



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Wednesday morning, May 30, 2018

Day 35

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Fourth Session

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

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Deputy Leader of the Official Opposition
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Anderson, Wayne, Highwood (UCP)
Babcock, Erin D., Stony Plain (NDP)
Barnes, Drew, Cypress-Medicine Hat (UCP)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (NDP)
Carlier, Hon. Oneil, Whitecourt-St. Anne (NDP)
Carson, Jonathon, Edmonton-Meadowlark (NDP)
Ceci, Hon. Joe, Calgary-Fort (NDP)
Clark, Greg, Calgary-Elbow (AP),
Alberta Party Opposition House Leader
Connolly, Michael R.D., Calgary-Hawthorn (NDP)
Coolahan, Craig, Calgary-Klein (NDP)
Cooper, Nathan, Olds-Didsbury-Three Hills (UCP)
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (NDP),
Government Whip
Cyr, Scott J., Bonnyville-Cold Lake (UCP)
Dach, Lorne, Edmonton-McClung (NDP)
Dang, Thomas, Edmonton-South West (NDP)
Drever, Deborah, Calgary-Bow (NDP)
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Eggen, Hon. David, Edmonton-Calder (NDP)
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Fraser, Rick, Calgary-South East (AP)
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Gotfried, Richard, Calgary-Fish Creek (UCP)
Gray, Hon. Christina, Edmonton-Mill Woods (NDP)
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Hinkley, Bruce, Wetaskiwin-Camrose (NDP)
Hoffman, Hon. Sarah, Edmonton-Glenora (NDP)
Horne, Trevor A.R., Spruce Grove-St. Albert (NDP)
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Sabir, Hon. Irfan, Calgary-McCall (NDP)
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Schreiner, Kim, Red Deer-North (NDP)
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Sigurdson, Hon. Lori, Edmonton-Riverview (NDP)
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Starke, Dr. Richard, Vermilion-Lloydminster (PC)
Stier, Pat, Livingstone-Macleod (UCP)
Strankman, Rick, Drumheller-Stettler (UCP)
Sucha, Graham, Calgary-Shaw (NDP)
Swann, Dr. David, Calgary-Mountain View (AL)
Taylor, Wes, Battle River-Wainwright (UCP)
Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)
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Westhead, Cameron, Banff-Cochrane (NDP),
Deputy Government Whip
Woollard, Denise, Edmonton-Mill Creek (NDP)
Yao, Tany, Fort McMurray-Wood Buffalo (UCP)
Vacant, Fort McMurray-Conklin
Vacant, Innisfail-Sylvan Lake

Party standings:

New Democratic: 54 United Conservative: 25 Alberta Party: 3 Alberta Liberal: 1 Progressive Conservative: 1 Independent Conservative: 1 Vacant: 2

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Legislative Assembly of Alberta

9 a.m.

Wednesday, May 30, 2018

[Ms Sweet in the chair]

Prayers

The Acting Speaker: Good morning.

Let us reflect, each in our own way. Let us remind ourselves of the great privilege it is to advocate on behalf of the constituents who elected us. Let us remember to respect and accept each other's points of view although they may differ from our own. Let us understand that the price of success is often the result of hard work, dedication to the job at hand, and unwavering determination regardless of the outcome.

Please be seated.

Orders of the Day

Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

The Deputy Chair: Hon. members, I would like to call the committee to order.

Bill 14

An Act to Empower Utility Consumers

The Deputy Chair: Are there any comments, questions, or amendments to be offered in respect to this bill? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. I appreciate the opportunity to be able to speak on this bill. As I've said before, I am looking forward to supporting a bill that empowers our consumers. Whenever we've got legislation that's going forward that shows that we're serious about bringing clarity and resolution to constituents' ability to be able to deal with water, this is something that I think everybody can move forward with.

Now, what I'd like to say is that while we're looking at something this important, I myself had a complaint come into my office regarding hydro bills. In this case what it was was that a businessman came into my office. The businessman said that he was having a hard time with one of my local municipalities. In this case what it was was that he was looking to get clarity about how his bill could be so high. What it was was that his business literally has three washrooms and a little kitchen, and somehow he was using more water than an entire family. Clearly, something wasn't quite working right. He called the city, again, this municipality, to say: "Something is not right. My bill has got too much water usage. Can you please review this and go over it?" Well, the city sent somebody. They tested the meter. They said: "The meter is working fine. That is as far as we're willing to go."

Then what happened here was that he actually did a little bit of troubleshooting. This meter, I believe, was in litres. He went to his sink, and he poured out a litre of water. He went back to that meter, and it showed that he actually used a metre of water. So you can see that there's clearly a problem with that meter. Now, what happened was that he identified what the problem was. It was clear that a decimal place was put in the wrong spot on that meter. It's literally that simple, right? The meter was working fine, but in the end this specific businessman clearly figured out what the problem was.

What he did was that he contacted the local municipality again and said: "I figured this out. Yes, this meter is working fine. I wholeheartedly agree it's working fine, but the decimal is in the wrong spot." What the municipality did was that they tested the meter again and said: "You know what? This meter is working fine. There's nothing we can do." But it was clear that this wasn't working right. Then he said: well, let me show you. He did the same test. He showed them the litre showing a metre. They said: well, that's just the way this works.

When he went through this process, he was way overbilled. It took him a year and a half to finally resolve this problem. Now, what happened was that he had a several thousand dollars property tax credit, but they said: we don't refund money. You're, like: holy cow, you guys. So they were willing to put it against his property taxes. In the end, it took another six months to get the money out of the municipality. This is an example of somebody that came into my office that clearly had a problem that wasn't being resolved by our local municipality.

Now, I'm not here to put down my local municipality because – you know what? – the men and women that work at my municipality work very hard. But when a problem is identified, it is important that there be a mechanism for the residents of a municipality or a water commission to be able to identify what the problem is and work that through. It was clear that in his case the water bills were not correct. It was clear that the machine, the water meter, was working correctly, so there was something wrong, but nobody was willing to address that.

Now I'd like to move an amendment. If it's okay, I'd like to keep one copy, Madam Chair.

The Deputy Chair: Please. If you could just give me one minute for the original to arrive at the table.

Hon. member, your amendment will be referred to as A1. Please go ahead.

Mr. Cyr: Thank you, Madam Chair. I will just read this into the record. I move that Bill 14, An Act to Empower Utility Consumers, be amended in section 2, in the proposed schedule 13.1, in section 3 by adding the following after clause (e):

- (e.1) to disseminate independent and impartial information to consumers relating to the cost of any taxes, levies or charges that may be collected by a distributor, provider or retailer relating to the provision of electricity, natural gas or water;
- (e.2) to collect feedback from consumers with respect to the impact on consumers of any taxes, levies or charges relating to the provision of electricity, natural gas or water, and to publicly disseminate the results of that feedback on an aggregate basis annually.

Now, the intent here. The government says that the bill is meant to empower utility consumers. It is right there in the title if you look at the bill before you. The way that the Utilities Consumer Advocate, the UCA, is meant to do this is by providing information to consumers and providing an outlet to deal with utility issues. While this bill and the current act provide tools for consumers to access information and provide feedback when it comes to the distributors, providers, and retailers, it does not address matters that rest in the hands of government.

This amendment serves to close this gap. It will empower the UCA to provide detailed and impartial information to consumers on the true costs of taxes and levies on their utility bills. It is critical that consumers can see how costs break down on all of their utilities so that if they are dissatisfied, they know to whom to address the concern. What we are trying to do here is to say that – when my municipality had brought forward that there was clearly no problem when it came to that water meter, going back to my original

example of the businessman within my constituency, there was no process.

Now, what happens here is that there are fees being added to our local bills that people should really know are there, and they should also know what that fee is trying to accomplish. What we recently heard was that a fee was added by the city of Edmonton to help with the administration of paperwork, and in the end that fee that was added to each new home was collected and turned into a slush fund for the council. Clearly, this is not the appropriate use of that money. It was never intended for it. What we're trying to do here is to say that if a fee is collected, it is clearly labelled on the bill, and we are ensuring that that fee is being used for what it is shown for on that bill.

9:10

This is a good improvement to this bill. Again, the opposition has already said that we agree that Bill 14 is a good bill, but as opposition we also need to be always looking to make legislation that much better. I would hope that the government would also agree that transparency on a water bill, gas bill, or electricity bill is something that we all want to strive for because this is a necessity of life in many cases. We can't go without heating our home, we can't go without the electricity to start the furnace, and we can't go without water. These are all essential services going into our home, so it's easy to tack on fees for this necessity because we have to pay this bill. It is a necessity of life.

This is something that is important, that we identify that municipalities or businesses may be collecting fees that are not appropriate. I would hope that whenever we have a fee on a bill, there's somebody that is going to be explaining the fee, what it's going to be doing. Then what happens with a fee or a levy or charges from a different level of government or a business, in some cases, or a commission is that we have a consumer that is able to ask the question: is that fee or charge going to be used according to what it was first put in place for?

Now, if it goes out of line, like what happened to the city of Edmonton, we need to reel them back and we need to be focusing on the fact that this fee needs to either be abolished or removed from the bill as it is not being used as it was intended, or we need to make sure that that fee actually is used in the promotion of whatever the fee was intended for. This is really just about getting information to our consumers. I think that by not having this now, we're more or less putting consumers at risk because what happens is that all we end up with is one line number that says: water, sewer, garbage, and recycling. If fees are hidden within those lines, it is important, it is imperative that we know about them.

Let's use recycling, for instance. I have heard that there are municipalities within Alberta that collect a recycling fee. They go and collect it from your curb, and that garbage ends up right back in the local dump. Clearly, that fee is not being utilized for what it was intended for. It is not okay to be charging a recycling fee when the municipality is not actually recycling the refuse that the citizens are putting forward. I think we all see that there is value in recycling, but it is disappointing to see that municipalities added a fee to a bill and that there's no accountability for that municipality to actually show that they're going to be recycling.

Now, there are lots of examples where we can show that it is easy to just be able to put forward some sort of well-intended charge, but in the end it's our seniors, it's our low income, it's all of the disabled people within my constituency that can't afford these things. If it's not there for a purpose and that fee is not being used for that purpose, then we need to protect those individuals. The only way to do that is by bringing clarity, by bringing some sort of responsible

mechanism to be able to have our consumers be able to get this information disseminated to them.

I believe that when you look at this, this is a reasonable amendment. I believe that whenever the government is moving any piece of legislation forward, we should always be trying to move the best piece of legislation forward. Now, I've put other amendments forward against legislation. In the end, the government may or may not agree with the amendment I've got here. But it is going to be hard to say that this is not an amendment that the government doesn't agree with because of the fact that they're actually saying in the name here – and it's important – that we're here to empower utility consumers. Empower utility consumers. We can't do that if they don't have the information.

So, Madam Chair, I encourage everybody in this Legislature to vote for this amendment. It is a good amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak to the amendment? The hon. Minister of Service Alberta.

Ms McLean: Thank you, Madam Chair, and thank you to the member for his comments in support of this bill. I absolutely agree with his earlier comments and think that they really highlight much of the importance of this bill and of it moving forward.

In response to the amendment specifically, there are two parts to this amendment, so I'll deal with the second part first. The second part deals with collecting feedback from consumers, giving the ability to the UCA to aggregate the information in their reporting online – well, it doesn't specifically say online, but that's how they do their reporting – and to be able to provide information about the consumer's experience with respect to the water utilities in terms of the reporting that's being done. In fact, the bill does provide for that. That's one of the pieces that was actually taken from, I believe, Bill 208 last session. There was quite a robust reporting piece and information aggregating function that was included from Bill 208 that was really the catalyst for this legislation. That part, I am confident, is already, in fact, dealt with in the bill.

In respect to the first part this is much more complicated. Firstly, this bill has been in the House for weeks now, and this is the first that I'm hearing of this recommendation. This recommendation would require consultation with the distributors themselves on this particular issue. There simply is not time for that as the member is asking for that to be accepted.

That aside, however, there are other issues with it. We have done lengthy consultation with AUMA and RMA. These are the municipalities. These are elected representatives that are in charge of their own constituencies and that have certain powers granted to them under provincial legislation. It's very important that if the government is taking any steps, we make sure that when we're looking to do something that touches on the responsibility of the municipalities, we do that in a way that is in concert with the municipalities, that is together with the municipalities, that the municipalities feel is something that would be assistive, and that we work together. We've done that in this. In fact, through our consultations on what we initially proposed to them, they asked us to go further. They believe that this is an important piece of legislation, and we agree.

9:20

In fact, when it came to the reporting of discussions around reporting around water utilities, specifically as a nonaggregated piece of information, there were vocal concerns raised from the municipalities. Amongst those concerns they stated that this would start to look like and to be interference in the municipal jurisdiction

over setting water rates. They expressed concern and in fact wrote to me looking for assurance that this bill was not going into the setting of water rates and was not going into the UCA taking a stance in terms of rate hearings, et cetera, because that is their jurisdiction. That would be an overstep of the provincial government into the municipal jurisdiction, so we agreed with that.

Additionally, unlike other utilities like natural gas or power, being electricity, there are other providers that one can choose from. In the city of Edmonton, for example, there are multiple different electricity providers that somebody can turn to, so it makes a lot of sense to provide that information to consumers so that they can make an educated choice as to which provider they're going to go with. However, when it comes to water, each individual is subject to the water provider in their area, and there's only one. There's no competitive ability that it would make sense that this reporting would assist with.

In this bill and what this bill provides for, the UCA is taking a third-party mediation role, one that is not adversarial, that helps the two parties come together. It's really important that this legislation allows them to do that work without creating an adversarial relationship, and the first part of this recommendation, as has been described to us upon consultation, would step into creating an adversarial relationship with the municipalities given the overreach that it would go into.

Additionally, and this is another piece of this, it would certainly be jurisdictional overreach if the UCA is to be auditing the books of municipalities. The UCA is a portion of Service Alberta. It's not a separate body. I know that the term "advocate" can lead folks to believe that it is in fact some sort of legislative office or something that is more independent of government. It is, however, not. It is not at all independent of government. It is within government. It is a portion of the Service Alberta department. The work that the UCA does is government work, so we need to be cautious with respect to government overreach in looking at the jurisdiction of municipalities.

To that end, in summary, the municipalities have expressly asked us to respect their jurisdiction in doing this work, but at the same time they support what this work achieves. We have struck a very good balance, one in which all of the players who are affected by this legislation are willing to play and come to the table. I believe strongly that if this first part of the amendment in particular was passed, it would disrupt that balance and throw off the parties that we actually need to come to the table in terms of the mediation.

Thank you. I would encourage all members to vote against it.

The Deputy Chair: Thank you, hon. minister.

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

Mr. Ellis: Well, thank you, Madam Chair. First of all, I'd like to thank the Member for Bonnyville-Cold Lake for this reasonable amendment. I'd like to thank the minister for her words as well in regard to this amendment that has been put forward to this House.

You know, I guess let me start off by saying that I think that what has been proposed by the Member for Bonnyville-Cold Lake is consistent with the bill's title, which is An Act to Empower Utility Consumers. You know, if I read the amendment, "to disseminate independent and impartial information to consumers relating to the cost of any taxes, levies or charges that may be collected by a distributor, provider or retailer relating to the provision of electricity, natural gas or water," I find that to be a very reasonable component. Why would we not want to disseminate independent and impartial information to consumers relating to the cost of taxes,

levies, or charges? I think that is, again, something that the public has a right to know.

I look at section (e.2), "to collect feedback from consumers with respect to the impact on consumers of any taxes, levies or charges relating to the provision of electricity, natural gas or water, and to publicly disseminate the results of that feedback on an aggregate basis annually." Again, it's something that is reasonable that I believe that the public has a right to know.

The theme that I'm going with here, Madam Chair, has to do with strengthening transparency and clarity for the public because the public has a right to know. These bills are not clear. Many of these bills and specifically the one that we're talking about here, where consumers have to decipher and have to call somebody for assistance just to understand their bill, I think, is very much problematic, which is, of course, why we have this bill before us, An Act to Empower Utility Consumers. I think anything that we can do to strengthen the public's accessibility and their right and their ability to understand what they are being charged is very important, again, for their right to know what is going on.

That brings me, Madam Chair, to something that we call public trust. Any time that there is an erosion of public trust, that's where we start to get the public having an issue with confidence in government or service providers or services that are being provided. Something as helpful as the amendment provided by my friend from Bonnyville-Cold Lake, I think, only strengthens what I believe to be the intent of this bill which, again, is to empower utility consumers – right? – so that they have the ability to know what they're being charged, what is going on. I think that can only be positive for the consumer.

When consumers are informed, then society is just better off overall. They deserve to be informed on the effects of the government and, of course, their policies, just as they have a right to know regarding the details of the utilities and the utility markets. I do not believe that this amendment in any way takes away from this bill. I believe that it only strengthens what already currently exists. Again, just to reiterate, it strengthens the transparency, it strengthens the clarity, it improves the public trust, and it gives the public that right to know, which I think only – only – improves the quality of the service that is going to be provided by that utility.

9:30

In closing, Madam Chair, I just want to say thank you for the opportunity to speak on this. I'd like to thank again the Member for Bonnyville-Cold Lake for bringing this forward in order to, again, ensure and strengthen public trust. I certainly encourage all members of 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 A1?

Ms McLean: I just wanted to respond to what the member said. In my earlier comments I gave the member moving the amendment the best possible interpretation given his comments and the wording here of what he was saying that this amendment did, and then I argued from that position. I did not realize that you were simply suggesting that one ought to know the taxes, levies, and charges in relation to electricity, natural gas, or water, full stop. I thought it was actually more than that. But given that that's from the comments that were just provided, it seems like that's not really any more than what you're asking for.

I would like to inform you that the fees, taxes, et cetera, are already on people's bills, and the UCA has a web page that breaks it down and explains it for you.

The Deputy Chair: Are there any other members wishing to speak to amendment A1?

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

[Several members rose calling for a division. The division bell was rung at 9:32 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Barnes	Nixon	Schneider
Cyr	Orr	Starke
Ellis	Panda	Taylor
Gill		

Against the motion:

Carlier	Hinkley	Miranda
Carson	Hoffman	Nielsen
Ceci	Jansen	Piquette
Connolly	Kleinsteuber	Renaud
Coolahan	Littlewood	Rosendahl
Cortes-Vargas	Loyola	Sabir
Dach	Luff	Schmidt
Drever	Mason	Shepherd
Eggen	McCuaig-Boyd	Sucha
Feehan	McKittrick	Turner
Fitzpatrick	McLean	Westhead
Gray	McPherson	

Totals:	For – 10	Against – 35
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[Motion on amendment A1 lost]

The Deputy Chair: We are now back on the original bill, Bill 14. Are there any other comments or amendments to this bill?

Seeing none, I will call the question.

[The remaining clauses of Bill 14 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 13

An Act to Secure Alberta's Electricity Future

The Deputy Chair: Hon. members, are there any members wishing to speak to the bill? The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Madam Chair. To set our system on the right track, I rise today to move an amendment to Bill 13, An Act to Secure Alberta's Electricity Future.

9:50

The Deputy Chair: Minister, if you could just wait until I have the original.

Ms McCuaig-Boyd: Absolutely.

The Deputy Chair: Please go ahead, Minister. Your amendment will be referred to as A1.

Ms McCuaig-Boyd: Thank you, Madam Chair. The amendment is to strike out section 1(2) of Bill 13 and to strike that subsection from the Coming into Force section, section 5(1).

As its name implies, Bill 13 enables the changes needed to modernize Alberta's electricity system to ensure it becomes a more stable and reliable network. As we prepared these necessary changes to our electricity system, we also looked at correcting a long-standing gap in existing legislation that goes back over a decade.

The issue is: who pays for losses and who gets profits when a regulated utility asset is sold, destroyed, or no longer used to provide a utility service? Courts have found that provincial legislation does not provide clear authority for resolving this issue, a problem that stems from 2006.

We discussed this matter considerably with stakeholders, and most agreed that we need to address the gap and to bring clarity. However, since introducing Bill 13, we have heard from stakeholders that we need to undertake more discussion on this. As a result, I am introducing this amendment to remove section 1(2) of Bill 13, which would have added section 17.1 to the Alberta Utilities Commission Act.

We will continue to work with industry, consumer groups, and the relevant government agencies to develop the best possible policy for Albertans. Alberta needs clear policy and legislation on how dispositions of utility assets are treated. We're committed to developing it and to ensuring that it is the best possible policy for consumers and for investors. That is why at this time I am bringing forward this amendment to allow us to continue this important dialogue and to find the right balance.

Now, while this amendment is necessary to get the right balance on a long-standing issue, the rest of Bill 13 needs to move forward. As the name of the bill implies, this legislation lays the groundwork for our electricity future and Alberta's long-term prosperity. We're transforming Alberta's Wild West system to a modern, reliable network, a system that will not only deliver reliable energy, attract investment, and prepare for a low-carbon future but will also protect Albertans from volatile prices.

We understand that the opposition does not agree. They have defended their energy-only market, blaming the growth of renewables for what was already a broken system. So let's take a moment to recall just how poorly that system has treated Albertans.

The archives of our Alberta newspapers are full of examples of price spikes, going back to the very first years of the system, but the opposition has said that it took some time for their market to become fully functional. So let's just review the subset of price spikes that happened fully 10 years after the system was in place. After 2011, where consumers felt the sting of a quadrupling in power prices over just three months, shooting to over 12 cents in August 2011, then came 2012, which kicked off an immediate spike in January.

The *Edmonton Journal* headline on January 20 of that year reads: Power Price Spikes Shut Plants. It described industry shutting down to avoid high prices, including a steel mill east of Edmonton and Whitecourt's pulp and paper mill. Things got so bad that in February the *Calgary Herald* reported that Wildrose Vows to Reform Volatile Electricity Prices, with their leader explaining that power prices are "always [a] No. 1 concern at rural meetings."

The *Fort Saskatchewan Record* had the Wildrose calling for the government to Pull the Plug on Power Deregulation, saying that they would "go back to the drawing board." So let's be clear. The Wildrose at that time noted that electricity "charges to consumers

have doubled over the last year.” So they asked the province to purchase “long-term power contracts as a hedge against increasing rates.”

It was so bad that the Wildrose called for a rebate program to help people purchase more energy-efficient appliances and reduce electrical consumption. By July the *Edmonton Journal* was talking about blackouts. It explained that the Klein deregulation system brought rampant volatility. “There’s no incentive to build anything that isn’t practically profitable. That makes the system less elastic and could lead us into occasional darkness.”

Indeed, while prices spiked, blackouts left Albertans and visitors stranded in blistering sun on the Skyride at the Stampede. A *Herald* headline read: Alberta Power Rates among Highest in Country; Deregulated Market Blamed for Price Spikes. A year later, in 2013, the *Rimbey Review* was still talking about rolling blackouts in Alberta, which the Wildrose blamed on “a direct result of a broken system that needs to be fixed,” that “the system is not working, especially given that consumers have been gouged by the system before because of planned power” outages. Once again the headlines pointed to Alberta’s highest prices in Canada, and the Wildrose asked for a change to how the wholesale market operates, calling the PC Energy minister “oblivious to the deficiencies in the power market.”

On to 2014, the fourth straight year of our little jaunt down the price-spike lane, and the *Calgary Herald* warned consumers in April about another price spike as prices jumped to 11 cents. Every single year the headlines were riddled with threats of blackouts and power spikes, which the Wildrose opposition clearly blamed on the broken energy-only market. Once again in October 2014 the Wildrose Energy critic said in the *Edmonton Sun* that “the market is volatile and unaffordable for businesses and families on fixed incomes,” and he pledged to “reduce price volatility for consumers and businesses.”

But somewhere along the line, in cozying up to the same PC Party that put us into this mess, they forgot what the PC’s market put Albertans through. Now they defend the broken market system as working properly, or they blame renewables for breaking it. In this very Chamber they’ve told Albertans that the energy-only market has worked well. One called it “a once prosperous and high-functioning energy-only market.” They even told us that the price spikes are what make it work, explaining that we just don’t understand “the up-and-down nature of the market.”

No, Madam Chair, we do understand it. We, like most Albertans, understand it all too well. Like our constituents, we remember living through the spikes of past years. Alongside our neighbours we endured months of skyrocketing power bills under the previous Conservative governments, and now we’re fixing that problem. They want to make like we broke it, but we know full well that the system was broken. They said as much over and over for the first half of this decade. Then we formed government, and we heard from experts and investors that this system could no longer attract the investment we need for new supply. That would have meant more price spikes and blackouts, just like we saw throughout the five years before we got our chance to fix the system.

That’s why I’m excited today, Madam Chair, to vote for Bill 13, which implements the capacity market. The capacity market will provide consumers with greater stability. Over the past 18 months we’ve been working with stakeholders, including industry and consumer groups, to design our capacity market. Ours is a made-in-Alberta approach to a proven market. It will enable us as a province to get the new, low-cost electricity supply we need to power our long-term economic prosperity, one that attracts investment from industry and makes life better for Alberta consumers.

But while I’m excited, I’m also worried. I’m worried about the amnesia afflicting some members of the opposition about the failings of the system we inherited. Based on what we’ve heard in this Chamber, the other side opposes this transition that is so necessary to ensuring that our electricity supply is secure. The capacity market is a tailor-designed system to track the new investment in generation supply that we need and which the Conservatives’ preferred system was failing to attract. But they have made it clear that they do not support this transition. They want to turn back the clock to a system they now pretend was working, and that scares me, Madam Chair. That scares me for investor confidence, but it scares me even more for Albertans facing price spikes and blackouts, wondering how they’re going to pay their bills and keep the lights on. I didn’t think it would be possible that folks hoping to lead this province would choose to revert to price spikes and threats of blackouts, but that is what we’ve heard in the debate on Bill 13.

10:00

Madam Chair, this legislation ensures that the necessary legislative changes are made to prepare Alberta’s electricity system for the future, a system that is more stable and reliable for consumers, more attractive for investors, and better for all Albertans. We can’t go back to the volatile and unpredictable system that the Conservatives wanted continued. We need to move this bill forward. We also need to move forward with other elements that correct mistakes and oversights of the past.

Madam Chair, consumer protection is a big part of this legislation. An Act to Secure Alberta’s Electricity Future will not only provide consumers with stable electricity prices; it will protect Albertans from poor customer service from electricity and natural gas service providers. When the Conservative government deregulated the electricity sector, they instituted a system that relies on price spikes to attract the investment necessary to keep the lights on. They also failed to put the necessary measures in place to protect consumers. They exempted competitive retailers from the AUC’s service quality rules. We’re talking about basic rules around billing services like billing accuracy and basic customer care rules and rules around call centre services. Bill 13 would hold these service providers accountable for inappropriate business practices.

Moreover, it would provide the AUC with the ability to directly issue specified penalties to electricity and natural gas service providers for particular breaches. The only enforcement tool the previous governments put in place was through a formal hearing process, which can be lengthy and costly. That process is not in the best interest of consumers when it comes to dealing with minor infractions. If your provider has tagged you with an extra \$100 on your bill, that’s a big deal to you. When you’re trying to make ends meet, it’s a big deal. But it’s not a big enough deal to justify the time and resources you’d need for a full hearing process. If you’re persistent, you can get your money back – you can be made whole – but there is no usable system for penalizing the bad actor, to account for your time and effort, or to dissuade them from continuing violations.

Along with the volatile energy-only market, that they continue to defend, the Conservatives also failed to protect consumers from bad service like overbilling. Thankfully, we can make this right by moving forward with Bill 13 as amended, which protects consumers from volatility and bad customer service. I ask that members support the correction in this amendment so that we can move forward with Bill 13’s critical consumer protection elements.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. minister.

Are there any other members wishing to speak? The hon. Opposition House Leader.

Mr. Nixon: Thank you very much, Madam Chair. I appreciate the opportunity to respond to the minister's amendment and thank her for her comments. It is a little interesting – not a little interesting. It is very interesting that we find ourselves yet again in the same spot that we find ourselves in on almost every piece of legislation that the NDP government brings to this Chamber. We talk about this a lot. They bring a bill to the Legislature. The opposition says: "Hey, you haven't consulted with communities. You're moving too fast on this. We're concerned that you haven't gotten this right. Who have you talked to?" We ask some reasonable questions. The ministers across from us stand up and go on partisan rhetoric and on rants along the way.

Then a couple of days later they're in the Chamber trying to amend their own legislation that they just tabled a few days before, proving the opposition right yet again, that this government will not consult with people. They get it right sometimes, but they get it right very, very late into the process because they don't take that step. Sometimes they have to wait for a whole other sitting to be able to come back and fix the legislation that they bring to this House that then ends up damaging and hurting Albertans. We've seen a tremendous number of examples of that, and this is another one. The minister stood up here today, moved an amendment to her legislation, then never spoke about the amendment at all, went on a partisan rant about the bill itself, didn't speak or justify the bill at all.

I see that the Member for Edmonton-Centre is laughing about that. It is kind of humorous, but it's not humorous when you think about the consequences to his constituents or to my constituents of moving legislation forward without consulting about it. Over and over, particularly on this file, the government continues to speed through it. The minister will not – I mean, you see it in question period, and you see it here – discuss the actual details of what she's bringing forward in this place and instead goes on a partisan rant.

The minister herself, just a few moments ago, when she tabled this, Madam Chair, said: we realized, after we tabled it, that we did not consult. She said that more than once. She then said: we've adjusted now that we've consulted. But they were consulting after they tabled the bill.

You know, yesterday there was another bill before this House, and the government wanted to switch over to debate it, which seemed quite reasonable, Bill 10, I believe. Then all of a sudden they started indicating to the opposition: "Oh, we can't switch over quite yet. We have another amendment for this piece of legislation, but it's not out of the photocopier yet. Could you help us keep things going just for a little bit here while we get this amendment out of the photocopier?"

Then this amendment, that was in the photocopier just a few moments ago, comes into the House, and it turns out that it is a three-page, major amendment to a piece of legislation that the Municipal Affairs minister got wrong. Then people across Alberta all of a sudden start phoning – this is what they call consultation – and saying: hey, Minister, you got it wrong. The opposition caught the minister in the fact that municipalities actually will have a significant role to play in that legislation. They panic, they go and make another amendment, bring it forward here, and then try to get it passed.

The problem with that, Madam Chair, is that nobody knows whether they've gotten it right this time. How do we know that this minister has actually gotten it right this time? What has changed this time? How do we know there are not other problems in the bill that she forgot to talk to people about?

Mr. Coolahan: Read it.

Mr. Nixon: The Member for Calgary-Klein says, "Read it." We have read it. This is an extraordinarily complicated bill. The Minister of Infrastructure is laughing, but I can tell you that my constituents, that have to continue to pay out of their own pockets because of the ridiculous ideological behaviour of this government, don't think it's funny. They don't think it's funny that you can't come to work prepared, a minister of the Crown who will table a piece of legislation repeatedly in this place and then ask for us to have to change it within days or hours of them tabling the legislation. They can't get it right. They can't get it right.

The minister then goes on and says: "But don't worry. We had to change this part of the bill, but the rest of the bill is okay. The rest of the bill is fine. Everything is fine." Well, how do we know that she's not going to be back here tomorrow saying: "Hey, I need some help. I actually realized that I never called the people that were involved, never talked to Albertans, and now they're calling me and recognizing that I made a mistake." How do we know that? How do we know that she's actually communicated with all of the relevant people on this section of the bill? Or does it just happen that there have been a few people that managed to be able to get to her to be able to explain this problem? How do we know that she hasn't rushed that?

Maybe, Madam Chair, there's another amendment in a photocopier somewhere that's jammed up right now, and we'll see that in a few moments. I don't know. It's tough to tell from these ministers because they don't come here. We've seen it again with the election finance issues that have come before this House, repeatedly having to fix the mistakes in the bills that they brought forward in their rush to do it.

The most famous of that would be Bill 6, one of the worst pieces of legislation that ever came from this government, something my communities have not forgiven this party across from me for and will never forgive them for, quite frankly. They then had to rush forward – remember that, Madam Chair? – rush into here with an amendment. In fact, they had to bring in time allocation on second reading of their bill to try to force that bill to Committee of the Whole as fast as possible to bring in an amendment to try to fix their legislation because they didn't consult with the people of Alberta.

I used an example last night that really showed that the departments weren't consulting. They stood inside an agriculture community and told farmers and ranchers to not put their bulls out with their cows at nighttime so that the calves would only come in the day. I can assure you that if you consulted with a veterinarian or anybody – anybody – they would know that that is not, in fact, a reality, not something that they should say. It's just not appropriate, and it shows that this government will not consult with people, and then when they get in a jam and they realize they've made a mistake, they have to try to come and fix it. But often it's too late, and already Albertans have paid some consequences.

10:10

The attitude that you have from this government on this issue was very clear last night from the agriculture minister, who spoke against an amendment that would require him to consult with farmers and ranchers and the agriculture industry before he changed significant regulations, within 60 days of doing that. He stood up and said that that was red tape. Talking to farmers and ranchers and the industry that he is responsible for is red tape: that's the attitude.

So I guess my question to the Energy minister would be: was it red tape to talk to these people? Through you, Madam Chair, to the minister: why didn't you talk to them before you tabled this bill? How many other people have you spoken to about this amendment?

What other sections of this bill do you think you have not consulted with people on? Why, when you stand up to speak for this amendment, that the minister is asking our support on, do you not speak about the amendment but can only speak in partisan rants? Why can you not defend this amendment, that you want my support and my colleagues' support for? Instead, you'll talk about your partisan policies.

Why were these people not consulted in the first place? What happened? What broke down within your department that caused this to take so long? You admit, in your presentation to the House on this amendment, that this is an extraordinarily complicated piece of legislation, and it is. The minister is a hundred per cent correct on that. That would show, again, why there would need to be proper consultation. Through you, Madam Chair, to the minister: why did you not consult with these people in the beginning, before you tabled it in this House, and can you please provide some assurances that you have now properly consulted with them and will not need another amendment before the end of the day?

The Deputy Chair: Thank you, hon. member.
The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Madam Chair. Certainly, we did consult extensively, but in the matter of parliamentary procedure and privilege, as members would appreciate here, the exact language of the bill could not be shared until it was introduced here. We need to make some small wording changes in that one part, and we've agreed to take the time to do that with industry. To be honest, we've heard nothing about any other part of the bill, so we believe that they're very happy with that, as are consumer groups. Again, it was over 130 different groups we consulted with over a period of time.

The Deputy Chair: Thank you, hon. minister.
The hon. Opposition House Leader.

Mr. Nixon: Well, thank you, through you, Madam Chair, to the hon. Minister of Energy. I appreciate her answering the question. It seems to me that the assertion that the minister just made for having to cut out an entire subsection to her own bill was that she could not consult with the industry and appropriate stakeholders and people that were involved in it until the bill was tabled in this place. That, I would submit, is a ridiculous answer. While I would agree that parliamentary process means they couldn't have possibly seen the entire bill before, the content of the subsection certainly could have been reviewed with them.

If the minister would indulge us and please answer this question, then: did she talk not about the exact wording of the bill but about the content of the subsection with the people that she has now consulted, that have indicated to her that this should be removed? Were they consulted on the content of it at all at any time during her preparation of this bill?

The Deputy Chair: The hon. minister.

Ms McCuaig-Boyd: Thank you, Madam Chair. Absolutely, we consulted. Going back to last fall, we did an enormous amount of consultation on the content of the bill. We received advice from a number of stakeholders, over 130, in different parts about the capacity market, all the consumer pieces and that. But as I said before, because of parliamentary privilege, we are not allowed to share the exact wording of the bill until it's been introduced in this House, and at that time it was brought to our attention that there is a bit of a problem in one little section with the wording. We're

going to take the time to get that right because we want the best bill possible for Albertans.

The Deputy Chair: Thank you, Minister.
The hon. Opposition House Leader.

Mr. Nixon: Well, thank you to the minister for the answer, Madam Chair. The concern I have with that answer – and this does apply directly to this amendment – is the fact that we have heard significantly from REAs that because of some of these legislative changes, there were significant consequences for how they've had to operate their operations. Since then there has been, after several months, a whole bunch of consultation that's happened on the side, with the ag minister and others trying to get those issues addressed. That, though, Madam Chair, indicates that despite what the minister is saying, this is not just one issue in this bill. How many more issues will this bill need to have fixed, like the REA issues or this issue? How many more issues does the minister think will have to be fixed because of this amendment?

The Deputy Chair: The hon. minister.

Ms McCuaig-Boyd: Thank you, Madam Chair. I just want to put it on record that I met with the Alberta REAs yesterday, and they actually thanked me for the amount of consultation they had on this bill. We are confident that this is the only piece that needs to be adjusted. Everything else is good. Again, the REAs have been included. Indeed, yesterday morning, when I met with them, they thanked us for the amount of consultation they were granted.

The Deputy Chair: Thank you, hon. minister.
The Opposition House Leader.

Mr. Nixon: Thank you, Madam Chair. The minister confirmed again what I just said a few moments ago while avoiding answering the question at all. I do agree. That's what I opened up saying, that they have fixed the issue with the REAs, but that issue was there because they did not consult with the REAs. Then they bring this stuff forward, and the REAs call them up and say: "Wait a minute. This is going to have a dramatic impact."

Ms McCuaig-Boyd: No. Not true.

Mr. Nixon: The minister is indicating no, but that's not what the REAs tell us.

In this case she did consult, she wants us to believe, but then in the other case she didn't consult.

The point, Madam Chair – then we'll move on because some of my other colleagues probably have some stuff to say about this – is that this government continues to refuse to consult with the people of Alberta. They bring half-hearted legislation to this place over and over and over and have to change it. They have to change it. That is not appropriate governance. It is costing people that I represent money. It's hurting our economy. They are moving too slowly to communicate with people. You know why? They've already admitted why. It's because they are having trouble finding Albertans that share their world view, and they only want to talk to people in their bubble. It's a shame.

Don't worry, though, Madam Chair. Very shortly, in less than a year, we get to consult with Albertans, and I suspect they will render a very negative verdict on this government.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A1? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I appreciate the opportunity to rise to speak to the government amendment on this particular bill. The government clearly is floundering here again. They haven't done their homework on this. They really don't understand the complexity of this market, and now they're into another difficult situation, where they're having to amend their own bills shortly after they're put out, removing whole sections of them, simply because of the complexity of what they're trying to dive into. They really haven't done their homework except to listen to their own particular echo chambers of people that tell them what they want to hear.

I'd like to refer, actually, to a March 2018, just a few months old, School of Public Policy briefing paper from the University of Calgary. The title of the briefing paper is Capacity Market Design: Motivation and Challenges in Alberta's Electricity Market. All I need to actually refer to is even just the summary because it makes the points extremely clearly. The rest of the document anybody can read if they want. The second sentence, actually, addressing this move by the Alberta province to move to capacity markets says that "the province should proceed with caution." I don't see this government proceeding with caution. This is an extremely complex process. There are growing concerns, as the briefing paper points out. The challenge here is to make sure that there will be suitable investment for the province in terms of electricity.

It goes on to say in the opening that the switchover to do this "is not as simple as it sounds." Clearly, that's the case. When the government is already into amending its own bills, it has to confess that it hasn't consulted with the right or enough people about this. They're into trouble on this thing already, before they've even begun, because they are rushing ahead. They haven't examined the complexity of this. It is not simple. There needs to be extreme caution used here.

This is a problem, where we're going to Albertans with this and the minister in her presentation tried to make this sound like they're saving costs for Albertans. The reality is that numerous studies already presented in this House over the last weeks point out that capacity markets are actually probably more expensive. They may provide certain trade-offs and benefits, but to say that it's cheaper for Albertans is just patently not correct according to most studies and most experiences where studies have been done on existing capacity markets. Capacity markets aren't new. They've been around a long time, so there are real challenges here.

10:20

The Calgary School of Public Policy says clearly that "a capacity market is more complex and requires that regulators specify numerous parameters that are essential to the functioning of the market." One of the key components that they point out here is that Alberta's electricity demand is actually tied to the demand created by the interconnected ups and downs of global oil prices. When prices are high, the demand for electricity in this province rises; when prices are low, the demand for electricity goes down. So there's a very clear interconnectedness, as pointed out by the Calgary School of Public Policy, on electricity demand and global oil prices.

We have a government that says we want to get off the roller coaster of oil and gas economic impacts on our province, and now we're tying our electricity grid to it as well. This does not make a lot of sense. There are serious concerns here. The real challenge is that consideration has to be given to the reality of outside investors, which is what this is all about, trying to secure and make safe the investment parameters so that we have enough supply so that there aren't shortages or price spikes or any of those kinds of things. But the reality is that outside investors are wary about uncertainty, and

what we're actually creating here is more uncertainty. Political and regulatory uncertainty can undermine the success of a capacity market, and the government has not wrestled with this adequately.

The problem here is that the government needs to not only project what capacity prices and things like that will be, but they also need to be projecting the future demand level for power across the provincial grid, which is inherently tied with oil and gas ups and downs, in order to create that certainty and that future demand curve or graph of how much power we're actually going to need because we can create a capacity market that has a capacity, as we've already seen in studies from other countries, that actually is way more than we may need in the future.

So integral to any understanding of whether the capacity market is going to be right would have to be a study of the projection of our power demands, and the government hasn't even presented anything in regard to that. They have no idea what our power demands 10 and 20 years out are, but we're going to build a capacity market that creates capacity – how much? – and is dependent on oil and gas prices.

There are incredible uncertainties here where the government can get this wrong in terms of projecting how much capacity we actually need, and they may be too high, or they may be too low, as studies have demonstrated. As the Calgary School of Public Policy states, "The capacity market is not a panacea for the potential downfalls of an energy-only market." There are so many complexities here, and capacity markets are inherently more complex than energy-only markets.

I would like to see from the government some sort of study, some sort of indication as to what the actual demand curve is going to be so that we have some idea as to what kind of capacity level we are building. Capacity markets are clearly more complex. The government has not done their homework on this. They are leading Alberta into a worse quagmire than we were in before, and it's not going to save Albertans money; it's probably going to cost them millions if not billions more. We've already seen in the rest of their tinkering and playing with the electricity market that they have not understood, and this has cost Albertans very dearly.

Thank you.

The Deputy Chair: Thank you, hon. member.

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

Seeing none, I will call the question on the amendment.

[Motion on amendment A1 carried]

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

Mr. Panda: Thank you, Madam Chair. So we are now back on the main bill?

The Deputy Chair: Yes.

Mr. Panda: Thank you. Madam Chair, this Bill 13, An Act to Secure Alberta's Electricity Future, is very, very flawed and very, very complex. You know, the NDP have made electricity really expensive, more expensive. Bill 13 will make electricity even more expensive for consumers by transferring more risk away from generators and putting more risk onto the ratepayers and taxpayers.

This minister, the Energy minister, who spoke just before, talked about investor confidence. It's really rich: an NDP minister, an NDP front-bencher talking about investor confidence. If they really look at that \$35 billion of investment that left Alberta since this

government came to power, that would make them realize what their ideological policies are, you know, resulting in. If this government really wants to talk about investor confidence, since they came into power, between them and their federal ally Justin Trudeau, they killed two pipelines, about a \$30 billion investment, and then in addition to that, their federal ally and best friend Justin Trudeau killed another \$40 billion worth of LNG projects on the west coast. That's why when they talk about investor confidence, they should go and talk to people in downtown Calgary. There is still 30, 35 per cent of office space vacant there, and thousands of my former colleagues are still looking for work. No one wants to hire them because of NDP policies.

Now coming back to Bill 13, I consulted so many stakeholders, and I door-knocked a lot in Calgary. People told me that they have zero trust in the NDP when it comes to electricity because of their Whac-A-Mole policies. They blame the Harper government for this electricity problem, but as per the Harper government's plans they were supposed to close out 12 coal-fired generating plants by 2029. This NDP government accelerated the coal phase-out program, and they also brought in the carbon tax, which they never campaigned on. That brought those generators to dump the power purchase agreements. Because the power purchase agreements were done, this NDP government has to pay compensation of \$1.36 billion to shut those coal power plants. That's only the costs that we know as of now. There are so many future costs which are not accounted for by this government, which will run into billions and billions of dollars, that will be paid by future generations.

That's not just the only outcome of this NDP's ideological policy. Because the capacity is taken off the market, now they have to make sure that capacity is available. To the point that my colleague from Lacombe-Ponoka made, currently we have about a 16,000-megawatt capacity, including coal-fired electricity, and then our peak load is only 11,000 megawatts. We still have capacity, but the NDP just want to, you know, fix the problem they created by accelerating the coal phase-out. Instead of going gradually, they accelerated that. To fix that problem, now they have to bring in this Bill 13, which they haven't consulted people on. They said that they did. In other markets usually it takes five to six years to implement a capacity market. Here they want to do it in two years. That's going to cause a lot of problems for the stakeholders.

Then the coal conversion to natural gas: there are some plans for some of the coal-fired power plants to be converted to natural gas. But that won't be as efficient as brand new natural gas powered electricity generation.

10:30

AESO modelling actually showed that the renewable electricity program will decrease the revenue needed for all generators to recoup investment and earn a profit. That's why it is deterring investments. Also, Bill 27 was introduced in 2016 and set the target for 30 per cent renewables. That means 5,000 to 6,000 megawatts of electric power have to be replaced with renewable energy, which is intermittent and not a hundred per cent reliable. We're going to create a capacity market and pay for the capacity, but actually it doesn't generate any electricity. So those assets will be sitting idle, and we pay for their capacity, and they're not actually producing. Those are some of the concerns – serious concerns – that people in Calgary-Foothills have expressed to me.

You know, all these changes they're ramming through when the key personnel, the heads of the Balancing Pool, the Alberta Utilities Commission, and the Market Surveillance Administrator, are not in their positions: this government is rushing through all these bills, so there is no watchdog. There is nothing happening.

Then they bring these bills without consultation, as my colleague from Rocky Mountain House mentioned, and then they have to fix their own bills on the fly. Without any consultation they rammed through these bills. The minister said she consulted. If she consulted – she's saying: "Well, it's parliamentary procedure. We can't share the draft." I mean, it's a common practice. You talk to the stakeholders. You come up with draft legislation. You actually talk to them. If there is no conflict of interest or financial disclosures, if they really consulted, they would have got good counsel from the stakeholders, but I doubt they did.

Under the NDP, without the capacity market, the \$1,000 cap on electricity prices would have risen to \$5,000 per megawatt hour – from \$1,000 to \$5,000 per megawatt hour – to attract investment to make the system reliable. That's why they had to create the capacity market. One mistake after another mistake: to fix one mistake, they're making another mistake, and to fix that, they bring another bill, and then they bring amendments to fix that bill. So there is a pattern there, Madam Chair.

Now the NDP has left Albertans with a choice between high electricity prices with volatility and high risk – I mean, that's the choice people have to make – or higher electricity prices with stability and lower risk. As I said, the capacity market is transferring the risk to the consumers and the ratepayers whereas in the energy market all the risk was taken by the generators. I mean, occasionally there might have been some issues that were temporary issues. The minister talked about temporary darkness, but with the NDP's policies they're creating permanent darkness here for the economy, for the consumers, and for the ratepayers.

This government is following in the footsteps of their close allies the Ontario Liberals, and we know what happened with the Ontario electric system with policies similar to what the NDP is pursuing here. In Ontario they had gone through that part, and now we all know where they're at. Probably they're running third in the polls, the same as the NDP here. Maybe number two here in Alberta, but in Ontario they're number three, the Liberals. So is that what they want to be at in a year's time? I don't know.

Madam Speaker, the devils are in the details, and particularly with a bill as complex as Bill 13, we need more time to consult and to get this bill right. This minister has one chance to get it right, and if she goes through our amendments that we are bringing forward, we can make this Bill 13 less bad. I can't promise that we'll make it better or the best bill, but we can make it less bad.

In that spirit, I have an amendment here. I'll send you the copies, and I'll wait for your instruction to talk about my amendment.

The Deputy Chair: Thank you, hon. member. Your amendment will be referred to as A2. Please go ahead.

Mr. Panda: Thank you, Madam Chair. I move that Bill 13, An Act to Secure Alberta's Electricity Future, be amended in section 2(29) in the proposed part 2.2 in section 41.45(1) by adding "Subject to subsection (1.1)," before "The Independent System Operator shall" and by adding the following after section 41.45(1):

(1.1) The Independent System Operator shall not make a capacity payment to a capacity market participant if at any time during the obligation period the capacity market participant fails to meet its obligations under this Part.

Madam Chair, this amendment will fix the problem we have with the bill. It's wrong to receive a capacity payment and then deny the market electricity. If they're paid for a service, they should offer the service. For the benefit of my NDP colleagues I'll give you a simple analogy. For example, if they hired the Broadbent Institute to submit to them some study and report and if they're paid for that service and they don't provide that report, how do they feel?

Cheated. In the same way, you know, if they hired Tzeporah Berman or Karen Mahon to look after Albertans' interests but they didn't do their job, they didn't provide the service they paid for, how do you feel about it?

That's why denying electricity to the market when they are paid for capacity would actually drive up the electricity prices, too. We want to keep the prices as low as possible for the average consumer. So when AESO asks for electricity and if the generators have signed a capacity contract, then they must offer electricity for sale because they are paid for that. If you do not offer electricity for sale, you do not receive your capacity payment.

That's what this amendment will do, and it's fair. You know, when you are signing long-term contracts that put Alberta taxpayers and ratepayers at risk, then they want to get the service they paid for. This amendment will exactly fix that problem if the minister is serious about making this bill better or less bad. I ask all the colleagues in this House to support this amendment.

Thank you, Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A2? The hon. Member for Battle River-Wainwright.

10:40

Mr. Taylor: Thank you, Madam Chair. Thank you for the opportunity to speak to this amendment. I think it's a really important amendment to be able to do exactly what he's talking about. You know, I'm going back again to what he has stated in the amendment. It says:

The Independent System Operator shall not make a capacity payment to a capacity market participant if at any time during the obligation period the capacity market participant fails to meet . . . obligations under this Part.

Why is that important? You have that ability right now to be able to deny electricity to the market and drive up prices. Madam Chair, we don't want to see our prices driven up.

We've all seen the consequences here in Alberta and across Canada when markets have been denied and prices have been driven up. What I'm talking about is fuel. What we see often is that refineries seem to shut down at the same time coincidentally, and the price of fuel goes up. We have that here in Alberta. That's happened this year, that our prices have been driven up because they have been denying the gas or the fuel for the market. Right now denying electricity would drive up the prices.

I was in Montana not too long ago, and they were charging about 65 cents a litre, would be the comparison. That's still in U.S. dollars, but it was 65 cents a litre. Now we're over here with a buck 30. That American dollar comparison doesn't compute. We're not paying double the amount of money to be able to have that same fuel. That's fuel that should be the same price or relatively close if we had the same tax structure, but unfortunately we have taxes, the carbon tax, that have been put on our fuel here that have driven up the prices.

All things aside, we want to make sure that we're not driving up prices unnecessarily. Like I say, in the case of refineries they're able to make the price in Alberta and Canada go up, but we really want to make sure that we keep prices as low as possible for the average consumer. The average consumer, Madam Chair. We're looking at people that could very well be your moms, your dads, your grandmothers, or kids. In my case, I have my kids, and they're on a tight budget. You have single moms that are in this same market. We want to make sure that we keep this price for these consumers as low as possible. We don't want to see our people that are elderly, that are living in their homes have to bundle up or find alternative

ways to be able to live just because the prices have gone out of control in this electricity market.

It's wrong to receive a capacity payment and deny the market. That's what I want to make sure and I want to make a point of saying. It's absolutely wrong if you're getting money for this product but, on the same token, you're not actually giving them the power. Why are we doing that?

Mr. Gill: It's the carbon tax.

Mr. Taylor: Well, that's part of it. That's part of the problem, this overall plan this government has put in here.

Another part of the problem that I see is that when we have these prices – and I don't know if this government has done a fulsome study. I tend to agree with our previous speakers that this is a very complex bill. The electricity bill and how this whole market works are very complex.

When we see that we don't have enough electricity, we have to take it from places like Montana, and when we're taking it from places like Montana, are we guaranteed what we're getting there? Are we getting coal-fired generation? If we have less electricity in this market, when you look at Montana, they're going to have to amp up how much they're able to give to us. If they're giving us more electricity, well, we're going to see that in the form of coal, something that this government is trying to back away from by 2030 with the renewables. They're saying that they want to be able to take the coal-fired emissions right out of it. However, we're still having coal-fired electricity that's going to be coming to our market as a result of not making sure that we do this bill right and making sure that we have enough electricity for the Alberta market as we'll need.

I don't know if this government has done, like, a long-term study. The long-term study should be looking at – right now we're seeing an increase in the use of air conditioning systems. People that are younger like their air conditioning systems, so consequently we have more and more demand for that system. Going into the future, I know that the demand for electricity should be increasing because the demand for electric cars is rising. Tesla is making billions off the demand for electric cars. I'm asking the government: have you done a projection on how much electricity we are going to need in the future to be able to look after the electric cars and the demands on all the electric appliances? Bitcoin sucks electricity like you can't believe, and there are people that are mining for Bitcoin. As people are demanding more, we have to make sure that we can keep up to that demand and not have to rely on places like Montana.

When AESO asks for electricity, if you're on a capacity contract, you must deliver that electricity for sale. Right now we know that they can't give a hundred per cent of the electricity coming from a renewable such as solar and wind power just because the sun doesn't shine all the time and the wind doesn't blow. We know that that has to happen, so we know that we will have to go to natural gas. I know there is a changeover for that, but again we're still putting coal into this mix regardless of how this government wants to do it.

The important part here is that if you do not offer electricity for sale even though you're being paid for it, you shouldn't receive your capacity payment. This amendment to this bill really kind of states that quite clearly, that we don't want to see price spikes happen here for all the people in Alberta. If they're actually making sure that they're producing the electricity, then they'll get paid, but if they're not producing electricity, they should not be paid. So it's: "shall not make a capacity payment to a capacity market participant if at any time during the obligation period the capacity market participant fails to meet [the] obligations under this Part." To me,

this is fairly simple. Let's keep the electricity prices low and make sure that if a person is not producing, then they're not being paid for it even though that's what would potentially happen.

This is a good amendment, and I would like other members to be able to speak on it, but I encourage them to support this amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there other members wishing to speak? The hon. Member for Edmonton-Whitemud.

Dr. Turner: Thank you, Madam Chair. I am indeed pleased to stand and speak on this amendment, that is basically amending section 2(29) in part 2.2 of An Act to Secure Alberta's Electricity Future. Fundamentally, I think the opposition is avoiding the reality that six months ago we passed legislation in this House to establish a capacity market. We're not here today – and I don't think it's very productive – to be spending a lot of time discussing the pros and cons of a capacity market even though a capacity market is the best way to manage the electricity supply of this province. It's going to ensure that consumers, small business, farmers, and all Albertans are protected from things like rolling brownouts and the volatility that the electricity-alone market caused.

10:50

Getting to the amendment, fundamentally, this is basically not necessary. The legislation actually has provisions in it. It's provided for under section 41.42(2)(c). It's called the rule-making process. This is an AESO rule. Basically, it says that any provider in breach of the system operator rules would be ineligible for inclusion in the capacity market. The member is suggesting that a company that has secured a capacity contract would be able to get paid under contract without producing actual power, and it's simply not the case.

[Mr. Sucha in the chair]

Generators need to be able to do maintenance, and we want them to be able to do that to keep the system functioning well. It's particularly true for the old coal plants, which the opposition apparently wants to continue past 2061. Even if they're under a capacity contract, they're going to need to be turned off for maintenance. AESO knows how to manage this. One of the things that the capacity market is doing is preventing economic withholding, that caused so much disruption in the previous market.

Basically, I don't think that this amendment adds anything to the value of the bill, and I would encourage all members of the House to vote this amendment down.

The Acting Chair: The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Mr. Chairperson. I want to thank and acknowledge my hon. colleague from Calgary-Foothills for his effort and his experience in bringing this forward. I certainly want to disagree with the last speaker. I think this amendment is an important amendment, and I think what it adds to the bill is certainty. It's absolutely clear in my colleague's amendment that the Independent System Operator shall not make a capacity payment to a capacity market participant if at any time during the obligation period the capacity market participant fails to meet its obligations.

I'm sitting here thinking, wondering: why would this bill need certainty? Well, our House leader said it well half an hour, 45 minutes ago. When the government stands up and makes amendments to their own bill and their own people, their own experts, their own ability or their own lack of willingness to consult – they've had three years to get to this point – have time and time

again, Mr. Chair, proved so erroneous, so incapable of getting the job done properly the first time, it's absolutely incumbent on us on this side of the House and it's incumbent on those on that side of the House to give these bills a second look and to make sure that the certainty is there.

An hour ago we had the Energy minister talk about some consultation that developed late in the game that should have happened the first time to get it right the first time. Of course, with the government's majority, that one was put through, so I would just hope that the government intends and the NDP nongovernment members have the desire to input and inject some certainty into Bill 13.

[Ms Sweet in the chair]

Another reason that I'm thinking that certainty is absolutely necessary – absolutely necessary – is that my colleague from Wainwright just stood up and talked about the capacity market and in that speech and in an earlier speech talked about how it was only necessary because of this government's ideological decision to destroy our competitive advantage of coal-fired electricity generation, because of their ideological decision to shut down coal early even though the federal government was well on the way and what were going to go past 2029 were new coal-fired electric generation plants with strong environmental safeguards.

Here's where the government missed so badly on that, Madam Chair. I think it was about six months ago that the report was out, the articles were out that the Alberta government was actually buying coal-fired electricity generation from Montana. I mean, okay. We're going to change the world, we're going to shut everything down, we're going to cause disruption because we want to get rid of coal, but then we're going to buy coal-fired generation from Montana. Then I'm told that we don't need certainty. When the principle of what this government tried to do destroyed Alberta's competitive advantage, when they made it tougher for families and businesses, and when they missed it so erroneously, so inexperiencedly, and so hypocritically, yes, absolutely, we need to spend time and look at my hon. colleague's amendment here. Let's do everything we can to make sure that we've got it right.

Of course, the other article out at the time was on how Alberta was going to be buying electricity from British Columbia and site C. My goodness, Madam Chair. It will be so interesting to see where that goes.

You know, there are some other areas of uncertainty. I've talked to many, many people around Alberta in the electricity generation business and in the renewable business of electricity generation who tell me that they don't think that this government's plan has enough redundancy. What I mean by redundancy is that we all know that the wind doesn't always blow and that the sun doesn't always shine. We hear about solar farms that take up a quarter section to three sections that are only 4 per cent efficient. We look at the AESO reports that said many, many times that wind or solar is providing zero or 3 per cent of our electricity needs, of course, in one of the coldest climates in the world, where our grandmothers and our grandfathers, our fathers and our mothers have been tremendously successful because of their innovation and because of cheap electricity.

I'm told by many experts that they didn't get the redundancy right. They don't have enough redundancy to make sure that we're not going to have some brownouts or that we're not going to have some of those issues because of their haste to shut down coal, because of their haste and their need to put in a capacity market. You know, here's a colleague who wants to make sure that one part of this bill is a little stronger, and I think we should pay attention to that.

I want to go a little bit further. You know, I'm told that one of the big risks young Albertans have right now is the price of natural gas because natural gas is the backup plan, because natural gas is going to become at least 70 per cent of this market. Can you imagine what happens if the price of natural gas doubles?

Obviously, the ratepayer is protected at 6.8 cents, but, Madam Chair, as we saw on April 8, eight days into our new fiscal year, our spot price of electricity hit, I think, 8 cents. Already the taxpayer had to dip into their pockets to subsidize the ratepayer to a tune of \$9 million. From the budget documents presented to us around that same time, we know that the government has got almost \$74 million of taxpayer money going in to subsidize the ratepayer. If we've already spent \$9 million on the eighth day, my goodness, would anybody be surprised if that number hit \$200 million or \$300 million? Again, I am just back to my hon. colleague, who put the time and the effort and the good thought into trying to make sure that this government added some certainty.

11:00

Madam Chair, I will be absolutely supporting this amendment, supporting my colleague, and hoping and praying that parts of this capacity market do not cause such economic uncertainty as the capacity law has in the market and that, going forward, the Alberta economy and Alberta families have the best opportunities possible.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Member for Little Bow.

Mr. Schneider: Thank you, Madam Chair. It's always a pleasure to rise in this House and speak on a piece of legislation. Today is no exception as we speak to Bill 13, An Act to Secure Alberta's Electricity Future, specifically to the amendment that my colleague from Calgary-Foothills has put forward.

This movement from an energy market to a capacity market, of course, affects Albertans. We always talk about how it affects them. To be perfectly honest, Madam Chair, I wish this had gone to committee, as was suggested earlier on when we were discussing this bill, to hear if there were indeed some positives that the regular, everyday, downtown Alberta person was thinking about, to listen to and explore what generators may think of the idea, just stakeholders in general. I also think that a lot of the committee members would have been interested to ask questions of those stakeholders to try to get a handle on how they're really affected. But that was a different amendment.

Clearly, Madam Chair, this is something that will affect Albertans to one degree or another. The Alberta Electric System Operator I believe ran many models in its quest to determine how the change to electricity provision in Alberta would shake out, including the use of intermittent renewable to be part of electricity generation in this province. It appears that the Alberta Electric System Operator modelling showed something that may have been expected, certainly by folks on this side of the House. The model showed that the renewable electricity program will decrease the revenue needed for all generators to recoup investment and earn a profit. In AESO's opinion, this will deter investment.

Generators, in the opinion of the Alberta Electric System Operator, their model, show a huge outlay of money. Generators may quite possibly not be able to earn enough revenue to get back the investment that they've made. Getting back money on an investment is, of course, how things really work. Generally speaking, an investor isn't interested in investing in something that doesn't show some kind of a return, and if they can't see their way

clear at the end of the day to see a profit from that investment, they may not be interested at all.

Interestingly, the Alberta Electric System Operator report from October of 2016 also said that system reliability will be compromised. I think we've talked about that in the House a lot. I will quote from that report.

Without investment in new firm generation (or equivalent but alternative sources of firm supply such as demand response, etc.) to replace retiring coal-fired electricity, the market will be unable to support increasing volumes of intermittent renewables and provide a healthy reserve margin to manage through a wide range of system conditions. System reliability will be compromised.

Nonetheless, Bill 27 was introduced in November of 2016 and set the target for 30 per cent renewables in Alberta.

Now, the government purposely compromised the electrical system's reliability, and they did this without a guarantee that the peaker plants would be built to produce electricity when, as my colleagues have all stated, the sun doesn't shine and the wind doesn't blow, hints, I guess, of the need for a capacity market. Electricity stakeholders that deal in Alberta are therefore all demanding a capacity market: generators; the electric system operator, AESO; the Market Surveillance Administrator; investors; and consumer groups. Madam Chair, under this NDP government, without the capacity market, the \$1,000 per megawatt hour cap on electricity prices would have to rise to \$5,000 per megawatt hour in order to attract the investment needed to make the system reliable, meaning lowering the potential of brownouts or, heaven forbid, blackouts due to shortage of electricity, probably at peak times.

I don't know about you, Madam Chair, but myself and my colleagues on this side of the House and, for heaven's sake, all of our constituents, no matter what side of the House you come from, could not and would not stand for monthly power bills that went up by a factor of 5. Now, according to the Alberta Electric System Operator while the \$5,000 per megawatt hour cap on electricity may provide revenue sufficiency, it does not provide any revenue certainty. Revenue certainty, of course, is what an investor would be looking for. Not all investments come with a guarantee – that's understood – but, generally speaking, investment in a utility can generally be viewed as a good investment.

It appears, Madam Chair, that the government has given Albertans a choice between high electricity prices with volatility and high risk or higher electricity prices with stability and lower risk, all because the government is moving to force renewables into the market and close down the coal-fired power plants early. I think it would be fair to say that no Albertan that is watching today or listening wants the absolute disaster that is known as Alberta's electric system. I don't think I can name any Albertans that want power plants, that the ratepayers are paying for, that sit idle and don't run.

Now, I spoke on this bill two, maybe three weeks ago. The last time I spoke, the NDP government announced the conception of the capacity market. Bill 13 is about financing coal-to-gas conversions, new natural gas generation, combined-cycle gas, and backup for renewables, the simple cycle gas peaker plants. As I've said previously, Bill 13 is here to fix some of the confusion and the mess from the coal phase-out that tended to make the grid unstable. Under Bill 27, 30 per cent of renewables were included to be part of Alberta's daily energy use.

The Alberta Electric System Operator contracts renewables capacity through a bid process. Now, when we talk about a capacity market, the Member for Edmonton . . .

Dr. Turner: Whitemud.

Mr. Schneider: . . . Whitemud – thank you very much – suggested that a capacity market does not pay the generator in two ways, which I understand it does. I’m more than happy to be corrected. Even as I looked on the computer here after the member had spoken, I believe it pays companies both for the capacity that they could offer the market – and that would be the case even when the facilities are not operating – plus the price they receive for the electricity they generate when indeed they are in operational mode or generating energy. It’s clear Albertans pay for capacity now, but that cost is bundled in with their monthly energy costs.

This is the kind of thing I wonder if stakeholders ever had a chance to give some opinion on. The minister spoke this morning, and I was glad to hear that she had indeed done some consultation with stakeholders in that regard. We’ll have to take her word that they all believe that this is the right way to do things. I’m sure they’d love to talk about paying a company that generates electricity and then also paying them when they aren’t producing electricity. The minister has made it clear that several changes are going to have to be in place in order to attract investment in energy production after the province shifts away from coal-fired power, by 2030. I guess it becomes a question of: I wonder what companies would invest if it were not for the subsidies being offered.

Presently, when I look at the statistics in Alberta, coal-fired power makes up, well, right around 50 per cent. It’s probably a little under that and has been for a long time, of course. That backbone of electricity that we rely on in Alberta, the fallback, will need to be replaced if the coal is gone, and the province will need companies to build new generating stations. Those generating stations will also need to consistently produce a lot of energy. When the math is done, they’ll need to produce about 8,000 megawatts of electricity by 2030. Of course, over the same period, since the province has mandated 30 per cent renewables by 2030, the province is also going to be looking for companies to invest in those types of projects.

11:10

Just to speak about the amendment for a moment, this amendment kind of speaks to something that went on in Alberta several years ago when TransAlta withheld electricity when AESO asked for it. At the end of the day, it was discovered that TransAlta had done that, and they were fined millions of dollars. The member’s amendment talks about that it’s wrong to receive a capacity payment and then to deny the market electricity. I believe that comes directly, if I’m not mistaken, from that case that TransAlta was involved in. Denying electricity, of course, will drive up markets. It cannot help but spike the market. As my colleague from Battle River-Wainwright talked about, of course, our goal here should be to keep electricity as low as possible for the average consumer when you figure that there are several people in this province that live on a fixed income.

When the Alberta Electric System Operator asks for electricity, if you are a capacity contract, you must offer electricity for sale. Simply not offering when the call comes out for electricity is not going to be acceptable. If you do not offer electricity for sale, you really should not receive the capacity payment.

This whole capacity market started when the government implemented a carbon tax. They introduced a carbon tax and levied it on the heavy industrial emitters. The target was coal-fired power plants, that have created a large portion of Alberta’s electrical use for some time. Of course, as we’ve mentioned plenty of times in the House, this tax was not something that was included in the government’s election platform. When the tax was levied on those companies that were energy producers using coal power, they opted out of their power purchase agreements because of the contract that

these energy producing companies had with Alberta. It stated that they could do just that, opt out of an agreement with the province if any government made those agreements uncompetitive. So that’s what they did, and that’s all just facts that we know.

Now, there were six of Alberta’s plants that had actually been scheduled to be shut down much later, as late as 2061. Genesee 3 was to be shut down in 2055. These were considered state-of-the-art facilities, certainly state of the art in 2018, and as we have seen over the years, our coal-fired plants were leading the world in technology that would clean up the emissions that were given. I’m not saying that they would have gotten anywhere where the government has suggested we need to be, but the opportunity was taken away.

As power generation companies handed their contracts back to the Balancing Pool, now the cost of the Balancing Pool has turned out to be \$70 million per month. At the end of the day, the pool lost an incredible \$2 billion. The government poured a lot of money into the Balancing Pool while they tried to come up with a Band-Aid, something, anything to stop the hemorrhage, a lot of money that generations of Albertans will be stuck paying for many, many years.

On top of the hundreds of millions of dollars that Albertans are forced to pay, we find that several coal communities that were of the understanding, of course, that their coal plants would be operational for some time to come got blindsided – they basically got blindsided – by this government and their coal phase-out under the guise of greening Alberta. Plenty of Albertans have been forced out of work decades earlier than they had planned. Retirement plans have been destroyed, equity in homes lost, and dreams shattered.

So as we speak about electricity here, I think it’s fair to say that there’s no question that the cost of electricity cannot help but go up. The electricity part is already starting to move up. How far the price of electricity will go is not known. That is a little bit of the scary part. Coal conversion to natural gas for these plants is not as efficient, of course, as brand new combined-cycle natural gas power plants. Conversion to these plants is costing Albertans in the neighbourhood of \$1.36 billion to shut them down early and do a conversion to natural gas.

But, Madam Chair, this government was bent on forcing renewable electricity on the good people of Alberta, and it appears that they were prepared to do that at any cost. This has concerned the United Conservative Party enough that we’ve written to the Auditor General in regard to the NDP’s tampering with the electricity system. We asked for his outlook on the full costs and implications of the power purchase agreement losses as well as on the province’s decision to phase out coal-fired electricity and its cap on electricity rates because, as seems common when we deal with legislation in this House, we find that sometimes tangible details are hard to get.

Once again, Madam Chair, most of the details of this bill will be written into regulations. The devil will be within those regulations. Those are the details of this bill that will not be debated in this House. This is the part of Bill 13 that says to everyone: don’t worry; we’re from the government, and you can trust us.

One more small point I’d like to make, Madam Chair. Bill 13, as it is, allows companies to receive capacity payment, but the companies can then deny the provision of electricity, which, thereby, would allow the spiking of prices in Alberta, which I spoke about a few minutes ago. Sometimes the last point you want to bring up is not the best one.

What we are seeing here and for those Albertans that are playing the home game, they need to realize that this government is trying to implement a capacity market over a period of two years instead of trying to implement this market over a period of three to six

years, which is, according to the stakeholders that have approached us, how it should be done.

Madam Chair, I'm going to steal a few words from my colleague from Grande Prairie-Wapiti, who spoke on this bill probably two to three weeks ago. He stated that Alberta after many years had finally gotten to a point where the electricity prices were down to a cost where Albertans weren't being gouged. Now, I know we heard the minister speak this morning of some spikes with Alberta's energy. All true. I'm not denying anything she said at all. The electricity utility in this province was not hurting the average Albertan. That's supposed to be kind of the goal, I think, when we're creating legislation in this House. We do our best not to actually hurt the folks that pay the freight in this province. The generation market was working before the 2015 government took the reins. Ideology basically changed how we were going to do business in Alberta as far as electricity is concerned.

Madam Chair, I think I'll let it go at that, just to say that I will indeed be supporting my colleague's amendment. I think it adds some strength to the legislation. Anyway, I'll let it go at that.

Thank you very much, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A2?

Seeing none, I will call the question.

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

[Several members rose calling for a division. The division bell was rung at 11:19 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Cyr	Nixon	Schneider
Ellis	Orr	Taylor
Gill	Panda	

Against the motion:

Carlier	Gray	Miranda
Carson	Hinkley	Nielsen
Ceci	Hoffman	Phillips
Connolly	Jabbour	Piquette
Coolahan	Jansen	Renaud
Cortes-Vargas	Kleinstauber	Rosendahl
Dach	Littlewood	Sabir
Drever	Loyola	Schmidt
Eggen	Luff	Shepherd
Feehan	Mason	Sucha
Fitzpatrick	McCuaig-Boyd	Turner
Ganley	McLean	Westhead
Goehring	McPherson	

Totals:	For – 8	Against – 38
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[Motion on amendment A2 lost]

The Deputy Chair: Are there any other members wishing to speak to the bill? The hon. Member for Calgary-Foothills.

Mr. Panda: Thank you, Madam Chair, for the opportunity to speak again on Bill 13.

[Ms Jabbour in the chair]

Welcome back, Madam Chair. Thanks for the opportunity to speak to Bill 13. We talked about why Bill 13 is required. Bill 13 is

required to fix the mess the NDP has created in the first place with their ideological climate change plan that they brought in. They have to accelerate the coal-fired electric generation being shut down. To replace that shortfall of electric generation from coal-fired electricity, they said that they will replace that with renewable energy, with wind and solar, and also convert some coal-fired electric plants to natural gas based electric generation, which would take a much longer time. In the meantime they brought in this capacity market creation bill, which will drive up electricity prices.

Also, if we are short of electricity here because we shut down our coal-fired electric generation in Alberta, the NDP is saying to Albertans: "It's okay. We will import coal-fired electric power from the United States of America, from another country. It's okay to import coal-fired electricity from the U.S.A. into Alberta, but we want to shut down our coal-fired electricity here. We want to accelerate the phase-out of coal-fired electric generation much faster than the Harper government forecasted, in 2029. We are okay, Albertans, to shut down the coal-fired electricity here and kill jobs in Alberta. We want to help the United States of America because we want to import coal-fired electricity from Montana, a state in the U.S.A., and help create jobs in the U.S.A.. We want to kill jobs in Alberta." That's what the NDP wants to do, Madam Chair.

Then they talked about that this bill is required to create investor confidence. Just look at the \$35 billion of investment that left Alberta since the NDP came to power. That's \$35 billion of investment. Companies have disinvested, multinationals have disinvested in Alberta and gone to other jurisdictions. They didn't switch to other business. They're still investing in the same business but not in Alberta. They don't mind going to other locations which everyone else thinks are more risky for business investments. The investors that are leaving Alberta: for them, it's less risky than Alberta. The Minister of Energy said, you know, that it's about investor confidence. Just go talk to people in downtown Calgary. Those towers are still empty. When I go and walk on the +15 to meet my former colleagues, they say how much space is available in those towers every time.

11:40

Coming back to Bill 13, Madam Chair, all we are trying to do here is to make Bill 13 – because this government wanted to speed up the implementation of Bill 13, which normally takes four to five years. That's what the stakeholders told me, at least four to five years to implement a capacity market in other jurisdictions. But this government wants to do it in two years, which will drive up the prices, and to put an artificial cap of 6.8 cents per kilowatt hour, telling Albertans: "We will import coal-fired electricity from Montana and supply and meet the demand here. If the prices go up, we'll cap it at 6.8 cents per kilowatt hour, but you won't see that on your electricity bill. Taxpayers will cover it, but we'll hide it. We'll be innovative in hiding those costs from Albertans." That's what they're saying. Their consultations were not really meaningful, and they rushed them.

To be fair to TransAlta, who was penalized because they hadn't offered the capacity – the regulating authority found that they were in breach of the contract, so they were penalized – that same TransAlta came and helped me to bring in my previous amendment, which the NDP voted down. TransAlta is an Alberta-based business. They made a mistake. They want to fix it. That's why they helped me to draft that amendment in the first place, to make sure that the capacity participants won't get paid if they don't generate electricity when AESO demands it.

This NDP government, which says that they consulted, which is not true if that is the case – TransAlta told me that they made that mistake. They want to fix that so that in future Albertans are not gouged. That's their intention. That's a business that has the interest of Albertans, not this NDP. This NDP wants to punish Albertans, kill the jobs in Alberta, and import coal-fired electricity from the United States of America. That is the status of this bill, Bill 13, Madam Chair. All I'm trying to do is to make it less bad.

I agree with the minister. This is a very complex bill, Bill 13, even for people sitting at your desk. I'm sure they'll agree that this bill is such a complex undertaking. It's a serious bill. I get that. But the minister has another opportunity here to get it right to some extent. It won't be a hundred per cent right. The timelines for implementation of this bill are really short and tight, so we need all stakeholders onboard providing the best advice so that this can be done a little bit more correctly this time, while we are in the Committee of the Whole stage of debate.

That's why I'm proposing an amendment. I'll give you copies of this, Madam Chair, and I'll wait for your instructions.

The Chair: This will be amendment A3.

Go ahead, hon. member.

Mr. Panda: Thank you, Madam Chair. I'll read this amendment into the record. I move that Bill 13, An Act to Secure Alberta's Electricity Future, be amended in section 2(29), in the proposed part 2.2, by renumbering section 41.46 as section 41.46(1) and adding the following after subsection (1):

(2) The Minister shall consult with stakeholders for a period of not less than 60 days and consider any comments or feedback provided prior to making a regulation under subsection (1).

Madam Chair, as I explained, a 60-day time period is a fair and reasonable time frame to make sure the regulations are correct. The nature of this bill is very serious and complex, so we have to get that correct before we pass this bill finally in this House and give it royal assent.

Also, the Energy minister said that she wants the regulations to be developed by August, so my amendment is completely within the timeline of the minister's plan, since we haven't done good consultation and the industry stakeholders want in future at least a 60-day consultation time period, which is reasonable. Sixty days is not very long.

We know what happens when we've passed laws and acts in this House like Bill 6 in the past. We know what happens. Those are the unintended consequences of ramming through bills without thinking it through. That's why I think that this amendment will make Bill 13 a less bad bill.

I ask all my colleagues in the House to pass the amendment. Thank you, Madam Chair.

The Chair: Any other members wishing to speak to the amendment? The hon. Member for Edmonton-Whitemud.

Dr. Turner: Thank you, Madam Chair, and thank you to the member for this amendment. As with the previous amendment, basically the position of the government is that this is not necessary. There have been extensive consultations done in the preparation of this bill. The AESO as well as the ministry continues to consult widely with consumer groups, with producer groups, with the various players in the capacity market. I don't think that this amendment really adds anything to getting our capacity market functioning and making sure that Albertans are protected from the price volatility and making sure that we have a plentiful and efficient, effective electricity market.

I urge all of my colleagues to vote against this amendment.

The Chair: Any other members on the amendment? The hon. Member for Battle River-Wainwright.

Mr. Taylor: Yes. Thank you, Madam Chair. I'm honoured to be able to sit here and, I guess, look at this thing as well. The Member for Edmonton-Whitemud doesn't think that we have to give that extra time, but I think it's really necessary to have that 60 days to be able to consider the comments and feedback provided prior to making a regulation under subsection (1), as this amendment speaks to. This, I think, is a really good amendment. We're setting ourselves up so that we're not giving ourselves enough time for consultation. I have to disagree with the amount of time that's been given for the consultation.

Even if we look at this bill, the government has made an amendment to the bill because they didn't get it right in the first place. We've got to make sure that we have the consultation to make sure there's not something else out there that is going to be problematic for the people here in Alberta as we go forward. What we're doing here is that we want to make sure that we get all of the stakeholders onboard – they will provide the best feedback – so that we can get this done right the first time.

11:50

If we go back to Bill 6 – and we have talked about that this morning – Bill 6 had more pages of amendments than it actually had for the bill. The consultation wasn't done correctly on that bill, and it should have been done beforehand. What this allows is a reasonable 60-day period. That's a reasonable, fair time period to make sure that we get the regulations correct. We're seeing time and time again that we're having bills where the consultation just isn't adequate or that all the stakeholders aren't involved. I'm not sure what stakeholders were engaged in this discussion beforehand. Have all the stakeholders that needed to be, all the co-operatives and the REAs, all been engaged in this discussion as well? Like I say, we need to make sure that we're getting all the stakeholders involved.

We just look at some of the bills that we're looking at right now with the PACE program. I've asked people in my communities and in the municipalities: what are your thoughts on the PACE program? Well, these are the people that we should be consulting. These are stakeholders that are directly affected by that kind of legislation. And when I've talked to the people in municipalities, the most common thing that I hear is: "What's the PACE program? You know, what are you talking about?" The government hasn't consulted with the municipalities specifically. I've had to bring them up to speed, show them what the bill looks like and what the implications could be for the municipality, and give them some of the links to YouTube on the things that are happening in California.

We have to make sure we get these things right in the first place, and that's part of what we were talking about before is consultation. We don't want to be trying to fix something afterwards when we can get it right, or at least as right as we possibly can, the first time. We know that whenever a bill goes through, there are unintended consequences that can be attached to a bill because there's something that was unforeseen. We don't want to have as many unforeseen consequences as possible. So when a member has asked us to just have "a period of not less than 60 days [to] consider any comments or feedback provided prior to making a regulation," I think that is absolutely fair and reasonable. These timelines, in my opinion, are far too short and far too tight.

If we go back again to Bill 6, that we've talked about, the farm and ranchers enhancement or safety – I forget exactly what the name of it was. But that was back in 2015 that we talked about Bill 6. It's still not passed. We're still working on it. The government is

still trying to make sure; they're trying to get through this. Well, if you do the homework ahead of time, there won't be any unnecessarily problematic things that'll happen in the future.

The minister really wants to get this thing through as fast as possible. You've got the one shot to make sure you're getting this one right. We're talking about the capacity market, which is going to affect Alberta for the future, you know. It's a serious and a complex undertaking, and we should be giving it that due diligence that we're looking at it as a very serious and complex bill and making sure that we're getting this right, making sure that we have our consultation done and that it's correct. We want to make sure that we get all the stakeholders onboard and that we can get the best advice. The government has found that they were putting forward a bill and the stakeholders said: here's a correction that you need to make. So if we engage more stakeholders, more stakeholders than we have, the ones that are directly going to be affected as a result of this, we can get the best advice, and that best advice will just make this bill better. I don't see a problem with trying to make a bill better.

So you've got this bill, and we're going to be going to a capacity market.

The Chair: I hesitate to interrupt you, hon. member, but pursuant to Standing Order 4(3) the committee will now rise and report.

[The Deputy Speaker in the chair]

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

Ms Luff: Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bill: Bill 14. The committee reports progress on the following bill: Bill 13. I wish to table copies of all amendments considered by Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Aye.

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

Mr. Feehan: Thank you, Madam Speaker. Noting the time and the work accomplished today, we'd like to adjourn until 1:30 this afternoon.

[Motion carried; the Assembly adjourned at 11:56 a.m.]

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