



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Tuesday evening, November 29, 2016

Day 54

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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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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Kazim	

Legislative Assembly of Alberta

7:30 p.m.

Tuesday, November 29, 2016

[Ms Sweet in the chair]

The Acting Speaker: Please be seated.

Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

The Deputy Chair: I'd like to call the committee to order.

Bill 27 Renewable Electricity Act

The Deputy Chair: We are currently on amendment A2. Are there any comments, questions, or amendments to be offered in respect to this bill? Seeing the hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much. I will flip here through my notes to find my briefing notes prepared by my crack staff. One of the concerns I have about section 20, as the Member for Innisfail-Sylvan Lake had very adeptly pointed out, is that it talks about the governance and control of the bill and – Madam Chair, I'm going to return to my spot, find my notes, and if there's someone else who would like to speak, I will allow them to do that rather than just rambling on and putting disinfo into *Hansard*.

Thank you.

The Deputy Chair: Are there any other members wishing to speak to amendment A2? Seeing the hon. Minister of Energy.

Ms McCuaig-Boyd: Okay. Thank you. I believe that A2 was the motion to strike 20(b). Is that correct? Yes. Okay.

Our government has committed to growing renewable energy in Alberta to secure the investment, economic development, and job-creation benefits that renewable energy offers. We are pursuing this in part through renewable electric programs that will promote large-scale renewable electricity generation through fair and transparent competitive processes. When considering this amendment to strike a section, we need to be very clear what this provision does and what it does not do.

With the current provisions ISO still has a legislative duty to ensure that the administration of the auction and contracting processes of the renewable electricity program are fair, efficient, and openly competitive. This provision does not absolve the ISO from its responsibility to provide for the safe, reliable, and economic operation of the interconnected electric system. The ISO continues to operate under its duty in this regard. In fact, this responsibility is reinforced by section 4 of this bill. Section 4 makes clear that the ISO will develop proposed renewable electricity programs that employ fair and transparent competitive processes and do not jeopardize the safe, reliable, and economic operation of the electricity system. In other words, the bill does not relinquish the ISO's duty to act under these principles of fairness nor to provide for the safe, reliable, and economic operation of our system. On the contrary, if you read the bill, not just section 20 in isolation, you will see that we are reconfirming this duty with respect to the ISO's new role of designing renewable electricity programs.

Thank you.

The Deputy Chair: Thank you, hon. minister.

The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. Those are precisely the aspects of this section which I think are so vital for us to retain. While I appreciate the Minister of Energy assuring us that safe, reliable, and economic performance of the electrical system is maintained in other areas of the bill, I'm not sure I see it quite the same way.

Obviously, we want our electricity system to be reliable. We obviously, I would hope, would like it to run economically. But above all else it's important that it is safe. So for a bill to be striking the provision that requires renewable production to be anything other than "safe, reliable and economic" strikes me as not just odd but, frankly, dangerous. It seems like, without question, renewable electricity is getting special treatment, preferential and positive treatment in a way that other forms of electricity do not.

Although, again, I suppose we have to take the minister at her word, that other aspects of the bill ensure that this will be the case. I'm generally quite concerned about the concentration of power within the minister's office and away from an independent, arm's-length body like the Independent System Operator.

I'm certain that our electric system can be operated, including renewables, as it is now, with the same set of rules for all forms of electricity. Ensuring that "safe, reliable and economic" stays in the bill, I think, is exactly the intent of this amendment brought by the Member for Innisfail-Sylvan Lake, which is precisely the same amendment that I had intended to bring. He got to it first, so I can only enthusiastically support him and would really encourage all other members of the House very much to do the same.

Again, as much as I would like to take the minister at her word and, as she said, trust me, I'd frankly trust but verify. So let's include it in the bill. Let's accept this amendment and ensure that section 20 remains in the act.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I'd like to speak in favour of this amendment, too. The minister had us go through and check section 4 and section 20 in the bill. They do read differently. Though I'm not sure of the exact differences, there is a difference between what she's suggesting.

Section 4 says:

When directed by the Minister under section 3(1) to develop a proposal, the ISO shall develop a proposal for a renewable electricity program that

- (a) promotes large-scale renewable electricity generation in Alberta,
- (b) employs a fair and transparent competitive process,
- (c) does not jeopardize the safe, reliable and economic operation of the interconnected electric system, as defined in the Electric Utilities Act, and
- (d) addresses the renewable electricity program objectives and evaluation criteria, if any, established by the Minister under section 3(2).

Now, when I read the existing section 20, it says:

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.

So there is a difference there as far as one of them saying, “When directed by the Minister,” and the other one saying, “Must exercise its powers and carry out its duties.” Of course, the existing one relates to “the interconnected electric system,” and section 20 just says, “When directed by the Minister.” So I think there is a difference between these two, and I think that by striking this section, that ISO act in a way “that is fair and responsible to provide for the safe, reliable, and economic operation” – I think that is very worrisome.

I don’t think that there should be anything like that taken out of a bill or any other act by government. Obviously, it was in there for a reason, and I think we need to make sure that we don’t have any problems down the road with striking out something that says fair and balanced. So I’m going to suggest that all the members of this House should support this amendment and make sure that this doesn’t lead to any sort of misconception of what should be and shouldn’t be fair and responsible.

7:40

This section of the Electric Utilities Act is titled “Duty to act responsibly.” Duty to act responsibly. Now, I think that that spells something out very clearly, and by removing it, obviously, that changes things. In 20(b) it says that this section doesn’t apply to renewable proposals. Why would that not apply to renewable proposals? If in section 4 it says the same, then how come 20(b) says that this section doesn’t apply to renewable proposals? Is that because renewable proposals aren’t economical or they’re not reliable or the government doesn’t want to see them economical or reliable or safe? This is actually kind of incredulous to think that this type of wording has been taken out by this act.

Now, it seems like this government is trying to absolve itself and its arm’s-length bodies of the duty to act responsibly when it comes to renewable energy. I would suggest that renewable energy shouldn’t be treated any differently than any other energy. To suggest otherwise is bizarre, to say the least.

Now, I think that when we look at Bill 27, we have a lot of issues. I’m just going to read a quote from the Energy minister when she talked about it here. She says, “It will facilitate \$10.5 billion of new private investment in our economy by 2030.” Now, it’s always great to have investment in our economy, but this investment has to be paid for by somebody since it’s for our electricity. Who’s going to be paying for that \$10.5 billion? Which company is going to come in and drop \$10.5 billion into our laps here in Alberta and not expect that it’s going to be paid for, plus profit? This isn’t a \$10.5 billion gift. It’s a loan with interest with profit on top of it because, being as this is to produce electricity here in Alberta, that we will be using as Albertans, it’s going to have to be paid for by Albertans. Does that not make sense?

When I see somebody talking like that, just like, “Oh, yeah. Here’s \$10.5 billion. Look at all the jobs it’ll create. Look at all the money that’s coming in,” well, it all has to be paid back by Albertans because this isn’t something we’re exporting. This is something we’re consuming here. If it was \$10.5 billion of investment and we were exporting oil, for instance, then the return on investment could come from outside the country. But unless we plan on exporting electricity, then it’s going to be consumed here, and it’s going to be paid for by Albertans.

What I would suggest is that we should support this amendment, make sure that renewables are treated like all the rest of the energy produced in this province, make sure that it’s fair and balanced and that the companies have a duty to act responsibly. Madam Chair, I’ll leave with that for now, that I believe that this amendment should be supported. It seems that this government – I’m not sure why they would want to do this. Maybe it was an oversight, but if

it’s an oversight, let’s correct it. We have an opportunity right here right now to correct it if it’s an oversight.

If it’s not an oversight, then I think Albertans should be as alarmed as I am over this government’s willingness to strike a section that seems so common sense. I don’t know. It just seems like it’s bizarre to have this taken out and for the government to sit there and think that it should be taken out and leave it the way they have it.

I’m going to suggest that all members of this House support this amendment. Let’s get this back into the act, where it belongs, and let’s do what’s right for Albertans.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I would like to support this amendment to put the words “fair and responsible” back into this bill. There are a couple of things. The fact that the words “fair and responsible” would in any way need to be excluded from any part of this bill or any bill, for that matter, seems absolutely ludicrous to me. I don’t know. Maybe it’s just late at night, but those are not words that I would be recommending that you cross out from any piece of legislation that is going to bring forward a bill that is supposedly going to be good for Albertans. “Fair and responsible” would be the first words that I’d want put into anything.

Having said that, as the Member for Grande Prairie-Smoky said, it’s not just those words, “fair and responsible.” It actually is a precursor to the other part, “to provide for the safe, reliable and economic operation of the interconnected electric system.” Maybe the question is: whose idea was it to scratch this from legislation? Who would remove the words “fair and responsible”? It doesn’t make any sense, Madam Chair. I look at it from this point of view. Lookit, we have an arbitrary number that the government has told us that ISO picked. ISO picked 30 per cent. Okay. Well, that’s interesting.

I’m curious about the renewables groups that already have skin in the game and that have already contributed to the market from the aspect that they’ve actually invested in this province with their hard-earned dollars and work already. I’m just curious: is it fair and responsible to them to have this come in, that will potentially not even allow them to come into this system? I’m curious: is that fair? Is that responsible? I’m assuming – I may be wrong; it may be somewhere else in the bill – that they’re going to receive some sort of fair treatment as a result of this, considering that they’ve already put skin in the game, that they’ve already done this. These subsidies and everything else that is going to make up for these gaps: is that going to be attributed to them as well? It doesn’t sound very fair and responsible, does it?

Then, on top of that, the 30 per cent: is that even possible in a free market? Again, is it responsible or fair to Albertans that somehow within this capacity market you’re going to subsidize it enough, based on the taxpayer, to make up for the gap? It doesn’t sound very fair and responsible, does it? I would think that this government, again, would like to potentially take some accountability and transparency.

I’ll try it again. This is accountability and transparency written into a bill that will protect you in the decisions that you’re making. I find it appalling that a government would decide that pulling out the words “fair and responsible” is okay. I don’t care how many times it’s in the bill. Put it in 15 times, 20 times, a hundred times, enough times to make sure that Albertans feel that they are being adequately represented by this government on this file. There is

absolutely zero justification that this government can make for pulling those words out of this. If it was, as the member had mentioned, an oversight, so be it. We'll let it go. But my suggestion would be that this government would want to vote for "fair and responsible."

7:50

If you look at, as the member had mentioned, the \$10.5 billion of private investment that is supposedly magically going to appear somewhere for these projects, I would assume again that they would want the words "fair and responsible" in this legislation so that they understand that when they come into a contract – although this government likes to rip up contracts. Maybe that's why they pulled out "fair and responsible." Then again, if it's in there, maybe you might have a chance of actually bringing investment online.

I'm telling you, as a person looking at this, that if I was an outsider looking in with my \$10.5 billion sitting around, I would certainly be looking at that part of the bill and going: I don't think I'm going to take on that risk. And given the track record of ripping up contracts, of creating a carbon tax that you did not campaign on, of costing the taxpayer \$97 million a year for 14 years, I would highly recommend that you vote yes for this amendment with "fair and responsible."

Right now, as it stands, not only does this government pull these words out of the bill, but you have to pay generators for stranded assets. Where is that going to come from? Oh, yes. That's right. The specified gas emitters. Well, once that ends, then we go into the carbon tax. Those are tax dollars that you're going to be using to pay back stranded assets. You have – what? – about a year left of specified gas emitters, I'm assuming, before the carbon tax kicks in at \$30 a tonne. Yes? So now that money is going to come from the taxpayer. You've got that plus the subsidies the taxpayer is on the hook for to fill the gap between your 6.8 per cent and whatever else the differential is for the renewables coming online. Then – guess what? – the taxpayers are also on the hook to pay for new infrastructure.

Let's go backwards again: carbon tax, subsidies, the new infrastructure – gee, that seems like an awful lot; it doesn't sound very fair and responsible – and then, on top of that, the new gas production that is going to replace the baseload. Depending on the volatility of that market, the taxpayer is on the hook for that one, too. It doesn't sound very fair and responsible. You might want to think about putting those words back into this piece of legislation.

An Hon. Member: But how about that pipeline?

Mrs. Aheer: I would talk about fair and responsible. Actually, it was one pipeline. The number three, just so you know, is a fix. They fixed it. It already exists. Number three already exists. They're fixing it. I can send you the article.

Anyway, back onto "fair and responsible." "Fair and responsible" is something that maybe this government should put back into their legislation – I'm just suggesting – but you could stand and vote against "fair and responsible." That would be fantastic. It's another Facebook moment. It's up to you. You're the ones who are pulling this one out. My recommendation to you would be to put "fair and responsible" back in so that the ISO has the ability to at arm's length make some decisions, based on this new legislation coming through, that will be transparent and accountable to the people that we all represent in this House.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. Well, it's interesting. The hon. Minister of Energy stood in this place just a little bit ago and went on at length about how we don't need this amendment, claimed that there are other places in the bill where "fair and transparent" was covered off, but the reality is that we're talking about "fair and responsible."

Furthermore, this bill that's before us, Bill 27, makes a couple of amendments to existing legislation. One of those is the Electric Utilities Act, and I'm going to go there. Maybe the minister didn't quite understand what this bill actually does, but it makes a serious amendment to an existing piece of legislation. The particular section that this messes with – and I'll just word it that way – is the duty to act responsibly under the Electric Utilities Act, and it is specifically stating in law that the Independent System Operator has a duty to act responsibly. That is the law.

Now, I'll just read it out. It's not a big sentence.

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.

One of the key words in here is "must," that the Independent System Operator must carry out its duties this way, that it must act responsibly.

Along comes Bill 27, and Bill 27 says, "No, you don't," because Bill 27 says that section 16 does not apply to the development of renewable electricity program proposals under the Renewable Electricity Act. So here we have an act, or what the government hopes will become an act, the Renewable Electricity Act, going in and saying about another act that it doesn't apply, that it doesn't apply to renewables, that they're exempt from ISO operating in a responsible manner, that it does not apply to the development of renewable electricity program proposals under the Renewable Electricity Act.

The minister stood in this House, gave us a speech, but not once did she mention any reason not to include "fair and responsible." There was no rationale given, none whatsoever, for the removal of it. But she did sort of infer: well, trust me. Well, guess what? That's not what we're here for. If we lived in a world where it was "trust me," we wouldn't have a single law on the books about anything. The department of highways could post a speed limit of 100 K. [interjections] Yeah, some of the hon. members on the other side, you know, could say to the policeman: "No. Don't use that radar on me. Just trust me. Trust me." Not going to happen. Not going to happen. If we could live on "trust me," we wouldn't need this Legislature. We're not here to live on "trust me," especially with this government that we've got. Trust is something you've got to earn, and so far you don't have real good marks. You don't have real good marks.

Here we have this bill, and we're trying to put an amendment in place to provide accountability. Now, we just spent a significant amount of time earlier this evening talking about accountability, and again for – I don't know – the umpteenth time this government voted down an amendment that was attempting to put in place some measurable accountability. Here we have another amendment, and this amendment is attempting to stop the government from removing an existing accountability measure under the Electric Utilities Act, an accountability measure that has been there a long time already that states that the Independent System Operator must act responsibly, that it is their duty. And not only just responsibly, but it must be fair. The other key words here are that it must be an "efficient and openly competitive market." Now, I get why the government wants to trash that particular section. This government

is attempting to force upon our good people an entire agenda of renewables that they cannot guarantee will be fair or responsible or efficient or openly competitive. There really is no other conclusion a person could draw.

8:00

As much as they don't like the comparison to Ontario that is drawn not only by myself but by members of the press – I've been receiving some e-mails and some comments from people in Ontario who've been watching what's been going on out here, and both on Facebook and in our e-mails we're getting these things from people in Ontario, and they're saying: "Guys, don't go that way. Don't do what's happening to us in Ontario." They're saying: "Stop that government from going down the same path that Kathleen Wynne and McGuinty took us." So as much as this government doesn't like that comparison, the reality is that if this government is trying to ruin or take out of an existing act an existing measure of accountability, then we're really only left with one conclusion, and that is that this government doesn't want to be held accountable for acting fairly, responsibly, efficiently, and competitively in providing us safe and reliable electricity.

Now, if this was just a single oversight on the government's part, I could kind of live with that and say: "Okay. Well, you missed that one, but you could back up and fix that." But that is not the only little piece of evidence here regarding the irresponsible manner in which the government is pushing Bill 27 and the contents of it. I'll touch on that a little bit later on.

I will close with this comment. You have an opportunity to leave in place a duty for our independent system operator to operate in a fair, efficient, responsible, competitive manner. You have that responsibility. You have this opportunity, and I would recommend that you don't miss this opportunity.

Thank you very much.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to A2?

Some Hon. Members: Question.

The Deputy Chair: Seeing none, I'll call the question on amendment A2, proposed by the hon. Member for Innisfail-Sylvan Lake.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 8:03 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Hanson	Panda
Clark	Loewen	Rodney
Cooper	MacIntyre	Strankman
Fildebrandt	Nixon	Taylor
Gotfried		

8:20

Against the motion:

Anderson, S.	Hinkley	Miranda
Babcock	Hoffman	Nielsen
Carlier	Horne	Renaud
Carson	Jansen	Rosendahl
Ceci	Kazim	Schmidt

Connolly	Kleinstaub	Schreiner
Dach	Loyola	Shepherd
Dang	Malkinson	Sigurdson
Drever	McCuaig-Boyd	Sucha
Feehan	McKitrick	Turner
Fitzpatrick	McPherson	Westhead
Goehring	Miller	Woollard
Gray		

Totals: For – 13 Against – 37

[Motion on amendment A2 lost]

The Deputy Chair: We are now back on the original bill. Are any members wishing to speak? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I rise to present an amendment to Bill 27. I have the requisite number of copies here and will await you receiving them before I continue.

Thank you.

The Deputy Chair: The amendment will now be referred to as A3. Please go ahead.

Mr. Clark: Thank you, Madam Chair. This amendment, which I will read out, is as follows: "Mr. Clark to move that the Bill 27, Renewable Electricity Act, be amended by striking out sections 10, 11(2), and 12."

I seek to strike these sections, which I refer to as the blank cheque sections of this bill. [interjections] I knew that would get a rise out of my friends in the Wildrose, but I think it should attract the attention of all members of this House because it presents a substantial risk to Albertans, to the public purse.

You know, I want to preface my comments on this, as I do all comments on Bill 27, by reiterating my support for renewable energy, renewable electricity. I think that it's an important part of Alberta's future and ought to be something that we see more of in this province. The question is how we go about doing that and what risk we put taxpayers at in so doing. When we look at the example of Ontario and the mistakes that have been made there, one of the mistakes was an unlimited backstopping of renewable energy to the significant detriment of Ontario taxpayers and Ontario citizens. These three sections put Alberta taxpayers at precisely the same risk.

Let's step through what these sections are. Section 10(1) says:

If, according to a monthly statement provided under section 9(b), the ISO is to pay a generator, the Minister shall pay the ISO the amount set out in the statement.

Now, I presume and hope, for the minister's personal finances, that that isn't her personally. I can only think that it is, in fact, the Treasury that ultimately would backstop that.

Section 10(2):

If, according to a monthly statement provided under section 9(b), the ISO is to collect funds from a generator, the ISO shall, on receipt of those funds, pay them to the Minister.

So if there's money to be collected, it goes back to the government and goes to the minister, but more troubling, of course, is that if there's money to be paid, it is paid in an unlimited capacity by the minister.

Section 11(2) says:

If the Minister determines that the ISO's costs and expenses are prudent and that the fees levied under subsection (1) are insufficient to recover these costs and expenses, the Minister shall pay the ISO the amount of the shortfall.

So if the ISO is short of money for any reason that is deemed, quote, reasonable and prudent, the minister shall cover that as well,

without limitation. I've no idea how deep that hole could get, but my sincere worry is that that hole could get awfully deep.

Section 12:

On notice from the Minister to the President of Treasury Board, Minister of Finance, payments shall be paid from the General Revenue Fund for the amounts payable by the Minister to the ISO under sections 10(1) and 11(2) that have not been paid from [CCEMC] under the Climate Change and Emissions Management Act.

So that's interesting because, first, the ISO and the minister, the Crown are going to drain the CCEMC. If you've been following the news at all in the last week or so, you'll notice that there have been an awful lot of calls on the climate change and emissions management fund and the climate change fund. Those funds, as far as I know, have already been spoken for for coal contracts, coal payout contracts, and other areas. At some point you can no longer get blood from the stone, and money will have to come from the general revenue fund.

Again, this creates nothing more than a blank cheque, where any losses under the renewable energy plan are borne exclusively by Alberta taxpayers. Again, while I am very much a supporter of action on climate change and I believe that renewable electricity ought to be a big part of Alberta's future, I have a very difficult time giving this government or, frankly, any government a blank cheque, unlimited funds from Alberta's treasury, to backstop renewable electricity projects. I wouldn't want to give unlimited funds from the public treasury to backstop anything. That's absolutely, grossly irresponsible. I propose to fix that problem by removing the ability of this government to backstop renewable electricity in its entirety and allowing these contracts to work within the market, allowing the market to work to balance out the costs and, potentially, the profits.

The other challenge I have with this is that it weakens the independence of the ISO. There are a lot of aspects of this bill, and I imagine, as this evening rolls on, that if I have an opportunity, I'll present further, additional amendments – I imagine my colleagues in the opposition may do the same – that address the weakening of the ISO's independence. The ISO is intended to serve at an arm's length from government, and as we've seen from this government time and again, especially on the electricity file, the government is reeling all of these independent agencies back in under the purview of the government because they want to have command and control over everything that happens within the electricity file.

Now, this is a tremendously complex file, and I don't expect rank-and-file Albertans to unpack all of the details. That's our job in this Assembly, to understand the details behind the management of the electricity system. I have a hard time believing that we can trust the minister and her ministry to run the electricity system as effectively as an arm's-length agency like ISO, so I have substantial concerns both on the financial side but also on the governance side and the independence side. The system was set up to allow for independent, arm's-length control, not to allow the minister to dictate what happens on a minute-by-minute basis. That is a substantial concern. Again, we'll bring specific amendments that address other aspects of independence as the evening progresses, but this amendment primarily focuses on addressing the financial aspects of this.

I really do hope that we hear from the minister on this. I'm very interested to hear her perspective, and I would love this evening at some point to hear from some of our friends on the government side as well. I know they're here. It's lovely to see them. I see you all over there having a chat, playing on your phones. That's very good. I hope you're enjoying yourselves, but, you know, in all sincerity, I would really love to hear from my hon. constituency neighbour in

Calgary-Currie. He often has something interesting to say, and I would love to hear his perspective.

But in all sincerity, this is an important issue. We have a government that is writing a bill that seeks to allow the government of Alberta to backstop renewable energy projects with absolutely no limit whatsoever. Perhaps if the government feels that there is a reasonable limit that they'd like to propose, they'd maybe consider introducing a subamendment to this. But until we see something like that, I seek to remove these sections to constrain the government's ability to commit Alberta taxpayer dollars to really the nth degree because I think that's absolutely poor governance in the first case and incredibly risky for Alberta taxpayers and an already stressed public purse.

With that, Madam Chair, I will return to my seat and look forward to hearing from both sides of the House on this important issue. Thank you.

8:30

The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak to amendment A3? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I very much appreciate the amendment coming from the hon. Member for Calgary-Elbow. Here again we have a situation similar to what we just went through, where accountability seems to be necessary in this bill. You know, we just talked about the duties of ISO to operate an efficient, openly competitive but also economic operation. It's a duty of ISO to operate in an economically responsible manner, but of course if you're going to strike that down, then you can do what you want. As properly noted by the hon. Member for Calgary-Elbow, we need to have something in place here that is at least going to bring some financial accountability if not any other form of accountability.

Madam Chair, the world is littered with failed renewable projects and failed renewable companies, literally hundreds of them. During the years 2010 to 2012 there were over 100 serious failures, and I'm not talking about some little solar company that did, you know, 20 installations on houses one year. We're talking about billion dollar corporations around the world that succeeded in getting hundreds of millions of dollars in taxpayers' money in the form of incentives and then, well, went broke. The money is gone. Oh, well. So sad. Too bad. The taxpayers ultimately end up on the hook for it. As noted by the hon. member, there needs to be some accountability, some financial accountability.

We had the minister stand in this House saying more or less: trust me. No. Not going to do that. That's not what we were sent here to do. We were sent here to hold government accountable. We were sent here to enact legislation that is responsible, that is fair, that is an appropriate use of taxpayers' money. Now, here we have a situation where under the sections noted, under 10, 11, and 12, it would appear that we have the government deeply involved in what was once an arm's-length organization, an arm's-length organization that was really supposed to manage on its own, stand on its own two feet, staffed with professionals to manage Alberta's electricity system. And they managed it fairly well under the terms of the Electric Utilities Act. Now we're seeing this government striking some of those sections regarding accountability from the act. That's a very irresponsible thing to do, not one that I believe is in keeping with what Albertans want.

So I'm very much in support of this amendment. I believe it is the responsible thing to do to put some accountability back in place, and I would encourage all members in this House to support this amendment.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A3? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I want to speak in favour of this amendment. All too often we see this government saying “Stay tuned” or “Trust me.” That’s not our job. Our job is to investigate bills and legislation on behalf of Albertans to determine whether they can do damage to Albertans and our economy. That’s our duty here.

Now, we see an opportunity here where the government basically wants to have a blank cheque. There are no numbers here at all. Whatever it takes, the government is just going to fork out the cash, I guess, and this cash, of course, isn’t the government’s cash. It’s taxpayers’. It’s Albertans’ money. I find it alarming, as the Member for Calgary-Elbow did, that this government would leave us in such a situation where they would want a blank cheque in this legislation to cover any costs of a basically failed renewable electricity project.

Now, Madam Chair, it seems like everywhere we go in Bill 27, all we see is the government backstopping all these different things in this bill. I’ll just read a part here. Well, for one thing, I got a kick out of the minister’s comments. She said, “Using a competitive process.” I’m not sure what kind of competitive process would be involved with taxpayer money incentivizing this process. That’s not really a competitive process. I guess you can find out which companies can . . .

Mr. MacIntyre: Who can hit the trough the fastest.

Mr. Loewen: Yeah. Who can hit the trough the fastest. They’re lining up there to see: “Okay. Who can we get this money from?”

It just seems like everywhere I look in here – let’s see. Here’s another comment from the minister. “It would enable the AESO to take security interest in projects that receive support as this is the best way to protect the government’s investment.” We’re talking about investors coming here and spending money on renewables, but the minister herself is saying that we have to have a way to protect the government’s investment. What investment does the government have? It’s the “investment of carbon funds in case of generator default or insolvency.” Carbon funds. Where do the carbon funds come from, Madam Chair?

Mr. MacIntyre: From Albertans.

Mr. Loewen: I think they come from Albertans. Exactly. That’s where the carbon funds come from. It’s taxpayers’ money. It’s Albertans’ money. This government not only wants to support these investments with carbon tax funds from Albertans in order to incentivize them to open up shop, but then if something goes wrong and they all of a sudden go broke, go into default or insolvency, the government is still going to kick in and take care of it on that end, too. So it’s taxpayer money initiating it and taxpayer money in the end if it fails.

I think this is a good amendment. We should support this amendment. The government doesn’t need a blank cheque. The government needs to explain to Albertans what their plan is, how much it’s going to cost, and then Albertans can make a decision from there.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Madam Chair. I need to stand up and speak to oppose this amendment. It’s clear that the opposition do not understand how capital investment is attracted, and eliminating these clauses would eliminate the backstop altogether. Through engagement sessions with government, renewable investors and developers told us that the funding certainty would allow the project developers to secure finances at much better rates. This funding certainty would also reduce program costs. This feedback was verified by Alberta Energy’s review of programs in other jurisdictions.

To encourage investment, the legislation backstops the primary source of funding, the climate change and emissions management fund, with reinvested carbon levy funds from the general revenue fund. Setting a limit would undermine the objectives of these sections to facilitate better access to financing and lower financing costs. For example, Alberta Energy calculated that the increased funding certainty will reduce program costs by hundreds of millions of dollars, Madam Chair, using the indexed renewable energy credit for the first auction of up to 400 megawatts of renewables. By increasing financing costs through getting rid of these sections, that would cause prices to increase and would decrease the faith that investors would have in this legislation.

8:40

So we need to not vote in this amendment because it would be damaging to investor confidence. It would signal loud and clear that we aren’t fully committed to this program in the long term. On the whole this amendment would increase program costs. It would limit interest in investing in Alberta. The general mechanism of budgeting and reporting and transparency will still be applicable to this program, so this would demonstrate and verify that reinvestment in carbon levy funds be would used to fund the renewable electricity program.

Again, I speak against this amendment.

The Deputy Chair: Thank you, hon. member.

I will first recognize the hon. Member for Calgary-Elbow and then the hon. Member for Innisfail-Sylvan Lake.

Mr. Clark: Madam Chair, thank you so much. I appreciate the minister standing up and sharing that insight with us, but of course the government backstopping a loan is going to make rates better. You’ve got a multibillion-dollar organization willing to essentially, literally, cosign a loan.

You know, I have a business idea. I’m going to open a car wash, and if my credit is terrible and there’s a lot of risk that my car wash might fail, I would like to get a loan. Now, I’m going to go to the bank, and the bank is going to say: “Greg, you seem like a nice guy. You don’t really know what you’re doing, and you’re going to have a high rate of interest if I’m even willing to give you a loan at all.” But I go: “No, no. I’ve got the government of Alberta, you see. They’re going to backstop my loan. It’s all good.” And the bank goes: “Really? I’m in. That sounds fantastic.” It’s really like asking mom and dad to cosign your loan for a car. That’s what this is. Oh, that’s fine. What could possibly go wrong? What could go wrong? It’s renewable electricity.

Look, I want to be really clear. I believe in human-caused climate change. I believe we need to do something about it. I believe that renewable energy ought to be an increased part of the grid in this province. I believe we need to ramp down coal and eliminate it altogether. Those are things I believe. There’s a better way of doing it, though.

Let’s get back to the argument at hand here. What could possibly go wrong with the government backstopping loan guarantees? I

mean, it's not like anywhere in Alberta history we've ever had a loan guarantee backstopped by the government of Alberta go wrong. Has that ever happened? Oh, wait. Wait. Hang on. The last time oil was in the tank in a big way was the mid-1980s. There was a Premier – I think his name was Getty – and he had this idea that we were going to backstop business ideas. Now, one of them was the Gainers meat-packing plant, a giant multimillion-dollar loan guarantee. You know what? That defunct organization's loan guarantee is still on the books and the budget of the government to this very day.

Surely that was the only one that happened, right? They wouldn't do that more than once, would they? No, no, no. Oh, what? Wait a minute. MagCan in High River. That's right. I love High River. Some of my best friends are in High River. There's a giant MagCan facility. You know what we're going to do? We're going to process magnesium because, why, it's the metal of the future, isn't it? We're going to diversify Alberta's economy. We've got a brilliant idea. We are going to create hundreds if not thousands of jobs. All we need to do is have the government of Alberta backstop a loan. What could possibly go wrong? Well, we found that out. But it only happened twice.

An Hon. Member: It only happened twice?

Mr. Clark: No, it didn't. It didn't. We also had NovAtel. That's right. Now, NovAtel, while I will grant you that they do still technically exist, cost, if I'm not mistaken, \$500 million, \$600 million, and that's in 1980, 1990 dollars, right? That's a lot of money.

While I will acknowledge that there could perhaps be some differences between direct investment by government in specific businesses and a plan to backstop renewable energy, there actually isn't that big of a difference because the similarity that runs through those three historically poor choices by previous governments in this province and this plan is an absolute blank cheque. If things go wrong on the renewable energy side, Alberta is on the hook irrespective of how much it costs. There is no bottom here. This is a bottomless pit, potentially, of money. Now, I hope I'm wrong. I hope this doesn't come to pass. I hope this succeeds because if it does, it's good for Alberta, and that's all I care about. That's what I'm here to do, make things better for Alberta.

There is a way of ensuring that we can bring renewable energy on stream in this province without putting Alberta taxpayers at this massive risk, and it's not backstopping. I don't have the Blues because the minister just stood up, but I believe the word "backstop" was actually used in the minister's speech. I would at the very least like to see some limit on the amount of money that this government is willing to put up and backstop, but barring that, I think we need to take these out entirely, which is why it's very important that this amendment pass, Madam Chair.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Okay. Well, I'll just take a few minutes to speak to this amendment, too. The Member for Calgary-Elbow just listed a few different failures right here in Alberta where the government backstopped loans, which cost taxpayers millions of dollars. But none of them were renewable energy ones, so we could say: what could go wrong with renewable energy? Well, how about Amonix solar, a manufacturing plant in Las Vegas? More than \$20 million of tax credits and grants given by the Obama administration. It didn't last a year. Solar Trust of America filed bankruptcy also.

BrightSource warned Obama's energy department officials in March 2011 that delays in approving a \$1.6 billion U.S. loan guarantee would embarrass the White House and force the solar energy company to close. BrightSource lost billions of dollars but is getting more money to keep trying. It's not working.

I'll end on one of the nice big ones that everybody should remember: Solyndra. Obama gave \$500 million – that's half a billion dollars – to Solyndra, who shut its doors, laid off 1,100 workers after billions in losses due to failure to make a solar product that worked. They couldn't even make one that worked. We don't need to do the same thing as Mr. Obama did, throw taxpayer money down the drain.

This is a good amendment. We can support this one. We can make sure that the taxpayers aren't on the hook for unseen amounts of money. Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I listened with rapt attention to the hon. Minister of Energy actually admit in this House: well, when I talked to the renewables companies, they said that if I'd underwrite their loans, if I'd protect them, they'd come and play in our sandbox. Like, hello? You know, a fact of banking: if a regular financial institution or investment house is not going to back a particular project, what in the world is a government doing backing that project? We went through how many failed projects by Mr. Pocklington and that whole era. If you remember, it was one thing after another after another, and the government of Alberta was just shelling out the money, doing this exact same thing. Those businesspeople back then gamed the government. They schooled the government big time, promising: well, you know, it's going to be 500 jobs or 300 jobs or 200 jobs, whatever. It was hundreds of millions of dollars of taxpayers' money just vaporized, gone, and then these things failed anyway.

8:50

In the world of renewables all over this world we've been seeing the very same thing: massive corporations taking advantage of the reality that there are some politicians who don't understand the very things that they have so much authority over, one of them being finance. Here we have our minister, the hon. Minister of Energy, saying: well, the renewables company said that, you know, if we will backstop their loans, they'll come and put renewables in our province. I say again: if the investment community, if the shareholders in those companies won't finance those things, no government has the right to do it. It is wrong to do that. When the financial experts, the ones who understand risk, the ones who understand how to even calculate risk, have done the calculation and say, "No; that's too risky," then no government ought to be backstopping that thing with taxpayers' money. No way. If these corporations cannot come here and stand on their own two feet financially and compete in this market and build renewables, then they need to go. They need to go someplace else. It is totally inappropriate for this government to put the taxpayers on the hook. Totally inappropriate.

We're going back now, way back to an era in this province where governments – it was cronyism to the nth degree. Government was in the business of business. Wasn't it called the Alberta Opportunity Company? Isn't that what it was called? They were just lending out money left, right, and centre. I remember that in the industrial park just north of Leduc there was a company that started up and got a bunch of government money. They said that they were going to be producing marble tiles for new home construction taking place in

Hong Kong and Shanghai. And somehow or other here in Alberta, where we don't have marble in the first place . . .

An Hon. Member: They got shanghai'd.

Mr. MacIntyre: Yeah, they got shanghai'd.

They were going to slice marble and granite here into tiles and ship them all the way over there for the housing market that was just going crazy over there. There was millions and millions of dollars. I remember that the photograph in the newspaper at the time showed the owners standing in front of a very large saw blade. Well, when I was a young fella . . . [interjection] Yeah, I'm still a young fella.

When I was slightly younger than I am now, I worked in a sawmill in British Columbia, and we had saws just exactly like that saw blade. So I took a little trip over there to the industrial park in Leduc – I didn't live very far from there – and here was this great big 8-foot-diameter saw blade sitting outside. This was apparently the saw blade that was going to be cutting marble and granite and making these tiles. I looked at that saw blade, and I thought to myself: "Man, I worked on saw blades exactly like that in the mill. That is no marble-cutting, stone-cutting saw blade. That's a saw blade with removable carbide teeth for cutting logs." And I thought, "Our government just got gamed by two people from Holland who are way smarter than the politicians that just gave them a bunch of money." Sure enough, within weeks – within weeks – the owners were gone, the warehouse was empty, the saw blade was still sitting outside the warehouse, and the money was gone. Imagine. It boggles my mind, first of all, that the politicians of the day were . . .

Mr. Taylor: Gullible?

Mr. MacIntyre: Gullible: that's a much better word than I was thinking of.

They were gullible enough to believe that somehow we could import huge slabs of marble all the way to Leduc, Alberta, slice them into floor tiles, and ship them to China and actually be a viable business.

Then there was the one in Prince George, British Columbia, where they were going to make chopsticks and bowls out of poplar for the Chinese market. Yeah, they were going to compete with the Chinese, making chopsticks and bowls out of poplar. Guess what?

An Hon. Member: Don't give them any ideas.

Mr. MacIntyre: Yeah. I shouldn't be giving you ideas.

The Deputy Chair: Hon. member, as much as I love the history lesson that we are going down, I'm just curious if you can loop it back to the debate, please.

Mr. MacIntyre: Let me loop it back. Thank you, Madam Chair. Fasten your seat belts. We're going to loop back. Here we go. Ready? [interjection] Now, the hon. member is suggesting that I want a free trip to China, and this is not true.

Let me loop it back for you, Madam Chair. The reality is that too many governments, including this one, have been bamboozled by carpetbaggers, salesmen that know more than they do and absolutely convinced the government: "Well, we'll do this for you if you, government, will backstop our loans. If you will underwrite our investment, then we'll come here." All of a sudden when a government does that, there is zero risk – zero risk – for that corporation. They don't have to act responsibly anymore because they are going to be smart enough to come in and get what they need.

Let's just look at this. The renewables companies that are going to be coming in here are going to be subsidized. Now they're going to have their loans underwritten – this is a licence to print money – with absolutely zero compunction on their part to stay viable. They could pull the plug next year and walk away, have all of whatever plums and carrots this government is going to give them to come here, and we the taxpayers of Alberta are going to be left holding the bag. All over this world there are failed projects like this one.

Here we've got a California project. If you know the Ivanpah solar thermal plant in California, it's one of the largest renewable projects in the United States: \$2.2 billion. Guess what? Ivanpah had said to the government of the day: we're going to generate this much electricity with this plant. The government goes: "Ooh. Let us help you out." Well, guess what? Fifteen months later they're only producing 40 per cent of the promised amount of electricity. Take a guess who's on the hook. The taxpayers, good old taxpayers.

An Hon. Member: Same ones.

Mr. MacIntyre: Same ones.

Over and over again we have governments trying to look good by incenting something. It doesn't matter what industry. When governments get involved in the business of business, business they don't understand, when they start providing backstopping, underwriting loans, grants, or guarantees to corporate entities, those corporate entities will take advantage of that. They will not act responsibly, and they will put us at risk because they no longer have any. It is patently wrong for this government to be backstopping anything to do with the renewables industry.

This amendment that we have before us is a sound amendment, and it needs to be supported. The government has a moral obligation to protect the taxpayers of this province and to stop fleecing them. Enough is enough already.

Thank you.

9:00

The Deputy Chair: Thank you, hon. member.

Any other members wishing to speak to amendment A3? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I just wanted to add a few little things into what the Member for Innisfail-Sylvan Lake was saying. This is just a few other, just a couple, failures that Barack Obama had when he was in power. He blew \$150 billion to increase renewable energy generation by a mere 1 per cent. I'd like to read this into the record from the Institute for Energy Research.

Obama has spent at least \$39 billion a year on his green energy projects . . . President Obama subsidized solar and other renewable energy in the United States with taxpayer money to the tune of \$39 billion per year on average for the past 5 years.

An Hon. Member: How much?

[Mr. Sucha in the chair]

Mrs. Aheer: Thirty-nine billion dollars per year.

These massive subsidies, however, have done little to increase the contribution of solar power to the electricity generation mix as solar is expected to produce just 0.6 percent of electricity generation this year.

This was in 2015.

Disregarding the cost to the American taxpayer and the failed solar projects in the United States, President Obama has pledged billions of dollars to fund solar energy development in India. On his trip to India, President Obama was hoping to bring back a deal similar to the one he made in China to peak the country's carbon dioxide emissions by 2030. However, Prime Minister Narendra

Modi rejected the President's proposed global warming deal, realizing his priority should be to bring power to the hundreds of millions of Indians that lack access to electricity.

At least 36 of his taxpayer funded green energy projects went belly up. Now here's just a small portion of this list. These are all bankrupt green energy companies that were subsidized by the American President.

Evergreen Solar (\$25 million)
SpectraWatt (\$500,000)
Solyndra (\$535 million)
Beacon Power (\$43 million)
Nevada Geothermal (\$98.5 million)
SunPower (\$1.2 billion)
First Solar (\$1.46 billion)
Babcock and Brown (\$178 million)
EnerDel's subsidiary Ener1 (\$118.5 million)
Amonix (\$5.9 million)
Fisker Automotive (\$529 million)
Abound Solar (\$400 million)
A123 Systems (\$279 million)
Willard and Kelsey Solar Group [\$700,000 and a little bit]
Johnson Controls (\$299 million)
Schneider Electric (\$86 million)
Brightsource (\$1.6 billion)
ECotality (\$126.2 million)
Raser Technologies (\$33 million)
Energy Conversion Devices (\$13.3 million)
Mountain Plaza, Inc. . . .

It goes all the way down. I can read about at least 20 more.

This adds up to a tremendous amount of money that was taken out of taxpayer pockets in the United States. Now, the reason that we read about this and the thing that we need to understand about this is that that money actually disappears. It goes towards the corporations that have been made promises and not towards the people that should actually be benefiting from what renewables could actually do for us.

I would just like to do this as we wanted to have some crossjurisdictional information here so that going forward better decisions can be made so that we don't end up going down the same route.

Thank you.

The Acting Chair: I would recognize the Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Mr. Chair. It says here that if there are insufficient [funds] to recover those costs and expenses, the Minister shall pay the ISO the amount of the shortfall.

You know, all of this would not be possible if it was not for Bill 10, the Fiscal Statutes Amendment Act, 2016, the unlimited debt ceiling. This is the problem with this, and we need to make sure that we support these amendments because we'll have this happening in the future. We won't have any limit as to how much the government can spend. I don't know if the government was thinking ahead when they put Bill 10 in or it just dawned on them that they could spend this much money. This, to me, is wrong to backstop.

Thank you.

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

If not, I'll call the question.

[The voice vote indicated that the motion on amendment A3 lost]

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

[One minute having elapsed, the committee divided]

[Mr. Sucha in the chair]

For the motion:

Aheer	Hanson	Panda
Clark	Loewen	Rodney
Fildebrandt	MacIntyre	Taylor
Gotfried	Nixon	

Against the motion:

Anderson, S.	Gray	Miller
Babcock	Hinkley	Nielsen
Carlier	Horne	Renaud
Carson	Jansen	Rosendahl
Ceci	Kazim	Schmidt
Connolly	Kleinsteuber	Schreiner
Dach	Loyola	Shepherd
Dang	Malkinson	Sigurdson
Drever	Mason	Turner
Feehan	McCuaig-Boyd	Westhead
Fitzpatrick	McKitrick	Woollard
Goehring	McPherson	

Totals:	For – 11	Against – 35
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[Motion on amendment A3 lost]

The Acting Chair: We are back on Bill 27. The hon. Member for Calgary-Lougheed.

9:10

Mr. Rodney: Well, thank you so much, Mr. Chair. I'm happy to pass this on through the pages and read it into the record at your earliest convenience, sir.

While it's on its way, I'm happy to just read it into the record.

The Acting Chair: Please go ahead, hon. member.

Mr. Rodney: Thank you again, Mr. Chair. I'm very pleased to move an amendment actually on behalf of the hon. Member for Calgary-South East, and it reads as such. Mr. Fraser to move that Bill 27, Renewable Electricity Act, be amended in section 13(1) by adding the following after clause (c), and, ladies and gentlemen, it's just two sentences:

- (d) the estimated number of jobs created under renewable electricity programs during the fiscal year, and
- (e) the total dollar amount of investments, other than funds provided pursuant to section 10, made under renewable electricity programs for the fiscal year.

In the spirit of all-party co-operation, if that indeed would be possible tonight, and just for the sake of efficiency, Mr. Chair, I'll just briefly point out the relevant points that are leading us to, you know, the rationale for this amendment. The first and most important point to make here is that it's only right and only fair that we ensure that Alberta taxpayers are receiving value for their tax dollars because we recognize the opportunities and the benefits that we can receive from greater renewable electricity generation in this province and also because we recognize that our first responsibility, of course, is always to the citizens of this fine province.

Inherent in that responsibility is, I would say, the duty, honour, and obligation to be sober guardians of the public purse so that we're able to face all of our constituents, as all 87 of us in this House need to be able to do, and say to them that we did the best job we could to ensure that their hard-earned money was spent in a responsible way. I don't believe that if we voted for the bill before us today in its present form, we could honestly say that we were

certain that the money was being treated in a responsible way. Now, part of the problem is that we in this House do not have enough tools to effectively measure whether or not that money is being invested under these renewable programs and that it's actually benefiting Albertans in the way that the government is hoping for, and we are all hoping it would be a wise investment.

Additionally, there's a section of this bill that deals with annual reporting. That's what everyone is looking for these days, annual reporting. The reporting that's included does deal with some important issues – and I'm happy to acknowledge that that is happening with this government on this bill in this case – but we would like to see that reporting expanded just a little bit. So our amendment, the amendment that you see before you, Mr. Chair, adds two additional categories to that reporting section.

We'd like to see that report include statistics. I mean, people are always looking for performance measures, in this case regarding how many jobs are actually being created by these renewable energy programs. You know, I've got to say that that would actually be a very good thing for this government to share. I would think that they'd be very proud to share the number of jobs that are created as a result of this. That's a good-news story. I would really want to know why the government would not want to include this. Perhaps it was just an oversight, but perhaps it can be fixed right here and right now, with this simple sentence asking for exactly that.

Mr. Chair, since this government expects that these investments are going to kick off what might be called a green energy gold rush, I expect that they'd be very happy to include these numbers in the reporting. Albertans would also like to see additional details on the dollars. How many dollars are being invested into these programs? It's their money, and they deserve to know. That's what we're asking for here. This way the government can make a reasoned – a reasoned – evaluation of whether or not there's value provided in these investments, and that's only fair.

Mr. Chair, that's all we're asking in these simple, short amendments, that the government commit to providing reasonable additional information and simply reaffirm their commitment to transparency, which is something that they've said is a hallmark of theirs, and good for them if that indeed is the case.

In advance I will say thank you on behalf of Albertans if you simply make those numbers available to all of us so we can better evaluate the success of the program and the effect that it's having. I hope the government will see it the same way.

I thank you for your time, Mr. Chair. Onward and upward.

The Acting Chair: Thank you, hon. member.

We'll recognize this as amendment A4. Are there any members wishing to speak to the amendment? The Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Chair. I want to rise to speak in favour of this amendment. I do hope – really, sincerely hope – that the government will agree to include this in the bill. It doesn't have anything to do with spending money or restricting the spending of money. It won't cost anything. But what it will do is that in the interests of transparency but also of garnering support from Albertans for what I believe is an important policy initiative of the government, which is promoting and expanding renewable electricity in this province – if we want to get Albertans onside, let's provide them with the data to show them what the benefits of the program are.

And if I could offer one constructive criticism of the government's efforts to date, it is that they have not done, I think, a very good job of explaining the need to Albertans for action on

climate change in a way that answers the “what's in it for me?” question for Albertans. I think it's a fair question for any Albertan to ask of their government. Sadly, I don't think this government has done a very good job of that. This amendment addresses that particular problem.

Anyone who's ever run any organization – private sector, public sector, not-for-profit – knows that if you don't measure something, you can't manage it. So if we don't know how many jobs are being created in an objective way, how are we going to know whether or not this is a defective program or if, in fact, the government's claims to be creating jobs and spurring economic activity are in fact truthful or if they were fantasy? I'd like to think that it is true, and if it is true in fact, we should see a positive jobs report.

The dollar investments, I think, are also very important information for Albertans to know, especially if it excludes the dollars spent under section 10, which, as I previously had tried to do, amends out what I would – I'm not using my word “backstop”; I'm using the minister's word “backstop.” That's what section 10 does. But the opportunity here is for this government to provide not just transparency but a report back to Albertans.

In all sincerity, Madam Minister, I think this is a very thoughtful and worthwhile amendment. I do really encourage the government side to include that. It would certainly lighten the mood in the House this evening and raise all of our spirits. I think Albertans would be pleased to know that while we are in this House in the evening hours, we're not wasting anyone's time or money. In fact, we're making some progress, doing some good work on behalf of Albertans. I think that by passing this amendment, we have an opportunity to show them that. But, you know, materially, I think, it also improves the bill, and I would sincerely encourage all members of the Assembly, particularly on the government side, to support this amendment.

Thank you, Mr. Chair.

The Acting Chair: I recognize the Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Mr. Chair. We have had our own Energy minister tell us that the renewables switch is going to result in 7,200 new jobs in this province. The solar industry says that there are 70,000 jobs knocking on Alberta's doorstep. Well, what are we afraid of? Let's see. Let's publicly report.

9:20

Here we have another good amendment to this bill simply requiring some accountability, another measurement and verification number, something that we can give to assure Albertans that the promises that are being made by this government actually come to fruition or, perhaps, not. But it at least allows the government to try to justify the billions of dollars of taxpayers' money that are going to be handed out. When we're talking about the kinds of job creation that this province needs, I don't see why the government wouldn't jump at an opportunity to prove the claims that they're making, that this drive towards renewables that they claim is going to provide jobs actually does just that.

How many jobs? This government is claiming that their answer to the hundreds of thousands of men and women in this province that are out of work, who are the people who work in the patch, work in the oil sands, who had really good-paying jobs – really good-paying jobs. How good, you ask? [interjections] You did ask, didn't you? In excess of \$90,000. I had neighbours that were pulling in \$160,000, \$180,000 a year.

An Hon. Member: Right out of high school.

Mr. MacIntyre: Yeah, right out of high school. I'm not saying that that was necessarily a really good idea, but – you know what? – they were out working hard, and they were earning their pay.

Even in our coal sector the average income was between \$92,000 and \$96,000. Now, this government is saying that those hundreds and hundreds and hundreds of thousands of jobs that were lost – well, the renewables drive is going to provide work for all those people. Okay. Let's see. Let's see if that is so. I don't know why the government would shy away from a metric like this to measure the amount and also, as the hon. member has asked for in this amendment, "the total dollar amount of investments, other than the funds provided pursuant to section 10, made under renewable electricity programs for the fiscal year." In other words, it's another metric to measure the actual amount of investments coming into this province in answer to this government's drive to renewables.

But especially the jobs: that is very important, Mr. Chair. We have so many people out of work, and so many of those people who are out of work are not on EI. These are the small contractors, that man or that woman that's got a welding truck, a small welding fab shop, things like that, people who provide labour. Some of the other people out there in the patch that were subcontractors: they're not on EI. You don't see their numbers in any of the unemployment figures that are thrown about in the media, but there are at least as many and probably more of them than there are employees that are out of work and are qualified to collect EI. Those are the numbers that are on the roll. Those kinds of people are looking at this government and the government's promises: well, the renewables boom is going to provide you with employment. Really? Really?

Installing solar panels, to that 60-year-old welder that was in my office here a couple of months ago – he's worked on pipelines his whole life. He's got a welding – I'm sorry. He does not have a welding truck anymore, Mr. Chair. He lost it. He lost his house, he lost his welding truck, and his marriage was on the skids, too, because of just a horrendous economic downturn, and this government has aggravated it. You know, that's just not a unique story. There are tens of thousands of men and women across this province that are in similar dire straits. What does this government hold out to them? "Well, the renewables boom is going to provide you the employment you need." Really? Really? Not going to happen. Not going to happen.

Nevertheless, the government has an opportunity with this amendment to put it on the line. Let's see. Let's track the number of jobs created under the renewable electricity program during each fiscal year. Let's have a look at the total amount of investments. This government started out by saying \$10.5 billion in investment, and here it just keeps climbing. I don't know that the last figure was. The last one I heard was \$25 billion. But we know that this government throws around these billion-dollar figures, and I'm not sure they know exactly how much money that really is. All right. If the government is going to be able to attract all this investment, again let's put it on the line. Let's measure that.

Now, I do understand that, you know, the government is going to backstop investment coming into this province, so I guarantee you and all Albertans that there's going to be a stampede like hogs to the trough of renewables companies like General Electric, SNC-Lavalin, Vesta, Siemens, all those big European and American corporations that make billions of dollars on the sale of wind turbines and solar farms at the utility scale. Yes, they support carbon taxation. You better believe they support carbon taxation. It's like a licence to print money. It is just amazing how much money they make. Now we've got a government right here in Alberta that's just dangling that carrot out to these guys, saying: "Y'all come on over here. We will underwrite your loans. We will

backstop your investment. We will incentivize you." And away they come.

All that we're asking for, all that the hon. member is asking for with this amendment is: "All right. Let's have a look. How many jobs are actually going to be created? How much investment is actually going to come into this province?" As I've said before, when you're talking about, you know, a wind turbine that is a number of millions of dollars, that investment is going to come in all right, but then there's going to be an invoice from Vesta or Siemens or General Electric or SNC-Lavalin. That billion-dollar invoice is going to get paid, and that money that came in is just going to hang a U-turn and leave, and we will be left with the debt. The taxpayers and the electricity ratepayers are going to be left with the bill for this. We are going to be paying for all this.

Let's not fool ourselves or attempt to fool Albertans that we're going to have \$20 billion or \$30 billion worth of investments that are going to come here and remain here. It does not work that way. It doesn't work that way because those units are not manufactured here. The only jobs that are going to be here that are going to employ Albertans are the assembly and installation, and then it's done. There'll be a few maintenance jobs to maintain these. We are not talking about any kind of an industry that could possibly absorb the hundreds of thousands of highly skilled men and women from the patch. That is not going to happen.

If those people have a hope of being re-employed, we need to have pipelines in every direction, we need to have no limits on development in the oil sands, and we need to have to no limit to the responsible development of our resources. This government is constraining development. Constraining development.

The long and the short of it is, Mr. Chair, that I support this. I would encourage all members to support this. It's a perfectly fine amendment to put some accountability in place, and, God knows, this government needs accountability.

Thank you very much.

The Acting Chair: Any other members wishing to speak to amendment A4? I recognize the Member for Chestermere-Rocky View.

9:30

Mrs. Aheer: Thank you, Mr. Chair. I would just like to start by speaking again in favour of this amendment. Again, the member brings forward an amendment that will do nothing but actually help the government provide accountability and transparency to the people that we all represent. Again, I have such a difficult time understanding why the government wouldn't want metrics to show what you've done, what you've accomplished.

I mean, we can start again with having accountability for the metrics of how it is that this is going to roll out and where you start and where you go, but this is actually about – this government actually created a portfolio for Economic Development and Trade, a portfolio that's actually dedicated towards diversification, that's dedicated towards job creation, that's dedicated towards actually getting people in this province back to work. At least that's my understanding of the creation of that portfolio. Actually, this amendment speaks extremely well towards making sure that the development of that portfolio and the relative jobs and whatnot that would come from that as a result of policy would actually strengthen that portfolio and what is supposed to come from that portfolio. If we're actually talking about job creation, we might not be super proud of that.

[Ms Sweet in the chair]

The issue that all of us are talking about on this side isn't the government's desire to create jobs. I mean, that is a very important goal, and it's a goal that all of us could get behind. However, what's happening here is that the dollars that are going into these programs are subsidized dollars. Those are not dollars that are coming because the private sector invested and there was a market for it, and then that's what created the dollars that created this job creation. That's not what we're talking about here. We're talking about: the government is going to subsidize these programs and supposedly will be able to create jobs from those programs. And as the Member for Innisfail-Sylvan Lake said, these aren't even jobs that have any sustainability. Again, that's a part of the portfolio for Economic Development and Trade: diversification, sustainability, job creation. These are all things that that portfolio was created to do, so why would the government not want to be able to prove to Albertans that this is actually happening, especially under the auspices of that portfolio?

The amendment is exceedingly helpful, again, to help prove to Albertans that this is what this government actually had intended. The unintended consequence of this is that, once again, the transparency is not there. How is it that you will be able to defend or justify the dollars that are going to go into this when there is no accountability on you to make sure that Albertans understand what you're doing? How are you supposed to justify to Albertans, especially all of these folks that have lost their jobs? As the member had said, there's no way that these jobs are going to in any way be able to get the same people that have already lost their jobs back into other jobs.

We're also talking about a tremendous amount of time between when this kicks in and when these things are actually being built and when we will see these aspects come to fruition. So let's actually consider the timing with this as well so that you have time actually to describe how this will roll out, the jobs that you expect to have happen, and how that relates in regard to the programs that you're actually promoting. I mean, as a businessperson that's an imperative part of any business plan.

As an investor coming into this situation, there's a tremendous amount of risk. We were talking about \$10.6 billion, potentially \$25 billion. That's a tremendous amount of risk for any person, investor to make.

If you can't even guarantee that you are going to be able to stand by your numbers, your metrics, the rollout of these programs, let alone being able to provide the talent and tech that's going to be there, let alone being able to be sustainable, let alone being able to prove to Albertans that you're actually capable of doing that – I really feel that it's in the best interests of the government to be able to tell Albertans that you actually did this on their behalf, for them, so that these jobs could be created. I can't understand, unless you are actually, truly concerned that this is not what's going to happen. Maybe you foresee the boondoggle well in advance of it actually happening, and if that's the case, well, I mean, we're hooped, then, aren't we?

I would hope that the government would prefer to be able to show Albertans in a very, very succinct way that they have the best interests of Albertans, that they're willing to put themselves on the line like any other person that would be investing in a business like this, in the risk that you're expecting investors to take. The risk isn't on you to tell the truth and to tell the narrative of how this is going to roll out. It's incumbent upon you. It's the responsibility of the government to do that. So I speak in support of this amendment, and for the sake of the government I highly recommend that you also support this amendment.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A4? The hon. Member for Edmonton-Meadowlark.

Mr. Carson: Thank you, Madam Chair, and also thank you to the Member for Calgary-Lougheed for bringing this amendment forward. First, I would just like to say that this government, without a doubt and without any reservation, believes that accurate reporting of jobs and investments through this program is of the utmost importance. This reporting that is in the bill itself already would be consistent with other renewable and climate initiatives and programs currently under development, most of which will not be administered by the ISO. Adding these specific reporting requirements in static legislation would be inconsistent with the reporting structures that are in place already along the broader use. Finally, 13(2) already provides the government the authority to require this kind of reporting with no further legislative action, should the government choose so.

I've heard a lot over the amendments that have been put forward so far, and I do appreciate hearing amendments from all members of the House. It's important that we consider all aspects of the bill and hear from all sides.

It's a common occurrence, I'm hearing from the opposition, that they're telling Albertans that they have to choose between renewables or the oil and gas sector. I think it's unbelievable to hear this conversation taking its toll. I mean, they sit there and they stand up and they say: well, we support renewables, but here are a hundred cases where it failed. That doesn't sound very supportive at all, really.

Hopefully, the opposition will stand up at some point in this debate and talk about some of the amazing initiatives throughout the country and across the world that have been beneficial because I'm sure there are some. I'm sure that if you took a quick google, you'd be able to find one or two that you could talk about if you really care about renewables as much as you say you do. We can look across the United States; for example, the many Republican jurisdictions talking about the importance of renewables. The Republican Governor Sam Brownback talks about aiming for 50 per cent renewables by 2018. I mean, if the Republicans do it, I hope that the Wildrose can see it in their hearts to do it as well.

With all that being said, I am standing to say, first of all, that I appreciate all the work that the minister has done. I think that she's probably done more consultation than has been done on this amendment. With that being said, I will not be supporting this amendment.

Thank you.

The Deputy Chair: Any other members wishing to speak to A4? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I just wanted to speak to a couple of the points that the hon. member across the way brought up. One of the things, again, is that we keep hearing that we're making Albertans choose. That's interesting. I was just speaking about it. In my own personal life I have a whole bunch of solar panels on my house, tons of them, 40, in fact. I love renewables, and I love what's possible with those. The reason I bring that up is because there is a mechanism and there's a way to bring renewables online. We're not condemning the idea of renewables. Our issue is how you're doing it.

We all have the same goal. The endgame is the same, but the policy on how we're going to get there is arguably very different. The difference is that the way the opposition sees it is that the market and the demand for these things will ultimately determine the availability

to bring these online. If, as you say, Albertans are behind what you're trying to do, then they are going to want these things, and they are going to push the market to do that. They are going to invest in those things, all of those options that we've been talking about.

The thing that's concerning is that the government wants to put Albertans' hard-earned dollars into something that they have absolutely no idea how to roll out at this point. Where is that business plan? What we're asking for is accountability. It's not that we're anti renewables, far from it. In fact, I would argue that the hon. Member for Innisfail-Sylvan Lake has written a tremendous amount in academia based on alternative energy production, and at any time should you want to get more information about alternative energy – the way it should roll out, the economics of it, the viability of it – I would highly recommend speaking with him because he can help many, many people understand how that is viable.

9:40

The suggestion that we're not interested is interesting because, quite frankly, this is about doing it the right way and giving the government some very, very useful and thoughtful feedback from our perspective, a different set of eyes, a different perspective, which is good, in order to help this legislation, in order to be able to make sure that you've thought about everything. There's no way everybody, one person or a group of people, can know everything. The whole point of us being here is to make sure we offer you other opportunities and solutions and examples. If that's falling on deaf ears, there's absolutely nothing we can do about that.

But at the same time, please don't assume that we're not interested. Again, you're assuming, then, that everybody that we represent also doesn't care about the earth, air, and water, and that is a slap in the face to Albertans, and it's a slap in the face to everybody that this side represents and potentially even some of the people in your own ridings as well. So keep in mind that when those comments come across, it's not relevant.

More importantly, we're asking you for transparency and accountability. These are things that you ran on. Madam Chair, this government ran on transparency and accountability, and every single member on this side is demanding that, and I would hope that if I ever had the opportunity and the privilege to be in government, that would be demanded of me also.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to A4? The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Chair. Just a few comments with respect to the amendment to Bill 27 presented by the hon. Member for Calgary-Lougheed. You know, there are a few things here that I think we need to take into account. I look at them as – when we're making claims with respect to particularly the jobs that we're going to create through renewable electricity, we are, through a lot of the actions of this government, going to be shutting down a lot of jobs in a lot of towns that are very concerned.

I know I heard on the radio the other day that the price of real estate in Grande Cache is one-third – not one-third less; one-third – of what it was just a couple of years ago, so even with mortgage-paying jobs today, those people have lost all their equity in their homes, and I suspect that many of them are holding mortgages worth more than what their homes are worth now. I worry about those people in places like Grande Cache and Hinton and Forestburg and Hanna and other towns that are going to lose their primary industries, Madam Chair. So when we make claims, we need to do those without them being spurious claims because for us

it's just claims, but for them it's their livelihoods and, quite honestly, the survival of these towns, which we hope we don't turn into ghost towns.

I'm hopeful that this government does have a plan and that when we make claims that we're going to create jobs in the new economy and renewable electricity, that is, in fact, something we can do. But, Madam Chair, what we've seen now, all joking aside – we teased the minister of economic development about one job. We'd like to see more than one job created or two jobs or three jobs. We'd like to see those hundreds of jobs created. You know what? To create jobs is not an easy thing. Yes, we can create public service jobs, and we can put those on paper, and we can write cheques from the government, and those can be written in red ink in many cases. But it's not that easy to create jobs. Anybody who's worked in the private sector knows that you have to invest money. You have to invest capital, and you have to be prepared to cover your variable costs and your general administrative costs and all the fixed costs that go with running a business.

You also hope to get a modest return on investment, but, again, many businesses are not getting even a modest return on their investment now. They're struggling to survive. They're looking for some stability in the marketplace. Again, we have a tough economy. There is no stability of revenue or stability of the market that they're dealing in. Even businesses that are trying to take advantage of the opportunities in the new economy in renewables are going to be very, very cautious and very reticent to risk their capital there.

So we need good plans, we need robust plans, and we need to know how those jobs are going to be created because they're only one at a time. We need that to happen not just 10 times and a hundred times; we need that to happen thousands and thousands of times to replace the jobs that we're losing. So to subitem (d) here I would say: let's make that stand for diligence. Let's be diligent in what we're doing and what we're claiming.

Madam Chair, the other thing we're talking about in this amendment, which I think is, again, to make us more accountable, is E for effectiveness. When we're talking about investments, we need to know what those investments are going to do. We need to know how much it's going to cost taxpayers. We need to know what those subsidies are going to look like to encourage investment. Again, I think, as was mentioned by many of the other members here, if you have to do too much to encourage investment, is it a good investment? Not likely. If you have to subsidize too deeply, you may not even be able to attract the private capital you need to supplement or complement those subsidies or those public investments, and if you can't do that, you really have to question: are we going down some of the roads that the member mentioned here before, where we've made bad investments in the past? We know that that has been done. Albertans have been on the hook for those, and we paid for those for years. Luckily, were able to dig ourselves out of that hole.

I think that we need to be cognizant here, again, of diligence and effectiveness in what we're doing here. I think that all we're asking for, Madam Chair, is that we be diligent and we make sure we're effective and we make sure that we provide the metrics and reporting that allow us to make those claims of what we're going to achieve. That's what we hope. We hope that this government is successful in making those claims and in moving forward in creating those new jobs. But let's be diligent in making those claims. Let's make sure we put the metrics in place to hold not just this government but your departments accountable. Let them know the metrics we expect from them. That's what I'm asking for, and that's why I would ask you to support this amendment today.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment?

Mr. Rodney: Madam Chair, the initial remarks were short. I will keep these concluding remarks short as well, especially considering the hour but also considering the substance of this amendment. I was hoping to hear from the minister on this. I appreciate that there was one member from the other side that got up. I think anybody watching on TV or reading *Hansard* would actually be pretty happy with the deliberations that just occurred, with the thoughtful speeches that I've just witnessed here, and I want to express my appreciation for everyone who stood up to speak to this.

It's a short and simple amendment, Madam Chair. It's about two of the things that this government based its election on, which are accountability and transparency. It's about return on investment and increasing jobs, green jobs. Those are both undeniably important concepts. Everyone here agrees on that. Some would say that this is an apolitical amendment. Please, folks, consider that. It doesn't cost anything, the information is very easy to collect, and it is not at all onerous. Any thought about inconsistent reporting just doesn't hold any water.

I appreciate the initiative of the hon. Member for Calgary-South East. It's in the spirit of the time when I was deputy chair of Public Accounts, before almost everyone was in this House. Those who were might remember that I was very happy to keep the feet to the fire of my own government. Almost every week I would ask the question as deputy chair of Public Accounts – I was constantly challenging my own government – can you improve these performance measures? It's better for Albertans. It's better for the government. It's better for everyone. And when it comes to green jobs and return on investment, why wouldn't you want to share, in fact, brag about your accomplishments?

Again, I would need to hear a good reason from the government why you wouldn't want to do this. I haven't heard one yet. For that reason, I'm going to pray for a little Christmas miracle and hope that this simple, short, clear amendment will pass here tonight.

With that, I'll ask to call the question. Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak?

All right. The question has been called on amendment A4 as moved by the Member for Calgary-Lougheed on behalf of the Member for Calgary-South East.

[The voice vote indicated that the motion on amendment A4 lost]

[Several members rose calling for a division. The division bell was rung at 9:50 p.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Hanson	Nixon
Clark	Loewen	Rodney
Fildebrandt	MacIntyre	Taylor
Gotfried		

Against the motion:

Anderson, S.	Gray	Miller
Babcock	Hinkley	Nielsen
Carlier	Horne	Renaud
Carson	Jansen	Rosendahl
Ceci	Kazim	Schmidt
Connolly	Kleinsteuber	Schreiner

Dach	Loyola	Shepherd
Dang	Malkinson	Sigurdson
Drever	Mason	Sucha
Feehan	McCuaig-Boyd	Turner
Fitzpatrick	McKitrick	Westhead
Goehring	McPherson	Woollard
Totals:	For – 10	Against – 36

[Motion on amendment A4 lost]

The Deputy Chair: We are now back on the original bill. Are there any members wishing to speak? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. As we work our way through this bill, it's somewhat problematic in certain sections here. I want to talk just briefly about the Market Surveillance Administrator, which is referred to in this bill. The market system administrator in the province of Alberta is akin to being the electricity police. That's what they do.

The Market Surveillance Administrator's job – well, here, I'll tell you what their vision is. "A self-sustaining competitive market that delivers fair and efficient outcomes." What a wonderful vision. "A self-sustaining competitive market that delivers fair and efficient outcomes."

The mission of the MSA is "Taking action to promote effective competition and a culture of compliance and accountability in Alberta's electricity and retail natural gas markets."

[They] are committed to excellence in all [they] do . . . and [they] are prepared to be judged by, the following core values:

- One,
Integrity We are honest and ethical in all we do and engage in responsible decision-making that reflects the highest standards of conduct.
- Two,
Open We strive to be accessible, transparent, objective, and principle-based.
Timely We demonstrate a sense of urgency in our resolve and decision-making.
- Four,
Accountable We are committed to measuring, reporting and achieving results while prudently and efficiently managing our resources.
Progressive We value forward thinking and learning as we strive for continuous improvement and development at all levels of the organization. We embrace creative approaches to finding solutions. We value diversity and work hard to create a collaborative environment where we understand and benefit from the views of others.

This is the Market Surveillance Administrator, the electricity police in our province.

How effective have they been? How many can remember, not all that many months ago, last year sometime, when the MSA, the Market Surveillance Administrator, caught TransAlta?

An Hon. Member: Which time?

Mr. MacIntyre: Exactly. Which time? The last time they caught TransAlta playing in the marketplace inappropriately, it was a \$56 million fine that was levied against TransAlta for manipulating the market inappropriately.

This is the value of having an organization like the MSA watching as a watchdog over our electricity system, to make sure that all of the players are playing by the rules all the time and not

gaming the system, not taking advantage of Albertans, that the regulations are followed. This is the value of the MSA, extremely important in our system. They have proven their worth time and time again.

As pointed out by the hon. Government House Leader, that reference I just made was not the first time the MSA has caught TransAlta and given them a whack on the hand and hurt the pocketbook. That's what the MSA is there to do partly. I mean, they have other functions to do, but they are the electricity police, a valuable, very valuable organization.

10:00

Knowing that, I was somewhat shocked when, reading through Bill 27, I come across section 16. I would encourage everyone to turn to section 16(1). It reads as follows:

- (1) Despite sections 39, 41 and 42 of the Alberta Utilities Commission Act . . .

Listen to this.

. . . the MSA is not permitted to investigate complaints against the ISO regarding the development of a proposal for a renewable electricity program.

I mean, that just stopped me in my tracks when I read that. That's exactly the same thing as telling the RCMP: "You are not permitted to investigate this particular kind of crime. You're not allowed."

But it doesn't stop there.

- (2) Despite section 26 of the Electric Utilities Act, the Commission is not permitted to consider complaints against the ISO regarding the development of a proposal for a renewable electricity program.

In other words, if I can paraphrase: don't you dare complain about a renewables electricity program under development because the electricity police under this are being ordered not to even consider a complaint regarding the development of a proposal for a renewable electricity program.

It doesn't even say that you can't listen to a complaint about a renewable electricity program. No; it actually says, "the Commission is not permitted to consider complaints against the ISO regarding the development of a proposal." So if a proposal is under development and there are discussions going back and forth and things are happening, they're not even permitted to consider a complaint. Just what kind of banana republic are we having thrust upon us here? Don't you dare complain about that renewables project. In fact, don't you even complain about the development of its proposal. This is beyond absurd.

Despite sections 39, 41, and 42 of the Alberta Utilities Commission Act, the MSA, the very organization that has so many times caught utility companies doing things they shouldn't be doing, the MSA doing its job repeatedly, is not permitted to investigate complaints against the ISO but only regarding the development of a proposal for a renewable electricity program. Here we see again, as we have discussed today, that a pattern is showing up, and that pattern is absolutely crystal clear. Renewables projects are off limits for any critiquing. Renewables projects are off limits for any measurement and verification of results. Renewables projects are exempt from being examined to deliver on what this government is promising they ought to deliver.

Here we have, right here in Bill 27, that the very agency tasked in this province with being the watchdog of our electricity system can continue to be the watchdog over all the facets of our electricity system except renewables. They are off limits for some very strange reason. Just what exactly is going on behind the scenes in this government that the very agency that is the electricity police is now forbidden by this bill to even consider a complaint?

I am absolutely justified in saying that this smacks of banana republic politics. This is terrible. Just what kind of a government

hinders a policing body? Now, granted, they're not police, like, with guns. Nevertheless, they're the agency responsible for ensuring that the good people of Alberta are not being fleeced by underhanded corporations. That's the responsibility of the MSA, and this government is tying the MSA's hands. They can't consider a complaint. They can't even consider a complaint of a proposal under development, for crying out loud.

Therefore, Madam Chair, I wish to propose an amendment – you knew it was coming – to move that Bill 27, Renewable Electricity Act, be amended by striking out section 16. Just take the whole thing out of there.

The Deputy Chair: Hon. member, if you can just wait until I get the original, please.

Mr. MacIntyre: Yes, ma'am.

The Deputy Chair: This amendment will be referred to as amendment A5.

Please go ahead.

Mr. MacIntyre: Thank you, Madam Chair. The job of the MSA, the Market Surveillance Administrator, is to protect Albertans. They have done a remarkably good job over the years. I am thankful that in the original design of our deregulated system the government of the day realized that corporations like to push the envelope.

Mr. Mason: That's such a nice way to put it.

Mr. MacIntyre: I was trying to come up with a nice way of putting it.

Some corporations like to push the envelope. When we're talking about billions of dollars of profit and billions of dollars of opportunity, you know, corporations will push that envelope.

Mr. Hanson: They hire people to push envelopes.

Mr. MacIntyre: This is correct; they do hire people to push that envelope.

In the day that our deregulated system was being developed, the government of the day said: "Well, we are not just going to work on the honour system here. No, no. We are going to have an Alberta Utilities Commission, we are going to have a Balancing Pool, and we are going to have a Market Surveillance Administrator to make sure that everybody's playing by the rules, to make sure that nobody in this deregulated market is taking advantage of Albertans."

The MSA has done a very good job. They have a vital role in protecting taxpayers, yes, but ratepayers, too. It is flabbergasting that this government would explicitly say that the MSA cannot look into renewables contracts or programs or developments.

Let's just remember something here: there are other provinces in this nation and other jurisdictions around the world that have gotten themselves into very deep trouble by making bad deals in their haste to force an uneconomic degree of renewables into their systems.

If you read the MSA's mandate and their mission statement, they "take action to promote effective competition and a culture of compliance and accountability." How many amendments have hon. members presented in this House today on this particular bill? I dare to suggest that every one of them had to do with accountability measures – accountability measures – protecting accountability measures that currently exist in the Electric Utilities Act from being punted right out because of this bill. Other amendments have been put forward by members of the opposition to put accountability in where accountability was lacking in this bill, and repeatedly members opposite have unanimously voted down every

accountability measure, every performance measure, one after another after another.

Now we come to the very agency that is the electricity police, and they, the agency responsible for accountability, are being denied the power to investigate. Not only is this just plain bad PR; this is just plain bad governance, very bad governance. To do away with an accountability agency like the MSA, that has been so very effective down through the years, is just crazy.

10:10

They are in place specifically to monitor Alberta's electricity and retail natural gas markets, to make sure that they operate in a "fair, efficient and openly competitive" manner. Which of those three elements is this government afraid of? Is this government afraid the MSA is going to discover that this government's renewables program is not fair? Remember, the MSA is only being stopped from investigating renewables; they're not being stopped from investigating any other area of our electricity market, only renewables. So what is the government afraid of? Are they afraid of the MSA discovering unfair practices going on?

Well, another one of the MSA's metrics is efficiency. Is the government afraid that the MSA is going to discover that their renewables programs are inefficient, such as the one that we mentioned a little bit earlier about Ivanpah? Ivanpah guaranteed up and down a certain level of electricity being generated from their CSA, and what happened? They only managed to crank out 40 per cent of what they promised, a \$2.2 billion project only able to muster 40 per cent of what they had promised. So if we were to actually pass this bill as it currently is, no one would ever have known that we would have an Ivanpah only cranking out 40 per cent of what they had promised the people of California to deliver.

Now, the problem with not having an MSA checking out the efficiencies of these projects is that this government is going to create artificially a shortfall in generation by taking coal-fired offline. The government is going to try to synchronize the coming online of renewables at the same time that coal is coming offline. Well, what will happen if there is no MSA there to warn the government, "Whoa, just a minute; this renewables project is not going to deliver what we needed it to deliver when we brought all that coal off"? That's called shortfall, generating shortfall.

One of three things must now happen. Either we suffer a blackout or a brownout. The other thing that we can do is phone up the CEO of B.C. Hydro and say: "Guess what? We're short. We're short a whole bunch of power." I had a conversation with the CEO of B.C. Hydro about this very thing, actually. She was a very happy lady. She had a big smile on her face. I was talking about shortfall, and she said: yup; you'll be phoning me. If we don't have a supply contract in place with B.C. Hydro, that means we get to buy that power on the spot market. Do you have any idea what that's going to cost? It's going to be a whole lot of money.

So when it comes to getting rid of something like the Market Surveillance Administrator – just think about that, market surveillance; they watch what everybody is doing. The Market Surveillance Administrator will be able to say: "Hey, just a minute. This renewables program is not delivering. We have a problem." But, no, they can't even so much as listen to a complaint. Not even a complaint about it. This is beyond absurd. This government has a solemn responsibility to safeguard Alberta from bad deals that others have made and not put this watchdog in a kennel when we are going to need it the most.

We have a province to the east of us, Ontario, that is suffering terribly in their electricity market because that government made bad deals. To compound the problem, there were corporations that

took advantage of a government that wasn't being careful. Here we had politicians making decisions about highly complex technical issues.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A5? The hon. Member for Lac La Biche . . .

Mr. Hanson: St. Paul-Two Hills. Thank you very much, Madam Chair. You'll get that right eventually without even looking.

Just listening with great interest to your comments, you happened to mention something about – was it the MSA that issued the fine to TransAlta?

Mr. MacIntyre: Yeah.

Mr. Hanson: How much money was that for?

Mr. MacIntyre: Fifty-six million dollars.

Mr. Hanson: Fifty-six million dollars.

Well, I'm looking at an interesting article from CBC from September 27, headline Alberta Announces Almost \$100M in Heritage Savings Fund Investments.

Alberta has announced close to \$100 million in investments as part of its stated goal to further diversify the provincial economy.

Economic Development Minister [who shall go unnamed] says the money will be used to support job creation and innovation in the renewable energy and natural gas sectors.

How much was that again?

Mr. MacIntyre: Fifty-six million.

Mr. Hanson: Fifty-six million dollars.

He says almost \$46 million will go to TransAlta Renewables to expand developments in clean energy.

It's not quite \$56 million. The interesting thing is: guess who the major advertiser is on this web page?

Mrs. Aheer: Who is the major advertiser?

Mr. Hanson: TransAlta Utilities. Isn't that a coincidence?

The Deputy Chair: Hon. member, first thing, if you can table that tomorrow.

Mr. Hanson: Absolutely. I'll print it out.

The Deputy Chair: And if you could please speak through me.

Mr. Hanson: Oh. I'm sorry, Madam Chair.

The Deputy Chair: Thank you.

Mr. Hanson: I'll go on to mention the rest of it seeing as I have to table it anyway.

Another \$46 million will [go] to Calfrac Well Services . . .

Get this.

. . . to further environmental innovation in the oil and gas industry."

Mrs. Aheer: In fracking.

Mr. Hanson: In fracking. Isn't that interesting?

Another little sideline is: six days. Like, these are investments that are recommended or requested by the provincial government to our AIMCo investments. Unfortunately, Calfrac's trading was halted six days ago and then reinstated.

Mrs. Aheer: Why?

Mr. Hanson: Because they're losing \$40 million a quarter.

The Deputy Chair: Hon. member, through the chair.

Mr. Hanson: I'm sorry, Madam Chair.

The next one:

Pine Cliff Energy is getting \$6 million will go to consolidate natural assets.

The investments are made through the Alberta Investment Management Corporation, better known as AIMCo.

"In the short term, these investments are helping to protect and create jobs," . . .

That is interesting.

"They're also expected to provide a financial return to the fund that will contribute to the priority programs and services Albertans value."

Now, I looked at the last three-year cycle of both of these companies, and they're on a pretty steady decline. I sure hope they turn around because it would be terrible to lose a total of \$92 million between the two companies.

A year ago, [the] Premier [who shall not be mentioned] . . . gave AIMCo a mandate to invest up to three per cent of the Heritage Fund, equivalent to about \$540 million, into Alberta companies with growth potential.

Well, when you see a line going down like this, that doesn't look like a lot of growth potential.

I think I'll just leave it at that. I'll be supporting this amendment. We need to stop this kind of foolishness, open up the insight. You know, the idea of shutting down any ability for anyone to investigate or complain about a huge, huge – we're talking about what? – \$3 billion in carbon tax investment per year, and Albertans can't complain about the way the money is being spent or have anybody look into it? This is absolutely ridiculous, Madam Chair.

10:20

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A5? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. Just a brief recap. The Member for Innisfail-Sylvan Lake had mentioned that we're looking at another piece of legislation or another part of legislation that provides no oversight of potentially billions of taxpayer dollars that are going to have absolutely zero accountability from this government.

Now, to recap, we started off with wanting to make an amendment about "fair and responsible" with regard to the ISO. Now, if I'm understanding this correctly, any company that is wanting to put forward projects for renewables now need not apply. There's absolutely zero oversight. Is that what I'm understanding?

The second part is that we asked for some accountability as to how many jobs are going to be created through the projects, but the government decided to vote against that one, too, again much to their detriment, because it would have been tremendously helpful to put this legislation through with those kinds of accountability metrics.

Then another one was a blank cheque that could go to companies, again without any oversight as to how the dollars were going to be spent: another very, very good amendment that would have created more accountability and credibility for this government, for this climate leadership action plan, specifically towards Bill 27.

On top of deleting "fair and responsible," not wanting to report on how many jobs are created, and a blank cheque, now nobody can

complain regarding any development of renewables coming online. So what does that say to the average Albertan? That this government is not going to protect them from folks that may come in and manipulate the system.

You know, there are a lot of things when you're in small businesses. I have lots of friends who open small businesses all the time, and they're selling all manner of things. I love to participate and try all sorts of new items. Sometimes they're really wonderful, and sometimes it's to my detriment. I mean, some of the sales pitches that come along with some of these products are pretty amazing, Madam Chair, like, really amazing, actually. I want to believe it, and I try it. Sometimes I love it, and sometimes I'm disappointed. But, you know, it's a couple bucks out of my pocket. Even then I'm very frustrated.

I can't tell you how – frustration doesn't even begin to describe how Albertans are going to feel when this project or projects fail or whatever it is that this government has planned for Albertans with absolutely no oversight. It is appalling to me that this government thinks that you have the ability to get away with that massive manipulation of the people in this province. You have a responsibility to the people of this province to make sure that there is oversight over projects of renewables, and now you're telling Albertans that that's okay, that they don't need to report to the electricity police, as the member likes to call them, the MSA. That is the only oversight that any of us has to make sure that governments are held accountable, to make sure that the projects that are being put through are for Albertans, not for governments, not for deals that are being made.

This holds you accountable. This is absolutely imperative. Why would you take this out of legislation? Don't you ask that to yourselves? Why would you take out accountability? I mean, the fairness and responsibility part was unbelievable, but to actually pull renewables out, for the MSA to be able to come in and say: "You know what? No, this is not a good idea" – they can't even respond, and nobody is even allowed to complain. If a project is in somebody's area, they have nobody to go to. How is that feasible? How is that possible? Is this part of some grand business plan?

You know, it's amazing to me that when I'm going to go back to my constituency on the weekend or post this session and try to explain to Albertans about what this government is doing – let me tell you, they're already frustrated and angry and do not understand what you're doing. When I go and tell them that you have deleted "fair and responsible," that you will not have any oversight as to how many jobs are being created by these projects, that you're expecting a blank cheque to just do whatever you want without the ISO and, on top of that, to have the MSA not be involved in making sure that these projects actually have oversight with regard to renewables, let me tell you – do you think that they're angry about the carbon tax? This is going to completely blow it up in ways that are unimaginable.

I would love for somebody on the government side to please stand up and explain to me how it is that renewables are off limits for the MSA to critique. How does that work? How is that good for Albertans? How is it that you can actually justify getting rid of oversight? How is that okay?

If you look at the Ontario model, for example – I mean, I'm just reading here. The Auditor General in Ontario said that Ontarians paid \$37 billion above market price for electricity over eight years. Do you want to know why? There was no oversight. Is that what your plan is for Albertans? If it isn't, I would love to see somebody stand up and defend this. If that is not your plan, defend it.

Secondly, you want to take additional risks with the rates for Albertans? They're already going to be on the hook as taxpayers now, not just ratepayers but taxpayers. You're going to take that

risk as well with Albertans? Explain to me how I'm supposed to explain that to my constituents. I actually am more concerned about how you're going to explain it to yours.

Please, I am begging you. You need to vote in favour of this amendment. This is truly to your benefit to make sure that your accountability is something you can stand on firmly with both legs, on behalf of Albertans, with the oversight of the MSA so that every Albertan can know in their hearts that you have their best interests at heart. Otherwise, without this piece in this legislation you are basically putting us down the path of other failed jurisdictions, and that would be – we are already in trouble in this province, truly.

You want to roll out a renewables program? Let's do it with a little bit of collaboration and understanding that the things that we're bringing forward are not detrimental to the legislation that you have. These are pieces of accountability that add credibility to what you're trying to accomplish. And when you legitimately put into your legislation that you do not care to make sure that Albertans are taken care of by this government for the programs that are being rolled forward, I dare say that Albertans are not going to stand for this. I am asking you as the government, through the chair, please consider this piece because – I mean, there have been multiple examples.

I would like to read an article into the record, if I may, about TransAlta specifically, just to give an example for anybody who didn't know what happened. This is from 2015.

TransAlta's argument that [the] market rules allowed it to shut down power plants during peak demand to drive up prices is simply a "back door" attempt to justify its "blatantly" anti-competitive behaviour, says the market watchdog.

That's the MSA.

In closing arguments filed before the Alberta Utilities Commission this week, the Market Surveillance Administrator (MSA) attacked the defence the utility raised at a price manipulation hearing that began in December.

"TransAlta asserts through its expert economic evidence and its own submissions that it would be beneficial to Albertans in the long run for this commission to confirm that it is perfectly acceptable . . .

Now, understand. TransAlta is saying that it's acceptable.

. . . to intentionally and deliberately . . .

These are their own words: intentionally and deliberately.

. . . time discretionary outages at periods of high demand and tight supply to drive up electricity prices," the administrator states in a 218-page argument filed [on] Tuesday.

TransAlta denies it breached any regulations and will respond to the administrator's filing next month.

The MSA suggests the Calgary-based utility contends it is "perfectly proper" to time multiple outages to occur at the same time to drive up prices . . .

Really?

. . . even if such action threatens the reliability of the provincial electric system.

10:30

Understand that this is the MSA that caught TransAlta.

"Any objective economic expert properly informed of the legislature scheme enacted in the province of Alberta would readily conclude that TransAlta engaged in blatantly anti-competitive conduct," the administrator says.

The watchdog filed allegations of anti-competitive behaviour against Alberta's largest utility last year, accusing it of staging discretionary shutdowns at six power plants during peak demand periods over 11 days in 2010 and 2011.

The supper-hour shutdowns on cold winter nights increased electricity prices by 10 to 60 per cent, and forced the companies that owned the rights to the power to scramble to purchase

high . . . electricity for their customers, according to administrator filings. The shutdowns in 2011 triggered an emergency alert over a short supply of power.

The administrator claims TransAlta made nearly \$16 million profit from the shutdowns by selling power it owned at other facilities after driving up prices and by trading in Canada's only deregulated electricity market.

A TransAlta spokeswoman said that the utility will make its counterarguments.

"We will be responding to the MSA's submission of inaccurate assumptions and conclusions . . .

That's what TransAlta said.

. . . with a written statement . . ."

The administrator head declined to comment.

TransAlta has argued that the "economic withholding" of electricity from the grid to reduce supply and increase prices is permitted under market rules and points out the administrator was consulting utilities on the issue when the shutdowns occurred.

But the watchdog [the MSA] disagrees.

"TransAlta's conduct was not economic withholding and it cannot legitimately claim any confusion," the administrator said. "It turned off the power it was committed to supply to its competitors at times of tight supply, principally being super peak."

It says there is no economic theory that can possibly justify TransAlta's conduct and its claim the administrator changed the rules after the fact is "an argument built on quicksand."

This is a transparent review done by the MSA with regard to a company that keeps the lights on in this province and our houses warm, and this government is trying to put through legislation that removes that accountability. Please. I can't say it enough. It is absolutely imperative. If this is an oversight, fine. It's taken care of in this House.

But if you're legitimately going to stand up to say that there's no oversight over the new renewables coming online, that to everybody in this House is going to provide all sorts of new and complicated and convoluted situations that nobody can completely understand all aspects of, and you're going to take the accountability out of it by having the MSA not be able to take complaints or be able to participate in making sure that the new companies that are coming into this are held accountable – please.

Again I ask you to vote for this amendment on behalf of all Albertans. Thank you.

The Deputy Chair: Thank you, hon. member. Just a reminder to table that tomorrow.

Mrs. Aheer: Yes.

The Deputy Chair: Thank you so much.

The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Madam Chair. First of all, the opposition's overwrought reaction to this is a deliberate misreading of the act. Oversight remains for the market participants. That should be clear, and the opposition has an obligation to make sure that they don't spread misinformation either because they don't get it or they don't want to get it.

Note that in the capacity market we announced earlier this week, that the opposition had some comments about, this will prevent the kind of market manipulation that TransAlta was fined for. Also, we should all be supporting an electricity system, and you should be joining us in protecting consumers.

The MSA's oversight remains for market participants. The act is very clear. The cop is still able to police the process. The only thing that this act prevents is someone using the MSA's powers for

criticizing policy direction coming from the minister or from the government. This would lead to the ludicrous scenario that someone could complain to the MSA about the minister's decision, for example, to create an REP in the first place.

An Hon. Member: A what?

Ms McCuaig-Boyd: Renewable energy program.

This section is necessary to ensure that the MSA's authority isn't abused by people who want to use it to fight against government policy, which is ridiculous. The opposition's notion of somehow leashing the watchdog is ludicrous and patently untrue. We are providing clarity and focus to the MSA to police the market participants and not be abused by those who want to fight government policy. In fact, the hon. member's speech is a good argument for why we need a capacity market.

I would ask that we vote against the arguments of our opposition. Thank you.

[Mr. Sucha in the chair]

The Acting Chair: I'd recognize the Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Mr. Chair. Now, the minister just said that we're deliberately misreading it, so what I will do is read it word for word.

Investigation, consideration of complaints re ISO program proposal development not permitted

16(1) Despite sections 39, 41 and 42 of the Alberta Utilities Commission Act, the MSA is not permitted to investigate complaints against the ISO regarding the development of a proposal for a renewable electricity program.

Now, that is right out of the bill, Bill 27. I've read it word for word, 16(1).

What I will do, then, is go to sections 39, 41, and 42 of the Alberta Utilities Commission Act, and I'll read them.

39(1) Subject to regulations made under section 59(1)(a), the Market Surveillance Administrator has the mandate

- (a) to carry out surveillance in respect of
 - (i) the supply, generation, transmission, distribution, trade, exchange, purchase or sale of electricity, electric energy, electricity services or ancillary services or any aspect of those activities, and
 - (ii) the provision of retail gas services, or services provided under a default rate tariff, to natural gas customers by natural gas market participants, or any aspect of those activities.

So far it says that the Market Surveillance Administrator has the mandate to carry out the surveillance of the things I've just listed there.

It goes on to say about the Market Surveillance Administrator:

- (b) to investigate matters, on its own initiative or on receiving a complaint or referral under section 41, and to undertake activities to address
 - (i) contraventions of the Electric Utilities Act, the regulations under that Act, the ISO rules, reliability standards, Part 2.1 of the Gas Utilities Act or the regulations under that Act or of decisions, order or rules of the Commission,
 - (ii) conduct that does not support the fair, efficient and openly competitive operation of the electricity market or the natural gas market, and

- (iii) any other matters that relate to or affect the structure and performance of the electricity market or the natural gas market, including negotiating and entering into settlement agreements and bringing matters before the Commission.

(2) Without limiting the generality of subsection (1), the Market Surveillance Administrator's mandate

- (a) in respect of the electricity market includes surveillance and, where applicable, investigation and enforcement, in respect of any one or more of the following:
 - (i) the conduct of electricity market participants;
 - (ii) the structure and performance of the electricity market;
 - (iii) the conduct of the Independent System Operator;
 - (iv) the conduct of the Balancing Pool;
 - (v) the conduct of owners of generating units to which power purchase arrangements apply in meeting their obligations to provide the generating capacity set out in those power purchase [agreements];
 - (vi) arrangements, information sharing and decisions relating to electricity market participants exchanging or wishing to exchange electric energy and ancillary services or any aspect of those activities;
 - (vii) arrangements, information sharing and decisions relating to electricity market participants providing or wishing to provide retail electricity services to electricity customers, or any aspect of those activities.

I can continue to read if you would like, but I think it's very clear what this says here. It's very clear that these are all conditions that the Market Surveillance Administrator can investigate.

10:40

Now I'll go back to the bill. This bill says:

16(1) Despite sections 39, 41 and 42 of the Alberta Utilities Commission Act, the MSA is not permitted to investigate complaints against the ISO regarding the development of a proposal for a renewable electricity program.

I think it's very clear, what it says. I don't think there's any misreading going on here, unless you'd like me to continue reading everything here. I think it's very clear that this government has in this bill taken out the ability of the MSA to investigate renewable electricity programs. That's what it says. There's nothing in sections 31, 41, or 42.

Maybe I'll read 41 just for the fun of it, just because somebody suggested that something was misread.

41(1) Any person may make a complaint or refer a matter to the Market Surveillance Administrator.

(2) Without limiting the generality of subsection (1), the Independent System Operator and the Commission may refer a matter to the Market Surveillance Administrator.

(3) A complaint under subsection (1) must be in writing and must include

- (a) the name and address of the person making it,
- (b) the particulars of the complaint,
- (c) any information or facts supporting the complaint, and
- (d) the signature of the individual or authorized representative of the person making the complaint.

That's 41.

Now, it also says, "Despite sections 39, 41 and 42," so I will read 42.

(1) The Market Surveillance Administrator

- (a) may, on its own initiative, investigate any matter that is within its mandate,
- (b) unless section 43 applies, shall investigate any complaint or referral made to it that the Market Surveillance Administrator is satisfied is within its mandate, and
- (c) may investigate any event that affects the operation of the electricity market or the natural gas market.

(2) The Market Surveillance Administrator shall notify the person making a complaint or referral of the results of an investigation conducted in response to the complaint or referral.

Now, Mr. Chair, I think it's very clear. "Despite sections 39, 41 and 42," which spell out what the Market Surveillance Administrator can do – it says that despite what the Market Surveillance Administrator can do in the Alberta Utilities Commission Act, "the MSA is not permitted to investigate complaints against the ISO regarding the development of a proposal for a renewable electricity program." Am I missing something? I don't think so.

Now, we could go to 16(2).

Despite section 26 of the Electric Utilities Act, the Commission is not permitted to consider complaints against the ISO regarding the development of a proposal for a renewable electricity program.

Let's go to the Electric Utilities Act, and we'll look at what 26 says. Again, in the bill it says:

16(2) Despite section 26... the Commission is not permitted to consider complaints against the ISO regarding... renewable electricity program.

Basically, that's what it says. So renewable electricity programs are off limits for the MSA. I'll read 26.

- (1) Any person may make a written complaint to the Commission about the conduct of the Independent System Operator.
- (2) The Commission must dismiss the complaint, giving reasons for the dismissal, if the Commission is satisfied that
 - (a) the substance of the complaint has been or should be referred to the Market Surveillance Administrator for investigation,
 - (b) the complaint relates to a matter the substance of which is before or has been dealt with by the Commission or any other body, or
 - (c) the complaint is frivolous, vexatious or trivial or otherwise does not warrant an investigation or a hearing.
- (3) The Commission may, in considering a complaint, do one or more of the following:
 - (a) dismiss all or part of the complaint;
 - (b) direct the Independent System Operator to change its conduct in relation to a matter that is the subject of the complaint;
 - (c) direct the Independent System Operator to refrain from the conduct that is the subject of the complaint.
- (4) A decision of the Commission under subsection (2) or (3) is final and may not be appealed under section 29 of the Alberta Utilities Commission Act.

So, Mr. Chair, if there's any misreading done now, I guess, when you read right from the act and read right from the bill, then I'm not sure what the minister's talking about because I think it's pretty clear. Actually, she accused the opposition of deliberate misreading. Maybe I could challenge her to suggest that I deliberately misread something just now, when I read it right out of the two acts and right out of the bill. Okay. I don't hear anything yet.

Anyway, here we are with a government that obviously fears accountability. They've come up with all these grandioso ideas, taxpayer-funded to initiate them, taxpayer-backed on the back end in case they fail, and then this government doesn't want to have any

accountability. So we're using Albertans' money, taxpayers' money to bait companies in to invest and then guarantee that they're not going to lose any money and go broke on the back end with taxpayers' money, with Albertans' money. Then: "Oh, no. We don't want to be accountable. We don't want anybody to be able to complain and find out that anything went wrong."

There's an article here, TransAlta to Pay \$56M in Fines after Capitalizing on Plant Shutdowns. It says:

The Alberta Utilities Commission (AUC) approved a record-high settlement between the Alberta Market Surveillance Administrator (MSA) and TransAlta.

So here it is: the Alberta Utilities Commission approved a record-high settlement with the MSA, who this part of the bill is referring to, who this part of the bill says should have no power to do anything over a renewable electricity program, for \$56 million.

... TransAlta timed outages at its coal-fired generating units such as Sundance and Keephills, located in Parkland County.

It goes on to say:

"They unfairly timed the outages to their own advantage and to their own portfolio and they engaged in insider trading because they knew what was going on and nobody else did," ...

"They engaged in manipulative conduct. They could have deferred the outages to off-peak hours, but they chose instead to take the outages during peak or super-peak hours to maximize the benefit to its own portfolio" ...

and, of course, to cost Albertans more. That's who had to pay.

The settlement includes a \$25-million administrative penalty as well as \$27 million in economic benefit penalty as well as \$4 million to cover the MSA's legal costs ...

According to the AUC, this is the first time plant shut downs have been used in order to manipulate the market.

Here we have an instance where the MSA discovered a company trying to manipulate the market to its own benefit. Insider trading, they called it; manipulative conduct, they called it.

The MSA was doing its job. "According to the AUC, this is the first time plant shut downs have been used in order to manipulate the market." Obviously, the MSA caught this the first time it happened, obviously doing its job. But we have a government here that wants to take away the MSA's power when it comes to investigating renewable power companies, renewable electricity programs. Why would they do that? Why would they take away the power of somebody, an organization tasked with making sure that Albertans aren't ripped off? It doesn't make sense.

10:50

Now look at another article here. Just listen to some of this stuff. I'm appalled but, I guess, not surprised when we have governments meddling in things they know nothing about.

Ontarians have paid \$37-billion more than market price for electricity over eight years and will pay another \$133-billion extra by 2032 as a result of haphazard planning and political meddling, a report from the Auditor General says.

Ontarians have had this problem of political meddling, haphazard planning, things like this government just wants to do on a daily basis here in this Legislature: pass bills where they can manipulate things, meddle in things, and then remove any kind of oversight.

It goes on to say:

What's more, Hydro One is in rough shape, with ever-increasing numbers of power outages and aging equipment "at very high risk of failing" that needs \$4.472-billion worth of repairs.

The investigator into this said:

"We found that the electricity power planning process had essentially broken down over the past decade" ... "The [energy] ministry has made a number of decisions about power generation that went against OPA's technical advice."

Here we have the Energy minister in Ontario making a number of decisions that went against OPA's technical advice. We've seen things in these bills where the minister has all the power, she can make all these decisions on her own, but there can be problems with that, especially if you don't have oversight.

Now, it goes on to say:

The province has doled out piles of corporate welfare behind closed doors . . . [They] found that in 2007 and 2011, OPA produced such a plan only to have the Liberals overrule it and make ad-hoc decisions on the system.

The Ontario Power Authority goes to the government with ideas and plans and then has the government overrule them.

Now, the Energy minister

defended the above-market prices as necessary.

Can you imagine? The prices of power are above market, and the Energy minister defended them.

"Wholesale market prices were not sufficient to attract much-needed investment in Ontario's electricity generation sector . . ."

Now, where have we heard this before? Market prices were not sufficient to attract much-needed investment in the electricity generation. Here we are. They need to be incentivized. In other words, there wasn't enough revenue coming to the generators, so they weren't building generating capacity. Same thing here. Nobody's building renewables. Well, in fact, they are actually building some renewables but not fast enough for the government, so what do they want to do? We'll take some tax money from Albertans and give it to these companies. That'll get them to do it.

[They] also contended that some of the higher electricity prices were a cost of weaning the province off coal-fired power and onto cleaner sources.

Here we are again. Some of the higher electricity prices were the cost of weaning the province off coal-fired power and onto cleaner sources. Where have we heard that before?

[The government] failed to take advantage of low electricity prices and instead mandated higher prices for wind and solar power companies than they had received previously. This added up to \$9.2-billion more in renewables costs.

There we are: make higher prices for wind and solar so that taxpayers have to pay more.

In another case, when the government closed a coal-fired power plant in Thunder Bay in 2013, it decided to convert the plant to biomass to keep it going. Energy experts at the OPA told the government the conversion was not cost-effective, but the government went ahead anyway.

I tell you what: this is so much like what we're seeing here it's actually scary to think about.

Okay. Where else can we go?

Some of the biomass burned at the plant is imported from Europe . . .

Doesn't that make sense?

. . . which undercuts part of the rationale for keeping it going, which was to help Ontario's forestry industry.

So they actually had to import from across the ocean for their biomass plant. But, yeah: "Let's not have anybody look at this. No way. We don't want anybody to look at this. You know, this is a renewable electricity program. Nobody can look at this. Shame on you for even thinking such."

In a third situation . . . OPA warned the province that the Lower Mattagami hydroelectric project was \$1-billion over budget, but the government allowed it to proceed. As a result, power from that plant costs \$135/megawatts per hour.

Sad, sad.

The Acting Chair: I recognize the hon. Government House Leader.

Mr. Mason: Well, thank you very much, Mr. Chairman. In view of the hour and despite the tremendous efficiency and effective use of time that we've spent tonight, I believe that we should maybe go home, so I will move that the committee rise and report progress.

[Motion carried]

[Mr. Sucha in the chair]

The Acting Speaker: The hon. Member for Leduc-Beaumont.

Mr. S. Anderson: Thank you, Mr. Speaker. I am quite honourable.

The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 27. Mr. Speaker, 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 Acting Speaker: Having heard the report, does the Assembly agree with the motion? Say aye.

Hon. Members: Aye.

The Acting Speaker: All those opposed? That is carried.

Mr. Mason: Mr. Speaker, with respect I will move that the Assembly now adjourn until 9 o'clock tomorrow morning.

[Motion carried; the Assembly adjourned at 10:58 p.m.]

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