaul our royalty system, as the previous Premier ever so slightly tried to do before he was shouted out of the room by the oil and gas industry, so that Albertans as the owners of the resource are treating themselves as though they are the owners of the resource, and we are getting a fair share of that.

Now, having said that, that is not a solution to our ongoing operational requirements because what we need to do, when we get a fair share for Albertans from our resources, is that we need to invest in the future. We need to save for the future. We need to be looking towards building up the kind of security that will allow us to transition into a new form of economy.

You know, you can go back to 1971 and hear members from the government opposite talk about the need to invest in diversification, yet we really have not succeeded, and the continued sort of turn away, shall we say, of this government from research and from postsecondary institutions and a slew of diversification strategies indicates that. What we need to do is invest in green energy, and we need to save for the future, and we need to use most of those extra resources towards the future.

Having said that, though, as the Member for Calgary-*Buffalo* rightly points out, we have room to restructure our tax system, maintaining competitiveness with every other jurisdiction in the country. By that, I mean maintaining a premiere tax system, where we continue to be the most competitive simply on the basis of dollars and cents. We can do that while at the same time creating a sustainable revenue flow so that we can invest properly in our valuable public services while at the same time starting to transition that resource revenue into a savings mechanism and an investment for the future.

Mechanism is different ways to save for the future. You can stick it under your mattress, or you can invest it in things that will bring you greater return in the future. Either way, that's the long-term vision that we should be engaging in, and that's the vision that will ensure that our children and our grandchildren and our

grandchildren's grandchildren will actually not wake up to find that the cupboard is empty, there's nothing left in the piggy bank, and there's a great big empty hole outside in the backyard where the government, as a result of some cabinet order, built a transmission line and a pipeline and three other ditches without ever asking them. That's not what we want for the future of Alberta. That's not what we want for our kids and their kids.

It is possible to chart a different course, Mr. Speaker. The very simplistic, sort of Republicanesque view that this government has very clearly adopted and embraced with respect to our revenue stream is not the way forward. Pretty much every study shows that the way to build a deficit is to bring in a bunch of Republicans, have them cut taxes and give money away to the corporations, and that's where your deficits grow from. I've said it a lot before the election, and I will say it again. The party with the best record of balanced budgets over the course of the last 30 years in this country is not the Conservative Party, not the Liberal Party, not the Wildrose. [interjections] They don't have government yet. I'm just telling you the facts, folks.

The Deputy Speaker: Thank you, hon. member.

Are there other speakers to speak to the bill?

Section 29(2)(a) is finished, hon. member, if you'd like to speak to the bill. The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: I'm in favour of this bill, Mr. Speaker. Thank you for the opportunity to make that point. I can't remain silent when I hear the common mistakes of the left being perpetrated again and proposed. It's just simply not true that corporations don't pay enough taxes. The truth is that corporations don't pay taxes at all. They build the cost of taxes into their prices, and it's customers like you and me that pay them. To fail to recognize that or at least to not have that on the record in this House would be an injustice to all Albertans, and I won't stand for it.

Suggesting, for example, that royalty rates need to be higher: there's oil everywhere. There are natural resources everywhere. Companies and capital investment demand a return. If that return can't be met in a tax-friendly and royalty-friendly jurisdiction, those businesses move elsewhere. Surely our memories aren't so short that we don't remember 2008 and what happened when unilateral royalty changes were made, and my friends had to move to B.C. or Saskatchewan or other parts of the world to be able to continue to practise their trade and use their equipment. We certainly don't want to see that again.

Leveling the playing field, making the rules fair and equal to all people: fine. But never, never think that corporations don't pay enough taxes. What you're really saying is that customers should be paying more for their products. Would the hon. member like to pay more fees at the bank, for example? We all complain about those. Maybe the bank should pay more. That way, they could charge us more for those fees. I submit this is a reasonable bill and needs to be supported, but we ought not to operate under that misconception.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. The Member for Calgary-Buffalo.

Mr. Hehr: I realize that people want to pay less for their Nintendos, their computer games, and all this stuff, but there's also the other equation, that they want their public services. Right now here in Alberta they had taken the facts where they are. We also have spent all the fossil fuel wealth in one generation. I understand. You've got to understand the level of public services they want, and then you have to tax appropriately whether that's

corporate, personal, or otherwise; I don't care. So is your solution, then, given the \$12 billion we take in in fossil fuel resources and our current tax record, that you can cut \$6 billion from the rolls right now at the Alberta government? Where would those public services go? I didn't see it in your election platform. Where are you going to cut in order to get us off spending all this royalty wealth in one generation?

The Deputy Speaker: Just to remind hon. members, the comment should be through the chair.

The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you for giving me another chance to sound off. Our government doesn't have a revenue problem; it has a spending problem. We need to spend more wisely. I'm not aware of very many things that government does better than the private sector. I think there are opportunities to do some of the things. Where we see waste and we see overspending, where the bottom line prompts people, it gives them an incentive to control costs. I don't see that incentive very often in very many departments. If it were there, then we would be seeing that money spent more wisely.

8:10

Mr. Dorward: I appreciate those comments, Mr. Speaker. I have a bit of a crow in me that needs to speak as well relative to the comment that I heard regarding a regressive tax or a progressive tax. Indeed, a regressive tax is one that demands that the less you earn, the higher the tax rate that you pay. In Alberta the thing that turns this completely around is the deductions that we have, the very generous deductions that we have in Alberta, such that what might otherwise be a regressive tax is, indeed, a progressive tax. Somebody who is earning \$20,000 in Alberta will pay an Alberta tax of 2 per cent. Somebody who is earning \$40,000 will pay an Alberta tax of 6 per cent. Somebody that earns an income of \$60,000 will pay 7.3 per cent. As it goes up, the rate approaches 10 per cent. So we are exactly the opposite of a regressive tax because of the heavy deductions that we have in Alberta.

Thank you very much.

The Deputy Speaker: Thank you, hon. member.

The hon. Member for Edmonton-Strathcona. Again, through the chair. Thank you.

Ms Notley: Thank you, Mr. Speaker. I wasn't sure if that was a question.

The Deputy Speaker: It's questions or comments, hon. member.

Ms Notley: Okay. Well, then mine will just be a comment, I guess, if we're into that. I was just wondering if the Member for Cardston-Taber-Warner would then answer two questions. In fact, is he suggesting that the slowdown in oil and gas in 2008 had absolutely nothing to do with the financial crisis and recession that occurred throughout the world and everything to do with the set of royalty changes which – oh, wait for it – never actually were implemented? I'm wondering if the member can suggest how it is that he assumes one caused it and not the other.

The other question is: I'm wondering about sort of the logical extension of the statement that he made that corporations actually pay no taxes and consumers pay all the taxes that corporations pay. Can I then ask: is it Wildrose policy that we should eliminate all corporate tax?

The Deputy Speaker: The hon. Member for Cardston-Taber-Warner. [interjections] The Member for Cardston-Taber-Warner has the floor.

Mr. Bikman: Thank you very much. I think that the proposed royalty changes of 2008 exacerbated the problem that Alberta oil companies . . . [interjections] Who did you say had the floor, Mr. Speaker?

The Deputy Speaker: Carry on, hon. member.

Mr. Bikman: Thank you. Somebody else apparently wanted to carry on.

They made it worse, and the investment capital fled, investment capital that was intended to come here. Billions of dollars, in fact, according to some brokers that I talked to, did not come here because capital craves certainty. It craves stability. It craves consistent rules, rules that can't be unilaterally changed. Rules that, when changes are necessary, occur as a result of negotiation.

The Deputy Speaker: Thank you, hon. member.

Are there other speakers to Bill 9?

Seeing none, I look for the hon. associate minister to close debate.

Mr. Fawcett: Thank you very much. I guess I really don't have anything to say. I think we'll just call the question.

The Deputy Speaker: Okay. Thank you.

[Motion carried; Bill 9 read a second time]

Bill 8 Electric Utilities Amendment Act, 2012

[Adjourned debate October 24: Mr. Hughes]

The Deputy Speaker: Hon. members, the hon. Minister of Energy still has 18 minutes left to speak if he so chooses.

The hon. minister.

Mr. Hughes: Thank you very much, Mr. Speaker. In fact, I think I made very conclusive comments earlier, so I have nothing further to add at this point.

The Deputy Speaker: Thank you, hon. minister.

At this point I will recognize the hon. Leader of the Official Opposition.

Ms Smith: Thank you, Mr. Speaker. Well, I rise with some satisfaction to speak in favour of Bill 8, the Electric Utilities Amendment Act, 2012, a bill which is a direct response to a key recommendation of the Critical Transmission Review Committee and ensures that all future transmission line projects require complete review and approval by the Alberta Utilities Commission, not the provincial cabinet.

When I look through Bill 8, the four simple clauses that repeal section 41.1 of this legislation, I am just struck by how easy it was to fix at least half of the problem with this bill. The reason I'm struck by that is that when I remember the abuse that was hurled at my four MLAs in the Legislature in the spring and earlier when they talked about the problems of this bill – they were ridiculed; they were told they were wrong; they were told they didn't know what they were talking about – it is actually gratifying to see that the government has finally listened. I suppose part of the reason is because we now have 17 members on this side of the Chamber.

I want to pay a special tribute to the Member for Rimbey-Rocky Mountain House-Sundre, who earlier today tabled proof of probably one of the most scandalous and embarrassing incidents in this government's history when they hired private investigators to spy on an Alberta landowner group that was opposed to Bill 50

and what it would do to landowner rights. I find it fantastic that the Member for Rimbey-Rocky Mountain House-Sundre is sitting here in this Chamber and will have lots and lots and lots of opportunity to talk about this bill and what's wrong with it.

Let me go to a couple of issues about why we speak in favour of this bill. The first is the recognition by the government of the importance of an independent needs assessment conducted by the Alberta Utilities Commission as opposed to approved through cabinet. Why is an independent needs assessment important? Well, it's quite simple. It's so that the companies who are proposing transmission needs or the Electric System Operator proposing transmission lines can have their data challenged by consumer groups, both industry as well as residential, challenged by landowners so that we actually don't see mistakes made, so that when government makes a decision to approve a transmission line for construction, we can be certain that it is actually needed. That's the reason we have a two-step process for approving transmission lines: one step to approve need, the second step to approve the routing of it.

We're delighted that the government now understands that on a go-forward it makes no sense for members of cabinet, who have no experience in assessing transmission needs, who are not electrical engineers themselves – it made no sense whatsoever for them to take it upon themselves to believe that they could make these decisions in the absence of that independent review.

Why we look at this as only half a solution is because it only looks at approving transmission projects on a go-forward. We believe that what we need to make sure of is that we don't end up making the mistake of building the six lines that cabinet did ascertain were critical infrastructure when we don't actually really need them. We will be proposing amendments to repeal the schedule so that we can go back and have independent needs assessments for those six projects as well because if it doesn't make sense on a go-forward for cabinet to be approving these projects, it didn't make sense when they did it in the first place.

Let me talk about the three mistakes the government made when they first brought through this legislation. The first mistake they made was that they did not realize that in making a decision like this, the paradigm had changed for how we determine our transmission needs. Back in the early 2000s there was a big debate over what our base fuel should be not only Alberta but in North America. The big debate was over these great, vast supplies of coal that we would be able to use to produce cheap electricity versus relatively costly natural gas. You may recall that back in 2006 the price of natural gas spiked up to \$16 per mcf. When you were looking at that world, having a discussion about what kind of transmission system you're going to need looked very different than the kind of transmission we need today. I'll talk about that more in a minute.

8:20

The second thing – and this has been revealed in the WikiLeaks cables that were leaked a number of months ago when a former Energy minister went down to Washington and was talking about how Fort McMurray was going to have oodles and oodles and oodles of electricity, cheap electricity that they didn't know what to do with, that we would need to export somewhere, and the United States would be the obvious market to export all of that electricity. Once again, the world has changed for what the expectations are of those companies up in Fort McMurray.

Why did they change? A couple of reasons. Well, natural gas became a game changer. An Alberta-based company, Packers Plus, developed the technology for horizontal multistage fracking, unlocking shale gas resources all throughout western Canada and

the United States. As a result, we now see the consequence today. We have natural gas prices that range anywhere from 2 and a half dollars to 3 and a half dollars. It looks like we're going to have a 120-year supply of natural gas.

It's in this context that we now have to reassess our transmission needs because in the past when we were looking at coal, building coal plants hundreds of kilometres away from end consumers and then expensive transmission lines to transport that electricity hundred of kilometres may have made sense. In a new world, where natural gas becomes the base fuel, it is possible to build smaller units closer to end consumers so that you don't need to build all of those transmission lines. That is the analysis the Alberta Electric System Operator needs to do. That is the analysis that the government has failed to perform, and that is why we're still stuck on looking at six projects that we don't actually need.

The second major game changer has been in the area of micro-generation, albeit that this is on the cusp of being transformative technology. In my own constituency of Highwood we have a renowned microgeneration project in Drake Landing. It's won an international award as well as an Emerald award as well as several other awards, including one from the Federation of Canadian Municipalities, because they have 52 units where the solar heat is taken into the ground, stored in a liquid, and then in the winter it's used to heat the homes. These are the kinds of really exciting microgeneration technologies that we can use. That's for heat. There are additional ones that we have heard about being used for solar film on windows to be able to generate electricity. We know, as well, that there are forestry projects. I've travelled the province. There are all kinds of microgeneration forestry projects using biomass.

In addition to that, more and more people are looking to natural gas generators for their own home electricity generation needs and looking at ways to be able to get off the grid or even generate enough electricity to sell back to the grid. This may be in its infancy, but once again it is new technology that is transformative, that reduces our need and reliance on large generating units built far away from load and large, expensive transmission projects that we likely don't need.

The second mistake that the government made, again back in the early 2000s, was putting 100 per cent of the cost of new transmission onto customers, actually in direct contravention of the advice that they were given by the regulator. The regulator suggested that for big transmission projects the cost of building them be split 50-50 between residential consumers/industrial consumers and the generators who were producing them. By making that decision of a 100 per cent cost borne by the ratepayer, they basically opened up the floodgates of demand to build a bunch of unnecessary transmission that we now see that we don't need.

The third mistake was agreeing to this notion of zero congestion. When you agree to a notion of zero congestion on our transmission infrastructure, you end up in a situation where you are necessarily going to overbuild. A couple of the statistics that I've heard the Member for Rimbey-Rocky Mountain House-Sundre use – I'll repeat them here, and I'm sure he's going to repeat them again later – are that we have a transmission infrastructure right now that's worth \$2.2 billion. The proposal from the Electric System Operator for the entire new transmission plan initially came in at around \$13 billion. Recent cost projections – because there've been cost escalations – suggest that if this entire system is built, it would be around \$16 billion. I'm sure the Member for Rimbey-Rocky Mountain House-Sundre will have updated figures on that. Even if it is \$16 billion, what the

government is proposing with this plan is that we would see an eightfold increase in our transmission capacity.

I'm not sure what they're expecting to happen in this province over the next 20 or 30 or 40 years, but I don't think anybody, not even industry, is expecting an eightfold increase in our need for generation and, thus, transmission. If you were to see, for instance, a highway twinned to the same extent that we are overbuilding our transmission system, you would go from two lanes to, eightfold, 16 lanes. That is the kind of zero-congestion policy that this government is proposing, taking a highway and building 16 lanes just so you can ensure that at no point would there be any congestion. That doesn't make sense in an environment where you're talking about roads; it doesn't make sense when we're talking about an environment where we're building transmission lines.

Let me talk about the six projects that were approved in this schedule and their need to be repealed. First of all, there were two transmission line projects going up to Fort McMurray. As I've already alluded to, Fort McMurray companies have now changed their business model. They are not talking about exporting all of that electricity. They're talking about using it themselves. In any case, even if you were going to build those transmission lines, the place where they're identified to be built is now the wrong place relative to some of the future proposals that are on the table. I'm sure the Member for Rimbey-Rocky Mountain House-Sundre will also elaborate on that.

The third item was a substation that is supposed to be built somewhere southeast of Calgary. We don't know where. We don't know what type of project it's going to be or who's going to build it, yet the government has identified it as being critical. It seems a little strange to us that a project identified as critical is one where no one knows what it is or where it's going to be built.

The fourth one is a DC line, the western Alberta transmission line – it's been called WATL – on the west side of the province, that is going to be built by a company called AltaLink. The problem with this line is twofold. Number one, our entire system is built on an AC system, so the question of why we would be looking at DC, especially for such a short distance as is being proposed by this particular line, simply doesn't make sense. If you're going to use DC, you're going to use it to transport electricity much longer distances. As I understand it, distances of over 600 kilometres are needed to make DC make sense, especially when you're switching back and forth between DC and AC. You're looking at having incredibly expensive costs for the substations that are able to do that.

The reason this is important is because of the heartland line, which is the fifth project. The only reason for the heartland line is to connect the western line, which we don't need, with the eastern line, which we may need. So heartland is one more as well which I would think, if we were to go back and do an honest assessment of our true transmission needs in the province, would be one that would benefit from a full needs assessment.

The last one, the DC line on the east side of the province. There is an argument to be made – and I can put this forward now – that having a DC line on the east side of the province makes some sense, especially if you're looking to the future and potentially developing hydroelectricity up in the Slave River area, which would bring on many thousands of megawatts of additional electrical power coming down through Fort McMurray, ultimately going down to the southern part of the province. It would satisfy a number of different potential objectives of the government to do this: switching to a cleaner type of power, having the distance that makes sense for DC. But this isn't for me to decide. I'm not an

electrical engineer. This is a decision for the Alberta Utilities Commission.

The government erred in making this decision prematurely because, once again, if you look at the way the lines are currently proposed to be built, it doesn't make sense. If you want to do a proposal that would be able to capture all of the electricity coming from Slave River, you would build the system in an entirely different way, which is once again why we have to wipe slate clean, go back to the drawing board, and do a reasonable needs assessment.

Now, let's remember when all of this scandal started. The scandal started when the Electric System Operator acknowledged that we needed to have a new 500-kV line on the east side of the province to be able to shore up the system. If that was the direction that the government had gone, with a simple AC system, a simple AC line, I don't think any of us would be in the position where we are today. This, I think, is where the politics entered into the equation. Once again, I'm pretty sure the Member for Rimbey-Rocky Mountain House-Sundre will be able to talk much, much more about this.

The point is: what we have heard from the government almost from the moment they began to try to sell this project to the public was needless fearmongering. We even have the old articles from 2006 threatening that the lights were going to go out in Calgary by 2009 if these transmission lines didn't get built. Well, I was just in Calgary a couple of days ago. I'm pleased to report that the lights are still on in Calgary even though these transmission lines have not been built. It was ridiculous fearmongering, and I'm glad that we've had enough time and distance to see it for exactly what it was.

8:30

The danger that we have now if we do not go back and address these six projects that never should have been approved by cabinet in the first place, that need to have an independent needs assessment is the outrageous cost that this is going to impose on our industry. Using the conservative estimate of \$16 billion, this has the potential of seeing the transmission portion of everybody's electricity bill go up eightfold, which would mean we'd be looking at a doubling of our electricity bills. Now, I know that the Member for Rimbey-Rocky Mountain House-Sundre has numbers that suggest it's going to be much higher than that. Perhaps we might even see a threefold increase in our electricity bills.

Let's talk about what that means for businesses, businesses that are electricity intensive, and I've talked to many of them. If you have businesses who see a doubling or a tripling of their electricity bill, this could be the difference between them staying in business or going out of business. It could be the difference between them deciding to stay in this province or deciding to move to neighbouring British Columbia or Saskatchewan or going south of the border to the U.S. Or it could be the difference between them deciding to stay on the grid and pay their share of the transmission cost or go off the grid. If they go off the grid, those costs have to be spread around somewhere, and where they get spread around is to those of us who can't go off the grid.

So then you may end up seeing a greater impact on residential consumers. For our senior citizens, for whom electricity bills represent a significant share of their fixed income and for whom it's a real hardship during winter to pay the higher cost of electricity and gas, as a matter of fact, as well, you'll end up seeing those costs go up. And there's nothing that can be done about it after these projects have already been built.

We're trying to be the canary in the coal shaft here. We're trying to say, "Don't make this mistake," because we know that if

you make this mistake today, we're going to be paying for it five or 10 or 15 years from now. The people who are going to be paying the most and be hit the hardest are the small business owners and senior citizens and low-income folks who are not able to get off the grid.

I'll say a word about our landowners as well – of course, that's once again one of the reasons why there are 17 Wildrose MLAs on this side of the Chamber – because they really were the first line of attack against this terrible approach that the government has taken. It's not been just on this bill. Bill 19, the Land Assembly Project Area Act, was another bill that they were fighting against, and I would acknowledge that the government basically fixed that one, too. The Alberta Land Stewardship Act, Bill 36, is still a problem, and we will have to address that, hopefully in the course of business in the Chamber. Of course, Bill 24, the carbon capture and storage act, is still a problem as well.

Our landowners came out in droves. The Member for Rimbey-Rocky Mountain House-Sundre conducted probably about a hundred different forums across the province with hundreds of people coming out to hear what he had to say about these four bad bills. This was the reason why rural Alberta got galvanized, why they got behind the Wildrose. They knew that we would be able to press to change this legislation. We at least managed to get the first part of it changed. We're going to press to get the second part of it changed.

In closing, I would just say one thing to the government on what we actually need to be able to move past the controversy around this entire issue. What we need is to be open, and we need to be honest. Part of what I think the government is trying to do is they're trying to have it both ways. They're trying to pretend that they're creating a system for Albertans – for Alberta residential consumers, for Alberta business consumers – that is a closed system. If you were to look at this as a closed system, there is no possible way that we would need to build \$16 billion worth of transmission lines to be able to feed just the Alberta market.

If the government was going to be honest and say that the reason why we're doing this prebuild is actually a prebuild for export, which is what the Energy minister went down to Washington back in 2003 to talk about, and if this is a system that is going to be built for export, then let's have that conversation. But I can tell you what our landowners say here and I can tell you what our ratepayers say here: if this system is being built for the benefit of American consumers, then American consumers are the ones who can pay for the transmission lines, not us.

I look forward to having additional debate and discussion on this bill. As I mentioned, I am inclined to vote in favour of it, and I know our members are as well, but we will be seeking a couple of key amendments so that we can have this bill as a full fix rather than just half a fix.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. leader.

Before I recognize additional speakers, I'll just remind you that the next speakers from here on have 15 minutes each to speak, and Standing Order 29(2)(a) will apply.

I also notice that we have in the gallery a group of young people. I don't know if they're guests of anyone, but I would like to welcome them and their chaperones and invite them to enjoy our proceedings. We are having debate on second reading of a bill. Welcome.

With that, I'll note the next three speakers in order. I'll recognize the Member for Rimbey-Rocky Mountain House-Sundre, followed by the Member for Olds-Didsbury-Three Hills, and then the Member for Edmonton-Strathcona.

Mr. Anglin: Thank you, Mr. Speaker. Five years ago I sat up there at 3 o'clock in the morning when the Alberta Utilities Commission Act – at that time it was Bill 46 – was passed. I made a promise to some of the members at the bottom here that I would be down here one day arguing the same thing, and here I am. If this isn't corrected, I'll be over there arguing. With all the bluster aside, what I want to appeal to are the sensibilities of some of these members here across the floor. This is significant because, as the hon. minister said: a different time, a different need. And that's true.

What we are engaged in doing right now is actually building what's called a 10-year plan. That's what all this is premised on. We are members – you may not know this – of the Western Electricity Coordinating Council. That's a standards body that sets the electrical standards for 22 western states, two or three northern Mexican provinces, Alberta, and B.C. The Western Electricity Coordinating Council sets out the parameters for how planning is conducted, and what they label out there is that nobody has ever built a 10-year plan. There's a reason why no one has ever built a 10-year plan. The system is too dynamic. We've caught ourselves right now in a conundrum with this bill. What I would like to do is tell you exactly how this came out and how this came to be.

Alberta for some reason created a two-tier system. It's ironic because the minister of sustainable resources and environment is bringing a bill forward so that we can streamline regulation, and we have in the electrical industry this split regulation between the need and the location. We are one of the only jurisdictions that actually do that. Industry doesn't like it, and it doesn't work well for the landowners. I can attest to that. So why do we do it, and why wasn't it brought forward in this bill to correct that to be consistent with other bills that are being proposed? It's a valid question.

When we started this process, they held a needs hearing – and I will be tabling that needs identification document – back in 2003. The first line proposed was not brought forward by the AESO. It was brought forward by AltaLink in 2002. You can find it in their 2002 annual report. Mr. Duane Lyons proposed – it's written right out there – to AESO that they wanted to build a 500 kV AC line on the west side of Alberta.

That's when I got involved because what happened was they didn't follow their own protocol. I know landowners got blamed for holding up the process, but the reality is that the very first person who held up that process was the deputy minister of electricity. He held it up for three months. He wanted to testify, and that created a problem unto itself. You had the deputy minister of electricity testifying at a process where the board actually reported to the Minister of Energy for a transmission line. It was unconventional, to say the least, yet he did it.

8:40

Then he wrote a letter two years later saying how he was in favour of the line. I have a copy of that letter. The problem is that creates this conflict of interest. How does a board make a decision when somebody who has authority over them is actually testifying for a project? That's really an issue that started this whole process going south.

What happened is that the board held a hearing – and you should check the transcripts because it was quite odd – and the board chairman asked all the people at the hearing, “Should the board follow the regulations?” because the regulations were new at the time. Every lawyer, every one of them on both sides of the argument, stood up and said: “Yes. You have to follow the regulations. The law is the law is the law.” It's quite interesting. When the board chairman wrote the decision, he said that some

people said we shouldn't go by the regulations, so he decided not to go by the regulations. Again, a very odd interpretation.

We appealed that decision as landowners. We appealed it based on the fact that they left us out of it. And the court agreed with us, that the AESO and the board knew roughly where that line was going to come, mainly because they drew right on a map inside the needs identification document. What happened there is quite simple. The court agreed with us. The court said: they knew where the line was going, and they had an obligation to tell you landowners that you had a right to be there.

What happened from that point was that it just got worse. It didn't get better. We could've just gone back and redone the process, heard the evidence, and made a decision, but we didn't do that. I don't know why we didn't do that. What happened is that they decided to hold a review and variance hearing for landowners only. What they said to us as landowners was: you can review the decision, but you're not allowed to review anything that was made with regard to the decision. Now, think about that. It was a review where we weren't allowed to review anything. That's where the trouble really started with the landowners.

They changed the rules in the process when we went to this process. First they said we were no longer allowed to make motions. It was at that hearing that the board counsel actually went outside of the board's jurisdiction to ask somebody outside of the jurisdiction of the board how they could deny us a motion. We made a motion to compel Alberta Environment to come to the hearing. The e-mail states – I tabled it today. You can read it. There's a copy of that e-mail. Is there any way we can get around it is what he wrote. We're dealing with the one line at this time.

Now, what was missing in all of this was that the government was saying, cabinet was saying, and other industry members – when I say that, I'm talking about AltaLink and AESO – that the lights were going to go out in Calgary. One problem with the wiring schematics with that is that nothing connected to Calgary. It didn't provide any electricity to Calgary. So we're seeing all this misinformation.

So there was a kerfuffle, if you want to call it. A 70-year-old lady, suffering from cancer, on her way to cancer treatment stops off at the hearing. She has two hip replacements. She takes a swing at a 30-year-old lawyer. Next thing you know, we have private investigators. They labelled us as terrorists at one time. It all went downhill. That was the tabling of the spying documents today. It just started getting crazier and crazier. It was as if nobody could grab hold of the process and say: “Stop for a minute. Let's take a look at this. Let's do this right.”

Then, lo and behold, instead of going back and doing it right, they passed the Electric Statutes Amendment Act, 2009, which was Bill 50. They legislated not the one line. They legislated two HVDC lines, two high-voltage 500 kV AC lines going to Fort McMurray, the heartland line, and a substation that nobody knows what it's going to be used for. I'm sure somebody does. I've never seen a \$300 million project authorized without any idea of what's going to connect into it, what's going to connect out of it. It's absolutely staggering. That was what was legislated.

When I looked at what they legislated, it was shocking in the sense of the amount of money. Now, all the money that you hear of in the news from the reporters and any other documents doesn't mean a whole lot. You have to go right to the AESO documentation. They say that it's an estimated \$16.6 billion, but here's what's problematic about that. The first two projects that are ongoing right now have more than doubled in cost. As a matter of fact, all of AESO's projects more than double in cost. That you should take caution with.

How does this happen consistently? When you talk to the transmission line companies, whether it's ATCO or AltaLink, what they will tell you is that they don't care what AESO says for an estimate. When they get that hand-off of the job, they work up their own numbers – they really don't care what AESO estimates – and their estimates are always significantly higher. So we're looking at a \$16.6 billion proposal that is on its way to doubling.

What's not happening here, and it should happen, is – who has the most at stake? It is the industrial power consumers. It is our major industries that consume electricity. In our committee tonight I think that the person testifying for hydro said something to the effect that 60 per cent of the electricity is consumed by industry. That actually is a lowball number. It's more like 80 per cent, and they pay about 80 per cent of the bill. That's commercial plus industrial. That's significant. They are the consumers.

What they're telling us, what they've already told the PC caucus – they sent a letter to everybody in the PC caucus in the last government – is that this is going to make Alberta uncompetitive. They said that this is going to cause some industries to relocate, and they said that we are going to lose jobs. Nobody is listening to them. The industries that were in favour of the legislated lines – AltaLink, ATCO, TransCanada – are all going to benefit financially, yet they came out publicly and said that cabinet should not be making these decisions because it's wrong. Even though they were going to benefit financially, they saw the pitfalls with this happening.

I know there are some medical doctors across the aisle here. We would never want government to actually legislate the treatment for any type of disease or diagnosis. We'd want the doctors to make the diagnosis and evaluate what is the proper treatment. The same is true in electricity. We want the experts to make the diagnosis – what is the need? – and then make the determination of what the treatment will be; in other words, how to fulfill the need.

So here's one of our major problems. We have a bad policy. We have a couple of bad policies. The first bad policy is zero congestion. We've got this idea that we can build a congestion-free grid, and that's an impossibility. We can't do it. You can't build a congestion-free grid. You can try, but you'll never achieve it. It's a money pit. You're just going to keep throwing money at it. You'll never get there. That's a bad policy. It led to bad legislation.

In order to make this work, what we did is change the Electric Utilities Act, section 34(1). That's the needs. That says that AESO has to bring proof that the line is needed. It used to say that they had to bring proof that the line was needed when it was required, and that was the test. That was the legal test of the law: when it was required. That law was watered down, and they added three little words to it that said "or may be required." So we lost the teeth in that one section of the law.

The second piece of legislation that the government did away with was section 14(3) of the Hydro and Electric Energy Act. Section 14(3) of the Hydro and Electric Energy Act took that to the second stage. What it said was that the public is paying for this, so if the public is paying for it, it had to be value for the public today and value for the public in the future. This, I tell you, was a good section of law because what it gave us was balance. You couldn't underspend, but you couldn't overspend. You had to look at the project that was being proposed. You wanted to see value going out in the future, but it couldn't be so large that there was no value today. That's how the board decided whether or not to go forward with a transmission line. What we ended up doing is just repealing that retroactively all the way back to June 1, 2003, and we did that to get around what's happening now.

8:50

What we have now is that everything has changed. Since these lines were first legislated, things have changed significantly. The oil sands working group has now come out and said: we no longer want to export electricity. I won't even get into that argument with you. The whole idea of these lines in the first place was about export, but the reality is that they no longer want to export electricity. So why are we building these?

I know I was mocked the other day on my recommendation that we use HVDC. I think we should use any and every technology that is available and use it most efficiently. I am in favour of HVDC where it is available to use efficiently. I think the Premier should have a plane to do the business of the province. I just don't think she should have a 747 like Obama. She doesn't need it. HVDC has its uses, and what we have decided to do is misuse it.

I want to give you an example.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available for questions or comments to the hon. member. The hon. Member for Chestermere-Rocky View.

Mr. McAllister: Thank you, Mr. Speaker. Something tells me he's just getting warmed up. I'd love to hear a little bit more, hon. member, if you would tell us a little more.

Mr. Anglin: To continue on the misuse of HVDC, the whole idea of using HVDC, according to the current use that this government is applying, is to minimize the environmental impact. That's somewhat valid in some sense. HVDC technology uses a smaller amount of right-of-way than AC technology. One problem: HVDC technology costs a billion dollars more the way we're using it. So we're proposing a billion dollars more for the western line and a billion dollars more for the eastern line.

I just worked up the numbers, and they're quite staggering. If you look at the right-of-way required for an HVDC line, it's roughly 4,920 hectares. This is right from AESO's documents. An HVAC line is 6,340 hectares. If you do the math, that comes out to roughly \$300,000 per acre savings on what we're spending that billion dollars for, or \$46 million a quarter section. Now, think about that. That's a staggering amount of money, dealing with the \$1 billion, and we're going to do it in two places in the province.

What do we get for it? Are we moving any more electricity? No. Are we gaining anything as far as our flexibility? No. Generation is not a function of transmission. As a matter of fact, it's quite complicated, but it can be just the opposite. You place more generation; you need less transmission. We're not looking at it that way. We're building massive transmission lines to a coal centre location, and we are expecting to retire those coal plants.

Ironically, Mr. Speaker, the HVDC line for a couple of billion dollars over in the west corridor cannot work alone. We're going to spend roughly \$2 billion to \$3 billion to build a line that we cannot utilize. You'll find that on page 17 of that 10-year plan that we are working on. It states that the first line alone cannot be fully utilized without the second line being in service because it's too large a contingency. We're actually going to build a line that, if we try to energize it to any useful level, threatens to shut off the lights in the province. It is that poorly engineered. That is staggering. We're doubling down to balance the system. We're overbuilding.

Now, you across the room can sigh at me, but you can't out-debate me on this one. The fact of the matter is that electricity has to be balanced. It has to be balanced. If you strengthen one leg far too much, then in the other section of your grid you create that

imbalance, and you create contingencies. And that's what they did. If you take a look at the map, they overbuilt in one area so large, and they left the other area still weak. That's what causes problems. We are doubling down on what we're proposing to spend, and it's all unnecessary.

What we should be doing, Mr. Speaker, is looking at what's happening right now. The oil sands no longer wants to export. We are looking at potential hydro development. We are looking at a pipeline coming down from Fort McMurray to Redwater. That should be the corridor. Even industry agrees. The problem is that the lines are legislated on the other side of the province. We're spending money to build lines now where they don't belong, and we're not putting them where they do belong. Guess what? If we did come down from the north like that, then we should use HVDC technology going all the way up north. That's the correct place to utilize that.

We need to take a look at, again, the economics. What we have to do – by the way, AESO recommended it in 2011 to this government. AESO said that one of the options – it was alternative number one – was to start all over again with a needs assessment. That was one alternative they brought forward to this government. Now, this government didn't choose that alternative, but they should have because, again, we live in a dynamic world.

The Deputy Speaker: Thank you, hon. member.

Hon. members, just a reminder that the point of Standing Order 29(2)(a) is to maybe draw out something that wasn't clear in the member's comments, not necessarily to extend the debate for five minutes. I hope you'll work with me.

Mr. McAllister: I will happily rephrase next time, Mr. Speaker.

The Deputy Speaker: Thank you.

The hon. Member for Olds-Didsbury-Three Hills.

Mr. Rowe: Thank you, Mr. Speaker. I don't know if I can beat that or not. Probably not.

It is my pleasure to rise here tonight to discuss Bill 8, the Electric Utilities Amendment Act. The overall purpose of the bill, to remove cabinet's power to deem transmission projects as critical transmission infrastructure and circumvent the formal process that includes a public needs assessment, is something that has been advocated for a long time by landowners, community activists, and the Wildrose alike. This is an issue that I heard a lot about prior to being elected to this Assembly.

After the PC government passed Bill 50 and approved the building of new transmission lines through my constituency, the people were furious, not just upset. They were furious. They felt betrayed by a bill that seemed to support large corporate donors and friends of the PC Party and not them. Mr. Speaker, my constituents are all aware that the reliable generation and transmission of electricity across our province is obviously critical to our future growth and prosperity. However, the powers within Bill 50 were still unnecessary. Supporting growth does not require trampling on the property rights of landowners, dogging taxpayers on their electricity bills, and building unnecessary, ugly, tower-sized transmission lines across Alberta's pristine landscape when there are much better and less intrusive alternatives.

Let us remember what Bill 50 did in 2009. The contentious piece of legislation authorized the construction of roughly \$16 billion of new transmission line projects across our province. It deemed these projects critical transmission infrastructure, thereby removing the need for an open, objective, and transparent needs assessment hearing before the Alberta Utilities Commission.

Why is that process so important? Simply put, in almost every democratic industrialized nation where ratepayers are required to pay directly for transmission on their electricity bills, there is before all other things the requirement of an objective, arm's-length needs assessment review – let me restate that: an objective, arm's-length needs assessment review – to conclude if the new transmission is even needed. If that project is needed, there is a process to also discover how much is necessary. This was the case in Alberta until the passage of Bill 50. Following Bill 50, the entire process could be circumvented following a decision made by the Premier and his or her cabinet. I spoke to Albertans who had land in their family's name for nearly a century that were forced to accept these big, ugly transmission lines cutting across their property because the PC cabinet declared them to be critical transmission infrastructure.

9:00

The entire process affected people throughout the province. Bill 50 has been a travesty for landowners, for ratepayers, seniors, and democracy in Alberta. That being said, Mr. Speaker, I'm happy with much of what is being proposed here in Bill 8. It is just too bad that it has taken \$16 billion in projects, an uprising from landowners across the province, and the PC caucus losing the majority of their rural southern seats for them to hear a message which should have been so clear.

Still, this bill does not do nearly enough to rescind the damage caused by Bill 50. First and foremost, the act does not go far enough as it does not require an independent review of the current critical transmission infrastructure projects by the AESO or the Alberta Utilities Commission. Unless the government reviews these projects, it seems clear that they used Bill 50 for everything they wanted and are now making a token gesture to landowners after the damage is done. Their inability to see that these current projects require a thorough review means that the government still sees no problem with what happened in Bill 50.

With that in mind, it would not be a surprise to see similar legislation in the future. This is a classic case of only admitting fault once the damage is done. Bill 8 is too little, it's too late, and only happened once \$16 billion in projects had been approved. Bringing in such a measure is a failure to demonstrate leadership and means that this government still does not respect the rights of landowners or their property.

We can still work together to make this better legislation. My colleagues in the Wildrose Official Opposition will be bringing forward amendments to this act, and I would encourage all members of this House to consider these sincerely. Mr. Speaker, I would like to add that the Wildrose Official Opposition will continue to fight for landowners across this province. Over the next four years property rights will be an issue that the government, try as they might, will not be able to ignore. We will continue to advocate for the repealing of bills 19, 24, 36, and 50. These bills are symbolic of the government's disrespect for property rights, and the Wildrose will not stop fighting for these rights until they're all repealed.

We will also fight to ensure that no private property shall be taken for public use without full, fair, and timely compensation. We will also work to enshrine property rights in the current Alberta Bill of Rights. Finally, we will also continue to try and start a national initiative to include property rights in the Canadian Charter of Rights and Freedoms. We are aware that these things cannot be accomplished quickly or easily, but in this caucus we all respect the idea that property rights are something worth fighting for, and it is something we will continue to do for the next four years in this Assembly.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

In the spirit of my most recent reminder, Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the next speaker, the hon. Member for Edmonton-Strathcona, followed by Calgary-Buffalo.

Ms Notley: Thank you, Mr. Speaker. It's a pleasure to rise to speak to Bill 8 today in second reading. It's interesting in comparison to the previous bill, that we were just discussing, in that we had some rather entertaining debate and disagreement between the NDP caucus and the Wildrose caucus, but in this particular issue I think that we are actually very much in agreement both in terms of the value of this bill, which is partial, and how it could be changed and improved – I think we agree on that – and also in terms of the history around Bill 50, which this Bill 8 now attempts to undo and correct. It's interesting. We may not agree with them that corporate taxes should be dropped or eliminated, but we do agree with them that Bill 50 should be repealed, and I think we can agree in many respects on the reasons for that as well.

When Bill 50 was first introduced, in fact, the Member for Edmonton-Highlands-Norwood rose almost immediately to question the government on this decision and on the apparent decision of the government to simply crystallize in legislation what is, in fact, the result of now 41 years of the same government. Really, at its heart what the original legislation represented was an exceptionally high-handed, unilateral, arrogant decision on the part of the government to sweep away their obligations to follow not only the law but also to consult regularly and transparently with the citizens of the province on major, major infrastructure decisions as well as the placement of same.

That's the kind of thing that a government that's 40 years old just kind of does on the fly. Just off the cuff they'll pass a piece of legislation, saying: you know, it's kind of inconvenient to talk to people, so we're just going to give ourselves the ability to have a meeting behind the cabinet doors and make the decision really quickly. That's what Bill 50 was, so it's very important that that change.

You know, it's interesting when you look at the history around Bill 50. The original proposed costs of what Bill 50 would be sort of slowly increased over time as more and more information came out. Originally the government suggested that it would be about, I think, half of what ultimately people are projecting the cost will be now, then tried to respond to the outcry of Albertans across the province over the summer of 2009. They then came into the House in the fall of 2009 armed with what they thought was a series of amendments that would make Albertans happy.

Of course, as is the case with so many of the initiatives that this government brings in, Mr. Speaker, it was a set of amendments designed to appear to respond to people's concerns, not one that actually responded to people's concerns. They had a whole series of amendments, one of which was in terms of the whole issue around the internal, behind-closed-doors authority of the government to designate a power line as critical infrastructure. They suggested, "Well, you know, we'll let the AUC kind of talk to the public about the placement of this line that we have already decided is critical infrastructure," and they thought that Albertans would be happy with that.

Really, it's a testament to Albertans that I think they saw through it very, very quickly and understood that what it was was a package of amendments geared to distract Albertans and convince them that they'd been heard when, in fact, they hadn't really been. It's a pattern that's been repeated by this government on a number of occasions on a number of different issues.

They brought in their five amendments. No one really bought it. Bill 50 passed notwithstanding tremendous outcry from people throughout the province. Then we got a new Premier. Then they announced that they would do a review of the transmission lines because they understood that people were still pretty angry, and they were looking pretty vulnerable in a lot of rural areas.

They did a review and tried to look, again, like they were listening to Albertans, but once again it wasn't really a public review. Moreover, although that review ultimately recommended the amendment that we're seeing today, it also reinforced the decision that had been made repeatedly by cabinet behind closed doors to designate certain transmission lines as critical infrastructure and to remove it from the rigorous purview and consideration that would otherwise happen if it was subject to the process that was in place before this government decided that it just didn't have enough power after 40 years and that it needed more.

We saw that committee, and that brings us to where we are today. It's interesting, you know, if you go back. I was just taking the opportunity to listen in part to a number of the many good public policy points that were made by previous speakers around the future of our electrical transmission system and some of the strategies that should be considered in an independent and transparent way, where we get the best advice from the best people.

While I was listening to that, I was also sort of reviewing some of the media reports that came out around November 2009, and it really was quite compelling, Mr. Speaker, you know, the range of people that were opposed to this. We had the U of C's School of Public Policy suggesting that the lines that were proposed are economically inefficient and unwarranted and that, in fact, there is a benefit to the regulatory process and that there are serious doubts about the stated reliability and supply adequacy indicating that there's a need for an emergency response, like that being relied upon by the government, to take so much power to themselves and take it away from the citizens of this province, including landowners.

9:10

Then we, of course, saw comments from – I'm just looking at some of the other ones here – the Utilities Consumer Advocate, pointing out that "much of the data and logic presented by the AESO is unconvincing and overstates the sense of urgency" and that, effectively, "demand has dropped off considerably since the AESO published its forecasts." It was interesting because subsequently the government suggested: "Well, I guess we'll go back and look at it because things have changed since 2009. You know, the economy has changed from when we first brought this forward in 2009."

Of course, by the time this government rammed this through in November of 2009, the economy had changed, and the drop in demand should have already been clear to members of the government as they were pressing through with this bill over the united opposition of all the opposition parties in this Legislature at that time. It's always great when the government ultimately concludes that it did something wrong and it tries to change things, but of course, as has already been pointed out, it's only really a half measure at this point because they are retaining the decisions that have already been made, and they still refuse to open those decisions up for further review.

It seems to me that it would in fact be possible to do that. At least two of them, anyway, are still awaiting consideration by the AUC and, I think, perhaps even three – I don't have my notes exactly in front of me – and it's certainly possible for this

legislation to amend the criteria that would be considered by the AUC in the forthcoming hearings, that are currently very limited in scope with respect to the lines that were designated by cabinet as critical infrastructure. The government could undo the arrogant, behind-closed-doors policy-making decisions that governed and dictated how they conducted themselves six months ago. They could undo that with this bill if they really wanted to and subject a good portion of their remaining decision-making to the very process from which they tried to remove it through Bill 50. I think it's important.

Again, in the last election this issue was an extremely hot topic, and previous speakers have spoken about it. In the last election the Alberta NDP did commit to making the Alberta Utilities Commission independent from industry and to add to the AUC's mandate – here's a neat one – the mandate to protect consumers and to ensure that the system is operating for the public good and to actually write that into the AUC's mandate.

We also proposed a system for beginning to regulate electricity rates so that we could have stable prices that are as low as possible. Then, of course, we proposed reversing the decision made by this government many years ago where consumers pay the full cost of transmission lines. Then, finally, in our election platform we recommended that Bill 50 be repealed.

It's being done prospectively, but it is not being done retroactively. Since a good deal of that which is not covered by this amendment to the act stands to be the primary form of activity in this area for the next decade or more, I think the government needs to go back to the drawing board and find a way to let Albertans in, finally, on the decision-making process and the planning process for our electricity system genuinely as opposed to in the fashion that they've been doing up to now, which is to do it in name only.

As I say, in short, we are pleased that this bill is coming forward. We believe that it needs to go farther. We will either be introducing our own amendments to make it go farther and/or supporting the amendments of other opposition members to make the bill go farther. We think it is the beginning of an end to a long book filled with many chapters that primarily highlight government arrogance and a failure to consult with the majority of the key people who should have been consulted and the most important people who should have been consulted, which are Albertans.

Thank you.

The Deputy Speaker: Thank you, hon. member.

Are there any comments or questions of the member under 29(2)(a)?

Seeing none, I'll recognize the Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Speaker. It's a pleasure to speak on Bill 8, the Electric Utilities Amendment Act, 2012. I think the speakers so far have done a good job of going over the history, some of the difficulties that the Albertan people have faced in light of the lack of openness and transparency, and some of the questions that still linger out there as a result of the significant changes to legislation that did not allow for public discussion or allow for independent review of some electricity projects that have a significant impact on Alberta's future. This government appears still willing to roll the dice on whether some of the information they collected in 2001 is still pertinent to this day and age and what is actually happening out there not only in regard to some of the changes on coal-fired legislation but also pricing of natural gas and the like. I'll touch on that later on.

Like it was mentioned, I believe the NDP was against Bill 50, the Wildrose was against Bill 50 when it came in, and in fact the Alberta Liberals were also against Bill 50, not necessarily because of anything special, but we recognized the fact that when we saw government trying to do things behind closed doors, this is not a good thing. Often sunlight is the best disinfectant, and people have a right to know what is going on with their government, what is going on with their power distribution centre, what decisions are being made.

I believe this government really, I hope, has learned a lesson from this, frankly. It was a bad piece of legislation that gave the cabinet the power to designate certain power lines and stations as critical. The meaning of that was that the Alberta Utilities Commission's regular process, which was to determine both whether the lines were needed and whether they were in the right place, was actually valid. It was, obviously, the most controversial bill of the last session, and I think overwhelmingly it's taken a lot of confidence out of what Albertans see from an electricity standpoint.

Even for me as a recovering lawyer, not an expert person when it comes to putting together a transmission grid, I think because of that process I tend to question whether this line is necessary or not. I've read some reports from the Conference Board of Canada that say that this maybe is a good thing. I read other reports that say that it may not be. Really, that's why we have a body like the AUC: to sit down, to hear all the sides, to hear the opinions, and to make a decision with those experts in the room as to whether or not this is going to serve the interests of the Albertan public. Because of this Bill 50 and despite the mea culpa here in front of us, despite the fact that we'll in the future be able to see these decisions on transmission being decided by the AUC, this was not available in the past designation of the critical transmission lines.

Really, we're at a point where the Albertan people still don't know. I still don't know. The case hasn't been made to me. That, to me, is unfortunate for the Legislature, but I think it is more unfortunate to the Albertan people and, in fact, gives me very little confidence that the government has this right. I think they may be gambling on this. They may be basing their decision on past information and the like.

9:20

I listened with great interest to the Member for Rimbey-Rocky Mountain House-Sundre when he said that this transmission line was designed at a time when coal was really cheap and natural gas was really expensive. They said, "Oh my goodness; we're going to need a transmission line that actually allows for reasonably cheap power given the fact of this, that, and the other thing to supply power to the Albertan people," which really is a noble cause of any government, to try to ensure reasonable power prices are had.

Nevertheless, these decisions were made early on, and things have changed. You know, natural gas: \$2, \$3. How long is that going to stay down? I'm not sure. The difficult thing is that we can't predict the future, either the price of coal or the price of natural gas, so I understand there have to be reasonable decisions about what is necessary in a transmission line, okay? Designing a system for one fuel source or another fuel source shouldn't be the goal. It should be designing a system that's able to adapt, that is strong enough to be able to accept all forms of energy whether that be, for at least the short term anyway, 45 years of coal, to be able to adapt more to wind and solar, to be able to adapt power dam electrical generation like we're discussing in our committees: all of these things.

I am not certain that this current infrastructure program as it is designed for these things because of the fact that we didn't get to go through the hearings. I believe that information would have been more clear to me and would allow me to make a more appropriate judgment on the need or the lack of the need for this very expensive and, it appears, growing ever-more-expensive-by-the-day project. I believe it was stated here that originally it was supposed to cost \$8 billion. It's now \$16 billion. Who knows what it's going to be by the end? That troubles me, that I don't have all that information as a legislator in this building today.

Needless to say, if we go back to some of the decisions that were made along the way, it was unfortunate, the hiring of private investigators to derail the 2007 hearings. Clearly, a lot of the decisions stemmed from that. The government saw that it was going to be a difficult process, you know, and who needs a difficult process? I guess that's what the government is saying. Let's just do this another way. That's a difficult thing in democracy. Democracy isn't supposed to be easy. You're supposed to win the debate. You're supposed to challenge assumptions. You're supposed to let people have their say. That wasn't happening.

Going even further back, it was an unfortunate decision, I believe in 1997, when the rules were changed, saying that the Albertan end-user would pay for these transmission lines, a decision that I feel was wrong then, is wrong now, was a sellout to wealthy business interests in this province to the detriment of the average Joe and Jane Albertan. It may not necessarily lead to the building of the right kind of transmission line that deals with the real economic impact, that deals with the real need, and doesn't just build it for the sake of building it because the powers that be of the day say as such.

Although I'm probably going to vote for this bill, I can say that this entire process has been less than stellar. In fact, it's been downright shoddy. It hasn't left me with the confidence that we've got it right. I think a lot of the suggestions that were brought up here – in fact, even the AESO, I believe it was who mentioned it, said in 2011 that we should go back and redo all of these assessments, see if we got it right. That would be something. Let's look at it with the experts, having an eye to what is, in fact, right, what is needed, what is our current energy mix. What is the fact that we're going to be closing coal plants in 45 years going to do to what we need out of an electricity system? If we don't do that, I feel that we're at least moving ahead without the information necessary to make a reasonable decision, okay?

Nevertheless, those are my comments on this bill. I'll probably add some more later on in the debate. Thank you very much for allowing me the opportunity.

The Deputy Speaker: Thank you, hon. member.

Are there any questions or comments to the member under 29(2)(a)?

Seeing none, I'll recognize the next speaker, the hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Mr. Speaker. As a neophyte politician I am tempted, with the hour and with my backside, to say one word, "ditto," to our Wildrose caucus.

Mr. Speaker, during the debacle of the Brooks meat packing plant and the Lakeside-XL fiasco, I used the comment that there is no door handle on my farm that's not affected by the price of beef. I also would like to say that there's no door handle on my farm or my operation and that of many other agricultural operators that is not affected by the price of electricity.

The price of electricity – and I guess I could leave out the producers that are irrigating or could have irrigated from the Berry Creek reservoir, which has lost all its water; that's not going to be an issue for those producers next summer – for many others who use irrigation water for pumping and for livestock use is very important to them, and it's important to their farm and agricultural operations going forward.

The tenuous promotion and bringing forward of Bill 50 in this province was innocuous, to say the least. It was improper. It was bordering on immoral. But as a result of that, I've gained 16 very good and close personal friends, or I'd like to believe them to be, in our Wildrose caucus.

Bill 8 represents a major backtrack on the needs assessment, Mr. Speaker, but the dirty work has already been done. The four major power lines would appear, to me at least, to go ahead. I believe that we need to make some amendments to Bill 8. With that, I'd like to cease and desist here and potentially recover any questions from the other people here.

The Deputy Speaker: Thank you, hon. member.

Again, Standing Order 29(2)(a) offers the opportunity for comments or questions of the member.

Seeing none, I'll recognize the Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Speaker. Bill 8, the Electric Utilities Amendment Act, 2012, is an amending bill. It amends the Electric Utilities Act but actually reverses the provisions of Bill 50, the Electric Statutes Amendment Act, 2009, by removing contentious provisions that allowed the cabinet to designate certain new power lines, transmission lines, as critical infrastructure, bypassing the normal regulatory process of public and technical needs-based hearings. It's a short bill, only three clauses long, and it contains amendments that the government announced it intended to make back in the spring of 2012. This bill will reverse the most contentious provisions of Bill 50, both due to strong public pressure and as a response to the Critical Transmission Review Committee report of February 2012.

The four projects formerly designated as critical, including the heartland transmission line from Edmonton to the site of proposed oil bitumen upgraders to the northeast, transmission lines from Edmonton to Fort McMurray, and, the most controversial, adding lines between Edmonton and Calgary, will go ahead as planned. Only the new projects will be affected by this legislation. We are trying to correct something here, but this bill is not going all the way.

Opposition to Bill 50 was generally centred around landowners who did not want lines on or near their land between Edmonton and Calgary and people in Sherwood Park who opposed the heartland line as it runs in the utility corridor between Edmonton and Sherwood Park, right beside homes and schools. Transmission is paid for 100 per cent by regular Albertans, as electricity consumers, on their power bills. Some estimates have said that many further lines were too expensive; some are to be built as high-voltage direct current, which is more expensive but has less of an impact on landowners, unnecessarily; and some are worried that they would eventually be used to export electricity.

9:30

As we heard from the Member for Rimbey-Rocky Mountain House-Sundre, the cost, as he was saying, is \$16.6 billion, and it may be doubled. You know, we don't know what we're up against here. If that's true, then I think we will all be having – I don't know. Maybe we will go back to kerosene gas lamps or something because we won't be able to afford electricity. I don't know what

we will do to heat our homes and to cook. I hope that natural gas is still cheaper by the time we build these lines at a \$32 billion cost.

You know, this is unnecessary, and we are worried that these lines would eventually be used to export electricity, meaning that Albertans would pay for the lines on their power bills, and then the private companies would profit by selling electricity to the States.

Finally, there was opposition to the effect that while transmission is private, the province is divided into zones where private companies have regular monopolies such as ATCO and the eastern transmission lines. These companies were not acting in landowners' best interests, and I don't think they were working in Albertans' best interests, Mr. Speaker.

As the need for new transmission lines has been in the works for 13 years, the process got bogged down with a lawsuit brought by landowners in 2006 saying that the regulatory process was unfairly biased against them in favour of the companies building the lines. There was also the spying scandal where the regulator, the EUB at the time, was caught improperly spying on landowners at hearings, et cetera. The regulator was overhauled, and the process was started again.

Finally, the government passed Bill 50 to give cabinet the power to basically give approval for certain lines so that they could be built quickly and without lengthy regulatory reviews holding them up. The bill was passed, you know, with strong opposition from the opposition parties on this side of the House.

As Alberta Liberals we opposed Bill 50 basically because having cabinet decide where and which power lines are built is a bad process. We came up with an electricity policy of our own, one that dealt with actual problems in the system and that could stop Albertans from having the highest electricity prices in the country. Our leader called for Bill 50's repeal when he was elected. The critic from Calgary-Buffalo said that Bill 50 was usurping the voice of the people. We understood that the new transmission was a necessity but knew that Bill 50 was a very bad process for deciding on where and when to build. Good government policy is objective policy, and objective decisions are best made by an independent body like the AUC, both on need and location. We have always followed a good, objective process to make hard decisions.

We are glad that the government is trying to correct its mistake of passing Bill 50 with this bill. I think, you know, we didn't need to go through all that hassle and all the hearings and all that in order to come back to square one again with this bill. I think the government from the beginning should have heard what Albertans wanted. They should have heard the opposition parties on this side of the House. They could have corrected this a long time ago.

Now the government is selling this as an example of them listening to the people and responding to their concerns about Bill 50 as well as responding to the recommendations of the CTCRC's report. You know, we strongly opposed Bill 50 because it made a mockery of the process for determining the need and placement of power lines, and these decisions should have been made objectively and publicly by the AUC and not as a critical decision by cabinet. This bill is partially correcting that problem.

We have opposed the deregulation of electricity as it now stands, and the fiasco over whether or not power lines should be built is another example of this government's utter mismanagement of this process. Albertans deserve better, Mr. Speaker. What will happen when the lights go out? It's because the government keeps changing the rules of the game when it comes to where the power lines will go. Albertans' power bills are already among the

highest in the country, and decisions regarding power lines will have a large effect on our power bills.

Furthermore, industrial customers are the biggest power users in Alberta, and whether or not they can get cheap electricity will be a big factor in whether or not they stay in Alberta or expand their operations. So this is going to have a big impact on our economy, Mr. Speaker. It may cost us jobs and businesses. Who knows what the end result will be?

It's good the government is trying to reverse their mistake. What are they trying to correct now? Even larger mistakes in deregulation and giving Albertans a reliable, cost-effective electrical system, Mr. Speaker? I'm a little bit concerned about those four projects which are already designated critical projects. If they go ahead, what will happen with the costs? How will we pay? How much will we pay?

With those comments, Mr. Speaker, I will think about this bill, whether I'm going to support it. You know, we will see what kind of amendments come in and take it from there.

Thank you.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions for the member under 29(2)(a)?

Seeing none, I'll recognize the Member for Innisfail-Sylvan Lake.

Mrs. Towle: Mr. Speaker, thank you for the opportunity to rise and speak on Bill 8, the Electric Utilities Amendment Act, 2012. I speak here today with the help and advice of a local constituent of mine who was one of the many Albertans outraged by what this government tried to force through with Bill 50. His advice has been very important to me, and with his help I am glad to share some of his and my thoughts on Bill 8 with this Assembly.

What Bill 8 does is that it repeals a section of Bill 50 that allowed cabinet to deem any electrical transmission critical transmission infrastructure and to bypass the required needs assessment from the Alberta Utilities Commission. The needs assessment by the regulator, the AUC, ensured that actual technical experts made the decision on whether a project should go ahead based on actual need and not on the whims of a politician sitting around the Premier's cabinet table. Bill 8 is an admission that the government has recognized the fact that just because you are appointed to the Premier's cabinet does not mean that you have the technical expertise to grant approval of a line based on need. This is a major admission and is definitely a step in the right direction.

However, the government has not acknowledged that, in fact, the lines they approved under Bill 50 were a mistake and were approved under a process that they now acknowledge was insufficient. It is completely inconceivable that the Bill 50 lines, approved under a flawed concept, should now be in any way considered proper or prudent. Why would a government stand before this Assembly to repeal legislation they know is flawed but continue to support billions of dollars in transmission lines that were approved through the very same flawed legislation?

None of these lines have been completed. In fact, most have not progressed to actual construction. It is not too late to do the right thing and let the AUC conduct their assessment of those existing lines. The Wildrose Official Opposition calls on this government, if they're serious about what they have done in Bill 8, to put our existing power line projects under the same regulations and scrutiny as future ones should be. There can be no real argument against delaying these lines until a needs assessment can be conducted under the new provisions of Bill 8.

9:40

When the government has already admitted Bill 50 was a flawed process, it is absolutely necessary that we follow this corrective procedure on the lines that were wrongly approved under Bill 50. Why not follow the corrected process on these lines before we spend billions of dollars on infrastructure that may not even be needed? Better to err on the side of caution than to burden our citizens for generations with a system that is not necessary. This same system will put onerous costs onto the backs of Albertans.

If this government really believes these lines under Bill 50 are necessary, then allow them to follow the process the government now acknowledges is necessary in Bill 8. It would be a complete tragedy if we infringed on landowners' rights and destroyed Alberta industry and businesses with uncompetitive power rates due to power lines that couldn't pass an act the government now deems necessary.

Mr. Speaker, we would be remiss if we did not take a minute to talk about hard-working families, our most vulnerable, seniors, and how Bill 50 directly affects them. As someone who is passionate about her seniors and someone who is personally responsible for aging parents, I've seen first-hand the difficult choices that are already having to be made. Our seniors, who built this country, often live on fixed incomes, and they are paying for this government's mismanagement of power lines. Seniors across this great province are being forced to decide between what they buy for groceries and paying their power bill.

One only has to use common sense to understand that if seniors are already having difficulty living off of their fixed incomes and accommodating the increased power costs, that if power bills do double, the vulnerable Albertans will be forced to make very difficult decisions that will be detrimental to their quality of life. At what stage does this government realize that we need to respect Albertans and those who built this province and ensure that legislation that is passed in this great House does not detrimentally affect those who have put us here?

Mr. Speaker, I applaud this government for bringing Bill 8 forward to correct their mistakes of the past. I encourage them to halt construction on the Bill 50 lines until a needs assessment can be conducted by the AUC. Let's not continue to go down the wrong road by constructing these lines until we can let the technical experts find out if we actually need them. Let's not let Albertans down any longer. Let's ensure that if these lines cannot pass a needs assessment test by the AUC that Alberta's seniors and families do not have to pay the \$16-billion-and-rising price tag for them. It's not too late to do the right thing and repeal Bill 50.

Thank you.

The Deputy Speaker: Thank you, hon. member.

Comments or questions for the member under 29(2)(a)?

Seeing none, I'll recognize the Member for Strathmore-Brooks, followed by Calgary-Shaw.

Mr. Hale: Thank you, Mr. Speaker, for the opportunity to rise and speak on Bill 8, the Electric Utilities Amendment Act, 2012. I'd like to echo some of the concerns of my colleagues and constituents who have been outraged by what the government tried to force through in Bill 50. Bill 8 finally recognizes the error made in section 41 of Bill 50, that allowed the minister and cabinet to upgrade any electrical transmission to critical transmission infrastructure and undermine the required needs assessment from the Alberta Utilities Commission.

Mr. Speaker, this is something that the Wildrose has been advocating for years. This is truly a sign of how instrumental a

grassroots movement can be in changing an out-of-touch legislation. Wildrose has been advocating against this piece of legislation since 2009. Well, three years later here we are.

Mr. Speaker, I would like to note that I have had numerous conversations with constituents, family, friends, and Albertans, and the truth is that no one I talked to has ever advocated for a law which circumvents due process and places matters in the hands of the government cabinet. This is why I campaigned and ran for office: to advocate against bills which infringe on people's property and to address issues to deal with the democratic deficit. This is an issue of democratic deficit for the secretive, selective, and discretionary nature of how this government conveniently picks and chooses what they deem critical.

The government already has a body, the Alberta Utilities Commission, which was given the mandate to regulate the utilities sector, natural gas and electricity markets, to protect the social, economic, and environmental interests of Alberta. Given that they have Alberta's needs in mind, they would be more capable to deem what is critical as opposed to cabinet, who can swoop in and cherry-pick any company to get a piece of the \$16 billion. This doesn't seem fair. It doesn't seem right. Quite frankly, I'm glad they heard Albertans and have decided to repeal this portion of the bill.

But, Mr. Speaker, it doesn't end there. This amendment has not gone far enough to ensure that the people, in particular landowners, are protected from the government. I have heard some stories of how various government boards have come in and taken away rights of landowners, and I would like to share one of them with you right now to raise a point as to how serious this issue is and how this is still not enough to ensure our landowners' rights are protected.

In the Strathmore-Brooks riding a landowner was approached by a power transmission company who received approval from AUC which was deemed critical by cabinet. Despite a valiant and well-fought effort on the part of my constituent the government was able to force their way onto his land with police assistance and install the power lines, which subsequently has put barriers on his irrigation land and, thus, decreased the value of his property.

Mr. Speaker, the model of peace, order, and good governance seems to be a thing of the past. Now Albertans are left with a government riddled with a culture of entitlement. It's a sad day when the government of Alberta is forcefully removing hard-working Albertans from their own land. Unfortunately, this amendment will not address those who have been negatively impacted by Bill 50.

Mr. Speaker, I'll begin to wrap up by echoing the plea made by the Leader of the Official Opposition and my other colleagues to halt the power lines assigned under Bill 50 and wait for the critical needs assessment to go through. While it is commendable to see a government take steps to correct their wrongdoings, they need to be cognizant and address retroactively any problems this may have caused. If these lines pass standards set by the AUC, I say go, but until that time we need to ensure that we as parliamentarians are basing our decisions on facts and logic.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions to the member under 29(2)(a)?

Seeing none, the Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Speaker. As always, it is a pleasure to rise and stand in this House. Tonight we are debating Bill 8, the Electric Utilities Amendment Act, 2012.

Now, the repealing of Bill 50 is a clear victory for all Albertans, not just those of us on this side of the House who have been advocating for it for years. It's good to see that the government has taken another page from the Wildrose green book. No, we're not just simply trying to take credit for it; it's the right thing to do.

This was clearly an abuse of power by the cabinet of the day. Nothing good was going to come from removing the need for an independent assessment, and they should have realized that. This was going to set them on a path for failure, and it really, truly did, and it's culminating here today in the acceptance of that failure. Likewise, nothing good will come from forging ahead with the results of what is now being deemed as an abject failure. Giving cabinet the absolute power to circumvent that formal process is ludicrous.

Those lines were assessed based on a 2003 assessment. Well, let's look at what's changed in our world since 2003. You'll recall the SARS outbreak, perhaps the fact that the *Concorde* enjoyed its last flight, or, maybe more apt, that Americans still believed that Saddam Hussein was in possession of weapons of mass destruction. Clearly, we've come a little way from there, and I think it's time to accept that within what we've done with Bill 50 or what was done by cabinet at that time with Bill 50.

The cost of natural gas is another factor that was here. It's been discussed earlier tonight. It's a cleaner resource. It's less expensive than it was, far cleaner and more green than coal, and it should be the direction that we look to go in because based on the fracking abilities that we have now, we are going to have ample resources for it. We don't have to build massive transmission lines to use it. It just makes sense.

Now, proponents of this transmission project will suggest that it is merely transmission charges that are going to increase on our power bills, and they are correct in suggesting that. But what is that impact going to mean for people? It's going to be different for those of us in the city of Calgary under Enmax versus someone who lives in a rural environment, where their transmission charges are much higher. I ask you, especially those of you who represent rural ridings: are you ready to go back to your constituents and tell them that you had a chance to fix this but you chose not to?

Enmax in Calgary is also building the Shepard plant, which is going to be online in 2015, Mr. Speaker. That is going to generate 800 megawatts of electricity, and it's going to be enough to power half of that city. We're not going to benefit in Calgary from these transmission lines, just like the majority of Albertans are not going to benefit from them. Even though our population is growing, our electrical consumption is not. Now, that's a fact that I would suggest everybody take a good look at because it's counter-intuitive. It absolutely is. The reality is that if you reach out to various stakeholders – and I strongly suggest that every member do just that – they will tell you, based on reduced load from energy efficient appliances, LED lighting, that the reality is that consumption is not growing even though our population is.

9:50

Now, this situation really is not much different than a petulant child making a mistake yet stubbornly insisting that they follow through just to merely make a point that they can. This bill is recognition of a mistake and ensuring that it doesn't happen again, which we can all agree on, but it will be a failure if it allows the by-product of the mistake to continue.

This decision will leave a legacy. In 10 to 15 years from now this will be looked at, and it will be judged a failure. Now, we are all going to be judged by that decision, and I hope that each and every one of you is ready for that.

There's a quote that I heard once that I'm just going to share with you because it stuck with me for reasons that are probably going to become clear after you hear it. It goes: growing up, I was always taught that the only thing worse than making a mistake was not admitting the fact that you did; I made a mistake on these issues, and now I'm fixing them. The quote goes on to say: I think one of the things I've learned since last year is that Albertans want leadership, that they want honest leadership, and they want people to be straightforward and direct, and that's how I'm going to be.

I think it's only fair that if that policy is going to guide this government in some areas, it guide them in all. I would hope that our Premier and her entire caucus would agree that just as it's unfair to place the burden of others' mistakes on a select few, it is equally unjust to ask others to pay for those mistakes as well.

We are asking for future generations to pay for the mistakes of Bill 50. Again, I ask you and implore you to please educate yourself. The Member for Rimbey-Rocky Mountain House-Sundre would like nothing more than to have your time and to try and explain this to you if you can have him do that. I know that it's a heavy issue, but believe me when I say that it is important. Just taking the government's talking points and passing this without actually going back and looking at what Bill 50 created is a mistake. I implore you, please, within your caucus to ask for free votes on the amendments, to educate yourselves, and do the right thing.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions of the member under 29(2)(a)? The hon. Member for Calgary-Glenmore.

Ms L. Johnson: Thank you, Mr. Speaker. I would like to ask a question of the previous speaker in terms of electricity demand in Alberta. I have in front of me the AESO report, which speaks about our GDP growing 295 per cent over the last 20 years. Over \$200 billion – that's a “b” – worth of major capital projects are being planned in Alberta over the next few years, our economy is continuing to expand at 2.5 per cent, and our population growth by the year 2032 is expected to be 5.1 million individuals, wonderful Albertans to be represented in this Legislature. I'd like to understand how my hon. colleague expects that electricity demand is going to decrease in the upcoming future.

The Deputy Speaker: The hon. member.

Mr. Wilson: Well, thank you, Mr. Speaker, and thank you to the hon. Member for Calgary-Glenmore for sharing these concerns. As I said when I spoke, it is counterintuitive. I spoke with someone at Enmax just today. There are suggestions, and we have documentation that our hon. Member for Rimbey-Rocky Mountain House-Sundre has shown that I'd be more than happy to table. That is what I'm basing this information on, and I'd be more than happy to do that.

The Deputy Speaker: Are there others?

Then I'll recognize the Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Speaker. It is a pleasure for me to stand to speak to Bill 8, the Electric Utilities Amendment Act, 2012. This bill is one that affects every single Albertan, farmer, business, industry, and manufacturer in the province of Alberta. It is notable that Bill 8 is a reversal of policy over Bill 50, but this bill does not cancel the lines that were approved by cabinet under Bill 50. Bill 8 will allow the AUC to review and approve projects going forward but not those that were approved under Bill 50.

Why is that? It is notable that the Industrial Power Consumers Association of Alberta and the Alberta Direct Connect Consumer Association, who represent Alberta's largest energy consumers, both opposed Bill 50. Why is that?

Well, Mr. Speaker, we know Alberta is Canada's economic engine, but we cannot be that economic engine without electricity. What we also know is that in being Canada's economic engine, we cannot do it without affordable electricity. Going back to the question I asked earlier, "Why is that?" it was cost. It is recognized by some that Bill 50 lines are a massive overbuild to the cost of some \$16 billion. Who is it that will pay this cost?

As I said earlier this evening in another speech and as my old Uncle Gerry, whom I spent a lot of time with, has always said: it is always the consumer who pays. These unneeded electrical lines will cost Albertans needlessly, Mr. Speaker. A twofold, threefold, or even a quadruple increase in electrical bills will cost Albertans dearly. As a result of these increases to residential, commercial, and industrial users, it will force businesses with large costs to move out of the province or go off grid. Why? Seeking more affordable electricity. What happens as the pool of ratepayers decreases? The cost to those who cannot move or go off grid will go up yet again. That means you and me, my friends, all Albertans. I would rather see the Alberta economy continue to be Canada's economic engine, purring along rather than coughing and sputtering under the burden of expensive electricity.

Now, I'm curious why we continue down the path of building these unneeded lines. From what I understand, when we ask AESO why we need the lines, the answer is: because it's legislated. When we ask the government the same question, the answer we get is: because AESO says that we need them. This just seems like we're stuck in a continuous and vicious loop.

What are the technical reasons behind these projects? Why do they hold such special status? What makes them so special considering that before Bill 50 the province was able to build critical infrastructure, transmission infrastructure, without the special order of cabinet?

While I support the changes – and I do support the changes – that are contained in Bill 8, we need to go back and allow the AUC to do the job we're now asking them to do. We need them to review the lines. We need them to review the Bill 50 electrical lines.

Thank you so much for your time.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions of the member under 29(2)(a)?

Mr. Fraser: Mr. Speaker, I commend my colleagues in the House here that are having a constructive debate over transmission lines. It just seems to me that when you have a home and it's over 30 years old, the electricity components inside the home usually are deemed to be replaced because they're unsafe. It's my understanding that transmission lines now are decades old. Now, I know that things are becoming more efficient. LED lights have been mentioned before.

To the member: can you explain why we're having brownouts in places like Leduc and, particularly, Calgary? I know that the SCM sorting plant is the largest sorting plant in western Canada. A very conscientious group of investors uses that Supply Chain Management group to make sure that the cost is effective and, similarly, with another group, called the Genco group. When the lights go off, that plant shuts down for over an hour, with lost wages, lost productivity. I guess that at some point we talk about efficiencies, and we need electricity, but the current demand that we have right now is not cutting it. Can you answer those ques-

tions in terms of what we tell those stakeholders when the lights go off?

10:00

The Deputy Speaker: The hon. member.

Mr. Fox: Thank you very much, Mr. Speaker. I'd be happy to answer your question on that with a question back to you. When do transmission lines account for the creation of new electricity? These brownouts that we heard about over the summer: we found out that there were six electrical generators that were taken offline that day to do maintenance. So I pose that back to you. How is it that transmission is generating us electricity?

Mr. Fraser: Well, I think there's obviously a process that needs to be followed in every industry that needs maintenance. That's clear. Perhaps there could be better collaboration between those industries to ensure that they're not all going offline at the same time. I think there are a few things, and we can look to stories in Quebec and, you know, in other places. When the transmission lines and the electricity go out based on a crisis, then that's a small example of people not collaborating to make sure that the best interests of Albertans are being met.

I think we as legislators right now need to start looking to the future. I think it's clear that the people of Alberta have asked us to ensure that their infrastructure is sound not only for the safety of their families but also to make things more efficient. Like the hon. Member for Calgary-Shaw said, LED lighting. Well, the light bulbs that we used before lit the room, but they weren't as efficient. It's time that these transmission lines are built so that they're more efficient to provide more electricity for the growth that we have here in Alberta, to ensure Alberta's economic future. I'll just put that back to the member.

The Deputy Speaker: Would you care to respond, hon. member, or I can go to the next speaker.

Mr. Fox: No, I'm happy to respond to that. Thank you, Mr. Speaker. Why is it that we are now again asking the AUC to do a needs assessment on all lines going forward, yet lines that were approved 10 years ago with older technology aren't going through that same needs assessment? I think that we need to serve Albertans' best interests by allowing the AUC to do its job and assess these lines.

The Deputy Speaker: I recognize the hon. Associate Minister of Finance. Your points were made. Thank you.

With that, then, I'll recognize the Member for Airdrie.

Mr. Anderson: Man, this is like I've gone into a time warp. I've been here before. Well, here we go again.

An Hon. Member: Do over.

Mr. Anderson: A do over. That's right.

I do think we're having a good debate today, and I do appreciate some of the members opposite participating in part of the debate. Let's step back before we get down to the minutiae here. Let's step back a little bit and look at what we're talking about here. We're talking about a government that passed a bill to subvert the needs assessment process, to not have to go through the needs assessment process to approve \$16 billion worth of transmission lines, okay? The question becomes right away: why on earth would we need to pass a bill in order to subvert a process, in order to skip the requirement to show need? Why would we pass a bill to do that if there actually was a need? If there was a need for

these lines, if there was a need for \$16 billion of these lines, then the government and AltaLink and the transmission companies, et cetera, needed to come to the board and get approval and demonstrate that these lines were needed. Otherwise, what's the problem here?

I mean, we have spent years in this Assembly debating this issue now. We debate it, debate it, and debate it. If they would just have taken it through the needs assessment process to begin with, we'd be done this. We would have an independent assessment by a board with expertise in this subject area telling us exactly how much we need in this province to keep the lights on.

Everyone agrees that we need to keep the lights on. We want to keep the lights on. I want to keep the lights on. Lights are good. Television is good. You know, we all like electricity. We like running businesses and things like that, commercial buildings and industrial complexes and so forth. But if that's the case, if that's the goal, then why aren't we going to the regulator, whom we've set up and we spend millions upon millions of dollars to run every year, to do their blinking job, which is to assess the transmission requirements for this province, to do a proper needs assessment, and to let the people of Alberta know what exactly we need?

Think about the absurdity of skipping that process, passing those lines, passing a bill that allows you to skip that process to approve these lines, and then coming back to the Legislature two years later and saying: "You know what? Jeepers, we really shouldn't have given the cabinet that power. That's not a power the cabinet should have. You know what? It's just wrong. It's wrong for that to happen, but we will still go ahead with all \$16 billion of the transmission lines that they approved." It's nonsensical, Mr. Speaker. I mean, it's laughable.

It's like my child going into a store and stealing a toy and then coming out of the store. I find out what the child has done, and I say: "What are you doing? Take the toy back." And he says: "No, I don't need to do that. I won't do it anymore, but I'll just keep the toy because I want the toy. I won't give the toy back because I want it, but I'll be good from here on out." As a parent I should be reported to child services if I said to that child: "Good grief. That's a good idea there, Derek. That's a great idea. You know what? I'm going to be a good parent here and say you keep the toy, Derek. Just from this point on don't steal any more toys, but keep the toy." No. You give the toy back. That's what a good parent does. This is just plain, common sense.

So this government sits over there and passes this bill, which says: "You know what? Yeah, we blew it. We blinking blew it. We should not have given the cabinet this authority to subvert this regulatory process, this needs assessment process. We made an absolute mistake, but – ha, ha – we're going to continue to build the lines, 20 years' or more worth of transmission lines. Who knows how long this will take us? We will do that without going back and doing it the right way, the democratic way, the way that it was intended, the way the system has been set up." It's nonsensical, Mr. Speaker. In a way this bill is a bit farcical from that perspective.

I have a real problem. I'm trying to find a reason to vote for this bill. Yeah, you know, it takes away that power, so I have to vote for that bill because the problem is that you won't have to use this power. Certainly, in most of your lifetimes and our lifetimes over here we'll never have to use it. There'll never be a point. We're going to have transmission coming out of our ears here pretty quick once we build this. Who cares if they have the power or not? Who cares? They're going to build too much of it anyway, and it's going to be years' and decades' and decades' worth that we don't need.

That's the first problem with this bill, but then it gets even funkier, Mr. Speaker. We start with the fact that we pass a bill that allows the government to skip the independent needs assessment process, and everybody across the board – the U of C public policy report, even AltaLink and ATCO, everybody, even the ones that agree with the fact that we're building the lines – agrees we shouldn't have given cabinet this power unilaterally. It was a mistake.

10:10

Even with that, then we take these lines, and we give \$16 billion in transmission lines. Do we tender them out to the best possible bid so we can get the best value for money for Albertans on their power bills? Let's say, for example, that we need all these lines, which is malarkey, but let's say that we do, okay? Instead of getting the best price for Albertans, instead of making sure that we're getting not just the lowest price but the lowest price from the company that can deliver the best service, et cetera, et cetera, et cetera, what do we do? The government gives these transmission contracts to specific transmission companies: AltaLink, ATCO. It gives them to these folks with no competitive bidding whatsoever and basically cost-plus, which is just a recipe for massive cost overrun. We give these folks these contracts, and we guarantee them 9 per cent on these billion-dollar contracts, a guaranteed rate of return of 9 per cent plus costs. Oh, man.

I mean, I can't understand how on earth folks over there can go along with such blatant disregard for the taxpayers and the ratepayers of this province. I just can't understand it. They know they're not getting the best deal. They know the people of Alberta are getting ripped off. They know the ratepayers are getting ripped off. They know we skipped the needs assessment process to get here. They know all of this, yet they still go along with it.

At some point you've got to wonder why we get elected to this Legislature. I thought the reason was that we were looking out for the best interests of Albertans. I thought the reason was that we were trying to protect our taxpayers and our ratepayers from being gouged. I thought the reason was that we were to uphold the rule of law and the processes that we have in place, the regulatory process and the House process and all the different processes that we have to ensure there aren't conflicts of interest, there's not abuse of the system, that we're not a banana republic, that we have good government, yet here we are passing a bill. We're going to go ahead with these lines, \$16 billion dollars.

Now, going to the question earlier about the reason we're having brownouts, it's a legitimate question. People ask why we have brownouts sometimes. I defy anybody over there to bring any shred of evidence that we have had one brownout in this province because of a lack of transmission. You will not find any evidence out there that we have had one brownout, one blackout, or any other out because of a lack of critical transmission infrastructure in our province. It does not exist.

We have gone over this again and again in this Legislature, but we'll repeat it again because sometimes repetition is a good thing. [interjections] Yeah, that's right. The reason we have brownouts is because we have generation problems from time to time. Generators will go offline. Things will happen that cause generation to go offline for various different reasons. When that happens, yes, you will have brownouts and things like that. That doesn't mean that there don't need to be some repairs to different transmission infrastructure from time to time. But, yeah, sure, it's a decades-old transmission system. This building is 100 years old now. Do we tear this thing down? No. You fix it up. You make do with what you have as best you can because it would cost a fortune to replace a building like this, so we don't do that. We

repair it. We make it better, okay? So I just don't buy that argument.

The other thing, too, is that if transmission were a problem – everyone agrees over there that the number one stakeholder in the province affected by electrical generation and transmission is, of course, industry. Sixty to 80 per cent of our electricity users are either commercial or industrial users. If that was the case, if transmission was such a problem for these folks, then why did the Industrial Power Consumers Association of Alberta come to the Legislature?

I was with the PCs at the time. They came and spoke to our caucus and said: "We don't need this. It's an overbuild. We do not need this transmission. It's totally unnecessary. It's going to make us uncompetitive. The rates are going to go up, and we don't need it because of cogeneration and other things that we're doing in the industry to take care of this." What they said is, "It'll make us uncompetitive, and we will either leave Alberta, or we will go off grid." When they go off grid, guess who gets to pay the bills? The rest of Alberta ratepayers: the seniors, the families, the folks we've been sent here to represent. They are the ones that are going to pay the bills for this.

You would think that if we needed all this transmission, it would be the industrial power users who would be knocking down the doors to say: we need this; we cannot do business without this. Then that argument there about making sure the lights stayed on in Leduc and so forth in these businesses, that would all make sense. But the problem is that that's not what they're doing. They're not knocking down the doors to get more transmission lines built so that they can get electricity to their businesses and industrial complexes. No. They're knocking down the doors to tell us not to build the transmission. So why would the stakeholders with the most to lose if the lights go out be telling us that they don't want these lines built?

I mean, guys, how is this not clear for everybody over there? We've been through this. We're ignoring evidence after piece of evidence after piece of evidence, and we keep going down this – it's like watching a train wreck, you know. Please stop at some point. You can say: oh, man, please stop; push the pause button. Yet we just keep going.

We could turn this around any time we wanted, so the question becomes: why aren't we turning the ship around? Why aren't we admitting the mistake, going back, having a proper independent needs assessment process to figure out exactly what is needed, with experts coming in, with all the new realities of 2012 and the cogeneration and everything that's changed over the last 10 years since the first inkling of this was done in 2003? Let's have the needs assessment process and get it right.

Maybe we do need \$2 billion worth of new transmission. Maybe we need \$4 billion. Who knows? I'm not an engineer. Neither, am I aware, is anyone over there an electrical engineer. The only expert in here, frankly, on the electrical grid is sitting in the Wildrose caucus, from Rimbey-Rocky Mountain House-Sundre. That's really it. [interjection] He is an electrical engineer, actually.

Facts are funny things, aren't they? He's the only expert here, but I would say that I think he'd be the first to say: it's not me that should be making that decision; it should be an independent board made up of experts and then experts coming in and giving testimony back and forth on how the regulatory process works. Then you determine what the need is. Everyone can go forward. Then we tender the contracts properly, make sure we're getting the best possible deal, which would probably mean a lower price than we're getting now, making sure that it's not cost plus 9 per

cent given to our friends at AltaLink and ATCO. That's not the way to do things. That's not the way to run a government.

The people of Alberta deserve way better than this. They deserve competence. They deserve transparency. They deserve a government that is willing to go to bat for them and make sure that even though it might be a little bit of an inconvenience for them to have to go through the proper process, they will go through it in order to make sure that we get it right. If we get it right this time, the upside is that not only will people have faith in the process, but we'll get a good deal for consumers. We'll make sure that our seniors aren't gouged. We'll make sure that our families aren't gouged on their power bills. We'll make sure to keep industry competitive and staying in Alberta. All the good things that come from doing a proper and careful job of this will be accomplished.

With that, Mr. Speaker, I'll sit down. Thank you.

The Deputy Speaker: We will commence with questions under 29(2)(a). The hon. Associate Minister of Finance.

Mr. Fawcett: Yes. Mr. Speaker, it has been a very interesting debate with some interesting ideas thrown around on each side of the House. I'd like the hon. member to explain. They talked about how, you know, this was the caucus that championed property rights, and this is a bill that really puts the needs assessment back into the hands of the AUC. I'm just wondering, actually, what relation property rights have to the needs assessment – it really has no bearing on whether a line is needed or not – and how the hon. member really draws that conclusion.

10:20

Mr. Anderson: Actually, that's a great question because I never addressed that in my remarks. I was more talking about saving ratepayers money and transparency and so forth, but now that you mention it, it has a massive bearing on property rights. You know, one of the things that I think we can all agree on in this Assembly, I think on both sides, is that we want to interfere with people's property rights, specifically landowner rights, as little as humanly possible in order to accomplish what is in the public need for Albertans.

So it goes without saying that if that is the case, if that is your goal, to make sure to interfere the least amount possible while still satisfying the public needs that are out there to keep the lights on and so forth, then it would seem very clear that you would want to ensure that instead of building, you know, \$16 billion worth of lines criss-crossing the province all over the place and having to put out landowners and building power lines across their land and interfering with municipalities' growth plans, as is happening in Crossfield, for example, where they're coming across the highway in that one spot. It's interfering with them. You would think that you would want to build the least amount of power lines possible to get the job done.

I think the opposition leader said it very well. We're building, essentially – and you can quibble with 16 lanes, eight lanes, 10 lanes, whatever – the equivalent of, in her words, a 16-lane highway. We're turning a four-lane highway into a 16-lane highway. What's the point of that? That interferes unnecessarily with property rights. It's just not necessary.

That's how this particular bill – I agree. It's not like Bill 36, which is directly related, but I think that indirectly it is still related to property rights and that we should be always looking at ways to cut down on the space and the land that we need to disrupt in order to accomplish what is in the public need.

Mr. Fawcett: Just for clarification, I think the member has got his processes mixed up. There is certainly a needs assessment that

does look at the public good and the necessity for such lines. Then there's also a separate process once that needs assessment is determined that then contemplates what this member is talking about: meeting those needs and reducing the impact that it could have on private property. Mr. Speaker, that has never been taken away by any legislation in this House.

Mr. Anderson: Well, of course, the member is correct that Bill 50 did not take away that process. No one here is accusing them. The siting process was never changed. I agree with that.

What we're saying is that if you're going to build two massive lines, it's greater than one. By my math I think that one line is going to interfere with property rights a lot less than two lines would interfere with property rights, and one would interfere more than if you didn't build any lines at all. I guess what I'm saying is that if your goal is to reduce the amount of disruption on people's land, you should try to build the least amount of power lines possible and still be able to turn the lights on and do what is in the public need. I think that's basic.

But you're right. Bill 50 did not change the siting process. That hasn't been changed by Bill 50. Property rights were more of a scratchy issue in particular on Bill 36 and Bill 19.

The Deputy Speaker: Thank you.

I'll recognize the Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Mr. Speaker. Here we are once again debating legislation to amend the Electric Utilities Act. This is certainly not a new issue, and it is something that my Wildrose colleagues and I have been hearing about for some time not just from landowners in our constituencies but from many people from all walks of life right across the province.

Mr. Speaker, this legislation brings up the memory of Bill 50, the piece of legislation that removed – yes, removed – the requirement for an independent needs assessment process to take place before new transmission lines could be approved. Yes, you heard me correctly. This government removed an independent process and gave decision-making authority to cabinet, to themselves. Then after the government passed legislation which took away the independent assessment of transmission lines, legislation that was opposed by Albertans and opposed by the Alberta Utilities Commission themselves, the PC cabinet unilaterally approved four major transmission projects at a cost of \$16 billion without ever demonstrating that these projects were needed.

I also feel the need to once again point out to the members opposite, as many of my colleagues have already done, that both the Alberta Utilities Commission and the Critical Transmission Review Committee are opposed to cabinet approval for transmission lines. They don't want to see lines approved for no reason. They, too, want a public needs assessment.

Albertans have been calling for the repeal of Bill 50 for years, and we in the Wildrose have been consistently calling for an independent needs assessment to be reinstated and a cancellation of the four major transmission lines. The new piece of legislation before us today, Bill 8, includes one of the things we've been calling for. If passed, this bill will ensure that all future projects will be based on a thorough process and an independent needs assessment. But, Mr. Speaker, too little, too late.

Our province already had an independent needs assessment for these projects in place before the PCs decided to change the process to give themselves the power of approval. Simply put, they used Bill 50 to ram through the approval for transmission

lines they wanted but that Alberta doesn't need. Not only are these Bill 50 lines not needed, but they will increase the power bills for residential users and for commercial and industrial users in our province. In Cypress-Medicine Hat seniors and concerned ratepayers one after another have contacted me about this grave concern.

We all know what happens when the cost of energy for residential consumers goes up. Albertans will directly pay more out of their pockets for the same amount of electricity they've always used in their homes. But what happens when the power rates for industry and businesses dramatically increase? What happens when these industries and businesses account for 80 per cent of the electricity consumed in our province? Mr. Speaker, this is what happens: businesses large and small will see their power rates skyrocket. They will then move out of our province to a jurisdiction with more affordable electricity. Our province will lose investment, and Albertans will lose jobs. Industry-killing electricity hikes will not only cause businesses to leave our province, but those looking to make new investments will think twice about investing in our province.

The worst part of this is that there is no reason for what I have just outlined to occur. This government has not and cannot prove that there is a need in our province for the transmission lines. These lines are a massive overbuild, at least a \$16 billion overbuild that will be transferred onto consumers and future generations. This is nothing short of complete and utter contempt for taxpayers, and the government should be ashamed. If the government is so sure that these transmission lines are necessary, why does this legislation not include an independent needs assessment for the current projects as well as future projects?

Mr. Speaker, no one except the government members themselves, it seems, wants the Bill 50 transmission lines to go ahead. Everyone – everyone – will suffer from the higher electricity rates these lines will bring to Alberta consumers and businesses.

My proposal to the government is simple. Expand Bill 8 so that current as well as future transmission projects will be subject to an independent needs assessment process. Let the independent experts in our province review the Bill 50 lines to see if our province truly needs them.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions for the member under 29(2)(a)?
Seeing none, I'll recognize the Member for Little Bow.

Mr. Donovan: Thank you, Mr. Speaker. It's an honour to come in here tonight and bond with some of our fellow MLAs at such a nice hour and talk about Bill 8, the Electric Utilities Amendment Act. I think the key to this whole bill is right where you get into page 2 where it says, "critical transmission infrastructure." This is what's led a lot of the people on this side of the floor into our position as MLAs.

Now, I know the hon. Minister of Energy stated last week that the Member for Rimbey-Rocky Mountain House-Sundre is an armchair quarterback on Bill 8. I believe, after listening to the hon. member, that you would have to agree that he is pretty knowledgeable on this whole situation. I'd hope that in the future, when we have a wealth of knowledge such as that of this member from that riding, maybe we have to put some of our party hats to the side and actually listen to him instead of insulting him. In all honesty, he is probably going to forget more about power transmission lines and generation than a lot of us are ever going to learn in here.

10:30

In saying that, he is here truly to help Albertans, and I'd say that he's probably more than willing to work with our current government on what is best for Albertans, by Albertans. On that note, I'm going to listen to our expert. I know, after listening to him at a couple different functions, he has lots of knowledge on this. He has spoken all over the province on this, and he has for a number of years, as he had said in his opening statements to it. He had actually sat up in the gallery to talk to this government.

Mr. Speaker, what we have before us is Bill 8, a piece of legislation that some would say is too little too late. This is a theme from this government which my constituents in Little Bow are becoming all too familiar with. But I will give credit where credit is due. It has been identified by this government, and it is a good start to bring up Bill 8 to take care of some of the problems in Bill 50. Bill 8 does do some good things in limiting cabinet's power to unilaterally make decisions and infringe on landowners' rights.

Still, the bill will not change the status of the heartland, the WATL, and the EATL lines, where the property rights have been ignored, and a needs assessment away from this cabinet table is still necessary. Those lines stay under the old rules of Bill 50, basically indicating that the government feels they should still be above the law.

Bill 50 was a deliberate attempt by the government to extinguish landowner rights and tell Albertans their central planning ideas were better than local decision-making. The reaction that followed Bill 50 indicated to the government that Albertans were not rosy with the idea that the Premier's cabinet should have the right to extinguish property rights of any individual landowner. Hard-working Albertan farmers, ranchers, seniors, and families that have been part of this province for generations spoke out against the bills. But, like in Carmangay, the government failed to listen. Instead, they went ahead with a multibillion dollar project which could still use a needs assessment today but will not be given one because it seems, again, the government believes in the idea of Bill 50.

Mr. Speaker, we were always well aware that Bill 50 was a bad piece of legislation, and it shouldn't have taken this long to figure this out. But, again, I'll give credit to the new members on the other side of the floor. They identified it and with Bill 8 are trying to move forward with it.

After Bill 50 was implemented, the University of Calgary School of Public Policy came out with a report, as did this government's very own Utilities Consumer Advocate. Both these reports clearly identified that there were many problems with Bill 50. They both indicated that the size of the bill was excessive. They pointed out the lack of transparency and the lack of competitive bidding. They decried the government's unprecedented decision to skip these needs assessment processes. The government ignored this entirely. It was what many people would call common sense, but common sense was too inconvenient.

Mr. Speaker, in my riding this hits home. Just east of Coaldale they want to slice up perfectly good irrigation farmland to put up towers. The question always comes: would they actually do this? Well, yes, they have. During the election period we were at a forum, and I had landowners that had been forced by the police, the RCMP, to let a tower go through, the MATL line, the Montana link. They actually put up towers. When we talk of property rights – and the hon. member the Associate Minister of Finance has some valid points about what this does for property rights. I guess if you're a farmer and somebody puts in a tower in the middle of a quarter section pivot, that's infringing on your rights, in my eyes.

I can put it back into terms that maybe everybody else can understand if you don't have farmland. They wanted to come in and put a communication tower in your backyard, where your kid's trampoline is, and come in afterwards and tell you: "We might negotiate on the price within in a couple years because we're not quite sure what it's going to be yet, but it's need. It's a critical need."

The question is that back in April this line had been put in three years earlier. It had gone through the process, with the towers put up. It still did not have the strings hung on it. I mean, we have colleagues in here that'll show you and tell you, as we've talked about before. The hon. Member for Calgary-South East had a point about blackouts, grey-outs, and everything else. The point is that you can have extension cords hung all over inside this building. If you have nothing to plug into it and nothing to take the power at the other end of it, why would you put up all these extension cords? Really, it's that simple if you sit there and look at the whole thing. We're putting in a bunch of towers that aren't needed right at this moment. There's a process through it.

We talk of aging infrastructure. This building is a hundred years old. If you go out and look at those towers – I farm around them – they're bulletproof. I mean, you can hook them with a cultivator. You might ding things a little bit, but the actual cable itself: definitely you can restring that, put on new stuff. When we still have no compensation paid to this day to those people who have towers sitting on their property, which they were told they had to take, this infringes on private property rights. This is probably, I'll guarantee you, why I got elected in my riding, because this was a bad piece of legislation in Bill 50. I do give the government credit for identifying it and figuring out what we need to do with it. The question is: is it far enough? I don't believe it is.

As we sit and have open meetings in my riding, a lot of people are irrigation farmers. Years ago we went away from going to natural gas and diesel because the costs were cheaper to go to electricity. Everybody actually put funding in towards it. You got some money back to change your pivots, going from gas to electric. It made a lot of sense to most people. It's a business plan, again. Now, when most people come to the meetings, they are talking of power bills of \$20,000 to \$25,000 a month, of which half is transmission. They're not paying for the power. It's the transmission infrastructure that has been there for 20 years.

To me, the question always arises: how much can they get from us? With no open bidding process it's very apparent that we have two companies that are guaranteed 9.25 per cent return on their investment. Now, I mean, anybody in here that has any kind of mutual funds would be well aware of the fact that if you could lock in a 9.25 per cent return, we would all be giggling. I mean, we wouldn't need to double up our RRSPs. We wouldn't need to do anything else. We could sit and just run smooth with it at 9.25 per cent.

Also, the beauty of that, Mr. Speaker, is that we're sitting here with a whole situation of nobody watching the henhouse. As a businessperson I cannot have any kind of situation where you can sit there and have a business where nobody actually asks what the costs are. The Member for Rimbey-Rocky Mountain House-Sundre was very key to point out – I'd bring it to anybody who'd love to debate him on it – that there's nobody for the needs assessment of this line. Is this actually needed? So when it's not, the question comes up about the need or the want of it. You don't need something, but you've given the contract to somebody and said: here, run with it.

Every time you run an ad in the newspaper, on TV, sit and do anything on the advertisement, they guarantee a 9.25 per cent return on whatever they do. I mean, it's a foolproof plan to sit and

run a great business. I, myself, would like to buy shares in them, but you can't. Most of them are private companies. So they've really got a great system there. I guess as far as I'm concerned, it affects livelihoods in my riding as much as anybody.

We can improve this bill by implementing the same needs assessment process the bill deems necessary for projects in the future. But before 2009, for projects like the heartland line, if members of this House are serious about what is in Bill 8, I ask every one of them, particularly those MLAs on the government side, to take off your partisan blinkers, re-examine the need for a multibillion dollar transmission line, and find the courage to ask for an independent review by the Alberta Utilities Commission.

10:40

In the previous election Albertans across the province demanded that we be representative and do better. I think we have 87 excellent MLAs that are all here for the right reason, to represent Albertans in what they want. We've identified that Bill 50 was not something that was working. Again, I commend the government for identifying it. It was after a little bit of help, but good government needs good opposition. That's how the whole Westminster process works. So we've identified it. We're using Bill 8. We've identified some of it. Has it gone far enough? I don't think so. I think we need to repeal more. But baby steps. I'm always about the little steps to get to the big journey. Eat an elephant one bite at a time, they always say.

So, Mr. Speaker, I think we need to look at some legislation here. The real problem with this is Bill 50. In saying that, I hope that we can look at this bill and repeal retroactively the current lines that are proposed, that were part of Bill 50.

On that, I'd like to thank you, Mr. Speaker, and the members in session here tonight for your time as we've been bonding for such long hours. I'd be more than happy to take any questions.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions for the member under 29(2)(a)?

Seeing none, I'll recognize the Member for Chestermere-Rocky View.

Mr. McAllister: Mr. Speaker, thank you. It is always a privilege to get up and speak in this House. Might I say, actually, that tonight I'm charged to speak on Bill 8. I'm all fired up about speaking on Bill 8 tonight.

An Hon. Member: You're shocking them.

Mr. McAllister: And I hope you are when I'm done, sir.

I'll try and do this in my own style. So much has been said on this tonight. I think it warrants, you know, us all bringing our own flavour to the debate. I believe that a good speech has a good beginning and a good ending, and the closer they are together, the better. So I'll proceed with that.

For me, though, it's particularly significant because one of these lines that we're talking about tonight goes right through Chestermere-Rocky View, so I banged on a lot of doors, talked to a lot of people in the country. Everything you're hearing here tonight from this side came from those people, I can assure you. They don't want the lines, they believe the needs assessment should have been done, they wanted the regulatory approval process, and they do feel, to the Associate Minister of Finance, like they're being taken advantage of and that maybe their land doesn't need to be uprooted and planted with transmission towers.

Now, to get this straight, I'll try and sum up sort of what we've heard tonight in a shorter version. Effectively, cabinet approved

up to \$16 billion in transmission projects without a needs assessment and bypassing the regulatory approval process. Now we're going to go back, and we're going to repeal Bill 50, essentially, but we're not going to look at the work that was already done. There is no arbitrator, mediator, outside body on this planet that would look at this group and say: boy, that one makes sense. Nobody would do that.

The Member for Airdrie made a reference to something. When I speak on this in public, I use a similar analogy to his although I must say that his was very passionate and well delivered. I always say that it's kind of like somebody came to your house and stole your car, and then they came back later and told you they'd never steal your car again, but they didn't bring it back. It doesn't make sense.

What you should do with a process like this is review the entire process, just satisfy the public. If you're fiscally responsible, are you not concerned at a \$16 billion bill? Are you not concerned by that? We're going through money in this government faster than Kim Kardashian. These are things that we have to look at.

An Hon. Member: Order. She can't defend herself.

Mr. McAllister: Sorry. I guess I shouldn't mention Kim Kardashian.

Ethically or even the optics of it: I'm not convinced that everything government does is wrong. I've seen great signs this week of productive government and movement and taking steps to improve situations after some thought that the situation was hopeless. I saw that on the education bill. I truly believe we're all good people in here. But the public is begging us to revisit this, and it's a simple thing to do. Just order it, a needs assessment, a regulatory approval process. Then all of these hours and hours of debate can go away. The way it's set up now, Bill 8 is a day late, and it's \$16 billion short. You know, the ship has sailed. The horse is out of the barn.

An Hon. Member: One more analogy.

Mr. McAllister: Pick them all. There are a few. It's late.

We could revisit . . .

Ms Notley: One beer for every two analogies.

Mr. McAllister: Well, that's three, and that's not bad. Are you buying, by the way?

Government knows that there's enough here to review. I believe that. And I believe from watching the members on the other side tonight that backbenchers know there's enough to review here. I'm convinced that people on this side understand that we owe it to Albertans, and I darn well know that Albertans know we need to revisit this. I'm convinced of it. So we can still do that, is what I'm saying.

As for the debate back and forth here tonight, Mr. Speaker, I love it when members ask questions and challenge people. I'm not a transmission expert or an electrical engineer. One of us in this room is. We'll speak to it to the best of our knowledge. But we can talk about what we see, what the public sees. I would just say that if you're courageous enough to pepper questions on talking points, put your name down on the sheet, stand up for 15 minutes, and talk about this bill and how wonderful it is.

Mr. Hancock: Or do we want to acknowledge the person who has some information on it? We could do that, too.

The Deputy Speaker: The hon. member has the floor, hon. Government House Leader.

Mr. McAllister: Thank you, sir.

We've passed enough bills or talked about enough bills. Just as an example, not to single anybody out, I would point to the Member for Vermilion-Lloydminster's bill. I am singling you out, so there you go. The point is that he spoke with great passion about a bill, several members on the other side did, people over here did. It was exactly what we would expect to see.

Does it not strike you as odd that nobody but the Energy minister is talking about Bill 8 on that side? It is odd. Get up. Let's have a conversation. Tell Albertans. Get into *Hansard*. Tell them why you want to spend \$16 billion. That's all I would say.

In closing, I said that I would be a little shorter with this speech, and I've tried. We can still fix this. It's not too late. The horse is out of the barn, but we can catch it. We've got a cowboy. He's not here now, but he's right there. He'd be willing to help out. You know, you're telling Albertans, "Look; we're repealing Bill 50," and you want forgiveness, but it's hard to kiss the lips at night that chew your backside out all day long. That's what they're saying when you knock on their doors. That's got to be worth at least one more.

Mr. Speaker, thank you.

The Deputy Speaker: Thank you, hon. member.

Are there any comments or questions to that hon. member under 29(2)(a)? The hon. Government House Leader.

Mr. Hancock: I just want to know if the hon. member is still married or ever was.

The Deputy Speaker: Relevance?

Hon. member, would you care to answer?

Mr. McAllister: Great question. To the member, Mr. Speaker: I don't speak that way at home because I know better. That's how I've made it through a decade. Thank you.

The Deputy Speaker: I think I will recognize the next speaker, the hon. Member for Medicine Hat.

Mr. Pedersen: Thank you, Mr. Speaker. I'm glad that I'm able to rise in the House today to speak in general support of Bill 8, but I do have a number of concerns that I wish to raise on behalf of the constituents of Medicine Hat.

Mr. Speaker, the introduction of this legislation is a good thing. However, it does beg the question as to why this legislation is even needed in the first place. Why is it that cabinet needed the power to approve, without consultation, certain power lines but not others that will now be built? Did they need this ultimate authority in order to raise power prices? Did they need this ultimate authority in order to put Alberta's economy at risk? Did they need this ultimate authority in order to spend billions and billions of taxpayer dollars on unneeded transmission lines?

This extra money, which is going to projects that never were required and never were even economical, could be much better spent on health, seniors, education, how about some detoxification facilities, or even, I dare say, Mr. Speaker, a balanced or a surplus budget.

10:50

In my constituency of Medicine Hat we even have consumer rebates for energy-efficient choices made by consumers. Mr. Speaker, it is this type of decision-making that would help our province become a world leader in energy efficiency now and into the future. The overbuild by billions of dollars in unneeded

transmission lines makes us a world leader, but we are a world leader in government waste and mismanagement.

Mr. Speaker, power bills are the concern of many families in Alberta, and this overbuild that has been deemed critical by cabinet is just going to cause power bills across Alberta to rise. There has been no need proven for these transmission lines, and cabinet seems to think that they still know better. I guess that leaves me wondering. Why is it that the cabinet has admitted, and rightfully so, that they do not have the knowledge to approve transmission line projects into the future yet say that they had the knowledge in the past to do so?

Mr. Speaker, in scenarios such as this there must be public consultation. There must be an open process, and the process needs to be conducted by experts, not made by cabinet and their special friends behind closed doors. The lack of a fair, open, and thorough consultation being conducted in public is going to have negative repercussions on industry in Alberta. If power bills start to double or triple, industry will bear the majority of the cost. Now, some of them will be able to survive, some will adjust, but some are just going to leave. Not just that, but all too many of my constituents live paycheque to paycheque, and they cannot afford for their power bills to increase exponentially. Nor do I think that many Albertans will be able to afford a doubling or tripling of their monthly power bills either.

Mr. Speaker, there is absolutely no reason that Alberta should not be able to maintain and attract the best and the brightest, not only in industry but truly in everything we do. Why is it, then, that the current government wants to create new barriers to obtaining success?

I want to close by saying that I will be generally supporting this important piece of legislation because it is a step in the right direction. However, there are still a number of serious shortfalls that this government needs to address before this legislation completely fixes the issues that Bill 50 created.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Any comments or questions for the member under 29(2)(a)?

Seeing none, I'll recognize the Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Speaker. I'm proud to be here today as an MLA for Cardston-Taber-Warner and to stand up for the rights of my constituents and truly for the rights of all Albertans. And I want to thank the government for helping me get elected.

Mr. Speaker, property rights are a basic right that every government should recognize. Property rights provide the foundation for every other right that we enjoy, and it is good to see evidence that the government is beginning to realize this. However, it's unfortunate that Albertans are still going to have to pay the price for the current government's mistakes. This government made a decision without consultation, without expert opinion, and without any respect for Albertans. This decision, which was to overbuild billions of dollars worth of transmission lines, would be bad enough given the current fiscal situation the government has put us in.

Unfortunately, not only is the government putting our fiscal situation into a precarious position, but they are doing so for transmission lines that are unneeded at such an excessive scale, perhaps on the order of eight times, as has been mentioned. They are not needed where the cabinet decided to build them, and there have been many objective experts with no skin in the game that have stated that the lines are not needed at all. Why the current

government seems to think that they know better than the experts is beyond me, but I have my suspicions.

Which brings me to the next point: Bill 8 is definitely on the right path. The passage of this bill will ensure that all future projects will go through the proper steps to ensure that there is an independent, objective needs assessment and not be decided behind closed doors by cabinet.

Mr. Speaker, this is great, but why is it not retroactive? Why does the government still think that it knows better when it comes to transmission lines such as heartland, such as the western and eastern lines cutting through our province? Why not go back to the future? You have a time machine. We have the power to change the past and make it right this time. Let's make this bill retroactive. I see no reason that this piece of legislation could not be made retroactive, and I hope that the government sees the light and that the Minister of Energy sees the light and seizes the moment and realizes this legislation should be made retroactive in the best interests of all Albertans.

We need to always be mindful and always be respectful of the property rights of Albertans. We have a sacred trust. We don't have any money of our own. All the money that we have is taxpayers' money. We need to be guardians of that and spend it wisely.

Milton and Rose Friedman in their famous book *Free to Choose* talked about the utility of money and drew a quadrant with, of course, four boxes. When a person spends money on themselves, that's the most efficient use of money.

When they spend their own money on someone else, that's the secondmost efficient. For example, I might choose to buy you, Mr. Speaker, a gift, and I've set a budget of \$50. I'm going to say: "I hope you like it. I think I know what you're interested in, but if you don't, it's the thought that counts." That's the secondmost efficient use of money, spending my money on someone else.

The thirdmost efficient use of money is when I spend somebody else's money on me. I'd like to buy a new car. Now, it doesn't matter to me how much it costs. I want all the bells and whistles. If I was spending my own money on me, I'm going to negotiate the best deal I can because I worked hard to earn that money. But when I'm spending somebody else's money on me, I'll go for all the bells and whistles, all the frills, all the extras: the backup camera, the navigation system, the Bose stereo system, leather seats, the big mag wheels. Who cares? It's not my money; it's somebody else's.

The least efficient use of money according to Nobel prize winning economist Milton Friedman is when other people spend other people's money on other people, and that's what we see happening. There's no accountability, and that has got to stop.

This bill is a good step in the right direction, and I look forward to supporting this bill on behalf of the constituents of Cardston-Taber-Warner, who elected me to do just that, see that their money is being spent wisely. I pray that the government has the courage and the humility and the self-awareness to correct their mistakes and support making changes to this bill retroactive. A 9.25 per cent return on my own money would be a great return, but how about a 9.25 per cent return on somebody else's money? Now, that's a heck of a deal, and that's what we're offering. You know, I think that's where their heritage savings trust fund should invest. They should invest in TransAlta and AltaLink. We're not getting 9.25 per cent right now.

I talked to a former MLA from that side of the House, who said that after listening to the hon. Member for — let me get this right; nobody else has — Rimbey-Rocky Mountain House-Sundre . . . Did I get it?

An Hon. Member: Yes.

Mr. Bikman: Good.

After listening to his presentation, this former MLA said: "Gee, I wish I'd known that back when it was being talked about in caucus. They told us not to talk to him. They told us that he didn't know what he was talking about. They told us to beware." He, among others of that era, was denied the opportunity to learn from somebody who had no axe to grind except what's best for all of us. He said that looking me right in the eye: I wish I had known that when I was an MLA, when this was being debated in caucus or discussed.

Now, why don't we want to build so much for the future? We were asked: "Don't we think things are going to grow? Projections say our population is going to increase. We can expect that demand would be greater." Well, because of technology and energy efficiency the demand for electricity isn't growing at the same rate. Why would we build an eight times overbuild of a highway, thinking that maybe 50 years from now we're going to need those roads, when technology may well be: beam me up, Scotty? I'm in Calgary. Beam me to Edmonton. Oh, no, I can't because I've spent all this money on a 32-lane road, 16 on each side, to drive there. Such waste reduces our ability to respond in a timely manner in a dynamic economy, where we've got technology that's advancing as rapidly as it is.

11:00

How many of you on either side of the House have a computer that the government has provided us with? How would you like that computer to have been bought 20 years ago, knowing that sometime in the future we're going to need computers? I don't want to use a 20-year-old computer. I'm not very happy using a five-year-old one. Technology advances. We don't want to overbuild. That's not prudent.

Well, I'm going to sit down now, but I appreciate the opportunity to sound off because I think the things I've shared with you tonight are worth hearing, Mr. Speaker, and I'm glad that through you everybody else got to hear it, too.

The Deputy Speaker: Thank you, hon. member.

Are there any comments or questions to this member under 29(2)(a)?

Seeing none, are there other members that would like to speak on the bill?

I would invite the hon. minister to close debate.

Mr. Hughes: Thank you, Mr. Speaker. Well, I'm very pleased to conclude comments at the end of second reading of Bill 8, the Electric Utilities Amendment Act, 2012. I thank colleagues on all sides of the House for their remarkable support for this bill.

Our goal relating to electricity is simple. It is to ensure Albertans continue to have a reliable supply of electricity at a reasonable cost. You know, Alberta is in a very fortunate position. Our province continues to grow and undergo tremendous economic and population growth. However, as more people move to Alberta, the strain on our electric system increases, just as it does on all other infrastructure in this province. Demand for power in Alberta has increased more than 20 per cent in the last 10 years. That demand is forecast to increase by two-thirds, or over 60 per cent, over the next 20 years. For our province to continue to grow and prosper, to attract investment, to lead, we have to know that when we turn on a switch in Alberta, the lights will go on. We need a robust generation sector and a robust transmission network for Albertans, not for export to the United States of America but for Albertans.

Albertans need the certainty in their personal lives that the lights will go on when they turn on the switch. The Alberta Electric System Operator, or the AESO, is the independent agency that monitors the grid and plans where and when transmission infrastructure is needed. In 2009 the AESO identified four areas of the provincial electricity grid that needed immediate reinforcements. The responsibility of the government of Alberta is to ensure that electricity is available to all Albertans when and where they need it at a fair price.

Three years ago the Electric Statutes Amendment Act, 2009, was introduced. The act approved the need for four critical transmission infrastructure projects to meet the electricity needs of Albertans. It also gave the government of Alberta authority to approve the need for future critical transmission infrastructure. The four projects for which need was approved are the heartland project, the eastern and western Alberta transmission lines, the Fort McMurray to Edmonton lines, and a Calgary substation. Currently heartland is under construction, both north-south reinforced projects are awaiting an AUC decision, construction of the Calgary substation began in July of this year, and the Fort McMurray lines are in the planning stages.

Moving forward, Mr. Speaker, we want Albertans to feel confident that decisions on the need for transmission lines are made by an independent body with a public interest mandate, the Alberta Utilities Commission, through an open and thorough process. We also want Albertans to know they can have a say in where power lines go and if they're needed.

A year ago the Critical Transmission Review Committee was appointed to determine whether the AESO's plan for the north-south transmission reinforcement was reasonable. Reviewing the needs, the committee found that forecasts showing a need to immediately reinforce the transmission grid and the proposed solution, comprising two high-voltage direct current transmission lines, were indeed reasonable.

The committee also recommended changes to legislation so that consideration of the need for future projects was returned to the Alberta Utilities Commission. According to the critical transmission report the committee feels that the AUC is the right organization to appropriately review the need for transmission lines in the future. We accepted their recommendation and are doing what we promised.

Over the past few years the government of Alberta took the steps necessary to ensure that much-needed power lines will be built in a timely fashion, but sections in the act pertaining to future critical transmission infrastructure are no longer needed. We recognize that Albertans want to be heard on all future decisions regarding the need for transmission lines. With the passage of the Electric Utilities Amendment Act, 2012, all future infrastructure projects will go through a full needs assessment process under the Alberta Utilities Commission.

The government of Alberta will no longer have the authority to deem transmission infrastructure critical or to determine its need. Those need assessments will be conducted by the Alberta Utilities Commission. As the case has been all along, siting decisions will continue to remain open, public, and transparent under the regulatory authority of the Alberta Utilities Commission. We want these decisions to be made in a transparent manner and to be able to withstand great scrutiny, so the AUC will assess transmission project need in the future.

Finally, Mr. Speaker, we're confident that the AUC as an agency independent from government has the expertise, practices, and processes necessary to consider the need for future transmission infrastructure. The amendments respond to a clear recom-

mendation in the Critical Transmission Review Committee report and our commitments we made to Albertans.

Mr. Speaker, just to give a bit of context, the electricity system supports some \$8 billion in wholesale electricity annually and an economy of \$300 billion annually.

With all having contributed to creating a bit more light on this topic, I call the question.

[Motion carried; Bill 8 read a second time]

Government Bills and Orders Committee of the Whole

[Mr. Rogers in the chair]

Bill 1

Workers' Compensation Amendment Act, 2012

The Chair: Are there any questions or comments? I'll recognize first the hon. Associate Minister of Services for Persons with Disabilities and then the Member for Edmonton-Strathcona.

Mr. Oberle: Thank you, Mr. Chair. It's an honour to rise this evening and offer comments as we begin discussion in Committee of the Whole on Bill 1, the Workers' Compensation Amendment Act, 2012.

Mr. Chair, as we now consider what I'm sure are some amendments forthcoming, I want to draw the attention of the Legislature back to the original intent of this bill, and I think it's quite important to do so. This bill is about thanking first responders, and I think it's very important that we do that. The bill was never a discussion about: my job is more stressful than your job. It's not about making value judgments.

The hon. Member for Edmonton-Strathcona admonished the government somewhat for making value judgments in including some occupations and excluding others and pointed out that those occupations have just as stressful jobs as the jobs of people we're trying to thank and that it was wrong to make value judgments, yet I'm sure she is about to table some amendments that do exactly that. We're going to add some more professions into the discussion and thereby make value judgments.

11:10

The wrongness of this approach was really underlined for me in a discussion with a union representative from the federal corrections officers, a phone conversation I had. This federal corrections officer made it clear to me that their jobs are a little more stressful than provincial corrections officials', which I thought was unseemly, but also pointed out to me that the very stressful jobs they do, which I don't deny for a second – the federal corrections officers have very stressful jobs; I have no doubt about that – they do day in and day out. He said, as closely as I can quote, "It's not like we're rescuing cats in trees," thereby denigrating first responders because their job is far more important, which bounced me right back to: what is the purpose of this bill in the first place? That just underlined the absolute ridiculousness of this debate.

This bill is meant to recognize first responders. It's not to say that they have more stressful jobs than other people and that other people don't count. It's not to exclude anybody. It's to thank them. It's not even to say that first responders have a higher incidence of posttraumatic stress disorder. I don't actually think we have the data on that. If we want to go to anecdotal evidence, we have a fair amount of evidence that says that there are a lot of

first responders who won't claim PTSD because there is a stigma attached to it. That right there might tell you something about first responders. But beyond that, I don't have any evidence that says that they have a higher incidence of PTSD.

That's not the point. The point is that we are saying thank you to some people that are richly deserving of that. It's about the fact that the things that they do day in and day out are horrific, and we thank them for that. We should thank them for that.

The Member for Lac La Biche-St. Paul-Two Hills this morning I thought got it. He came back from a pretty stressful situation and made today, I thought, a very thoughtful and heartfelt statement in response to a ministerial statement from the Minister of Education. In his statement that member specifically mentioned the brave and selfless actions of first responders in a time of need. He didn't say that anybody else there wasn't deserving of any thanks, and I would take from the tone of his statement that he was pretty much admiring of absolutely everybody who was involved and will be involved in what is a horrific situation. But he singled out first responders because intuitively I think we all know there's something there that's deserving of thanks. I thank the hon. member for his statement, and I hope he'll participate in the debate later on.

This bill is about thanking first responders. It's about thanking people who are rousted out of their beds at 2 o'clock in the morning. It's about thanking those same people who are sitting at their dining room table when their families wake up, unable to sleep, unable to describe their feelings, and unable to explain their tears.

Mr. Chair, it's not about excluding anybody. It's not about denigrating the extremely hard and stressful work that other people do in our society and that we're all grateful for. It's not about that at all. It's most definitely not about removing the right that any worker in Alberta has to PTSD coverage when that PTSD, posttraumatic stress disorder, is related to their employment. That's already available to everybody, and the bill does not remove that from anybody.

It's about saying thanks to somebody who's richly deserving of our recognition. I plead with the Legislature to focus on that purpose of this bill as we move forward to discuss what, I'm sure, are amendments coming forward but at the end of the day to thank first responders across our province.

Thank you, Mr. Chairman.

The Chair: Just before I recognize the next speaker, just a little bit of information for the members. Speaking time for this purpose: members have 20 minutes each. Members are free to move about the Chamber. You can remove your jackets if it's hot. For new members, these proceedings are a lot less formal than the regular House proceedings.

With that, I'll recognize the Member for Edmonton-Strathcona.

Ms Notley: Thank you, Mr. Chairman. It's a pleasure to be able to get up and offer comment on Bill 1 in Committee of the Whole. I do want to move to an amendment that I'd like to put on the table, but I feel that it's somewhat necessary to respond to some of the points made by the previous speaker.

First of all, I want it to be absolutely clear that in no way does anyone in our caucus in any way think less overall or is in any way less grateful, in any fashion, for the work that is done by the group of first responders that are recognized in the current draft of the legislation. I think that that's very important to get out there. Having said that and having practised in the area of workers' compensation law for the last 20 years, this is not a piece of legislation that can just be casually used to thank people. It should

be used thoughtfully and intentionally with a clear understanding of what amendments to it mean.

I happen to support this particular amendment being put forward to expand and make easier the compensability of posttraumatic stress disorder because it's an area that is grossly, grossly undercompensated. However, I don't think that you should just sort of arbitrarily be using this piece of legislation or that piece of legislation as a thank you. If that's what legislation is for, there's lots of other ways you can do it. But this has an impact on people's lives. People will spend 20 years having their lives significantly changed by whether they happen to be someone that the minister thought should be thanked in this particular legislation or not thanked in this piece of legislation. I am struck that the minister seems to be kind of misunderstanding the role of legislation and particularly a piece of legislation that is so profoundly impactful on the lives of regular Albertans each and every day. First responders do deserve our gratitude. No question about it. But let's do this rationally.

The associate minister talked about sort of the conflicting arguments that exist when you say, on one hand, that you shouldn't be picking and choosing certain professions, and then, of course, he anticipated correctly that we are going to move forward with amendments to identify certain professions. I think before we embark upon that debate, I just want to make it very clear that I would love to have this whole legislation crafted differently so that we could really substantively and genuinely deal with the epidemic of mental health issues that arise in the course of work and the people that suffer as a result of their work activity, but that's not what this government has decided to do.

I'm going to be proposing a bunch of different legislation. But just so the minister doesn't get too excited, I will actually be proposing a piece of legislation that would suggest a different approach. Rather than listing, it would approach it in a different way. In the interests of pragmatics and in the interests of having this government acknowledge and make as many improvements as it is possible to get out of this legislation, the first strategy that we're going to take is we are going to propose adding people to this legislation, and we will slowly expand the scope of those people that we will be proposing to add.

[Mr. Amery in the chair]

The minister suggested that it was somehow inappropriate, in probably the course of a rather heated discussion of one particular advocate for one particular profession, to speak apparently dismissively about some of the work that those extremely hard-working and very respected firefighters do. But, of course, the minister needs to understand that he's invited that by identifying certain professions and excluding others. I don't think it's fair to then critique people who engage in that conversation.

11:20

That being said, it's also interesting that the minister then goes on to say: well, we need to be dealing with first responders because especially first responders are less likely to file claims. That tells you something about them, as though somehow we should celebrate them because they're less likely or less able, because the resources aren't there, to actually successfully advocate for a compensation claim when they rightfully are entitled to it because of an injury that occurred at work that happens to have created posttraumatic stress disorder. Again, I think there are underlying assumptions in the minister's comments that really raise some very significant concerns.

Now, the minister said that this legislation is designed to support those important first responders. Good. Let me just repeat,

which I'm going to have to do over and over because I'm sure the minister is going to try and suggest that by us proposing to add people, we don't respect first responders. So I'm just going to do it every three minutes or so to make it very clear that we support this legislation for first responders but that it needs to be improved. He said it was there to support those first responders and those people who are sitting at the dining room table in the middle of the night unable to sleep because of the extensive trauma that they've experienced, and they're unable to talk about it or to get treatment. I want to just say that, of course, that's who we should be thanking, but a lot of people experience that by making heroic decisions day in and day out at their workplace, and those people are not necessarily covered by this current act.

This morning I spent some time at a breakfast that was put on by the Legal Action and Education Fund, and interestingly the speaker there was a journalist who had been essentially drummed out of her employment after she wrote an article which generated tremendous controversy and ultimately several death threats. Her employer was unwilling to support her in that, and ultimately she was diagnosed with PTSD.

Now, it's interesting. She described her horrifying process. She wasn't actually even filing for WCB. She didn't even try that. She did what probably 99 per cent of people who have PTSD right now do, which is they simply go through long-term disability because it's less onerous to qualify for long-term disability than it is to show the causation that the minister suggests is easily accessible to every worker. The vast majority of mental health, where it is compensated, is compensated through long-term disability, and in that case, of course, we're making employees share the cost.

Anyway, she described a horrifying process that she went through, suffering from a mental health issue that arose clearly out of being threatened in her workplace. It was relevant to this debate because she did such a good job of describing how incredibly difficult it is for people who suffer not only PTSD but other forms of mental illness that arise from their experience at work to receive compensation as well as maintain their profession and maintain their relationships with people in their workplace. It's a travesty, and this legislation is one small piece of a large area which we have ignored to our detriment and to the detriment of all Albertans.

[Mr. Rogers in the chair]

I'd like to begin by talking just about our most specific amendment, which is that which relates to including corrections officers and why it is that corrections officers need to be one of the groups that is covered, regardless of what the mechanism is, by this legislation. The minister repeatedly talks about first responders and about how we need to thank first responders. Well, corrections officers are first responders. Corrections officers are the first people to provide medical care when there's a medical emergency in a prison. They are the first people to show up when there is a violent incident in a prison. They are the first people to be there when somebody is murdered in a prison. They are the first people to be there when somebody has a heart attack in a prison. They are the first responders in a prison. The only difference in the nature of their availability, the nature of its unpredictability, the nature of its trauma, is that it's in a prison.

While I think there's an important discussion – and I look forward to having that important discussion – on the larger issue of how people who suffer from mental health issues as a result of a trauma in their workplace should be dealt with, this particular issue to me seems like a no-brainer. I don't understand why the

government would exclude this particular group of first responders unless, as I said before, what they're doing is making a value judgment about the people to whom they respond. I can't imagine that they would be so simplistic as to engage in that kind of analysis. I can't imagine that they would be so reactionary as to engage in that kind of analysis but that, rather, they understand that these people are first responders just like the other first responders that they already want to include in this legislation.

Let's see. How am I doing for time here? I don't have too much time left, so I will probably speak more on the merits of the amendment that I'm about to offer up once I've tabled it. I would like to table the amendment before I run out of time to speak. Mr. Chairman, I will offer up copies to one of the pages and wait for it to be distributed before I read it into the record.

The Chair: For the record we'll call this amendment A1.

Ms Notley: The amendment that has now been distributed reads as follows. We would amend section 2 in the proposed 24.2(1) by striking out clause (c) and substituting the following:

- (c) "peace officer" means
- (i) an individual appointed as a peace officer under section 7 of the Peace Officer Act who is authorized by that appointment to use the title "Sheriff";
 - (ii) a member of the Correctional Service of Canada who is designated as a peace officer pursuant to Part 1 of the Corrections and Conditional Release Act (Canada), and a warden, deputy warden, instructor, keeper, jailer, guard and any other officer or permanent employee of a prison other than a penitentiary as defined in Part 1 of the Corrections and Conditional Release Act (Canada), or
 - (iii) an individual who is constituted a peace officer under section 10 of the Corrections Act;

The point of this amendment in short, Mr. Chairman, is to include corrections officers under the coverage of Bill 1.

11:30

In speaking to that, first of all, let's talk a little bit about what this bill does because the minister repeatedly says: well, everybody has access to this. But just to be very clear, what happens right now if somebody claims for PTSD is that, first of all, the WCB spends a whole bunch of time trying to evaluate whether what they're suffering from is PTSD or whether it's depression of some other type, and by doing that, they turn the person's life inside out. Just to be clear, their doctor may diagnose PTSD, but then the WCB will immediately question that diagnosis and evaluate it at great length and investigate it very intrusively at great length.

They will then decide whether the PTSD actually is related to the employment, and the way they do that is by trying to find out if there are other ways that it could have been caused. That's where you get these lovely situations where you get unauthorized filming of people, where you get investigators digging into people's lives, where people are required to provide psychological reports and counselling notes going back 20 years so that the WCB can determine whether or not that person might have actually already been suffering from PTSD before the particular incident occurred. Then, of course, witnesses have to be examined to determine whether or not the event itself was traumatic.

It's a huge hill to climb, and because, of course, the very injury that the person is suffering goes to the very heart of their ability to advocate for themselves, 9 times out of 10 they don't advocate for themselves.

What we've seen in the last two years under the current rules is that the greatest number of people actually approved for PTSD were bus drivers, followed by truck drivers, followed by correctional service officers, followed by firefighters. Other than that, we don't actually have any other first responders on the list. The remaining people that were approved for PTSD were some of the other folks that one would think would typically be included on a broader list.

So what this bill does is that it just concludes that if somebody gets the diagnosis of PTSD and they are in that occupation, everything else is finished. They don't have to go through that intrusive, demeaning, demoralizing, in and of itself injury-producing process which is run by the WCB to establish whether or not their issue should be compensated. It's a major, major change. It's a good change. Don't get me wrong. It is a good change.

Then the question becomes: why have we not included corrections officers? In 2011-2012, Mr. Chairman, 814 incidents were investigated by the correctional investigator, and of those incidents 84 involved emergency response teams. Just to review, corrections officers as a matter of their employment serve on emergency response teams. Over 600 incidents involved the use of restraining devices, and a dozen involved the use of firearms by correctional staff. To emphasize, these are only the incidents that were actually reviewed by the correctional investigator. We know that as with the first responders that are currently identified under this legislation, correctional officers also underreport mental health issues, also underreport PTSD, notwithstanding that it probably exists at higher levels, for the very same cultural reasons that other first responders underreport them.

Prison populations as well, as I've said before, suffer from extremely high rates of mental health issues, drug addictions, diseases such as HIV and hep C, and these populations require care while incarcerated. Correctional officers are involved in the delivery of that medical care, and indeed they are often involved in the delivery of that medical care on an emergency response basis. As a result of that, Mr. Chairman, it just makes no sense. It defies explanation why the government would not include these first responders on the list of people who are going to benefit from the presumption in the way that I've described. It is so incredibly important, when someone is injured and as a result of that injury is diagnosed with posttraumatic stress disorder, that they not then be required to subject themselves to the intrusive and torturous adjudicative processes that are currently in place with the Workers' Compensation Board.

The presumption that the government is proposing will provide that benefit to the first responders that are currently listed, but there is absolutely no reason to not provide that benefit to the other first responders who benefit the community in different ways but to the same level as the ones identified by government. I would suggest to you that there are no studies out there that would

suggest that the frequency of emergency response incidents in the prisons by corrections officers is not equal to or greater than the frequency that is experienced by those who are currently listed by the government in the bill which is before us today. For that reason, I believe it is only logical as well as just as well as reasonable for the government to accept this amendment so that corrections officers can be treated with the same dignity and equality that they and all Albertans deserve.

Thank you.

The Chair: The hon. Government House Leader on the amendment.

Mr. Hancock: Thank you, Mr. Chair. Yes, on the amendment. I think it's been very interesting. The hon. Associate Minister of Human Services certainly put into context, following the second reading debate speeches, what the purpose of the bill is, and now we have an amendment framing some of the other issues. I think all members in the House would want to take a few hours overnight to digest the two elements of debate that have been put before us before making a decision, so I would move that we adjourn debate.

[Motion to adjourn debate carried]

Mr. Hancock: Mr. Chairman, I would move that the committee now rise and report progress on Bill 1.

The Chair: Thank you, hon. Government House Leader.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: I recognize the hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. The committee has had under consideration a certain bill. The committee reports progress on the following bill: Bill 1. 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 the report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; the Assembly adjourned at 11:39 p.m. to Tuesday at 1:30 p.m.]

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