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The 29th Legislature
Second Session

Alberta Hansard

Monday evening, November 28, 2016

Day 53

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Second Session

Wanner, Hon. Robert E., Medicine Hat (ND), Speaker
Jabbour, Deborah C., Peace River (ND), Deputy Speaker and Chair of Committees
Sweet, Heather, Edmonton-Manning (ND), Deputy Chair of Committees

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Larivee, Hon. Danielle, Lesser Slave Lake (ND)	Westhead, Cameron, Banff-Cochrane (ND), Deputy Government Whip
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)	Woollard, Denise, Edmonton-Mill Creek (ND)
Loewen, Todd, Grande Prairie-Smoky (W)	Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 55 Wildrose: 22 Progressive Conservative: 8 Alberta Liberal: 1 Alberta Party: 1

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Legislative Assembly of Alberta

7:30 p.m.

Monday, November 28, 2016

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

Government Bills and Orders Second Reading

Bill 27 Renewable Electricity Act

Mr. Gill moved that the motion for second reading of Bill 27, Renewable Electricity Act, be amended by deleting all the words after “that” and substituting the following:

Bill 27, Renewable Electricity Act, be not now read a second time but that it be read a second time this day six months hence.

[Debate adjourned on the amendment November 24]

The Deputy Speaker: Any hon. members wishing to speak to the amendment? I’ll recognize the hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Speaker. Well, here we are. I want to speak about a story, a fantasy, and a narrative that is in a story that is being written. Is the government assuming that Albertans are not paying attention to this convoluted puzzle that is starting to take shape, with the punchline being that Albertans will be on the hook no matter what is said here, how it is justified, and how much the present under the tree could have the most beautiful wrapping on the outside of all the provinces in the universe and that we are doing something magnificent for our province? So let’s rehash some of the finer points that have come leading up into this bill. I mean, this is a gift that keeps on giving, starting January 1, 2017.

Let’s go back a little. We have the carbon tax. We keep hearing that in order to be competitive or worthy to participate in the global market, that as a petroleum-producing jurisdiction, that whether it’s a carbon tax, which does nothing, nothing to change our environmental footprint – it doesn’t change emissions. We don’t know where these dollars are going to go, although I’m assuming at some point here there’s going to be some information that is passed along to us as to how these dollars are going to be spent. Or whether you add in a lawsuit that will cost Alberta families billions in taxpayer dollars, or we could even take a look at the subsidies that will fill the gaps between generation and distribution of renewables – honestly, I don’t know about anybody else in this House. I know that on this side we have a lot of people asking us, Madam Speaker: when is enough enough? Like most fantasies, we ponder what it would look like, and it paints a very pretty picture, but the reality is way less picturesque. I’m curious. What is the enough factor for the government?

We have a massive combination of taxes, lawsuits, ideological overhaul of the electricity industry, no metrics, zero accountability, a tax on our prosperity, caps on our environmentally responsible development of our oil sands, panels that are paid for by Albertans that do not report previous to the legislation it represents. The fantasy continues with the promise that the government is going to stabilize the electricity market. So then the question is: how is the government or, more aptly, how are taxpayers going to pay for the difference between the cost on your bill and the difference for bringing in renewables and bringing them online? Where is that going to be? How are Albertans going to know what’s going on

with that? Right now, when you look at your bill, we know exactly what we’re paying for. So that’s my question.

That subsidy will make up the difference, will come out of the pockets of every single Albertan. Here are some of the consequences. Once upon a time you could choose your retailer because it was a competitive market. Once upon a time we had zero electricity debt. Once upon a time we had efficient and economical electricity. I might add, we are the leaders in clean-coal technology.

How does the story end? Well, Albertans are sacrificed to ideology. Albertans lose competition that they once had and kept those electricity prices low. There is absolutely no justification at this point in time, at this economic point in Alberta for this to be going on right now. How is that justified? How is anybody going to look into the eyes of their constituents and say, “Oh, well, you know, we have a plan but absolutely no information to Albertans about how that’s going to roll out.”

Albertans are on the hook for new builds of the new power plants, wind farms, and everything else, and those costs will be hidden. This is not a fantasy. This is a . . .

An Hon. Member: Nightmare.

Mrs. Aheer: . . . nightmare. Ha ha. Thank you.

There will be massive debt – massive debt – to compensate for this new infrastructure, let alone the maintenance, and with absolutely no plan on how this is going to roll out. Where is that discussion? When Albertans ask me, I’m certainly not able to give them an answer about that. We’d sure love for the government to be able to provide us with some information, some concrete information about how this plan is going to roll out, aside from the fact that they’re going to sue themselves, aside from the fact that they’re going to charge a carbon tax to Albertans, aside from the fact that we don’t know how those stranded assets are going to be paid out. But we’re assuming that you’re going to use those dollars that you’re bringing in from Albertans to pay off those stranded assets. These are all questions that come in on a daily basis to me. I’m quite certain you’re going to be having some of those questions as well. How are we going to compensate for this new infrastructure, let alone the maintenance, with no plan?

Why is the government not looking to other jurisdictions where renewables have failed? Obviously, we would love to see renewables come on in line and be successful. But the only way that we’re legitimately going to learn about how to do this appropriately is also to honestly take a look at what has not worked. It’s a difficult thing to do, but it’s probably the most important aspect of putting forth policy: doing that comparative analysis and making sure that everything that you’re trying to do and all of the policies that you’re trying to bring forward are actually conducive to what you’re trying to accomplish. That’s part of the responsibility of creating policy: making sure that that transparency and that aspect of accountability is available to Albertans so that they understand what they’re paying for.

Are Albertans going to have to choose between heating their homes and eating? I’m just curious. It’s a question to the government. We’ve seen it in Ontario. There are actual stories about people who are having to choose between paying their hydro bill and putting food on the table. How is this justifiable? How are we going to explain to the families and the people that come in to see us that that’s the priority of this government? We are in an absolute downturn, economically, right now, and this is the priority. It’s mind boggling. Ontarians cannot afford their power right now. Has the government not understood the very serious consequences of this policy?

We've been saying it since the beginning: if you are able to give a positive economic environment and the ability for the market to do what it needs to do, there are natural things that happen within that. One of those things that we have benefited from is low electricity costs. It's unimaginable to me at this point in time especially that the priority would be to go into a massive change within the market itself when there are probably a million other ways based on other jurisdictions and other information as to how to bring these online appropriately.

This is called the climate leadership action plan. Where's the leadership? We understand the action items. Those are coming across loud and clear to Albertans. What is the plan? This is a massive puzzle: little, little, tiny pieces that are kind of being put together, and as we see that picture develop, it's a little bit scary.

Mr. Cooper: It's a lot scary.

7:40

Mrs. Aheer: It's a lot scary.

We will and would be able to produce cleaner – and would probably continue to be leading in clean technology given a positive environment and given the opportunity for the market and for the innovation and the diversity that this government touts on a regular basis to actually kick in and do what it's supposed to. I don't know about the rest of the government, but I certainly hear from people all the time about incredible innovations, incredible ideas, incredible things that are feasible and possible. These are things that people have, in the private sector, already put their money, ideas, energy, everything into to already create an environment that is going to be better for our great-grandchildren.

I don't understand why, if we're going to look at what's possible, we're not looking to our own technical expertise and talent right here in this province before initiating a plan that has absolutely no ability to change emissions, that will not change the footprint by 2025. I'm not sure. It seems strange and counterintuitive in a petroleum jurisdiction, where we have the lead on environmentals in the energy sector, that you would not be pushing that forward and seeing that technology come to light.

Why are we penalizing Albertans? Why is there no accountability to these dollars within the carbon tax? Where are those dollars going? I'd like to know. I'm sure that everybody on this side of the House would like to know, too. I'd really, really like to have an idea of where those tax dollars are going to go. We've heard all sorts of ideas of where we think they might be going, and it seems to be getting stretched over a whole bunch of different things, but, like I said, as that puzzle comes together, it seems to me that those dollars aren't going to be helping out Albertans at all, but that it's going to be going towards paying off mistakes that this government has made already, and we're not even into this plan yet. Those dollars are already spent because of the mistakes that this government has already made.

The question that we should be asking is: why a capacity model? Well, the only way that the government can get to their random number of 30 by 2030 – I mean, where did this number come from? The only way to possibly get there is not through deregulation because you can't attract investment right now. There's no way. When you tear up a 16-year-old contract, who is going to invest in that? There's no way. There's absolutely no way. You have to go to a model, and you have to be able to subsidize those markets in order to be able to bring them online. The contracts themselves – I don't know. Tearing up contracts: as a businessperson I would have a very, very difficult time looking at a government assessing my risk and putting my dollars into something that could potentially not mean anything. There is absolutely no trust in the words at all.

The government has itself created uncertainty. You know, the question is: why now? Why at this time when Albertans are down? We're at a low. Our morale is down. There are so many things that are happening around us. Why? Why would the government choose this moment to kick Albertans while they're down? Another slap across the face.

Again, maybe I can only speak for myself and the people that I meet, but I can say decisively that every single place I go, the first demand is "Get rid of the carbon tax," every single time. Every single time. Then you add on to that the capacity model that is happening now and the lack of transparency within that model – because all Albertans are going to see on their bill now is that one small amount. Everything else is going to come from their tax dollars, and they're not going to know what they're paying for. Congratulations.

Well, again, I can't imagine why you would be doing this in such devastating times and why the government would want to drive away investment dollars. Well, it certainly leads to the question of so many other things. Why cap prosperity? Why bring in a capacity model to a deregulated market that people have a choice in? Why would you do that? People are scratching their heads yet again.

Policy matters, Madam Speaker. Policy matters. Contracts matter. Investment also means that there is risk. Investors are going to look at this and see that contracts are not honoured, and we will see investment leave. We already have.

The Deputy Speaker: Standing Order 29(2)(a) comes into effect if there are any questions or comments for the previous speaker. The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Speaker. Yes. I was listening to the previous speaker talk with passion about how scary it is for investors to invest in Alberta at this time, with all the different programs and bills that this government is passing and all this different legislation. Obviously, investors want to see some stability, and of course we see nothing but instability from this government day after day after day in this Legislature. They keep bringing in bills. They keep bringing in legislation. They bring in Bill 27, and of course the next thing you know, they're putting a cap on electricity rates. I'm not sure why they put a cap on electricity rates. They say, "The price is going to go down; it's going to be good for Albertans," but I can't imagine why you'd put a cap on something that you felt was going to go down or stay the same. Obviously, they have a big fear of it going up.

I'd like to hear the speaker talk a little bit more about that and also the other legislation that has been brought forward by this government that has created instability. Obviously, this market here, this plan with Bill 27 is going to require a massive amount of outside investment in this province, and I'd like to hear more about why this investment hasn't been happening already. We know there has been some. We see windmills out already on the landscape. Obviously, those ones happened without Bill 27. But what we would really like to understand is: how come all of a sudden there is going to be billions and billions of dollars' worth of investment in renewable energy in Alberta? How come now, and why not before? I'll maybe listen to what the previous speaker has to say about that.

Thank you.

The Deputy Speaker: Chestermere-Rocky View, do you wish to respond?

Mrs. Aheer: Yes, please. Thank you, Madam Speaker. Thank you for the question. Well, I'd have to say in response to some of that that I don't know if the government quite understands the up-and-

down nature of the market, that was taken care of in the retail market. That transparency in that retail market is what actually has kept us debt free with regard to electricity. This is huge. I don't know if people truly understand what a gift that is, to not have electricity debt, to actually understand that what you're paying on your bill is transparent and that you have an option to look at what's going on and that you have an opportunity to make decisions based on that bill. That's not a fantasy. That was actually real. That is a part of what we've all had the benefit of for the last 16 years.

To your point: I'm curious, too. Is the government promising that they can control volatility? What about the times that we are calm and dark? Oddly enough, calm and dark are the peak times during the morning rush to school and work and other activities and also when we come home. So what is it going to cost to get wind energy from the rural areas to the city? I'm assuming – I'm assuming – that we're not going to be building wind farms on the tops of city infrastructure. I'm curious about the cost of tying wind into the larger bits and pieces.

Again, there are some serious transparency issues here which are contributing to the instability of which you were speaking, and for a government that continues to suggest that previous contracts were all done in secrecy – well, I think Albertans would like to understand how this is any better. It is going to take billions to shut these companies down, not to mention the job losses. The taxpayer, Madam Speaker, is on the hook for \$97 million a year for 14 years. That's because of this government's policies. Again, congratulations. That doesn't even include the money that it will take to bring these very expensive renewables online. Now, on top of that, we're replacing high-efficiency, world-class generation, and we are losing thousands of jobs.

Again, to recap one more time: we have the carbon tax; a 100-megatonne emission cap, then trade, I might add, because – guess what? – the leftover megatonnes will be very lucrative and extremely pricey. I would think there are going to be some winners and losers there. Thirdly, the lawsuit for power purchase agreements: that's going to cost Albertans millions. A capacity market that kills competition and will cost Albertans in their tax dollars, will not be transparent in their bills, and will lead to electricity debt – an arbitrary target, another one, of 30 per cent: that is a policy decision and not a real target and does not reduce emissions.

7:50

The Deputy Speaker: Any other hon. members wishing to speak to the amendment? Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. It's always discouraging when we start to see that the government is creating legislation arbitrarily. I thought: well, let's talk about one of the government's predecessors in going down this road. That's the Ontario government.

Now, I want to refer back to a throne speech, actually, on July 3, 2014. It's a Speech from the Throne to open the 41st Parliament of Ontario. Now, in the middle of the speech – I don't want to read the entire speech, but I do think that there are important parts of the speech that we should look at – it's going to start off with what the government is doing.

As it pursues sustainable resource extraction to further the provincial and national interest, your government restates the necessity of protecting our environment for today and tomorrow. Ontario's conservation efforts and clean energy initiatives have moved our province down the road to a sustainable energy future. A growing renewables and energy innovation sector can become an [import-export] industry for our province and our country. It can help to reduce . . .

reduce

. . . climate change-causing emissions in other areas of Canada's energy sector and elsewhere in the world.

That's very ambitious.

Ontarians are proud to be leaders in the global fight against climate change. The closing of Ontario's coal-fired electricity plants stands as North America's most significant climate change initiative. Your government is encouraged by the United States' newly announced restrictions on coal emissions, but Ontarians know there is more to be done here and around the world.

Climate change is an overarching concern for this province, as it is for this country and the world. That is why your government is giving responsibilities for climate change to a new Ministry of the Environment and Climate Change.

Increasingly extreme and unpredictable weather hurts farmers, puts pressure on infrastructure, and at the worst of times, robs people of their homes and livelihoods.

This is important: robs people of their homes and livelihoods. We're going to be going back to that part.

The new Ministry of the Environment and Climate Change will co-ordinate action across government to limit greenhouse gas emissions and will renew work with communities across Ontario . . .

And this is something else we'll go back to.

. . . on adaptation to the growing impacts of climate change.

Your government also knows that climate change solutions need to span borders. Ontario will work with other provinces and territories to develop a Canadian energy strategy, which includes co-ordinated efforts to reduce greenhouse gas emissions, and which recognizes the important role of renewable energy and energy conservation. While the provinces are leading this effort, your government will encourage federal partnership in addressing this challenge, which is both local and global in scale.

Well, as it's not a shock, on November 19 we have Premier Wynne now saying – and there's another article I'll reference. Premier Wynne Calls High Electricity Prices Her "Mistake": that's the name of the article from the *Star*. It's November 19, 2016. This is a quote from the article. "Premier says Saturday that she takes responsibility 'for not paying close enough attention to some of the daily stresses in Ontarians' lives'."

Now, this is important because right now we're going down the same road. It's like we haven't learned anything. We are using arbitrary numbers, and we're trying to come up with solutions without any impact studies. This is exactly what our Ontario government did.

An Hon. Member: Not our government.

Mr. Cyr: The member of the government corrected me: not our government. Thank you. Not our government yet.

Let's talk about exactly how this is impacting them. We're looking at a government, that is going down a road, that has stated: "We know what's best for you. We are going to continue to go down this road even though we have pulled numbers from the air with no actual foundation behind them." Where did 30 per cent come from? This is a question we've got, but nowhere do we actually have any answer to this.

Mr. Yao: Shame.

Mr. Cyr: It is truly shameful.

We've got to realize that this is going to impact our province so dramatically that people will be deciding between making a mortgage payment or an electricity bill. That is shocking, and that is where Ontario is right now. Now, I do understand that the government brought in an arbitrary cap, or limit, on the kilowatt hours, and this does seem to be what the wonderful Premier of

Ontario somehow missed in their wonderful scheme to move Ontario towards this direction with no actual impact studies. That's the point in all of this. When you do no foundational work, when you actually don't put the time in to see if this is the right direction, you get these decisions where our most vulnerable are hurting.

Now, let's go back to this throne speech because it's important that we hear exactly what they said. Bear with me here. "Increasingly extreme and unpredictable weather hurts farmers, puts pressure on infrastructure, and at the worst of times, robs people of their homes and livelihoods." That is exactly what she has done with the high power rates in Ontario. It didn't take a person with a PhD to realize that when you put more costs on people, eventually businesses will shut down, and people won't be able to have a standard of living that we would actually say is a standard of living that we would hope any person in Alberta would hope to achieve. This is something that we've had, a high standard of living, in Alberta for a long period of time.

When we start looking at how exactly it is that we're going down the same road, making the exact same problems, and using, probably, the same throne speeches: how exactly is it that we think it's going to result in a different consequence? We are shutting down coal plants, which is going to affect people's lives. We are going to see massive adjustments when it comes to our electricity prices. We are going to have taxpayers on the hook for the mistakes this government is making for years to come.

8:00

How is it that we are not actually bringing forward solutions? We're not actually reducing the CO₂ emissions because what we're doing is that we are taking money out of people's pockets for heating their homes. Now, how exactly is it that you stop heating your home?

Now, we're talking about this bill, which is trying to bring forward some very ambitious goals for the government, and I've always encouraged that government needs to set high priorities for itself, and this government has. I don't remember, in the platform that the NDP put forward, that it said: "We are going to bring a carbon tax in. We are going to go down the same road as Ontario, but we're going to do it right." I don't remember that being there. Was that there?

Mr. MacIntyre: No.

Mr. Cyr: No? I think that had Albertans seen that in your mandate, that you say that you got from Albertans, you probably wouldn't be where you're at.

Let's talk about the recall legislation. How many people right now have these wonderful rural ridings that may consider recalling an MLA should that be there? I know that's the fear of the government. That's because we're not responsible right now with this legislation. We're not looking towards how to reduce our pollution or our greenhouse gases because that's not what this does.

What it does do is to put a burden on Albertans. It puts a burden on our seniors. It puts a burden on all the most vulnerable people within our province. Putting forward a \$600 wonderful little payment isn't anywhere near what the cost is going to be because in the end we haven't actually seen an impact study. We don't know that. What we have seen is that the government put forward something that was FOIPed out, and the government said: "Wow. You know what? It's different than what we're actually doing." The study that was actually put out was showing harm.

When we start looking at this as a grand strategy here, we start to actually go to a repetitive plan. What are we looking at? We're

looking at debt. What are we looking at? We're looking at a sustained debt going into the future. What we're looking at putting forward is something that is only going to harm Albertans.

Now, when it comes to this, I have to go back to my constituents and say: is this the direction that you think is the right way for Alberta? You know what? I actually – and I don't know how many MLAs did this in the room – held three open houses in my riding regarding carbon taxes. I actually went out to where the constituents were, and I said: "What are your thoughts? This is exactly what's going to be implemented. This is how we're going to move forward as a province. Do you believe that this is the right direction?" What I did hear over and over was "repeal." This is exactly what people are saying. People aren't saying: let's come up with arbitrary caps. People are not saying: let's come up with 30 per cent. What they are saying is: "I need to feed my family. I need to make sure that my business is viable so I can employ Albertans who pay taxes."

You know what? When it comes to rural, we take this very seriously, and it's not a coincidence that we've had rallies within Alberta. When it comes to rural Albertans trying to come forward and bring their concern forward, this government has been deaf. This government has been so deaf when it comes to Bill 6. This government is deaf when it comes to debt. This government has been deaf when it comes to overspending. At some point our children are going to pay for this lack of any sort of governance that this government is putting forward.

When we're looking at this hoist amendment that we're going for, let's at least wait for the panel to come forward and come up with some solutions on how to implement this. I know that's about the debt cap, but at least maybe they've got some solutions there to come forward. But I think that ship sailed a long time ago. When we look at exactly where we're going with this, we always need to be asking ourselves: are Albertans going to be paying a disproportionate amount?

Now, I myself got into this because I was very dissatisfied with where the government was going. I was very dissatisfied, as a person that is conservative to the core, in the direction our province was going, which was a very socialist direction. Now, right now we are looking at a government that is actually socialist moving forward these agendas without talking with Albertans, without consulting with Albertans. What they do is internet surveys to reinforce what it is that they are trying to say instead of actually holding town halls.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Speaker. I find it fascinating that in the best interest of parliamentary and democratic procedures the hon. member went out and actually spoke to the people. These are the people who are going to be paying the bills. These are the people who are going to be struggling. These are the people who are going to be feeling the full burden of whatever it is this government does to them, and this very responsible MLA went out and sought input from his constituents to bring back to this House to be able to tell this House what his constituents' concerns were, and that is a wonderful thing to do.

Ms Renaud: That's our job.

Mr. MacIntyre: I am mindful that the previous government was punted out of office and out of government because they didn't listen to the people of Alberta, and we are seeing many of the same sorts of things happening with the current government. In every poll that's taken Albertans are saying: no carbon tax.

I would be interested to hear from the hon. member what the constituents were telling you at these town hall meetings regarding this government's performance in general, regarding carbon taxation, yes, and perhaps give a report card.

Thank you.

The Deputy Speaker: Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. You know, what I hear from the government side is: it's your job. That's from the MLA from St. Albert. You know what? I would agree with her. Why isn't she going out to her constituents and doing the same thing that I did with town halls? If she was . . .

Cortes-Vargas: Point of order.

The Deputy Speaker: Hon. member, we have a point of order. Go ahead, Strathcona-Sherwood Park.

Point of Order Imputing Motives

Cortes-Vargas: I'm just going to say that the member is starting to go into 23(i) there, imputing false motives to the member. I would suggest that if he has comments on the bill itself, he continue with his comments, but I suggest that he retract where he's going with this.

The Deputy Speaker: The hon. Official Opposition House Leader.

Mr. Cooper: Thank you, Madam Speaker. I assume that we were speaking about 23, and clearly what we have is a matter of debate. Now, while I will say that the hon. member may choose a different way of approaching the subject, he hasn't said anything that is unparliamentary. He hasn't moved, in my opinion, in that direction. While, you know, government members may be upset with a position that the opposition might take, I would just remind them that earlier in the House their members made accusations about the pronunciation of a word. This is what happens sometimes in the give and take of this Chamber.

I will assure that the hon. member has heard the comments. Perhaps he would be willing to withdraw, but this is clearly not a point of order. It's a matter of debate.

The Deputy Speaker: Bonnyville-Cold Lake, did you wish to say something?

Mr. Cyr: I'll just withdraw the comment.

The Deputy Speaker: Thank you.

8:10 Debate Continued

Mr. Cyr: Thank you, Madam Speaker, for allowing me to continue to speak. To go back to my constituency and the town halls that I had hosted with the local MPs from two ridings, two federal MPs, what it is is that we're actually trying to get out there and hear what Albertans are saying about what's happening with the carbon tax both federally and provincially. Now, I'm not going to focus on what we said federally, but I will tell you that people were shocked, and I will say that it is unfortunate that people still haven't heard about the carbon tax.

But they kept saying, "Scott, you need to vote against it," and I'm, like: "Well, unfortunately, that is no longer what we can do with this. What happened is that this has already been through the House." So then they say: "Well, what can we do?" I said, "The

only thing we can do is be aware of the taxes that are being levied against us so this isn't a shock, so that when January 1 comes, you're going to see a jump in your price by 5 cents." They go, "Well, what can we do about this?" and I said: "Well, at this point we need to be aware that this is the direction the government is going in. If you don't believe in the government's direction, it is important that you are in constant communication with your MLA."

This is why I am holding these town halls. This is exactly what I'm trying to accomplish. I am trying to get your feedback, but I'm also trying to make sure there's awareness so that people will know that this carbon tax is coming, that they are going to see it on their gas bill, they're going to see it on their electricity bill, they're going to see it on their food bill, they're going to see it on their gasoline, and they're going to see a different level of life when it comes to this.

Now, I do understand that the government has come forward with the \$600 amount that they're going to be giving back to our most vulnerable, but in the end I don't think anybody will agree that that is the actual cost. We don't have an impact study. Until we have an economic impact study, we won't ever know what the true cost is. But why bother burdening us with the details? Just like what this bill is going forward, just exactly what this hoist is trying to come up with – it's trying to give the government time to be able to do an impact study, to be able to show Albertans that this is the right direction. We need to put this decision off so that . . . [Mr. Cyr's speaking time expired]

Thank you, Madam Speaker.

The Deputy Speaker: Any other hon. members wishing to speak to the amendment? The hon. Member for Calgary-East.

Ms Luff: Thank you, Madam Speaker. I just want to rise tonight to try and address, I think, some of the misinformation, perhaps, that is being spread around and that is causing some disconcertion among constituents and among, you know, folks on this side of the House.

One thing that I want to address just right off the bat: we are talking tonight about the 30 per cent renewable target. We're not talking about the cap on emissions. We are not talking about the carbon levy although it is all part and parcel of one climate leadership plan, that will work together to continue to move Alberta forward.

I'm hearing a lot from the other side specifically about Ontario and that we are moving in the direction of Ontario. Now, where we are similar is that we are making a commitment to bring more renewables into the mix in Alberta. Where we are very different is how we are going about this process.

Today in the *Calgary Herald* there was an article by Blake Shaffer, who is a fellow at the C.D. Howe Institute, and, you know, it says in his article:

Many will draw the connection between Ontario and Alberta. They share the objectives of reducing emissions by shutting down coal and increasing renewables, such as solar and wind. But the policies to get there are critically different. So let's move past the rhetoric and dig a little deeper into the policies.

Let's start with renewables. Ontario made a costly mistake selecting the prices for their renewable procurement . . . Ontario promised prices as high as 80 cents per kilowatt hour, [which is] more than 10 times [the average in] today's Alberta electricity [market].

Alberta is instead using competitive auctions to [drive] the price for renewables. Market forces will drive costs down.

Market forces are something that the opposition seems to like very much. What we are doing here in Alberta is moving ahead with a competitive, market-based procurement process, which will drive

investment and bring money into Alberta. Places in the United States that have these kinds of competitive mixes, that have capacity markets – currently we're one of two energy-only markets in all of North America. It's us and Texas. There has to be a reason why multiple markets have moved towards the idea of a capacity market, and the reason that we have is because it creates more stability in the energy market and allows room to incent renewables.

Something that I think is very important for everyone to know is that any funds that are coming in for our renewables programs are coming from the carbon levy on large emitters. So we are not paying for this through taxes levied on people in Alberta. We're not paying for this using everyday Albertans' money. We are using the carbon levy on large emitters, so all of the money that is paying for this is coming through there.

It's very clear that we have made choices to not go down the road that Ontario has gone down, and we need not be afraid. A lot of the time when I'm talking to people in my constituency – and to pretend that we don't go out to our constituencies and talk to people is blatantly false. I have had three in-person town halls, one telephone town hall. I go out door-knocking almost every week. I know that all the members of my caucus are doing the same. Do we hear concerns from people? Of course, we hear concerns from people, but we also hear a ton of support. I hear support for renewables and more renewables every day: people who want the opportunity to work in renewables, people who want the opportunity to put solar panels on their roofs, people who want the opportunity to participate in a new economy.

The opposition, you know, continues to think that we're living in a different world, on a different planet, a planet where, you know, climate change isn't happening, a planet where we have a great international reputation here in Alberta, a planet where we can continue to rely on a single industry to fund our economy in Alberta.

The fact of the matter is that we need to move forward, and people are excited about the opportunity for renewables. When I get the chance to talk to people who are afraid, who are concerned, when I talk to people about the rebates that we're offering, when I talk to people about the opportunities and the investments that are going to be coming through these renewable programs, they're excited, and they're not so scared anymore. It's just a matter of correcting misinformation a lot of the time. You know, this is really exciting. This piece of legislation is exciting, and we need not wait an additional six months.

You know, the AESO has gone forward. We asked the AESO: what do you think is an appropriate amount of renewable electricity to generate here in Alberta? We want more electricity. We asked AESO: how much do you think is a reasonable amount? They came up with the idea that they thought 30 per cent was a reasonable amount.

As the AESO built our recommendations for government, we were keenly aware of ensuring that competitive outcomes drive the best result for the province. Reaching 5,000 megawatts of new renewable generation is a complex task, but we are confident we can reliably integrate this much renewable energy into the electricity system in a cost-effective manner by accessing the benefits of robust competition.

That's from AESO, and that's one of the reasons that we're doing this.

What will this bill mean for families and communities here in Alberta? It's going to mean up to 10 and a half billion dollars in new investments, it's going to mean up to 7,200 new jobs, it's going to mean the single largest market for renewables in Canada, and it's going to mean reduced numbers of incidents of lung disease and reduced numbers of trips to the hospital for asthma.

You know, people are excited about this. To hear the opposition talk, you would think that renewables were going to cause the sky to fall, when we've been very thoughtful about this process. We've been very thoughtful.

Mary Moran, the president and CEO of Calgary Economic Development, said:

As investment in renewable energy in Canada is growing rapidly, Alberta has been largely on the sidelines in this key part of the future energy supply, so we are pleased to see policy that provides the long-term certainty and stability that encourages global and local companies to invest. Calgary is a centre of innovation across the entire spectrum of energy resources and growth in renewables is a key element of our 10-year-economic strategy Building on our Energy to expand the economy and diversify our key industries.

The other important thing, I think, to note is that when we look to other jurisdictions and we look to jurisdictions that have targets for renewables, the states in the United States that have had targets for renewables and that have had a functional renewable energy plan have actually seen the smallest increases in their electricity rates between 2005 and 2010. So states that have the most solar and wind saw the smallest increases in their electricity bills. The smallest increases.

Here in Alberta we're moving forward. It's very possible to have 30 per cent renewables and to not have increases in our energy bills. The fact of the matter is that we are in a situation right now where we're seeing some of the lowest prices in a long time not because of anything particularly special that we've done but just because natural gas is at the lowest market price, you know, it's been in a long time. So we're taking the volatility out of the market. By introducing a cap on electricity, we're taking the volatility out.

8:20

Mr. MacIntyre: Volatility was never there.

Ms Luff: There were times when it went from 3.2 cents in February to 14.1 cents in March. There's a huge amount of volatility. You know, members opposite say that we don't understand the ups and downs of the market, talking like volatility is a good thing to have in the market.

I think it's really important that we address some of the misinformation that's out there. It's not true that renewables drive prices up. It's not true that we're going down the same road that Ontario is. It is true that we're bringing new investment and new jobs into Alberta, and it is true that we're moving Alberta forward to a healthier mix of renewables. It's true that that's going to help us meet our global climate contracts. The other side talks about breaking contracts all the time but seems to have no problems with the idea of breaking climate contracts that we've signed with the rest of the world.

In any case, I do just want to point out a couple of things that the opposition has said that have been misinformation. The other week the Member for Calgary-Foothills talked about the fact that "wind power has also been known to generate subsonic sound waves, known as harmonic resonance." Recently a Health Canada study found that there's no evidence to support a link between exposure to wind turbine noise and any of the self-reported illnesses and chronic conditions. There's no association between multiple measures of stress and exposure to wind turbine noise. I mean, that's one thing that they were talking about that has been thoroughly debunked by actual scientific evidence.

Another thing that was mentioned was the fact that solar panels take more energy to produce than they actually create. In fact, that paper that they were citing from was, you know, years old. It talks

about Germany and Switzerland, which are much cloudier places than Alberta.

It was mentioned that we are actually further north here than Germany or Switzerland whereas if you actually look at a map, you would find that that's not true. We also have abundant amounts of solar energy here, more sun here than we have in a lot of places.

The price of renewables has plummeted massively in the last five years. It continues to go down. They found that renewables are in fact cheaper to generate than most other – the only other thing that you can put in now that's cheaper than renewables that provides electricity at the same cost is cogenerated gas, which is something that we're looking into as well.

You know, the opposition says that they love renewables. They're constantly talking about how much they love renewables and that renewables are great, but when it actually comes down to it, when the tires finally hit the road, they want to stall, and they want to go back. They don't want to recognize our economy here. They don't want to move forward.

I would argue that everyone in this House should definitely stand against this hoist motion because we need to move forward with this. Companies are counting on investments. Albertans are counting on the new jobs that it's going to bring. Albertans are counting on us to move forward with this.

Thank you very much.

The Deputy Speaker: The hon. Minister of Advanced Education, under 29(2)(a).

Mr. Schmidt: Well, thank you, Madam Speaker. I want to just take a minute to thank the Member for Calgary-East for having the courage of her convictions and addressing the House this evening.

I'd like to just offer, if I may, Madam Speaker, a few comments before I get to asking the Member for Calgary-East a question. Certainly, I want to start off my comments by making an observation that whenever the Member for Calgary-East or another female member of our caucus gets up, the volume from across the aisle tends to rise to quite significant levels. [interjections]

Some Hon. Members: Point of order.

The Deputy Speaker: Hon. members, we have a point of order. Go ahead, hon. Member for Olds-Didsbury-Three Hills.

Point of Order Imputing Motives

Mr. Cooper: Thank you. I would just like to point to Standing Order 23: makes accusations of unavowed motives to another member. Madam Speaker, I'd also like to say: language that's likely to incite disorder. Now, while the member didn't say anything that was unparliamentary, he certainly made an allegation about how members on this side treat one gender or another, and nothing could be further from the truth. While I think they choose to laugh, I know that my hon. colleague from Chestermere-Rocky View was insulted by the allegation, and when a statement like that is made, it has created disorder, certainly, for her.

Members on the other side of the House often will take this holier-than-thou position and throw allegations toward this side of the House meanwhile insulting members of our caucus, meanwhile insulting the Member for Chestermere-Rocky View. This sort of allegation and accusation is not positive for ongoing debate in this Chamber, and I would suggest that that member withdraw and apologize.

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Carlier: Yes. Madam Speaker, you know, hearing the Opposition House Leader make an argument about past things that happened that I don't know is relevant – the member didn't mention any particular person by name and, as the Opposition House Leader himself pointed out, didn't use any unparliamentary language either. So I'm not sure what the point of order might be. I don't think it was well versed by the Opposition House Leader, and I do not at this time feel that there is any point of order.

Thank you.

The Deputy Speaker: The hon. Member for Calgary-South East.

Mr. Fraser: Thank you, Madam Speaker. I just want to reference 23(i), "imputes false or unavowed motives to another Member." Just to be clear, when a member generalizes about an entire caucus or the opposition, they might as well be saying it to a member, and it includes female members and other members. Again, trying to assume which gender on this side is or isn't – I guess the question is that earlier there was a point of order called by the government on this issue by generalizing from somebody over here that they understand their state of mind.

Now, when we're talking about robust debate in this House, we should be allowed to speak amongst one another about different ideas. Certainly, the ideas that the government proposes we may disagree with – we have constituents that we represent – so sometimes that debate gets a little bit loud. What I would say, Madam Speaker, is that it is equal and the same. I think that what would do this House good is that while, yes, there are issues in this province that need to be addressed – and we spoke about it last week in this Chamber – we should start to respect each member of this House for the work they do and the words that they say individually, and that's how they should be graded, not based on a generalization or a robust debate about certain things.

Now, the Member for Calgary-East speaks about the bill, in particular of hoisting it. There are members here that talk about it, and when they're talking about it, the member is basically saying that (a) we don't believe in renewables, which is not true. Many of us do believe in renewables, and we believe that they are part of the plan moving forward.

Secondly, to say that members on this side haven't done their homework and should take a look at it – this bill, in fact, does talk about taking money out of general revenue to backstop renewable programs.

An Hon. Member: Are you speaking to the point of order?

Mr. Fraser: The point of order that I'm trying to make is that we should be able to have the debate without this type of conjecture imposed one way or the other that limits the ability to debate. What I'm saying is that everybody should take a look at the members of this House, what they've done before they entered this House, what they do in this House, and how they treat people outside of these halls. That's how they should be judged. Certainly, if they're bullies towards anybody – any gender, any race, any creed – then, yes, that may be a subject here or perhaps with the Ethics Commissioner and so on and for the voter, but to just generalize like that, I don't think it does this House any good.

That's our point.

8:30

The Deputy Speaker: Any others wishing to speak to the point of order? The hon. government whip.

Cortes-Vargas: Thank you, Madam Speaker. I just want to make a few comments. One, I'd just recognize that the comments that were made previously were an observation of something, and it was an observation of experiences expressed from this side. That being said, we recognize that the opposition has actually, when we've been speaking about this issue of implied sexism that happens, been very willing and vocal in supporting a conversation that invites inclusivity in this House. I think it's important to continuously remind ourselves that the way we unconsciously respond to speakers can be interpreted in different ways, and that's why this is a matter of debate. I think what we have here is a matter of debate.

That being said, what we really want to build is an inclusive space for everybody. The argument that because one person doesn't feel it, it's invalidated, I feel, doesn't recognize experiences. In the sense of what we are here to do today, which is debate this bill, I hope that we can actually get back to that. You know, we do recognize, absolutely, that the opposition works hard with us to create an inclusive space and has been very receptive to doing that. I think we do always have to be aware, and bringing it up is an important thing to do in the House.

Because of that, I think we can go back to the debate and withdraw what was said and move forward.

The Deputy Speaker: I take it, then, that the hon. Minister of Advanced Education is willing to withdraw those comments.

Mr. Schmidt: Yes, Madam Speaker.

The Deputy Speaker: That will satisfy the point of order.

I just wanted to add to the comments. This is the second point of order we've had tonight. The first was moving in the direction of something that was personal towards an individual member, which was perhaps a bit more concerning. This was directed towards a whole group. That doesn't necessarily make it any less serious. I know we're all quite sensitive right now about gender issues and that sort of thing and violence directed towards one gender, but I would really caution the House to try to avoid seeing that in everything that we do. There is a give-and-take that has to happen in this House, and I've been quite lenient allowing that as long as it doesn't get too overwhelming. Please try to be respectful of both sides, and let's move on with the debate.

You are still under 29(2)(a).

Debate Continued

Mr. Schmidt: Well, thank you, Madam Speaker. To further my comments to the Member for Calgary-East, I certainly appreciate her taking the time to illuminate us in this House about the differences between the Ontario experience with moving to renewable electricity and what Alberta's experience will be moving to renewable electricity. I know, certainly, that when I go door to door in my constituency of Edmonton-Gold Bar, I do hear a lot of support for the carbon price, our plans to move to renewable energy, but I do hear citizens in my riding raising the concern of the Ontario experience in particular.

I find that this article that the Member for Calgary-East referred to, that was published in the *Calgary Herald* today, written by Blake Shaffer, who is an expert in Alberta's electricity market and who currently works for the C.D. Howe Institute, certainly not a front for the socialist hordes but a rather pragmatic think tank – you know, I certainly appreciate the fact that experts are weighing in, contributing to the public discourse. Certainly, Madam Speaker, when we have expert opinion brought to bear on these issues, I think we can all make much better decisions than if we just base our decision-making on

wild accusations and unfounded misinformation that we often hear presented in the public discourse on this issue.

I did want to make a comment and ask a question, of course, Madam Speaker, on one of the issues that the Member for Calgary-East raised, and that was on where the money for the renewable electricity generation is going to come from. Certainly, she referenced that the climate change and emissions management fund was going to be the source of some of the money that will pay for our transition to renewable energy, and some of that money will be used to transition Alberta off coal-fired power. Of course, our government was quite proud of the settlement that we reached last week with the coal-fired power generators to transition Alberta off coal and move into the future of renewable energy.

You know, I'm just wondering if the Member for Calgary-East would like to perhaps correct the record as far as the rest of the money. Certainly, it's my understanding that some of the money collected from the carbon levy, that will be levied on natural gas that's used to heat our homes and on transportation fuels that are used to power our vehicles, Madam Speaker, will also be used to help fund the transition to renewable energy. I'm wondering if perhaps the Member for Calgary-East would like to take this opportunity to clarify her original statements on where the money for renewable electricity is going to come from so that all of the people of Alberta are operating from the same set of facts and so that we can use these facts to make a wise decision.

The Deputy Speaker: Calgary-East.

Ms Luff: Yeah. Certainly, I mean, I did just want to quickly take this opportunity, which I realize is perhaps not answering the question. I would like to say that perhaps when I do get up to speak, the opposition has a tendency to get quite loud, and I would say that it is not because I am a woman but that it is because I am talking about a subject that they are very passionate about.

Now, given that, I would also like to say that in any other workplace it is not acceptable to yell and badger someone when they are trying to make an argument. This is coming from me personally. When folks on the other side are making an argument that I don't agree with, I have a tendency to not say anything because I feel like that is a more respectful option than yelling at someone and bullying them across the aisle.

I would perhaps like to ask that, moving forward, we try to be more respectful and listen to each other as opposed to yelling because it can be very hard to continue to think when people are yelling at you. In no other workplace is that acceptable. We don't accept bullying in any other workplace. I don't feel like it should be acceptable in this one either.

The Deputy Speaker: Moving on, do we have any further speakers to the amendment? The hon. Member for Drumheller . . .

Mr. Barnes: Cypress-Medicine Hat. Thank you, Madam Speaker. I couldn't remember either.

I just have six or seven quick little points. I think this hoist is a fabulous idea. Ultimately, we're the ones that are accountable to our constituents, accountable to Albertans, accountable to get it right. I'm always worried about unintended consequences, but, my goodness, the volatility of changing our electric system – I understand right now that Alberta is, I think, the leader in North America, where the highest percentage of our electricity users is industrial as opposed to residential. I think it's 85 per cent. My goodness, if we get that wrong and drive investment and drive jobs out of the province, if we put in a situation that leads to microgeneration, which in the short run will obviously have some

benefits, it will pass the cost of this renewable program, the huge cost of the transmission lines, which our last government left us with, on to fewer and fewer users. Madam Speaker, I'm greatly concerned – I'm greatly concerned – about the affordability for people on fixed incomes, particularly seniors, and I'm greatly concerned for both industry's capacity and its ability to be competitive here in Alberta.

8:40

Unintended consequences. I have an article here from *Forbes*, and it's called Germany's Green Energy Disaster: A Cautionary Tale for World Leaders. I'll just jump in to page 6 of 7, and it says:

In other words Germany is dirtying the planet in the name of clean energy – and sticking its citizens with an ever-escalating tab so it can subsidize an energy source which will never generate sufficient power.

Also:

Because renewable power sources have been so unreliable, Germany has been forced to construct numerous new coal plants in an effort to replace the nuclear energy it has taken offline. In fact the country will build more coal-fired facilities this year than at any [other] time in the past two decades – bringing an estimated 5,300 megawatts of new capacity online. Most of these facilities will burn lignite, too, which is strip-mined and emits nearly 30 per cent more carbon dioxide than hard coal.

The hon. Member for Vermilion-Lloydminster, I believe, has requested this hoist, and something like that alone makes me think that we should put the time into ensuring that we get it right before we're all accountable to our voters in just two years.

I, too, have another article from Ontario that made me chuckle a bit.

The province [of Ontario] will now buy \$6-billion worth of electricity produced by Samsung's wind farms and solar projects over the next 20 years, which is \$3.7-billion less than the original 2010 agreement, said Energy Minister Bob Chiarelli . . .

"I think what we've heard here is an admission that the Liberal government's energy project has been a colossal failure," said New Democrat Jonah Schein.

Energy minister Bob Chiarelli goes on to say, "This was the most [important] step our province could take . . . to bend the cost curve for ratepayers." Now, we've heard the Health minister say that many times, that instead of costs going up 6 and a half per cent, we're going to bend the cost curve and only have them go up 3 and a half per cent. Here we are with a situation where the Ontario Liberal government committed themselves to \$9.7 billion of renewables and, because it was too onerous on the citizens, backed down to \$6 billion, and now the Energy minister is trumpeting his horn like he's actually saved them money rather than just putting them less deep in the hole, again another reason, Madam Speaker, why we should take our time. We should look at this, and we should make it as right as we can before we're all accountable two years from now.

Thank goodness that electric generation has been as affordable as it has been in Alberta the last few years because of the extra transmission costs and distribution costs burdened on ratepayers by the last government. I think we've been paying somewhere around 3 cents a kilowatt hour. This article goes on to say, "Ontario will pay Samsung 13.5 cents a kilowatt hour for wind power and 44.3 cents a kilowatt hour for solar power." Incredible: 44.3.

In my constituency office I've had some of these renewable companies come in, and the talk is that they want the money from the carbon tax and that they want the guaranteed rate or feed-in tariff. We are here to represent the ratepayer. We are here to ensure that our economy stays strong, that we have opportunities,

and that seniors and those on a fixed income are in a position where they can live.

You know, there is a whole bunch of things. I understand that each wind turbine takes the same amount of concrete as five house basements. My goodness, think of the energy involved in making that kind of concrete. At some point could we have a little bit of a look at the fuller picture?

I also remember reading in the last two or three days, Madam Speaker, about one of Alberta's electric generation companies that now wants to turn their attention to hydro. It may be a good thing. I don't know if we're set up right for that. I've heard some concerns about the damming, the energy that goes into building the dam, and what happens when you have a body of water stored. I also remember three years ago sitting on one of the legislative committees where we talked to a lot of First Nations groups up in northern Alberta about the possibility of that.

Madam Speaker, as good as that may be, there are thousands of questions around that, too, but in the next six months we could maybe develop some of those answers – some of those answers – so that we could get the best electrical system for all Albertans, the best opportunities for all Albertans. You know, again, because two years from now we're all accountable, it's important for us to get this right.

Because of unintended consequences like Germany having to build a whole bunch of coal electric generation, because of the situation, from what I've heard, where sometimes seniors can't afford to heat their homes in the manner that they need to, because I've already seen tremendous, tremendous extra increases on Alberta ratepayers, I think that it is prudent to take a long, hard look at this in the next six months, Madam Speaker. Let's do everything we can so that the 87 of us get it right.

Madam Speaker, thank you very much.

The Deputy Speaker: Under Standing Order 29(2)(a), any questions or comments for the previous speaker?

Seeing none, are there any further members wishing to speak to the amendment? The hon. Member for Calgary-Mountain View.

Dr. Swann: Yeah. Just a quick comment, Madam Speaker. This is second reading. We're talking about the principle of the bill. We haven't seen any amendments to speak of that I . . .

The Deputy Speaker: My apologies, hon. member. It appears that you have spoken to the amendment.

Dr. Swann: Is that possible?

The Deputy Speaker: Yes.

Dr. Swann: It must have been my double.

The Deputy Speaker: Hon. members, any further speakers, then, to the amendment?

Seeing none, we'll call the question.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 8:47 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Aheer	Fraser	MacIntyre
Barnes	Gill	Panda
Cyr	Loewen	Yao

Against the motion:

Anderson, S.	Goehring	Miller
Babcock	Gray	Miranda
Carlier	Hinkley	Nielsen
Carson	Horne	Phillips
Clark	Jansen	Piquette
Connolly	Kazim	Renaud
Coolahan	Kleinstauber	Rosendahl
Cortes-Vargas	Larivee	Sabir
Dach	Littlewood	Schmidt
Dang	Loyola	Sigurdson
Drever	Luff	Swann
Eggen	Mason	Sweet
Feehan	McCuaig-Boyd	Turner
Fitzpatrick	McKitrick	

Totals: For – 9 Against – 41

[Motion on amendment to second reading of Bill 27 lost]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Carlier: Thank you, Madam Speaker. I'd ask for unanimous acceptance of the House to go to one-minute bells for subsequent votes.

[Unanimous consent granted]

The Deputy Speaker: The precedent of this Assembly is that following the defeat of a hoist amendment, the Assembly will proceed immediately to the vote for second reading.

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 9:05 p.m.]

[One minute having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Anderson, S.	Goehring	McKitrick
Babcock	Gray	Miller
Carlier	Hinkley	Miranda
Carson	Horne	Nielsen
Clark	Jansen	Phillips
Connolly	Kazim	Piquette
Coolahan	Kleinstauber	Renaud
Cortes-Vargas	Larivee	Rosendahl
Dach	Littlewood	Sabir
Dang	Loyola	Schmidt
Drever	Luff	Sigurdson
Eggen	Mason	Sweet
Feehan	McCuaig-Boyd	Turner
Fitzpatrick		

Against the motion:

Aheer	Fraser	MacIntyre
Barnes	Gill	Panda
Cooper	Loewen	Yao
Cyr		

Totals: For – 40 Against – 10

[Motion carried; Bill 27 read a second time]

9:10 Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: Hon. members, we'll call the committee to order.

Bill 27 Renewable Electricity Act

The Chair: Are there any questions, comments, or amendments with respect to this bill? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I rise to speak to Bill 27. As the House will note, I voted in favour at second reading because I believe in the principle of renewable energy and renewable electricity. Unfortunately, I'm not certain that this government has got it exactly right.

With that, I will propose an amendment to Bill 27. I have the requisite number of copies here and will wait until you receive the original before I continue speaking.

The Chair: Go ahead, hon. member.

Mr. Clark: Thank you very much, Madam Chair. The amendment reads: Mr. Clark to move that Bill 27, Renewable Electricity Act, be amended in section 2 as follows: (a) in subsection (1) by striking out "30%" and substituting "25%"; (b) in subsection (3)(b) by striking out "30%" and substituting "25%."

The rationale for this, Madam Chair, is quite simple. While the goal to increase renewable electricity generation in this province is a laudable one, I think, one that's overdue and one that absolutely ought to be pursued – I will note that a goal of phasing out coal-fired power by 2030 and incorporating renewable energy was part of the Alberta Party platform in the 2015 election and also part of the Alberta Party shadow climate plan, called Alberta's Contribution, because we feel it is important that we take action on climate change – the question, then, is: how do we take action on climate change, what are the impacts of that, and how do we make sure that we maximize the positive impacts of the renewable electricity plan while simultaneously minimizing unintended consequences or negative impacts?

Fortunately, there's been a very thorough report and study done by EDC Associates. They've prepared a very comprehensive – even their summary report is tremendously comprehensive. What they found is that there is an exponential increase in cost to retire coal-fired power and, more importantly, to bring renewable energy from 4,200 megawatts to 5,000 megawatts, the difference between 25 per cent and 30 per cent. In addition to that, there is a substantial increase in unreliability or, put another way, in concerns about reliability as we move from 25 to 30 per cent. At the same time, we don't necessarily gain much when it comes to carbon emission reductions.

If I can just speak briefly to the details of the report, their direct quote is that 4,200 megawatts of renewables "is a safer level" than a higher level of 5,000 megawatts or more.

If the 2030 renewables target is set at or below 4,200 MW and follows the 2/3 replacement objective, being two-thirds of coal-fired power replaced by renewables, the market is not as stressed . . . and can be expected to sustain sufficient spontaneous new baseload capacity additions to ensure the currently specified electricity reliability threshold. That is a threshold which is set out by AESO in its long-term adequacy rule.

In plain language, then, Madam Chair, that says that if we take it down to 25 from 30 per cent, we still achieve an objective of bringing on substantial new renewable energy capacity, which I think is important. I will agree with the government. It's important to do so. I think Albertans want us to do something. However, it does so at less cost while increasing reliability and also, interestingly enough, reduces price volatility based on the way that the market will operate. Now, I will acknowledge that perhaps with some of the other changes that have been announced by the government, price volatility is a separate issue that will need to be dealt with and debated as we move towards that.

The other thing that I think is important to note is that they looked at a couple of different scenarios. One scenario they called the cliff scenario, which is that you go to 2030 for coal and then the six facilities that would live on beyond 2030 under the current federal regs would drop off a cliff, if you will, which is essentially this government's plan. Interestingly, EDC Associates finds that to be a cheaper option. Being a person who relies on data to make decisions, I think it's very instructive for us to understand that, in fact, it may be less expensive if we allow the market to properly work, sending a strong signal that coal-fired power will in fact be entirely offline by 2030.

With that, Madam Chair, I would challenge anyone else in the opposition, if they have another plan, to please share that plan with us. I think this strikes an appropriate balance between ensuring that we bring on some renewable energy and maintaining reliability but doing so at the least possible cost to Albertans.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to amendment A1? Go ahead, Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I appreciate the hon. member's amendment, and I will be supporting this amendment for reasons that are technical in nature. In studying the deployment of renewables into different grids around the world, something that seems to show up is a pattern where anything beyond about 23 per cent generally can cause some grid instability.

Now, I took the time to speak to the actual people in the control centres here in Alberta who manage our grid, and I was saying to them: "You know, you're the people that actually run the grid. You are the ones determining the inflow and outflow of electricity to meet the different demand loads presented hour by hour, minute by minute throughout the whole, entire year." They understand dispatchability. They understand the variable nature of renewables very well. These are the experts. These are the people that really do understand electricity.

I believe the hon. Member for Cypress-Medicine Hat was talking about the percentage of industrial and commercial loads that we've got in this province, and he was correct. It is very, very high here. That is often referred to as our baseload because that's sort of what we have to maintain all the time.

9:20

In any event, in talking to these experts, I asked them, "Just how much renewables can your management system and the mechanisms throughout this province that we currently have in place at substations and elsewhere, that are the actual devices that control our grid – what sort of percentile of variable dispatchable-type power can you actually handle?" They told me: "At a maximum 30 per cent. We'd be comfortable at something less than that."

I see in this particular bill that's before the House right now the wording "at least 30%." That is a concern from a technical point of

view because as soon as we get into a position where our current mechanisms and grid management tools cannot handle the variable nature of renewables coming in, we are talking about more billions of dollars just to handle the renewables coming on. But with our existing system, according to what the fellas were telling me, they can handle 25 per cent. They can handle, you know, that percentile. As I said earlier, in some of the research that we did a few years ago, it appeared that beyond 23 per cent is where some grids in the world started to get a little shaky.

So I'm happy to support the hon. member's amendment here to strike out 30 per cent and substitute 25. Just for the sake of grid stability here it would seem to me to be a prudent thing. The hon. member was mentioning the research from EDC, and I read the same research that he did. I attended a couple of workshops from EDC, and they were mapping out just what happens to the grid, they were mapping out what happens to the cost, and I remember them saying exactly what the hon. member has just said, that there is this point beyond which there is an exponential increase in the cost of bringing more renewables on.

I believe it would be prudent on the part of the government to consider the hon. member's amendment because this amendment is actually based on science. This amendment is based on a technical appraisal of our current electrical system and its ability to handle the variable nature of renewables coming on stream. I believe that from a technical point of view the government needs to listen to the technical experts out there who have done their homework, done the research. They have recommended in their own report and in what they have told me, too, that 25 per cent is manageable. It's a doable number. To go beyond that, we are risking grid instability, and to go beyond that, we are risking an exponential increase in cost. We are already going to have a problem with the cost of bringing these renewables on.

I would hope that every member in the House would give serious consideration to this amendment. I believe it is sound. It is in keeping with the technicalities of the grid that we've got. I'm going to be encouraging all of my colleagues in the Official Opposition to support this amendment. I would hope that members opposite would also support this amendment for the reasons that I have stated and that the hon. member has stated. I believe it's a responsible thing to do. I believe that a 30 per cent target, albeit ambitious, was not based on a technical understanding of the limitations of our grid.

Given that, I would hope that the hon. members on the other side would consider this 25 per cent as being a responsible amendment, one that they can support, one that will achieve a significant percentage of their targets and goals without causing undue instability to our grid and without causing an inordinate amount of extra money for that last 5 per cent, as was quantified by the EDC folks in their research.

In closing, Madam Chair, I would hope that all members in this House will support this amendment. I believe that it is perfectly good.

Thank you.

The Chair: The hon. Member for Calgary-Mountain View on the amendment.

Dr. Swann: Thanks, Madam Chair. I won't be long. I can't stand much longer.

There's another reason besides the technical reason to consider, and I hope that the government would at least review the technical evidence before they reject it outright. The second reason is that it would send a message that you're not totally tied to a plan in which the circumstances have changed.

It would send a significant message to Albertans generally but, certainly, the industry in particular that says something like: “We had a plan in place. We had it thoughtfully and scientifically planned, but the whole environment has changed. We recognize the deep recession. We recognize more and more the impacts that the carbon tax will have. We recognize the changes south of the border. We now are seeing a longer term suffering in our industries and small businesses, in employment, and in the economy. Based on good evidence, we are reconsidering the whole plan and just pulling back slightly because we are using evidence to make our decision. We’re not simply blindly going ahead because this is what we said we’d do six months ago or three months ago. We’re going to reconsider the evidence.”

Good leadership also has to do with reassessing the situation, the conditions, the environment, the context, the science and saying that it may be time to adjust course a little bit. This is not a major change in one sense, but it could have a major impact in terms of the negative effects on our economy and on jobs. It has both the scientific and the political benefit of saying to the electorate: “We listen. We take in evidence. When the plan looks like it could be improved based on new circumstances that weren’t in place when we first made the plan, we are prepared to pause and readjust where we’re going.”

Thanks, Madam Chair. I will be supporting it.

The Chair: Any other hon. members wishing to speak to the amendment?

Seeing none, we’ll call the question.

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 9:28 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Cyr	MacIntyre
Barnes	Fraser	Swann
Clark	Gill	Yao
Cooper	Loewen	

Against the motion:

Anderson, S.	Goehring	McKittrick
Babcock	Gray	Miller
Carlier	Hinkley	Miranda
Carson	Horne	Nielsen
Connolly	Jansen	Piquette
Coolahan	Kazim	Renaud
Cortes-Vargas	Kleinstauber	Rosendahl
Dach	Larivee	Sabir
Dang	Littlewood	Schmidt
Drever	Loyola	Sigurdson
Eggen	Luff	Sweet
Feehan	Mason	Turner
Fitzpatrick	McCuaig-Boyd	

Totals:	For – 11	Against – 38
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[Motion on amendment A1 lost]

The Chair: We’re back on the bill. Are there any other questions, comments, or amendments with respect to this bill? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. Well, in respect of this bill, this particular bill is going to legislate the government of

Alberta’s 30 by 2030 plan, and in the process the government is making some very sweeping changes to the way our electricity system operates. We have seen a cap on the RRO. We’ve seen Bill 27 come forward with some really sweeping changes.

I understand why they are going this route. It’s an attempt to mandate renewables. In some respects the government, I think, sincerely doesn’t want to have some of the horrible problems Ontarians are experiencing right now. I also realize that renewables will not grow within our system without the government’s artificially incenting them because they cannot compete with gas and coal. So this government believes that in order to make a place for more renewables, there must be some sort of system in place to artificially insert renewables into our system here.

Of course, there are some significant public relations advantages for this government because they have spent some time flying around the world, telling the whole wide world that Alberta is taking the lead on climate change globally, et cetera, et cetera.

An Hon. Member: Social licence.

Mr. MacIntyre: And, of course, perpetuating the social licence myth.

So I get that there is need for a photo op or two and that there are some significant PR advantages to pushing renewables, whether we actually need that generation right now or not.

I also understand that the government has finally clued in that in order to get the build-out happening in this province – there are, depending on the estimate you would believe, anywhere from \$10 billion to \$25 billion worth of build-outs that are going to need to take place here.

In addition to those costs, of course, we are going to be having significant costs relating to the closure of coal and the social costs of taking care of those families that are losing their jobs. I realize the government is going to try to spin some things about job development in that, with the natural gas that’s going to have to be built to back up the renewables, there will be some jobs there. But I’m reminded that in touring the Shepard facility just outside Calgary, it was remarkable how few people it actually takes to run that massive combined-cycle plant down there.

Coal, on the other hand, is labour intensive. It does take a lot of manpower to mine it, process it, burn it, maintain the plant, and so on, and any way you want to look at it, even converting existing coal to natural gas is going to result in job losses. That’s just a reality of things.

In addition, the other jobs number that we’ve seen the government throwing around was 7,200 jobs in renewables. Let’s be real honest. Those are mostly construction jobs. It takes very few people to maintain a solar farm. It takes very few people to maintain a wind farm. So those 7,200 jobs are going to be there for a while, and then they will be gone.

Insofar as the investment of billions, tens of billions, some possibly \$20 billion worth of investment in this province for the construction of wind turbines: let’s remember exactly where that money does go. That money is going to be going to corporations like General Electric, Vestas, or SNC-Lavalin, and none of them are Alberta companies. I mean, you can talk about this investment coming into Alberta, but that investment is going to hang a 180-degree U-turn and head right back to Holland or right back to Florida or right back to somewhere else outside the province of Alberta because Alberta does not manufacture wind turbines. We do not manufacture solar panels. We don’t manufacture any of those very expensive components. We are going to get to sell a

whole lot of concrete, and we will have some of the installation people but not all and not even probably most.

9:50

If you take a look at what happened in Ontario when they were doing their renewables build-out, the money fled the province. It went to places where these corporations are from to supply all of this very unique, specialized equipment. So this story of, “Oh, we’re going to get \$20 billion worth of investment in Alberta”: no. It’s going to come in here; it’s going to hang a U-turn. They’re going to buy this expensive stuff, and that money is going to go. If they choose Vestas, it’s going to go to Holland and so forth.

Now, in addition to this, we have in this act some particularly problematic sections. I’m going to be introducing an amendment here to Bill 27. Can I continue, Madam Chair?

The Chair: It’ll be a moment.

Mr. MacIntyre: We’ll wait. All right. We can wait.

The Chair: This will be known as amendment A2.

Go ahead, hon. member.

Mr. MacIntyre: Thank you, Madam Chair. Mr. MacIntyre moves that Bill 27, the Renewable Electricity Act, be amended in section 20 by striking out clause (b).

Now, what’s with that? Well, I’m going to read to you something out of the Electric Utilities Act, which Bill 27 impacts. The section I’m going to be reading out of the Electric Utilities Act is found in division 2, section 16, and it is specifically referring to the Independent System Operator’s duties and authority. Section 16 is specific to the duty to act responsibly. Now, the Alberta Electric System Operator, which is the ISO as written in this particular part of the Electric Utilities Act – I’m just going to read one of these requirements.

Duty to act responsibly

The Independent System Operator must exercise its powers and carry out its duties, responsibilities and functions in a timely manner that is fair and responsible to provide for the safe, reliable and economic operation of the interconnected electric system and to promote a fair, efficient and openly competitive market for electricity.

Now, I want bring the House’s attention to the words “fair and responsible.” This is outlining the mandate and the rules by which ISO must operate as a body responsible for our entire electric system. The lawmakers of the day put in place section 16, which is a great section, and it gives specific instructions requiring the ISO to conduct itself, to carry out its duties in a fair and responsible manner.

Now, in Bill 27, for whatever reason the government is striking that out and doing away with the fair and responsible requirement of ISO to operate specifically with regard to renewables. So what the government is actually saying in Bill 27 is that ISO does not have to conduct its duties in a manner that is fair and responsible to provide for the safe, reliable, and economic operation of our electric system when it comes to renewables. This is ridiculous, absolutely ridiculous. How can you say such a thing to not just AESO but, I mean, to any management structure? It’s like coming along to the management structure of a business and saying: “Well, you know what, guys? You don’t have to act in a fair and responsible manner when it comes to this part of our business. You can just do whatever.”

But we’re not talking about just any little business here. We’re talking about the entire electric system in the province of Alberta, serving 4 million people, serving a massive number of heavy industries, an enormous number of commercial industries. What we’re saying in Bill 27 is: “You know, AESO, you have to act fairly

and responsibly except when it comes to renewables. For some reason renewables are so special, AESO, you don’t have to act fairly and responsibly there.”

Frankly, that’s an irresponsible part of Bill 27. We can’t have an organization, a management organization like AESO, not operate fairly and responsibly in anything that they do. They must always act fairly and responsibly, whether it be for conventional generation, whether it be for renewable generation, whether it be for anything to do with our electricity system. It is absolutely incredible that the government would somehow exempt renewables when it comes to being fair – being fair – and being responsible. What that’s saying to the good people of Alberta is: this government believes that it’s quite all right to be unfair and irresponsible when it comes to renewable technologies, thank you very much. That’s ridiculous. That’s not sound governance. I can’t believe that you guys even – what were you smoking that day? It’s crazy. It really is. You can point of order me on that.

What we have is this. Under this act this is the wording concerning subsection (1): “Subsection (1) does not apply to the development of renewable electricity program proposals under the Renewable Electricity Act,” completely absolving AESO of any requirement for fair and responsible conduct when it comes to renewables. Somehow renewables are just that special that you can just do whatever you want.

As you can see, Madam Chair, that was, really, pretty low-hanging fruit for an amendment. I mean, it’s just glaring, that this government would have our AESO absolved of any responsibility to be fair. What kind of a rule is that, that you don’t need to be fair when it comes to renewables, that you don’t need to be responsible when it comes to renewables? That in and of itself is unfair and irresponsible, and that’s why this amendment is there.

I would encourage every member in this House. You know, the press is going to have fun with this one. We’ve got a government in place that doesn’t think it’s important to be fair and responsible. It’s kind of strange.

At the end of the day, you know, it makes me wonder: is the reason for this because the government understands that these proposals that are coming into it aren’t going to be fair or responsible or economic? Is it because this government already knows that some of these proposals coming in are not going to be reliable, that they’re not going to lead to a reliable, stable grid? You know, I had some staff looking at these things, and the statement was: this is staggeringly enlightening. It gives us a really good idea of where the government’s head is at. It looks like the government is actually trying to absolve itself and its arm’s-length bodies from the duty to act responsibly.

10:00

Now, I am aware that in other places within this bill – and we’ll get there – is that for the first time since AESO was mandated, the government is actually reaching into AESO, and the arm’s-length nature of AESO is being eroded. They are no longer going to be independent from political interference. I can see that this government is wanting to in a way protect itself in that they’re not going to be requiring AESO to be responsible or fair because AESO is not going to be able to be responsible and fair when the government is getting in there and politicizing something that should have been independent and arm’s length.

I’m wondering if that is not some of the real reason why we just lost four out of five of the members of the Balancing Pool. We’ve had some resignations. These are professional people. They knew their stuff. They’re gone. They’re gone. And there was no real reason for them to resign other than that we were seeing an awful lot of interference from this government.

Now, it's not a real surprise to some of us when we see the lack of responsibility that this government has demonstrated thus far in so much of its legislation and policies, but to just blatantly come out like this and say: "Well, you know what? We're going to push these renewables, and we don't care whether it's fair. We don't care whether it's responsible. We're going to have 30 per cent by 2030, and to heck with any of the consequences." That's exactly what this government is saying, and that's why this amendment is vitally important.

AESO needs to conduct everything they do in a fair and responsible manner, as they have been originally mandated to do. That was not broken. It did not need to be fixed. I see absolutely no reason whatsoever why renewables should somehow be exempt from fair and responsible actions on the part of our Alberta Electric System Operator. It makes no sense. I would hope that all members in this House would themselves act fairly and responsibly and insist that the arm's-length agencies within this province also act fairly and responsibly.

Thank you, Madam Chair.

The Chair: The hon. Deputy Government House Leader.

Mr. Carlier: Thank you, Madam Chair. I would ask that the committee rise and report progress.

[Motion carried]

[The Deputy Speaker in the chair]

Ms Sweet: Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 27. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in the report? Say aye.

Hon. Members: Aye.

The Deputy Speaker: Opposed, say no. So ordered.
The hon. Deputy Government House Leader.

Mr. Carlier: Yes. Thank you, Madam Speaker. We've had a lot of good work this evening. I think there are some sensitivities that we maybe need to reflect on over the evening. I move that we adjourn until 10 o'clock tomorrow morning.

[Motion carried; the Assembly adjourned at 10:05 p.m.]

Table of Contents

Government Bills and Orders

Second Reading

Bill 27 Renewable Electricity Act	2077, 2081, 2084
Division	2085
Division	2086

Committee of the Whole

Bill 27 Renewable Electricity Act	2086
Division	2088

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