



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Thursday morning, June 7, 2018

Day 40

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

Aheer, Leela Sharon, Chestermere-Rocky View (UCP),
Deputy Leader of the Official Opposition
Anderson, Hon. Shaye, Leduc-Beaumont (NDP)
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-Hawkwood (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)
Drysdale, Wayne, Grande Prairie-Wapiti (UCP)
Eggen, Hon. David, Edmonton-Calder (NDP)
Ellis, Mike, Calgary-West (UCP)
Feehan, Hon. Richard, Edmonton-Rutherford (NDP),
Deputy Government House Leader
Fildebrandt, Derek Gerhard, Strathmore-Brooks (IC)
Fitzpatrick, Maria M., Lethbridge-East (NDP)
Fraser, Rick, Calgary-South East (AP)
Ganley, Hon. Kathleen T., Calgary-Buffalo (NDP),
Deputy Government House Leader
Gill, Prab, Calgary-Greenway (UCP),
Official Opposition Deputy Whip
Goehring, Nicole, Edmonton-Castle Downs (NDP)
Gottfried, Richard, Calgary-Fish Creek (UCP)
Gray, Hon. Christina, Edmonton-Mill Woods (NDP)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (UCP)
Hinkley, Bruce, Wetaskiwin-Camrose (NDP)
Hoffman, Hon. Sarah, Edmonton-Glenora (NDP)
Horne, Trevor A.R., Spruce Grove-St. Albert (NDP)
Hunter, Grant R., Cardston-Taber-Warner (UCP)
Jansen, Hon. Sandra, Calgary-North West (NDP)
Kazim, Anam, Calgary-Glenmore (NDP)
Kenney, Hon. Jason, PC, Calgary-Lougheed (UCP),
Leader of the Official Opposition
Kleinsteuber, Jamie, Calgary-Northern Hills (NDP)
Larivee, Hon. Danielle, Lesser Slave Lake (NDP),
Deputy Government House Leader
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)

Loewen, Todd, Grande Prairie-Smoky (UCP)
Loyola, Rod, Edmonton-Ellerslie (NDP)
Luff, Robyn, Calgary-East (NDP)
Malkinson, Brian, Calgary-Currie (NDP)
Mason, Hon. Brian, Edmonton-Highlands-Norwood (NDP),
Government House Leader
McCuaig-Boyd, Hon. Margaret,
Dunvegan-Central Peace-Notley (NDP)
McIver, Ric, Calgary-Hays (UCP),
Official Opposition Whip
McKittrick, Annie, Sherwood Park (NDP)
McLean, Hon. Stephanie V., Calgary-Varsity (NDP)
McPherson, Karen M., Calgary-Mackay-Nose Hill (AP)
Miller, Barb, Red Deer-South (NDP)
Miranda, Hon. Ricardo, Calgary-Cross (NDP)
Nielsen, Christian E., Edmonton-Decore (NDP)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (UCP),
Official Opposition House Leader
Notley, Hon. Rachel, Edmonton-Strathcona (NDP),
Premier
Orr, Ronald, Lacombe-Ponoka (UCP)
Panda, Prasad, Calgary-Foothills (UCP)
Payne, Hon. Brandy, Calgary-Acadia (NDP)
Phillips, Hon. Shannon, Lethbridge-West (NDP)
Piquette, Colin, Athabasca-Sturgeon-Redwater (NDP)
Pitt, Angela D., Airdrie (UCP),
Official Opposition Deputy House Leader
Renaud, Marie F., St. Albert (NDP)
Rosendahl, Eric, West Yellowhead (NDP)
Sabir, Hon. Irfan, Calgary-McCall (NDP)
Schmidt, Hon. Marlin, Edmonton-Gold Bar (NDP)
Schneider, David A., Little Bow (UCP)
Schreiner, Kim, Red Deer-North (NDP)
Shepherd, David, Edmonton-Centre (NDP)
Sigurdson, Hon. Lori, Edmonton-Riverview (NDP)
Smith, Mark W., Drayton Valley-Devon (UCP)
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)
van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP)
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

Officers and Officials of the Legislative Assembly

Robert H. Reynolds, QC, Clerk	Philip Massolin, Manager of Research and	Brian G. Hodgson, Sergeant-at-Arms
Shannon Dean, Law Clerk and Director of	Committee Services	Chris Caughell, Deputy Sergeant-at-Arms
House Services	Nancy Robert, Research Officer	Paul Link, Assistant Sergeant-at-Arms
Stephanie LeBlanc, Senior Parliamentary	Janet Schwegel, Managing Editor of	Gareth Scott, Assistant Sergeant-at-Arms
Counsel	<i>Alberta Hansard</i>	
Trafton Koenig, Parliamentary Counsel		

Executive Council

Rachel Notley	Premier, President of Executive Council
Sarah Hoffman	Deputy Premier, Minister of Health
Shaye Anderson	Minister of Municipal Affairs
Deron Bilous	Minister of Economic Development and Trade
Oneil Carlier	Minister of Agriculture and Forestry
Joe Ceci	President of Treasury Board and Minister of Finance
David Eggen	Minister of Education
Richard Feehan	Minister of Indigenous Relations
Kathleen T. Ganley	Minister of Justice and Solicitor General
Christina Gray	Minister of Labour, Minister Responsible for Democratic Renewal
Sandra Jansen	Minister of Infrastructure
Danielle Larivee	Minister of Children's Services
Brian Mason	Minister of Transportation
Margaret McCuaig-Boyd	Minister of Energy
Stephanie V. McLean	Minister of Service Alberta, Minister of Status of Women
Ricardo Miranda	Minister of Culture and Tourism
Brandy Payne	Associate Minister of Health
Shannon Phillips	Minister of Environment and Parks, Minister Responsible for the Climate Change Office
Irfan Sabir	Minister of Community and Social Services
Marlin Schmidt	Minister of Advanced Education
Lori Sigurdson	Minister of Seniors and Housing

Parliamentary Secretaries

Jessica Littlewood	Economic Development and Trade for Small Business
Annie McKittrick	Education

STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Mr. Coolahan
Deputy Chair: Mrs. Schreiner

Cyr	Luff
Dang	McPherson
Ellis	Turner
Horne	

Standing Committee on Alberta's Economic Future

Chair: Mr. Sucha
Deputy Chair: Mr. van Dijken

Carson	Littlewood
Connolly	McPherson
Coolahan	Piquette
Dach	Schneider
Fitzpatrick	Starke
Gotfried	Taylor
Horne	

Standing Committee on Families and Communities

Chair: Ms Goehring
Deputy Chair: Mr. Smith

Drever	Orr
Ellis	Renaud
Fraser	Shepherd
Hinkley	Swann
Luff	Woollard
McKitrick	Yao
Miller	

Standing Committee on Legislative Offices

Chair: Mr. Shepherd
Deputy Chair: Mr. Malkinson

Aheer	McKitrick
Gill	Pitt
Horne	van Dijken
Kleinsteinuber	Woollard
Littlewood	

Special Standing Committee on Members' Services

Chair: Mr. Wanner
Deputy Chair: Cortes-Vargas

Babcock	Nixon
Cooper	Piquette
Dang	Pitt
Drever	Westhead
McIver	

Standing Committee on Private Bills

Chair: Ms Kazim
Deputy Chair: Connolly

Anderson, W.	Orr
Babcock	Rosendahl
Drever	Stier
Drysdale	Strankman
Hinkley	Sucha
Kleinsteinuber	Taylor
McKitrick	

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Ms Fitzpatrick
Deputy Chair: Ms Babcock

Carson	Loyola
Coolahan	Miller
Cooper	Nielsen
Goehring	Nixon
Gotfried	Pitt
Hanson	van Dijken
Kazim	

Standing Committee on Public Accounts

Chair: Mr. Cyr
Deputy Chair: Mr. Dach

Barnes	Malkinson
Carson	Miller
Clark	Nielsen
Gotfried	Panda
Hunter	Renaud
Littlewood	Turner
Luff	

Standing Committee on Resource Stewardship

Chair: Loyola
Deputy Chair: Mr. Drysdale

Babcock	Loewen
Clark	Malkinson
Dang	Nielsen
Fildebrandt	Panda
Hanson	Rosendahl
Kazim	Schreiner
Kleinsteinuber	

Legislative Assembly of Alberta

9 a.m.

Thursday, June 7, 2018

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Good morning.

Let us reflect. As we prepare to conclude another legislative session, let us reflect on the great responsibility and privilege we have in holding public office. As we return to our constituencies, let us always remember that we are accountable to the people of Alberta for the decisions we have made and the words we have spoken. Safe travels. Have a wonderful summer.

Please be seated.

Orders of the Day

Government Motions

The Deputy Speaker: The hon. Minister of Justice.

Adjournment of Spring Session

27. Ms Ganley moved on behalf of Mr. Mason:
Be it resolved that pursuant to Standing Order 3(9) the 2018 spring sitting of the Assembly shall stand adjourned upon the Government House Leader advising the Assembly that the business for the sitting is concluded.

Ms Ganley: Thank you, Madam Speaker.

[Government Motion 27 carried]

The Deputy Speaker: The hon. minister.

Afternoon Sitting Adjournment

25. Ms Ganley moved on behalf of Mr. Mason:
Be it resolved that, notwithstanding Standing Order 3(1), on Thursday, June 7, 2018, the Assembly shall sit beyond the normal adjournment hour of 4:30 p.m. that day until such time that the Government House Leader advises the Assembly that the business for the sitting is concluded.

Ms Ganley: Thank you very much, Madam Speaker.

The Deputy Speaker: Any members wishing to speak to the motion?

Seeing none, I'll call the question.

[Government Motion 25 carried]

Government Bills and Orders

Third Reading

Bill 13

An Act to Secure Alberta's Electricity Future

The Deputy Speaker: The hon. Minister of Justice.

Ms Ganley: Thank you very much, Madam Speaker. I'm pleased to rise on behalf of the Minister of Energy to move third reading of Bill 13, An Act to Secure Alberta's Electricity Future.

This proposed legislation will ensure that the necessary legislative changes are made to prepare Alberta's electricity system for the future, a future that will help to ensure Alberta's long-term

prosperity. Madam Speaker, Alberta's electricity system needs to change. The current system is volatile and not sustainable. It doesn't work for consumers or for investors. This bill lays the groundwork for a system that is more stable and reliable for consumers, more attractive for investors, and better for all Albertans. It will also bring better measures to protect utility consumers from bad utility services and billing practices.

I'm proud to support this important legislation and bring stability, affordability, and protection for Alberta's utility consumers. Thank you, Madam Speaker.

The Deputy Speaker: Any members wishing to speak to the bill? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker, for this opportunity to speak before the House. It's disappointing to see that we've got this bill in front of us. The government broke our electricity markets, and they're attempting to fix it with taxpayer money. That is the essence of this. When the government came in, in 2015, nowhere did they mention that they were going to bring in a carbon tax. Then what happened is that the government moved forward with a carbon tax, the single largest tax in Alberta's history, and what ended up happening is that they committed to shutting down our coal plants. Now, our coal plants are responsible for more than 50 per cent of the energy produced within Alberta. Clearly, there's going to be an impact.

Now, what this does, this Bill 13, is that it moves to a capacity market. What they're trying to do is that they're trying to pave the way for renewable energy. While I believe every member in this House does see a value in moving towards renewable energy, making sure that we do it in a responsible way is always something that we need to be very clear, taking that clear path.

Now, whenever we ask this government for an economic analysis or an impact study, the government deflects our questions. They say that the opposition is fearmongering, that really they're making things better. In the end, what happens is – and we've seen this repeatedly come through the House, where they put forward a piece of legislation or change the direction of how Alberta has been typically going in in a radical U-turn and then suddenly are fixing it down the road. Bill 13 is one of those fixes.

What we've got here is that Bill 13 is moving towards a capacity market. What's important here is that because the sun doesn't always shine and the wind doesn't always blow, electrical generation on standby is needed to be built. The NDP changed the energy-only market to a capacity market with Bill 13 in order to stimulate investment. This means electricity prices will have nowhere to go but up.

The fact is that the stability the government has brought forward – the one thing that they continue to say repeatedly is that they've brought stable electricity rates to Alberta. I wholeheartedly agree with that. What happens here is that we have a government that put 6.8 cents per kilowatt hour as a cap, and we are most certainly going to be over that cap going forward. That means Albertans can expect 6.8 cents per kilowatt hour into our future, and that's disappointing because a lot of times we saw markets right at about 3 cents or 2 cents per kilowatt hour. So we're adding a lot of cost to the cost of electricity.

The problem, too, is that we also have delivery and transmission charges on our electricity bills. Now, that is for building up the infrastructure that we need to be able to get that electricity to residents and commercials and industry. What happens here is that if you look at your electricity bill now, you're going to find that more than half if not three-quarters of your bill is transmission or distribution charges. Clearly, that was never the intent.

The problem that we've got here is that once we move away from coal and towards renewables, we're going to need to have more infrastructure put in place, so what we've got is a spike that is most likely going to be coming from our distribution and transmission fees. Now, it is already unacceptably high, and a case can be made that – the fact is that I believe we need to actually review in depth what makes up the cost when it comes to our bills when it comes to electricity. When we see that our transmission and distribution charges, say, double – and I don't know what the cost is, but I can only assume that it's going to be significant because we need to get those solar farms and those wind farms connected to the grid – in the end our middle class is going to suffer.

Now, we've already suffered because we're shutting down the coal plants. We've already suffered because we've got the carbon tax. We've already suffered because our oil sands have been hammered with this government's decisions, whether it's the methane reduction – that's currently the big hurdle that's in front of us right now, which means that should the rules and regulations go forward as the government has proposed, I am looking at about 1,000 people within my area losing work. That's shameful. But to make matters worse, we're looking at probably 7,000 people across Alberta that are going to be put out of work. So now what we've got is well-paying jobs that are going to disappear from decisions and policy that this government is making.

Now, I would like to say that at least the government didn't surprise us with capacity markets. They didn't put it in their platform, but I believe that at the time they didn't know they were going to destroy our electricity market by implementing a carbon tax.

9:10

But what happened is that this Speech from the Throne – it's actually listed in here, and I like going back to what the agenda is for the government when they are moving forward with the new session. On page 8 of the throne speech it says, "Diversifying our electricity sector," and the very first sentence is: "Your government will create new jobs and protect people from wild electricity price swings." Doubling the cost of electricity and keeping it there doesn't seem to be a solution that I believe my constituents accept as a plan from this government. What'll end up happening is that in many cases you're going to find that the government is going to have repercussions from this going forward because once you go to a capacity market, it is very hard to undo if it doesn't work for you.

Now, I've heard from the government when they've been doing Bill 13 speeches. They're saying that other provinces or jurisdictions across the world have tried capacity markets. I would like to hear in detail on how it's working for them. I'll tell you that for me it seems strange that we would pay any energy producer to not produce energy. That essentially is what this is doing. Now, I understand that what they're trying to do is that they're trying to build renewable and they're trying to ensure that they have the ability to be able to supply power to Albertans. But here's the problem with capacity markets and renewables. When the sun doesn't shine and the wind doesn't blow, you need an alternate power source, so we need to always have something on the side ready to go. Duplication is what we've got right now.

Now, I don't remember the exact numbers, but from an article I remember reading, what we saw was that Ontario, for instance, is buying power – and I can be corrected on this – at 13 cents to 16 cents per kilowatt hour. This is from their solar farms and wind farms. Then what they're doing is that they're selling that same power to the United States for 4 cents per kilowatt hour. Now, what happens is that while the sun shines and the wind blows, you've got a ton of power. What happens here is that we always need to be

ensuring that we have the appropriate number of wind farms and solar farms but that we're not subsidizing something just to have it in place.

Now, Ontario and, I would say, the Ontario government is a prime example of what not to do when it comes to energy. They have ruined their energy system. They have incredible burdens put on their rural residents right now, where people are choosing between heating and power to their homes and paying mortgage payments. That's energy poverty or energy, more or less, denied to rural residents . . .

Mr. Strankman: And it's shameful.

Mr. Cyr: . . . and it is truly shameful that the Ontario government has gone down that road.

Now we've got the Premier of Ontario. She has outright said – and I don't have the quote in front of me – that she's not going to win: please vote for somebody else so that the Conservatives can't form government. That is because Ontarians have learned the lesson when it comes to energy, and we continue to go down the road where Ontario has proven that it doesn't work. Now we're getting a government that is going to be punished when it comes to the election that's coming up here. Punished. The question is whether they're even going to have a party left, an official party left, once that election is done because of how poorly they've managed their government there.

Mr. Strankman: We'll find that out tonight.

Mr. Cyr: And – good point – we'll find out tonight exactly where that's going.

I would wish everybody in Ontario fortune in whatever party they choose, but I will tell you that it is a telling tale when your Premier who has a majority government is looking at going down to no official party.

This is important because when we look at what happened in Alberta's past, we had a government, a Progressive Conservative government, for 44 years. This government, some will argue, did very well. Some will argue it didn't do well. But in the end what happened was that the people of Alberta decided to give the NDP Party a chance. The NDP Party promised not to be radical, in my opinion, and in the end we're seeing radical bills like Bill 13 coming forward. This is a radical bill because it is a radical change to our electricity system. We are going to be subsidizing this from Albertans most likely for generations. This is something I am passing on to my children and their children. It is shameful that we are debating this and the government is going to supporting this.

To move on to the throne speech again, I would like to say that the next sentence to this is:

Since Alberta's electricity system was deregulated, families, businesses, and investors have been subject to volatile electricity costs. That volatility was keeping investors on the sidelines.

Markets do that. What happens here is that when there is a need for energy, we would have somebody provide that energy. It's a simple system. That is the value of that. We never were short of energy, so it was a good system that we had in place. Was there volatility? Absolutely. But you know what? Your cap does more or less the same thing under both the market system and the capacity system, and it also does it through the other system as well. If you were trying to take volatility out of it, you could have done it in both market systems by putting the same cap on there, yet you chose to go with a more costly route, which is to pay our energy industry for actually not producing any energy. That seems strange to me. That's something that I can't see as an option that we should have moved forward with.

Now, it goes on:

At the same time, the electricity system generated harmful air pollution, with Alberta burning more coal than every other province combined.

We've got coal here. We've got clean coal here. I am waving my hands around too much, but I will tell you that what we've got in Alberta is an abundance of energy. We have the ability to create clean coal burning facilities. Why wouldn't we want to take advantage of that?

When you see Germany, for instance, which, from my understanding, has some of the worst coal on the Earth, when you compare us to them, we're phasing out coal and they're moving toward coal. That's a strange thing to be seeing. They've tried this renewable energy route that you're trying to move us towards, and it failed for them. Now what happens is that they've got incredible energy poverty happening in Germany.

We've got incredible energy poverty happening in Ontario. It is a common path when it comes to electricity that it seems everybody wants to fix our energy system, yet they don't want to do it with their own money; they want to do it with taxpayer money. They want to do it with debt. Debt is one of the things that we will pass on to future generations, and debt interest is something that will mean that we will have less money or less ability to provide programs in the future. Obviously, this is troublesome, and obviously this is not the direction that Albertans were hoping that we would go in. We need to be making sure that Alberta always has a stable energy source, that Alberta always has the ability to be able to provide energy in a way that Albertans are able to heat their homes. They'll be able to spend time with their families, with entertainment. They'll be able to drive their cars to get to and from work or to and from activities. In the end, Albertans depend on energy, and Albertans depend on cheap energy. This is one thing that has allowed Alberta to thrive.

9:20

Yet here we've got a government that continues to slap more and more taxes on our energy, making it harder and harder for our middle class and those that are, unfortunately, low income or seniors, all of those that have lower incomes, to be able to move forward with their lives. We're moving forward with making it more costly for them. Then we hand them an energy rebate or a carbon tax rebate. That rebate is meant to subsidize them for all of the costs. From what I've heard from my local seniors and my local middle-class families, the money that the rebate reimburses isn't anywhere near the cost that is being levied against their families. We are actually seeing people that are worse off because of this government.

It comes down to that they need this energy to live. This is not something that Albertans can do without. A lot of times what happens is that you'll have people compare us to other provinces or other states. Well, it is tough to compare us to, say, California when we require heat going into our homes in order to live whereas for Californians some may argue that down there they could do without any power if they were needing to because in the end they don't depend on power for their livelihood. Now, some could say that heat for seniors is a necessity down in California, and I think that argument could be made. What we can't do is ignore the fact that cheap energy in Alberta has allowed us to prosper.

We're seeing more and more businesses being put out of business because of the decisions this government has made. One of them is the carbon tax. The other is the incredible cost that is being levied on them, whether it's the minimum wage increase, whether it is – in some cases in my constituency we've seen the emissions cap, we've seen the methane reduction, and we've seen a lot of things

that this government has brought forward. Yet all of them seem to be putting people in my constituency out of work. The government knows this is going to happen, yet it still pursues those options. That is not consultation, that is not working with our industry, and that is not finding balance.

Now, I understand that the government wants to see radical change, a U-turn, if you will. Albertans aren't there yet, and I don't believe that Albertans should be responsible for that.

Thank you.

The Deputy Speaker: Any other members wishing to speak? The hon. Member for Red Deer-North.

Mrs. Schreiner: Thank you, Madam Speaker. I'm honoured to stand in support of Bill 13 as a cosponsor of this bill. Bill 13, An Act to Secure Alberta's Electricity Future, will implement the capacity market. We are excited about the made-in-Alberta approach we are taking to what is a proven market system. Over the past 18 months our government has worked with stakeholders, including industry and consumer groups, to ensure that we have designed the best possible capacity market for Alberta. Our new market system, once fully implemented in 2021, will make life better for Albertans. It will ensure that Albertans continue to have safe, reliable, sustainable, and affordable electricity, and it will attract investment from industry.

Madam Speaker, I need to speak to some comments made about the Brooks solar facility. It was stated in this Chamber that that facility was unstable and unreliable and that it was subsidized at 100 per cent. Comments were made suggesting that it produces too little energy, as if the project's developer did not account for solar's capacity factor when deciding whether the project was economic. This facility is privately owned, privately developed, and privately financed. It's important for us to defend private industry that has brought investment and jobs to Alberta.

I know that many in Brooks and the county of Newell are proud to be home to western Canada's first utility scale solar project. It is private investors who brought this facility to reality after securing innovation funding through the competitive application process back in 2014. It is an important early leader for working through the approvals and regulatory process and will set the industry up well for further solar investment in Alberta. The project used a significant amount of local labour and subtrades in a variety of roles, which not only represents economic development for the Brooks area, but it also builds local capacity in this growing renewable energy sector. This is good for Alberta.

We know that solar energy costs have come down substantially and that it produces energy well in line with higher demand and higher priced hours in Alberta. For that reason, solar energy is poised to bring a lot of benefit to Alberta, and people in and around Brooks can be proud to pioneer this trend. The county reeve is rightly excited about the opportunity to diversify the county's income streams. For these reasons, it is important to set the record straight and address comments that unnecessarily bashed private investment in Alberta.

Madam Speaker, I'd like to address another misconception raised repeatedly during second reading and Committee of the Whole debate. The statement has been made by members opposite that under this bill companies could be under contract for capacity, receive payments for that capacity, and could deny the provision of electricity. This is simply not so. Companies that deny providing electricity to the grid would be in breach of system operator rules. Alberta's existing energy market rules have must-offer requirements. This means generators that are connected to the electricity system must provide electricity when told to do so by the

Alberta Electric System Operator. Should a generator fail to provide electricity, they would be subject to investigation by the Market Surveillance Administrator and potential penalties from the Alberta Utilities Commission. This requirement will continue to apply with the capacity market.

Generators who receive a capacity payment will be required to be active in both the energy and capacity markets, and generators who win a capacity auction will be obligated through system operator rules to provide that capacity similar to the current requirements in the energy market. Be assured: Alberta's agencies will ensure that generators comply with all rules.

Madam Speaker, in addition to enabling the capacity market, Bill 13 will also protect Albertans from poor customer service. Bill 13 will hold electricity and natural gas service providers accountable for inappropriate business practices or breaches of customer service such as late or inaccurate bills. With this legislation the Alberta Utilities Commission will be able to directly issue specified penalties to electric and natural gas service providers for infractions. Currently the only enforcement tool the commission has is its formal hearing process, which can be lengthy and costly and is not in the best interest of consumers. It is past time to repair that gap. I am glad to support legislation that gives all members the opportunity to support this important piece of consumer protection.

This bill enables the changes needed to modernize Alberta's electricity system to ensure that it becomes a more stable and reliable network. Not only will it provide consumers with stable electricity prices, one of the key benefits of implementing a capacity market, but it will protect them from poor customer service by enabling the Alberta Utilities Commission to directly issue specified penalties to electricity and natural gas service providers for particular breaches.

Madam Speaker, I'm proud to support Bill 13, legislation that ensures Alberta's long-term prosperity while protecting Albertans and putting consumers first. Thank you.

9:30

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)? Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Speaker. It's with the greatest of respect that I ask my friend from Red Deer-North some questions in regard to her comments. My understanding was that her comments were directed and concerning the county of Brooks. There really isn't a county of Brooks; it's the county of Newell. I was actually speaking just yesterday to the Alberta Irrigation Projects Association manager about the development of irrigation in the county of Newell by the Eastern irrigation district. They have great concerns about the use of irrigable land for solar farms.

Madam Speaker, I was wondering if the Member for Red Deer-North could explain, where she talks about the infusion of solar panels, how that would negatively affect the irrigable land that's associated with the coverage by solar farms, because that coverage is not unlike suburban sprawl that's taking agricultural land out of production. If the Member for Red Deer-North would expound on that a little bit, please, I'd be greatly appreciative.

Thank you.

The Deputy Speaker: Any other comments? Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. I did a quick look on some of the concerns that the hon. member from the NDP had brought forward, specifically about misinformation that may have come from the opposition side. You know what? Whenever there's

misinformation, we need to clarify it on the record. That just needs to happen.

I'm thankful that the member, if there's something that came forward – I do have an article, though, Alberta Renewable Revolution Begins with Launch of Largest Solar Project in Western Canada. This is an article that was put forward by CBC News on December 22, 2017, by Kyle – and I'm sorry, Kyle, whoever you are – Bakx. Now, in this article it says, "The project cost \$30 million and developers received \$15 million in grant funding." Now, in this case – the member from the NDP can clarify this, but what I understood from her comments was that none of this project was subsidized by the Alberta government. Clearly, this article says something very different from information that she may have provided.

Again, if the case is that there's an error in the record, it is important that we clarify this, because I do believe that any of these renewable projects that go forward that are put in place by Alberta, a lot of them are subsidized by the Alberta government. When we start seeing the capacity model come forward, we're going to see that these renewable projects will also be subsidized when they're not making power. That is troublesome as well. So to hear the member – I have nothing but respect for private investment. Absolutely, this is the way to go. But to make it sound like private investment is the only thing that holds this project up: I'm having a hard time jumping to that conclusion. The fact is that whenever we've got a renewable project going forward in Alberta, most likely you can always tie it to taxpayer money. Going forward, you can also tie that same project to some sort of subsidy.

If my colleague across the aisle had put some information out that said that it was a hundred per cent subsidized by the Alberta government – and, clearly, from the article that I have in front of me that says that maybe 50 per cent of it was subsidized by government, that sounds like there may have been an inconsistency. If that's the case, then I will apologize for my colleague because I don't believe that they ever meant to mislead to the House. But I do believe that it is a little misleading to say . . .

The Deputy Speaker: Any other members wishing to speak to the bill? Calgary-Foothills.

Mr. Panda: Thank you, Madam Speaker, for the opportunity to speak to Bill 13, An Act to Secure Alberta's Electricity Future. This bill is very complex, as we all spoke in this House many times. Today you'll hear more and more about our concerns and how we got here and what we told the NDP on how they can improve this bill and what other stakeholders told them. I'll bring up some points here, and we can discuss that later on in the next speeches. My colleagues here all have lots of information to share this morning.

After all of these ad hoc changes to the electricity system by the NDP, Bill 13 certainly takes the cake. This bill, Madam Speaker, is 50 or 51 pages. Even the numbering, you know, is not proper. It's a little bit weird. Anyway, it hides more information than it reveals. When I asked more questions, I was told: it will all be in regulations. When we ask when the regulations would come, nobody can give us a convincing answer.

Bill 13 was supposed to be all about bringing in and installing a capacity market, and while Bill 13 does that, there are a couple of other things Bill 13 also does. The NDP tried to change the laws – when I say "laws," it's not "loss"; it's "laws" – around utility asset disposition. The electricity distributors – EPCOR, Enmax, Fortis, AltaLink, ATCO, and AltaGas – all successfully lobbied to have this part of the bill amended, and the offending parts that were meant to close the gap created by the 2006 Stores Block decision were removed. It's not very often that government, let alone an

NDP government, amends its own bills. Now, the NDP government must have got utility asset disposition very wrong.

The NDP have also made a move to slip natural gas retailers under the Gas Utilities Act as a body that can be taken to the Alberta Utilities Commission and assigned specified penalties for not doing their job. I'm surprised the NDP tried to put utility asset disposition in this, the capacity market bill. Same with adding natural gas retailers and specified penalties to the Gas Utilities Act.

As I said, Madam Speaker, it's really complex. We in the Official Opposition did our job to try and make this Bill 13 better based on the stakeholder consultations we had and the input they gave to us. Not surprisingly, the NDP rejected our advice.

The UCP did not think an electricity generator should be receiving a capacity payment and then deny the provision of the electricity, thus being allowed to spike electricity prices when the Electric System Operator demands electricity. Now, we want the generators on a capacity contract to be forced to offer electricity to AESO for sale. Every minute of every day AESO asks for and buys the lowest price electricity. If a generator is allowed to receive a capacity payment without being forced to bid their electricity to the ISO, the Independent System Operator, the electricity price will rise.

9:40

How high does it have to rise before people are being forced to the food banks like they are in Ontario? That's shameful, Madam Speaker. Within Canada it's happening, and it's in the largest province of Canada. It has its own electoral implications, and we'll see that tonight. The Alberta NDP, probably by passing this Bill 13 today, is actually conceding the next election.

TransAlta got caught and fined \$56 million by the Alberta Utilities Commission for market manipulation by denying the provision of electricity in order to drive up the prices. Is this a practice the NDP wants to continue? I asked them, and I didn't get any convincing answer. It's fundamentally wrong to receive a capacity payment and then deny the market electricity. We want to keep prices as low as possible for the average Albertan, for the regular Albertans, and the NDP wants to drive them up. The NDP rejected that amendment to protect consumers, and the NDP wants to pay for capacity whether electricity is offered or not.

The UCP wanted to make sure the NDP had a minimum of 60 days to consult on the draft regulations. Such a timeline would put the draft regulation out now so the NDP can have the final regulations done for August as per Bill 13. We know the ministry is consulting. Setting up the capacity market is a serious and complex undertaking, but the NDP rejected this amendment. All this tells me is that the draft regulations are not ready. Otherwise, the NDP would have accepted the amendment. Electricity companies are going to have a mad scramble this summer in August when the final regulations are released.

The next amendment was FEOC. "Fair, efficient, open, and competitive" was not applied evenly to the capacity market in the legislation. In some cases it was just sloppy wording by the lawyers; in other cases, it was omitted. FEOC is standard language in the electricity sector, Madam Speaker, and cleaning up the bill's language ensures consistency and would have provided certainty to the electricity stakeholders, who do not want legal manoeuvring to allow the government or the AESO to skip out on commitments. But the NDP chose sloppy drafting and wiggle room. This does not bode well to instill confidence in the suppliers.

Our final suggestion was that the generators who win a capacity contract under the provisional rules do not want the provisional rules changing on them between the provisional rules and the final rules coming out. How can you award a contract and then change

the terms and conditions? The minister; the AESO, Alberta Electric System Operator; and the Alberta Utilities Commission can't go changing the rules midstream and expect people to bid and invest in capacity. But even this, Madam Speaker – even this – was rejected by the NDP. The NDP seems to believe that as long as the rule change is within the bounds of fair, efficient, open, and competitive, the AUC can force the change in the provisional market.

Madam Speaker, the NDP rejected these suggestions for improvement. I fear that we have a flawed piece of legislation that will give rise to a broken capacity market. Albertans will suffer because of this. Electricity prices will rise higher than they need to rise, and I fear energy poverty in Alberta because of what the NDP has done, everyday Albertans unable to afford their power bills and having to make decisions on whether to eat or heat their homes. We have people in Ontario, where Liberal electricity reforms for green energy have taken power bills from \$80 per month to \$309 per month – it's almost a fourfold increase – and that is without dishwashers, without clothes dryers, and without leaving appliances or lights on. That's a 386 per cent increase over eight years. That's Ontario.

What about Alberta? Borrowing from the Official Opposition leader's dissertations Monday night and early Tuesday morning, the NDP started down this road when they increased the carbon tax on heavy industrial emitters like the coal-fired generation plants. Alberta gets 60 to 65 per cent of its baseline power generation from coal, Madam Speaker, as you know, and this action tripped an opt-out clause contained in existing power contracts. This allowed holders of the unprofitable power purchase agreements, PPAs, to return them to the Balancing Pool. That was the starting point, because of that ideological decision the NDP has taken that triggered dumping of the PPAs. That's the starting point.

Now, let's follow this trail here carefully. The NDP government did not like this, so they sued themselves, claiming foul under the so-called Enron clause being slipped into the PPAs at the last minute. The taxpayers of Alberta had to cover the losses on the PPAs while the PPAs were extant for those two years of the court case, and the losses kept mounting.

Also, it's funny, Madam Speaker. Neil McCrank, who was a former deputy minister and a former AUC chair, was blamed for that Enron clause, through no fault of his own, and he challenged it. All he asked was: hey, I'm in no way connected with that; you're mistaken; let's talk; withdraw your allegation, and apologize. And this government refused to engage him. Then he went to court, because he had to defend his reputation, and he, being a former bureaucrat, was indemnified by AUC. Then we, taxpayers, Albertans, ended up paying for his legal fees. Shame on this government.

The Balancing Pool spent more than \$700 million from its investment portfolio to cover the losses on the PPAs due to the government's action. Then the Balancing Pool borrowed a further \$566 million from the province at year-end 2017, last year, hiding the true cost from the consumers. That's how the NDP is hiding the true cost, Madam Speaker. In 2018 all Alberta electricity consumers will pay a surcharge, instigated by the Balancing Pool, in order to help pay for these losses of a further \$190 million. This list is, you know, endless, and someone like the Member for Bonnyville-Cold Lake, who is a professional accountant, hopefully can help me in adding up all these losses. They are mounting up, and the taxpayer is on the hook to pay for them.

9:50

Then to hide the cost to consumers again, Madam Speaker – you see, there is a pattern here – the NDP instituted a price cap on the

regulated rate option for residential electricity, at an estimated cost of \$74 million for this fiscal year, or 6.8 cents per kilowatt hour, and the price ceiling remains in place till May 2021, meaning that the price tag could still grow. If you talk to my colleague from Rimbey-Rocky Mountain House-Sundre, he has lots of consultations with the rural electrification agencies, the REAs. When he speaks next, you can hear from him what they told us.

Twelve of Alberta's 18 baseload coal plants were scheduled to close down, one way or another, by 2030, and the other six plants are merchant plants designed and built to be in operation as late as 2061, which is four decades away from now, more than 40 years away from now.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)? Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. I really was interested in hearing the rest of my colleague's speech, and if he wouldn't mind continuing, I would appreciate that.

Mr. Panda: Thank you, Member. I will continue here. Those power plants which were meant to be closed in 2061: the NDP accelerated the phasing out of those coal plants. The NDP government, under its climate leadership plan, had to compensate the existing plant owners, who were to operate these six plants well past 2030, for stranded capital costs. Alberta will pay three of the four affected parties – TransAlta, ATCO, and Capital Power – a total of \$97 million annually, or \$100 million to round up, over 14 years, beginning last year, in 2017, for a total cost of \$1.36 billion. I don't know if anyone is adding up all these numbers. It keeps adding.

You heard that right, Madam Speaker and members. The NDP are paying more than the cost of the south campus hospital to close down perfectly good coal plants. The NDP could have used that money to pay for the new south Edmonton hospital, but they chose the ideological coal shutdown over the new hospital. These six coal-fired electricity generation plants in Alberta were among the most advanced coal-fired facilities in the world, utilizing supercritical boiler technology, which operates at higher steam temperatures and pressures to drive a high-efficiency steam turbine, and carbon dioxide emissions per megawatt are lower than those from conventional coal-fired power plants in the rest of the world by 18 to 20 per cent.

Here we are today, Madam Speaker, with a capacity market, Bill 13, to raise the power rates to stimulate the generation build-out needed to provide the backup power for all the wind farms and solar farms the NDP are foisting on Albertans. Bill 13 represents the culmination of the NDP ad hoc electrical system redesign, that has cost Albertans billions of dollars and keeps costing Albertans more and more. In the following discussions today I'll bring up how much it cost in total. The NDP ruined the low-cost electricity advantage we had for ideology.

As a result, I cannot support Bill 13. I don't think Albertans have any appetite to support this Bill 13, and I don't think my colleagues on this side of the House have any inclination to support this bill. We might have thought about that if the NDP had accepted at least one amendment or a couple of amendments that we brought in, but they chose not to because they don't want to improve the bill. They just want to punish Albertans, who elected them. Now Albertans will be ready to punish them in less than a year.

Thank you, Madam Speaker.

The Deputy Speaker: Any other questions or comments under Standing Order 29(2)(a)?

Seeing none, any other speakers to the bill? Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you, Madam Speaker. I'd like to talk about section 3 of Bill 13, which, of course, deals with the Gas Utilities Act. Section 28.3 of the Gas Utilities Act deals with how to handle poor-performing gas distributors, default supply providers, and now under Bill 13 it will add retailers to the legislation.

Now, in addition to administrative penalties, the Alberta Utilities Commission will now be allowed to levy a specified penalty under the new proposed section 63.1 of the Alberta Utilities Commission Act, found in section 1 of Bill 13, the bill that we're discussing in this place today.

Now, I'm concerned about this. Madam Speaker, up in Mackenzie county along the Peace River, in La Crête, an area, I'm sure, you know well – Buffalo Head Prairie, Paddle Prairie, Keg River – growth is great. It's been growing significantly up there. You may or may not be aware that there's a local natural gas shortage in that area. Now, in December 2017 there was an emergency as temperatures reached minus 40. People could not get enough natural gas to heat their homes due to low pressure of the gas line in those communities. Demand exceeded supply.

Mr. Strankman: Direct it to the Speaker so that the Speaker knows.

Mr. Nixon: For sure. Thank you.

Demand exceeded supply in those communities, a pretty concerning, I would say, situation, definitely scary if you're in a situation where you're trying to heat your home at minus 40. But it's also creating a situation where it's stifling development. It's stifling development in those communities because of the lack of gas. If you're hearing stories in those communities about not being able to get gas at a time of year when it's minus 40, in communities where it's minus 40, as you know, Madam Speaker, a lot; I assume you know, because you are the MLA in that area, that it gets cold there a lot – you would probably not be as encouraged to develop in those areas because of that gas shortage.

Further to that, though, even new businesses that want to come to those areas despite the challenges are now being turned away because of the lack of gas. It'll take the Northern Lights Gas Co-op 10 years, Madam Speaker – I don't know if you know this – to raise the \$45 million from ratepayers needed to build the new 65-kilometre pipeline. And now we find out – this is why it's relevant to this bill – that the NDP have snuck into Bill 13 some amendments to the Gas Utilities Act where the AUC can order a specified penalty against a retailer like the Northern Lights Gas Co-op in Mackenzie county for failure to deliver natural gas. Shocking that not one northern Alberta NDP MLA has even risen in this House to speak on behalf of these poor people that are about to experience this inside their communities or are already experiencing this inside their communities. It's very concerning to me.

I was talking to some people in Mackenzie county the other day, and they're disappointed in that, which is why we're rising on their behalf to represent them in this Assembly on this issue. This has been snuck into Bill 13. This is the behaviour that we get from the NDP government: the lack of regard at all, the lack of concern, even for communities that they represent. I mean, it's one thing when they come to this Assembly, and we talk about our communities. They seem to want to ignore the concerns of those communities, but even for communities that they represent, nobody from northern Alberta in the NDP caucus has spoken about this.

Mr. Piquette: Oh, that's not true.

Mr. Nixon: They have spoken about it. They've spoken about it in defence of it. The Member for Athabasca-Sturgeon-Redwater is now heckling me because he's a northern Alberta MLA who has not spoken, defending his constituents on this issue, a prime example of that.

The question, then, becomes: why did the NDP sneak these amendments into Bill 13 despite the concerns that would be happening in northern Alberta communities? I would suggest, Madam Speaker, that it is yet another example of the NDP falling short, at the very least, maybe not doing their job. The members that represent northern Alberta in the NDP caucus, I'm sure, do respect and care for their communities. It may be that they just have not taken the time to actually understand the legislation that they are voting for because the government just asked them to.

I will move an amendment to give them another chance. I have the appropriate copies for the pages.

10:00

The Deputy Speaker: Go ahead, hon. member.

Mr. Nixon: Thank you, Madam Speaker. I move that the motion for third reading of Bill 13, An Act to Secure Alberta's Electricity Future, be amended by deleting all the words after "that" and substituting the following:

Bill 13, An Act to Secure Alberta's Electricity Future, be not now read a third time but that it be recommitted to Committee of the Whole for the purpose of reconsidering sections 2 and 3.

Now, the reason I move this amendment, as articulated in my preamble before the amendment, is out of concern for all Albertans, particularly some concerns around what is taking place in northern Alberta and some of the counties up there and the tremendous impact that this legislation may have on them – it may continue to make the situation worse out there – and the fact that none of their representation will speak on their behalf on this issue.

The NDP, who are the government right now, need to be trying to help the county up. We need to be trying to help these areas out. Instead, what we have right now is that the NDP are lining up to kick the county when they're down. Instead of helping the county get up, the NDP are lining up to kick the county when they're down, which is why this needs to go to Committee of the Whole and be reconsidered to make sure that we are getting it right. I certainly hope that no member would want to continue to watch large portions of our province be kicked when they're down.

You know, Northern Lights Gas Co-op is adding two compressors to its pipeline to increase pressure to the system to try to deal with some of the situations I've discussed, which will boost capacity, but it's a Band-Aid until the new pipeline is built. Lenard Racher, who's the chief administration officer for Mackenzie county, says that if action is not done now, the county will be in trouble in two to three years. The county is going so far as to now consider not hooking up natural gas to new homes, which, of course, stifles development again, but it also means that there are more trucks with propane, et cetera, driving on the roads.

Mr. Strankman: It's dangerous.

Mr. Nixon: For sure.

This is what happens, though, Madam Speaker, when you have a governing caucus that continues to just provide a cabinet and their leadership a blank cheque without looking through legislation or taking the time to be able to defend their constituents and ask questions. It is a very reasonable question for any MLA, but particularly an MLA from northern Alberta, to ask why these clauses have been snuck into Bill 13.

I know that counties across northern Alberta, that are talking to us, and constituents across northern Alberta are concerned about these clauses. We still have not seen – even today during third reading the minister has not risen to speak to her own piece of legislation. She has refused to communicate at all about this legislation. I would encourage the minister to today. During the debate on Bill 13 I would hope that she would finally get up and address some of these concerns, to give the answers.

While I get that the NDP has complete disdain for the Official Opposition – that's fine; that's their choice – they should not for the people that we represent, and they certainly should not for the people that they represent who are asking questions. This is not a county or an area of the province that I currently represent though I do enjoy visiting from time to time. This is an area that is represented by the NDP caucus, and nobody in this House on the government side will take a few moments out of their day to talk about legislation that this minister is asking us to pass. This minister is asking us to vote on Bill 13, to support it, but will not stand up and answer simple questions about the bill itself, will not address the concerns. You know, this goes back to the trust issue. It's a problem.

I do not know, Madam Speaker, if you know:

If the [AUC] is of the opinion that the gas distributor, default supply provider or retailer has failed or is failing to meet the service standards rules, the [AUC] may ...

- (a) direct the gas distributor, default supply provider or retailer to take any action to improve services that the Commission considers just and reasonable.

Inside Mackenzie county they can't accomplish that at this moment. They just don't have the capacity, and if it gets cold, they're in a situation.

They could

- (b) direct the gas distributor, default supply provider or retailer to provide the customer with a credit, in an amount specified by the Commission, to compensate the customer for the gas distributor's, default supply provider's or retailer's failure to meet the service standards rules.

Well, that, at face value, seems entirely reasonable. When you go and look at the gas co-op in Mackenzie county, they literally can't right now because there's no capacity.

Instead of the government focusing on how they could help that municipality get through that issue and be able to take care of their constituents, they come to this place and focus on an ideological agenda, completely abandoning the county, kicking the county when they're down, and not having a serious talk about what the consequences could be to this community. I can think of no clearer example of what we've been talking about repeatedly inside this Chamber, over and over and over. Sadly, this is the NDP's track record, focused on their ideological agenda, you know, spending time, obviously, just talking to each other and to a tight bubble.

I can say that, Madam Speaker, because if they weren't, they would know about what was going on in Mackenzie county. They would be standing in this Chamber and they'd be saying: "Minister, I'm on your team. I'm part of your government." I'm not, and I want that clear in *Hansard*. But they would be saying that and saying: why is this not being fixed? They would be bringing amendments in Committee of the Whole right now to be able to defend the people that they represent. Instead, they continue just to rubber-stamp the process.

[Ms Sweet in the chair]

So that's why I brought forward this amendment. I certainly hope that all members of the Assembly will consider supporting that

amendment and making sure that we can get this piece of legislation right for all Albertans.

I thank you for your time, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members under 29(2)(a)? The hon. Member for Peace River.

Ms Jabbour: Thank you, Madam Speaker. I really felt like I had to get up and correct the record based on some of the comments made by the previous speaker. I represent the constituency of Peace River, and I'm very proud to represent that constituency. That constituency includes Mackenzie county, which is the largest county in the province.

Back in December, when we first became aware – in fact, I've been aware of the gas shortage problem for quite a while. I have a very good relationship with Northern Lights Gas Co-op. We even meet on a regular basis. My assistant attends all of their meetings and gives me feedback, so I always know exactly what's going on. When the crisis came up in December, when we were at minus 40, that week – I think it was Christmas or right after Christmas – immediately the Premier's office contacted me and said: "What's going on? What can we do to help?" I immediately contacted the reeve and the county. We followed through.

Shortly after that, we had a meeting with the Minister of Agriculture and Forestry, with a number of the gas people, including ATCO, with members of the community, with the county, and we talked about solutions. We put everything on the table. The minister at that time made it clear that there was only one desired outcome, that we were going to fix this problem. It didn't matter what had to be done – we were going to look at different solutions – but the problem needed to be fixed before another crisis came up. We've been working very hard on this issue, and the community knows that. Mackenzie county knows that.

I received an e-mail from the reeve this morning. He wanted to get my feedback because CBC just did a flyby and an article about the issue. He said that, you know, he wanted to know my feedback, what I thought about the article. He expressed his concern that even though he had told the reporters how much he appreciated all of my hard work, all of the Minister of Energy's hard work, and the Minister of Agriculture and Forestry's hard work to solve this problem, the reporters had chosen to eliminate that from the article. They all recognize it. They all see it. They know I'm working hard for that constituency.

I don't appreciate having incorrect information being brought forward to this House that implies that I am not doing my job. I am.

Thank you.

The Acting Speaker: Thank you, hon. member.

Any other members under 29(2)(a)? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. I, too, have the same problem in my constituency of Bonnyville-Cold Lake. I would ask the Member for Peace River, who chairs the NADC, to realize that this is an actual northern problem. Maybe it needs to be addressed as a concern that is brought forward for our entire area. I have had my office reach out to Agriculture, and we haven't so far had a response. But the fact is that when it comes to gas in my area, North East Gas is the gas distributor in my area. They can't get gas, and we are actually losing commercial projects in my constituency right now because we cannot get the supply.

10:10

With North East Gas, what happens here in my constituency – this is why it's disappointing to see that sections 2 and 3 are slipped into this specific bill – is that they can't get the gas. They have to accept every application that comes in, and then when the application gets processed, they have to tell them that they have no gas. It's the craziest system ever. But now what will happen is that when they deny them, it's going to open it up to other companies that are larger in Alberta, more or less forcing these REAs out of business. It is shameful that they cannot get the supply they need in order to supply northeastern Alberta.

This is not just a northwestern problem, and I would ask the Member for Peace River: will she bring this forward as an NADC concern for northern Alberta?

The Acting Speaker: Are there any other members wishing to speak under 29(2)(a)? The hon. Member for Peace River.

Ms Jabbour: I just want to briefly comment that, yes, absolutely. NADC has discussed this, and it's something we will continue to discuss.

Thank you, hon. member.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak under 29(2)(a)? The hon. Minister of Agriculture and Forestry.

Mr. Carlier: Thank you, Madam Speaker. I want to thank the MLA for Peace River for her advocacy on this. She's not the only one advocating for that.

The Acting Speaker: Thank you, Minister.

Are there any other members wishing to speak to the motion? The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Speaker. It's a fine day in Alberta here, and it's a fine day in the Assembly. It's a fine day outside as well. In the Chamber today I'm sensing an urgency for the business to be proceeded with, but I'm also smelling in the air the smell of fresh-cut grass, and it's an honour to be speaking here in this Chamber but also a pleasure to smell those odours inside the place rather than some of the normal atmosphere that we have of hot air.

Madam Speaker, I believe that when discussing Bill 13, An Act to Secure Alberta's Electricity Future, it's important to take caution when looking at the bill. I believe that if we step back and we're able to take a bit more time, which we attempted to do several times in this opposition's proposed amendments – we have had quite lively discussion recently on I believe it was amendment REC, proposed by the Member for Rimbey-Rocky Mountain House-Sundre, and we've had some quite lively, informative discussions under section 29(2)(a) – we could see more clearly that there are consequences or in some cases unintended consequences that may happen as a result of passing the bill.

Madam Speaker, we owe it to ourselves and we owe it to Albertans to make sure that we get this bill right. Some of the legislation that's passed in here is a hallmark of longevity. In my riding there are people who are still looking at – and many know in this Chamber that I've fought it – outdated federal legislation, dating back to 1943. As a result of that repeal, in Alberta we see a marvellous economic development going forward. I believe that it's never wrong to take time to consult. It's been suggested by this government that at some points consultation, as believed by some, is simply burdensome red tape.

I think that it's important to speak about components of this bill that truly change how our electricity market works. This bill takes us from an energy-only market to a capacity market. Madam Speaker, that's a significant set of words there: energy only to capacity market. In doing so, those electricity prices will be more expensive. My compatriot from Bonnyville-Cold Lake has talked about the unsuccess of the Premier in Ontario and now her abandonment, it would appear, of her political career based on a lot of the unforeseen, unintended consequences of legislation. Here in Alberta, though, this NDP government would argue that the cost to the consumer is capped and that the price cannot go beyond 6.8 cents per kilowatt hour until 2021. Well, Madam Speaker, that's what is said on the one hand, but on the other hand the government had to offset this and create an offside that had to be covered by some \$74.310 million. Those are not small numbers. It's certainly about more than 100 times the spring budget that my son uses on our farm to put the crop in the ground, and we're quite aghast at the small numbers that our operation uses. So this has been set aside in the budget to look after the potential shortfall of the revenues to pay for the misguided agenda proceeds from the carbon tax. But another question going forward is: with increased costs, what if this 74-plus million dollars isn't enough to cover the costs?

I'd like to go back a couple of years so that we can see that there was the formation of a plan by this government so that this overage cost could be paid for not by the consumers necessarily but by all Albertans. Unfortunately, how Albertans will pay for that is with excessive, long-term, significantly large, approaching three digits now, \$100 billion of debt.

Madam Speaker, I'd like to take a trip back to Bill 10, the Fiscal Statutes Amendment Act, 2016, which at the time took away the accountability of this Legislature with regard to how much it can borrow. Just four months prior to that, this very government said that they wanted to raise the amount that they can borrow to 15 per cent of the gross domestic product, an amount that they've since blown through and why they want an unlimited debt ceiling. It's beyond the pale. Looking back then, we knew that this was a problem that the government didn't altogether plan for. We had a gigantic problem that we're heading for. It would certainly appear that some of the cautionary presentations by this side of the Chamber are coming true.

Going back to 2016 and a bill that, arguably, is one of the smallest bills that I've seen go through this floor but with tremendous consequences, Bill 34, Electric Utilities Amendment Act, 2016, assented to in 2016, reads:

Her Majesty, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Amends SA 2003 cE-5.1

- 1 The Electric Utilities Act is amended by this Act.
- 2 The following is added after section 82:
Loans to the Balancing Pool and guarantee
82.1 The President of Treasury Board, Minister of Finance may, on the recommendation of the Minister of Energy, make loans to the Balancing Pool and guarantee the obligations of the Balancing Pool.

So, Madam Speaker, we're seeing the verification of some of our concerns about the presentation of a supposedly low, locked-in price, but on the other side of the shell game we see the guarantee by the requirement for debt covering north of \$74 million. We see the guarantee of the obligations of the Balancing Pool by the Minister of Energy so that no matter how badly they messed up this file, they would always have a way to cover it. This is covered in this legislation I've just described. This would not be covered by the consumers of the electricity but by the average taxpayer, taxpayers in general. They would be on the hook for whatever has

been run short because the government can borrow, by the legislation just described, whatever it takes for this or any of its projects and leave the taxpayers on the hook for the bill. Why, I ask, is the government short? Well, let's just dip into the seemingly unending pot of debt that the government has set up through Bill 10, as previously mentioned.

10:20

This brings us to today, Madam Speaker. As a result of the coal-fired generation phase-out and the push for 30 per cent renewables generation by 2030, the reliability of our electrical system would appear to easily be compromised. The phase-out of coal-fired electricity: the federal government under Mr. Harper had said that existing plants built in the last 50 years are grandfathered, meaning they would have up to 2030 to close or – they give an option of choice; Mr. Harper and I get along famously on the use of the word “choice,” because he was one that provided significant choice to Canadian farmers, of which I was one – to introduce carbon capture and storage technology to reduce those emissions. As you can see, there was an option for these plants to continue on.

In my riding, the riding of Drumheller-Stettler, in the community and the town of Hanna near the Sheerness plant operated by ATCO, they've explored many various ways to reduce the pollution, or perceived pollution by many, to an acceptable level. They've been ongoingly doing these experiments. What effectively is happening here close to home and in communities like Hanna, Forestburg, or Keephills, for that matter, is the premature closure of their coal-fired plants, and that is, frankly, openly harmful to their communities.

This bill is a reaction or a result of this government's plan to phase out coal and push for renewables. Many Albertans have no problem with new technology and no problem with the influence of renewables, but they want to know that it's going to be a fair and economical process going forward, with highlights on the word “economical.” In doing so, this government, Alberta's newest government, the NDP government, has compromised the reliability of the electrical system and has made it so that the electricity prices are or will be more expensive and less reliable. We see that we may – I should remove the word “may” from the *Hansard* records. They've done this without consulting communities directly affected. They've done this after. They've consulted after the fact.

I'd like to draw your attention to the communities of Hanna and Forestburg or the power-generating plant at Keephills 3, which was to close in 2061, or even Genesee 3, that was to close in 2055. Coal-fired electricity has made up over half of all electrical generation up to this point in Alberta and has provided us with safe, stable, inexpensive base power, base generation, that Albertans could rely completely, predictably upon. They were paid for what they produced.

Under the capacity market and using renewables, there seems to be a problem because the wind doesn't blow all the time and the sun doesn't always shine even though in the summertime we have more daylight hours. There are some new efficiencies to solar panels, but the backup plan is simple cycle peaker plant generation to cover off for the wind. Madam Speaker, these plants are considerably more expensive than the long-term, stable generation of the base power units that we have presently on hand. The AESO demands that there be a 15 per cent reserve margin, and neither wind nor solar can be used in that factor.

The good folks, my constituents in Hanna and in the Battle River-Wainwright constituency, Forestburg, in fact, all the Albertans that I've talked to have zero trust in the government when it comes to this electricity generation program and delivery model. In fact, reliability is a factor in why these folks have no confidence in their

ability to deliver reliable power, not to mention the emotional and financial harm that they're inflicting on these communities. This is why we have pushed so hard to make amendments like the one previously before us, A1. It's important that these communities have been brought to a position in time. The government needs to fully consider what additional trickle-down effects or unintended consequences – and I repeat myself: trickle-down effects – these communities may experience.

Now, there are other interesting ways, and the government needs to take the extra time to consult and get all stakeholders on the same page. There have been some consultations, Madam Speaker, and it's been basically involved with the communities and the adherence to the delivery of some grants. Those communities are left beholden. Not unlike an old storied fable where the young lad was asking for another cup of porridge, these communities are asking for some form of extra patronization and being patronized in some cases by the government to get their funding.

Hanna, for example, will be losing approximately 200 full-time jobs, great wages, Madam Speaker, that a family could easily be raised on. Those 200 jobs are paid an average of \$90,000 per year per job, and that's a tremendous loss for the families and the town. These are great-paying jobs. My Hanna constituency office manager: her husband drives a coal truck out there, and they're pleased, proud, and happy to be residents of the area. They're wondering how their mortgage is going to be paid as this phase-out goes forward.

Madam Speaker, \$90,000 per worker for 200 jobs is \$18 million, and the patronizing way that the government has approached the community so far has been far, far, far less than \$18 million. That would not be a huge loss of income for the city of Edmonton or Calgary in pure numbers, but for the town of Hanna that's 7.5 per cent of their population.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you. You know, I was curious on how Hanna is being impacted by this potential legislation. If the member wouldn't mind continuing to explain to us how it's going to impact Hanna, I would appreciate that.

The Acting Speaker: The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Speaker. I hope it wasn't too boring a regaling, but the Member for Bonnyville-Cold Lake seems to think that I have some credence here, so I'll continue.

Like I was saying, if you did the same comparison to the city of Calgary, if you did an initiative that would cost the city of Calgary 7.5 per cent at the stroke of a pen, then Calgary would lose 90,000 jobs. That would be using the same comparative number to Calgary. The economy of Calgary would be staggered, and the housing market would be staggered. Beyond the tanking of the whole economic environment there, I think that this government needs to realize and Albertans in general need to realize that Hanna would be flooded by this. These good-paying jobs are serious for the region. There are other economic development opportunities, but it's important. It just kills the economic incentive for anyone to even live there.

I'm concerned about what this government has done for a backup plan, as I said, Madam Speaker, for the \$18 million of job income lost. So far they've come forward with \$455,000. To the Member for Bonnyville-Cold Lake, \$455,000 isn't even hardly interest on \$18 million. So it's a staggering comparison, and it's a reality check

of the numbers that are going forward, but it also is an extreme ripple effect of what happens in these communities like Forestburg, where the power is generated as well, towns like Halkirk, Castor, Coronation, Donalda, even reaching out closer to my district in Oyen.

These people feel the loss of the money that normally would be created, and \$455,000 in a handout – or recently there was some \$270,000 in a handout – doesn't necessarily equate to the \$18 million of good, honest-paying jobs where people have enthusiasm in reality to go to work for. This pain is hitting hard, Madam Speaker, in the area, and it will further hit these small communities throughout rural Alberta and somewhat in central Alberta, and this cannot be recovered in those low agricultural production areas by more agriculture in the present form. There need to be other forms of economic development, and that isn't necessarily by the construction phases of solar panels or wind farms.

10:30

What seems to be missing from Bill 13 is the economic withholding, Madam Speaker. Economic withholding is the ripple effect or the countercycle of job removal. Companies that set up shop in Alberta should not be receiving a capacity payment and then at the same time reject or deny the supplying of electricity when AESO wants electricity in order to spike those electricity prices. This practice of unintentionally pricing power generation out of the market to deliver price spikes in many jurisdictions is regarded as illegal, but without addressing it here in Bill 13, is the government accepting this behaviour? Is it considering it permissible?

Another strong argument right here for hitting the pause button, as my good friend from Olds-Didsbury-Three Hills attempted to do with his prior amendment, is that it's never too late for the government to start doing the right thing and take a step back and make sure we have this right. This consultation period before enacting regulations was a good idea, and the government should have embraced it, but this government purports to be a fan of new technologies and new ideas and are putting more money into them through their carbon emission reduction plan, picking winners and losers.

Now, given that coal is being used for power generation here in Alberta until 2030, that's another 12 years from now that these plants will be operating. It seems odd for a government that claims to care about the environment and makes me wonder why there seems to be no investment and research in the development of clean coal technology. The environment minister talks about it. They talk about exporting it, but we haven't seen that in any great capacity. Technology advances could reduce Alberta's emissions over the next 12 years. [The time limit for questions and comments expired] Excuse me.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Speaker. It gives me great pleasure to be able to rise today to speak to the amendment put forward by the hon. Member for Rimbey-Rocky Mountain House-Sundre, in which he moves that the motion for third reading of Bill 13, An Act to Secure Alberta's Electricity Future, be amended by deleting all of the words after "that" and substituting the following:

Bill 13, An Act to Secure Alberta's Electricity Future, be not now read a third time but that it be recommitted to Committee of the Whole for the purpose of reconsidering sections 2 and 3.

Madam Speaker, I know that we're all familiar with the term "to err is human," and I would argue that the purpose of this amendment, this recommittal, is to address an error and to address

some concerns that have been discovered in Bill 13 and to bring it back to Committee of the Whole, where we can perhaps provide for the government some amendments that would create a better bill. I think that's what the purpose of this Legislature is, to make sure that whatever legislation we pass through this House is indeed good for the citizens of Alberta.

In this notice of amendment we see clearly that they've identified some sections of the bill that need to be reconsidered. Madam Speaker, it references sections 2 and 3, and if I turn to page 45 of Bill 13, *An Act to Secure Alberta's Electricity Future*, I can see that in section (3) it says:

If the Commission is of the opinion that the gas distributor, default supply provider or retailer has failed or is failing to meet the service standards rules, the Commission may by order do all or any of the following:

(a) ... take any action to improve services that the Commission considers just and reasonable.

Let's see. It says here that they can

- (b) direct the gas distributor, default supply provider or retailer to provide the customer with a credit, in an amount specified by the Commission, to compensate the customer for the gas distributor's, default supply provider's or retailer's failure to meet the service standards rules;
- (c) prohibit ... any activity or conduct that the Commission considers to be detrimental to customer service;
- (d) impose an administrative penalty under section 63 of the *Alberta Utilities Commission Act*;
- (e) impose a specified penalty under section 63.1 of the *Alberta Utilities Commission Act*.

If we take a look on page 10 of Bill 13, we can see that under section 63.1, specified penalties, they can prescribe contraventions of Commission rules, orders or decisions in respect of which a specified penalty may be imposed and prescribing the amounts, or the manner of determining the amounts, up to a maximum of \$10 000 per contravention, or if a contravention continues for more than one day up to a maximum of \$10 000 per day, of the specified penalties that may be imposed.

Madam Speaker, this amendment asks us to reconsider because we've seen that there are some errors throughout Bill 13, that we've brought to this government's attention. We understand that Bill 13, in some ways, was an absolute necessity once you have gone away from an energy-only market. The energy-only market produced the lowest prices in North America without any government subsidies in the production of electricity.

Madam Speaker, we have an energy system that, while prone to price swings, was working and functioning very well. The interference by this government with things like the specified gas emitters' agreements or the generators' contracts and the PPA agreements have thrown the electricity market into crisis to the point where it's cost the citizens of Alberta somewhere around \$2 billion to move from an energy-only market to a capacity market. When you do that, when you move to a capacity market when an energy-only market provided the lowest prices in North America, you've got to start asking some questions.

Now, we know that the purpose or the reason that they've moved towards this is because they wanted to enhance the renewable energies component of electricity provided in Alberta. That in and of itself is a laudable goal, assuming that you are not burdening the taxpayers of this province excessively. When you start to provide energy alternatives which cannot provide a reliable electrical system for the province of Alberta and for the people of Alberta, you are going to have some significant issues arise. For instance, you know, the sun shines and the wind blows but not always. We know that when it comes to solar power or wind, almost 64 per cent

of the time zero power is produced. That creates a problem with the electrical grid because it's no longer reliable.

Is this reasonable? As the opposition we've questioned the wisdom of this government as it moves down this path. It's not that we're against renewables, but we need to have an electrical system that is reliable and is not unreasonably attacking the pocketbooks of the citizens of Alberta.

Because we are moving away from coal and towards more renewable energy, we need to have things like peaker plants that can provide energy that's ready to go when the wind doesn't blow and when the sun doesn't shine. That's an additional cost to the system. In many ways we have to question why we're creating a capacity market which is going to be paying for energy that actually isn't going to be produced. But we are paying for the capacity for that to happen because we are moving towards renewable energies that are not baseload energy. This is a concern, and as the opposition we felt that we needed to bring this forward to the government's attention.

Madam Speaker, that's not the only other option or problem that we sometimes face. Sometimes we face a situation when the sun is shining and when the wind is blowing, with renewable energies like solar and wind, where energy is being produced when it's not actually needed. What do we do with that excess energy? Again, there's a cost.

10:40

I know that when we were working on coal in my constituency, where we have the Genesee power plant – it's a stable, reliable source of energy that had some of the best not only energy efficiency but also environmental efficiencies anywhere in the world, and the environmental costs and the greenhouse gas costs to these coal-fired burning plants, while slightly more than renewable energy, were by many Alberta standards within acceptable and reasonable norms, at least to the point where we could have followed an already set-out path for taking coal offline without stranding assets, as we've done under this government, which, again, has come at a cost to the citizens of Alberta and to the taxpayers of Alberta.

But when that sun shines and when that wind blows and when we have excess energy, what do we do? Well, again, we have to spend more resources. If you take a look at the Brazeau Dam, that's out in my constituency, in Drayton Valley, they have a project whereby they will be using the old river channel. When electricity prices are low, they will use that to pump water that has come out of the dam back into the second channel, and then they will open up the sluice gates again when electricity prices are high. Essentially, if you can just think of that second channel as a battery that stores energy, that is one way of dealing with some of that excess electrical capacity when the sun is shining and when the wind is blowing.

I mentioned the other day about ATCO and their Australian project, where they are using excess energy when the wind blows and the sun shines to produce hydrogen, which they store in abandoned pipelines and which, when they need the energy, can be used to produce energy through an electrical power plant. There's a loss of energy in conversion of that. They're telling me that they can achieve about 60 per cent efficiency, but it is one example of how we can find alternatives when we are looking at the whole issue of the unreliability of renewable energy. But it comes at a price, usually to the taxpayers of this province.

There are problems with this vision of the government as they move forward, and this amendment actually helps us to address that. We referred to section 3 of Bill 13, that deals with the *Gas Utilities Act*. We've read page 45 in here, which talks about – let

me just find it here – the commission and what it can do when a “retailer has failed . . . to meet the service standards rules.”

Now, in section 28.3 of the Gas Utilities Act it deals with how to handle poor-performing gas distributors and default supply providers, and now under Bill 13 we’re adding retailers to the equation. In addition to the administrative penalties that are set out by the Alberta Utilities Commission, they will now be allowed to levy a specified penalty under the new proposed section 63.1 of the Alberta Utilities Commission Act. We found on page 10 of Bill 13 that it read that they can levy a fine of \$10,000 per contravention and \$10,000 per day per contravention. This is a significant penalty that is built into a bill that styles itself as Alberta’s electricity future yet is dealing with gas.

Now, we know that recently, and it’s been referred to by other MLAs in this House, there was a CBC article – I believe that it came out on Monday – talking about the problems that are being felt in Mackenzie county. Along the Peace River and in the La Crête area and Buffalo Head Prairie and Paddle Prairie and Keg River the population growth has been very large. In the good economic times that we had prior to this government, the population in this province was growing as economic opportunity was here in Alberta, and they have experienced significant growth. One of the things that has happened as a result of that is that it’s put a stress and a strain on the provision of local natural gas, that there has been a shortage.

In December 2017 we saw this shortage and what it means to real people and the average individual in Alberta when they do not have access to proper supplies of natural gas. In December 2017 the temperatures reached minus 40, quite common in Alberta for the winter. I know that when I travel down south sometimes and we talk about minus 40, they can’t wrap their heads around minus 40. But you and I know, Madam Speaker, that in minus 40 weather we don’t want to have our furnaces go out, and we actually do have to have a product like natural gas if we’re going to be able to go through the winter in any kind of comfort and safety.

Now, the people could not get enough natural gas to heat their homes due to low pressure in the gas lines because demand was exceeding the supply of natural gas. This not only is, obviously, an issue of safety – I mean, think about it, Madam Speaker; we’re talking about Albertans having to worry about their safety – but this also has developed a problem in that business has been stifled because of this lack of natural gas. New businesses are being turned away. It will take the Northern Lights Gas Co-op, which provides the supply of gas, 10 years to raise the \$45 million from the ratepayers that will be needed to build a new 65-kilometre pipeline. Ten years: cold comfort, isn’t it?

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Speaker. You know, when we hear that ratepayers are not going to have safety for 10 years, that seems to be a hurdle that is significant for northwestern Alberta. I’d like to hear some more of my colleague’s speech that describes how the 10 years of potentially unsafe circumstances that these Albertans are being put in is unacceptable.

The Acting Speaker: The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Speaker, and thank you to the MLA for Bonnyville-Cold Lake for his question. You know, if there’s a reason to vote in favour of this amendment, which asks us to reconsider sections 2 and 3 and to go back to the Committee of the Whole to address this, I can’t think of anything more important

than this right here. We have a problem, and we need to be willing to address this because there is going to be a problem with providing natural gas not only in this county but across northern Alberta. It’s going to be important for us to address in this bill whether or not we’re going to allow the Alberta Utilities Commission to be able to fine a company that is trying to provide natural gas but is just going to be restricted from being able to do so. That is why we need to go back to the Committee of the Whole. We need to reconsider this bill.

Madam Speaker, I said that it was cold comfort because it’s going to take 10 years for them to raise the currency from their taxpayers, from their ratepayers to be able to build the capacity. Yet we understand that the NDP have snuck into this bill some amendments on the Gas Utilities Act where the AUC can order specified penalties against retailers like the Northern Lights Gas Co-op in Mackenzie county for failing to deliver natural gas. If the AUC

is of the opinion that the gas distributor, default supply provider or retailer has failed or is failing to meet the service standards rules, the [AUC] may . . .

- (a) direct the gas distributor, default supply provider or retailer to take any action to improve services that the Commission considers just and reasonable.

That’s a very broad power to be giving the AUC, where they have the capacity to fine a company because they simply cannot provide the natural gas that is necessary.

10:50

They can:

- (b) direct the gas distributor, default supply provider or retailer to provide the customer with a credit, in an amount specified by the Commission, to compensate the customer for the gas distributor’s, default supply provider’s or retailer’s failure to meet the service standards rules.

So not only can they fine the company, but now they can also force the company to provide the customer with a credit.

They can also:

- (c) prohibit the gas distributor, default supply provider or retailer from engaging in any activity or conduct that the Commission considers to be detrimental to customer service.

And they can impose an administrative penalty, as we’ve already addressed.

These are extraordinary circumstances in Mackenzie county and across northern Alberta. They’ve had rapid growth in population that has far exceeded their ability to pay, and to look at Mackenzie county and communities like La Crête, they need the NDP to help find a solution to this problem. We need our government to help the county up, but instead we have a case in this Bill 13 where they are lining up to kick the county when they are down.

Northern Lights Gas Co-op is adding two compressor stations to its pipeline to increase the pressure – we’ve already addressed that earlier in this House – but it’s not a long-term solution. We need to listen to people like Lenard Racher, the chief administrative officer of Mackenzie county, when he says that if action is not done now, the county will be in trouble in two or three years. The county is now considering not hooking up natural gas to new homes. That means that homes are going to have to be hooked up to propane. That puts more trucks on the road.

The NDP are handing out hundreds of millions of dollars in grants and loan guarantees under Bill 1 to industry to grow the economy, yet somehow they can’t do their job to make sure that people are not frozen out of their own homes.

The Acting Speaker: Thank you, hon. member.

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

Ms Ganley: Thank you very much, Madam Speaker. I would ask for the unanimous consent of the House to go to one-minute bells.

[Unanimous consent granted]

The Acting Speaker: Are there any members wishing to speak to the amendment? The hon. Member for Fort McMurray-Wood Buffalo.

Mr. Yao: Thank you, Madam Speaker. I'm speaking in favour of the recommittal amendment, which will recommit Bill 13 to Committee of the Whole, as proposed by my good friend from Rimby-Rocky Mountain House-Sundre.

Bill 13 has been a debacle from the get-go, and now we need to talk about the Gas Utilities Act, which is dealt with under section 3 of Bill 13. In the Gas Utilities Act itself section 28.3 talks about the handling of poor-performing gas distributors and default supply providers. Bill 13 endeavours to add retailers to this section of the gas utilities legislation. The Alberta Utilities Commission, the AUC, would be able to levy administrative penalties as well as a specified penalty under the proposed section 63.1 of the Alberta Utilities Commission Act. This is found in section 1 of Bill 13. Madam Speaker, I would like to elaborate on why this is such a grand issue, that this government would be doing wrong by Albertans if they do not recommit this bill to Committee of the Whole in order to have an open discussion on this matter.

In Mackenzie county, along the Peace River, in La Crête and Buffalo Head Prairie and Paddle Prairie and Keg River and Carcajou, they have experienced a shortage of natural gas. This shortage has been caused by the massive population growth in the region. Back in December 2017 they encountered an emergency situation in the grips of our freezing Alberta winters. Temperatures reached minus 40, and people were not able to heat their homes due to low pressure in the gas line. This region is having its development stifled by the shortage of gas. They are unable to promote an appealing business environment because of the lack of gas.

Madam Speaker, it would take the Northern Lights Gas Co-op 10 years to raise the \$45 million from ratepayers that it would need to build a new 65-kilometre pipeline in order to help alleviate this shortage. That's a lot of money and a lot of pipeline that they need up there, and they're going to require some help. You know, they're going to need some help here.

Bill 13 had plenty of faults on its own, to which we proposed amendments. However, now we find out that this government has tried to pull yet another fast one in regard to this bill. They have snuck in some amendments to the Gas Utilities Act where the AUC can order a specified penalty against the retailer for failing to deliver natural gas. That's an interesting concept, isn't it? I wonder if that can relate to bigger projects or if those rules could be used in our much larger projects and the bigger threats we have in B.C. Anyway, this would apply in a case like the Northern Lights Gas Co-op in Mackenzie county.

If the Alberta Utilities Commission believes that the gas distributor, default supply provider, or retailer has failed to meet the service standards rules, they have several options as to what they may do. They could:

- (a) direct the gas distributor, default supply provider or retailer to take any action to improve services that the Commission considers just and reasonable;
- (b) direct the gas distributor, default supply provider or retailer to provide the customer with a credit, in an amount specified by the Commission, to compensate

the customer for the... failure to meet the service standards rules;

- (c) prohibit the gas distributor, default supply provider or retailer from engaging in any activity or conduct that the Commission considers to be detrimental to customer service;
- (d) impose an administrative penalty under section 63...
- (e) impose a specified penalty under section 63.1 of the Alberta Utilities Commission Act.

The emergency situation that Mackenzie county encountered last winter was an extraordinary circumstance, and such communities need the NDP's help in finding a solution to the problem. Their rapid growth far exceeded their ability to pay, and demand exceeded supply, simple enough concepts. Instead, when the county is in a position where it needs help when experiencing a shortage that affects its residents, the government is lining up to kick the county when they are down.

The Northern Lights Gas Co-op is in the process of adding two compressors to its pipeline. This will increase pressure in the system, which will, in turn, boost capacity. However, this is only a Band-Aid until the new pipeline is built. Mackenzie county's chief administrative officer has said that action needs to be taken now or else the county will be in trouble in two to three years. The people of Mackenzie county should not be in a position to face inevitable trouble down the road, Madam Speaker. The county is now considering not hooking up natural gas to new homes. This would mean more trucks with propane on the roads.

The hypocrisy of this government is that they're handing out hundreds of millions of dollars in grants and loan guarantees under Bill 1 to industry in order to grow the economy. However, the NDP can't ensure that the people in Mackenzie county aren't freezing in their own homes in the cold Alberta winters. We have no trust in this government's ability to get the basics of economic development correct. This bill needs to be recommitted to Committee of the Whole and thoroughly reviewed.

11:00

We expressed to you in previous sessions, when you were putting in all those other related bills, what would happen. We described it quite accurately. We told you to even look at Ontario and see what they were doing. If anything, you were just mimicking what they were doing. We'll see in today's election what the repercussions are in Ontario of putting in bad energy policies. Remember that a year from now. Or, better yet, remember it when there is a by-election up in my community of Fort McMurray.

Madam Speaker, in the end, this bill does need to be reviewed. It needs to be thoroughly discussed. It needs to be recommitted to Committee of the Whole. We need to discuss this. We need to talk to more people about getting this bill right and fixing what is going to lead to long-term repercussions for all Albertans.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

Seeing none, are there any other members wishing to speak to the amendment?

Seeing none, I will call the question.

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

[Several members rose calling for a division. The division bell was rung at 11:01 a.m.]

[One minute having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Cooper	McPherson	Stier
Cyr	Panda	Strankman
Ellis	Schneider	Yao
Hunter	Smith	

Against the motion:

Carlier	Horne	Nielsen
Ceci	Jabbour	Payne
Connolly	Jansen	Piquette
Coolahan	Kazim	Renaud
Cortes-Vargas	Kleinstauber	Rosendahl
Dach	Larivee	Sabir
Dang	Littlewood	Schmidt
Drever	Loyola	Schreiner
Eggen	Luff	Shepherd
Fitzpatrick	McKittrick	Sucha
Ganley	McLean	Turner
Goehring	Miller	Westhead
Hinkley	Miranda	Woollard

Totals:	For – 11	Against – 39
---------	----------	--------------

[Motion on amendment REC lost]

The Acting Speaker: We are now back on the original bill. I will recognize the hon. Deputy Government House Leader.

Ms Ganley: Thank you very much, Madam Speaker. I rise to request unanimous consent of the House that we move to one-minute bells for the remainder of the morning.

[Unanimous consent granted]

The Acting Speaker: I will now recognize the hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Thank you, Madam Speaker. It's a pleasure to rise this morning in the last hours of a session, perhaps. I would never presuppose the direction of the Assembly, but there's not an incredible amount of debate left to be had, I believe. I think it's been . . .

An Hon. Member: Boisterous.

Mr. Cooper: . . . a boisterous session that has seen the government make a whole ton of terrible decisions. I think that's what has happened here this session.

[The Deputy Speaker in the chair]

If you reflect back – and I think that it's a good opportunity to do that. While we debate Bill 13, reflect back on just the negative impact that not only this bill, Bill 13, has had on our province, but, you know, this was a session where the budget was passed, a budget that has set the province on a course, a crash course, you might say, for \$96 billion in debt and a crash course of massive amounts of debt for our children and our grandchildren and, in fact, our grandchildren's grandchildren.

Bill 13, in many respects, is part of that crash course, particularly when we look at the massive amount of debts that are going to be incurred because of this government's ideological decision to enter into a capacity market. The debts that we know of already are in excess of \$1.96 billion because of this decision, because of this government's lack of knowledge or willingness or knowingly making decisions that were going to cost Alberta taxpayers \$1.96 billion with respect to the PPA contract cancellation.

Since the beginning that this government was elected – now, I will have a small prequalifier in my statement here in that, you know, there are half a dozen things or so that I have supported, particularly around some election reform legislation and finance, et cetera, so there are a couple of exceptions to the rule here.

But since 2015 we've seen a government that has made rash, ideological decisions that have had a significant impact on Albertans, and I don't mean in a positive manner; I mean in a way that has made things worse for Albertans, that has created stress, disdain, financial hardship for so many, job losses, business closures. Crime is up all across the province, including in Calgary, not just to mention rural Alberta, where there is a crisis. I think that Bill 13 is really a reflection of those poor decisions. It is a continuation of a commitment to making decisions that are certainly going to turn out to not be in the best interests of Albertans as well as not being in the best interests of Albertans today.

That's one reason why I would like to propose an amendment this morning, and I'll be happy to talk at some length about a number of other reasons why this is a good amendment as well. I'll wait until you have your copies.

11:10

The Deputy Speaker: Go ahead, hon. member.

Mr. Cooper: Thank you, Madam Speaker. I move that the motion for third reading of Bill 13, An Act to Secure Alberta's Electricity Future, be amended by deleting all the words after "that," and substituting the following: "Bill 13, An Act to Secure Alberta's Electricity Future, be not now read a third time but that it be read a third time this day three months hence."

Madam Speaker, I move this hoist motion as my continued commitment to the outstanding constituents of Olds-Didsbury-Three Hills to hold this government to account. My expectation is that the government will rise in its place this morning and talk about how, whether or not the Official Opposition likes it, a capacity market is well and truly under way and that this hoist motion would derail that process, which is my exact point, that this government needs to reconsider its decision to proceed down the path of this capacity market.

If nothing else – if nothing else – this government needs to reconsider its timeline in which it intends to implement this capacity market. I have heard from stakeholders, whether it's large power producers and deliverers of power or small REAs or microgenerators, their concerns, from all across the province, as they engage in the grid. While some of them will speak positively about the capacity market because, in fact, it's going to have a net benefit on their business – it may not in fact have a net benefit on Alberta consumer powers, but it certainly will have a positive impact on their business. So it's possible to find people who will say good things about a capacity market.

What they all say universally is that the speed at which we are heading over this cliff of the market is way too fast. Even if the government continues their ideological position to have a capacity market, this amendment this morning, in defeating this piece of legislation, which is essentially what the hoist motion would do, would allow them to reconsider their timelines and bring this back in the fall, when we can expand that, extend that, and really deal with a lot of the negative ramifications that will come from the capacity market.

We don't have to look very far, Madam Speaker, to see the pain and the consequences that these sorts of decisions can have. You know, there's an election in Ontario today. Literally, one of the main reasons why it's being fought is power prices. I know that when I speak to folks in the outstanding constituency of Olds-

Didsbury-Three Hills and right across the province of Alberta, they are concerned that we are replicating that marketplace.

The government will say: “Oh, no, no, no. Don’t worry. We’ll do better.” But the fact of the matter is that this government’s track record when it says, “We’ll do better,” is not that. They aren’t doing better. They are putting Albertans at risk, whether they continue to put them at risk with the large increases in carbon taxes, whether they put small businesses and the economy at risk with their sweeping changes to labour legislation, whether they’re putting nonprofits at risk.

I had a wonderful conversation just last week with some nonprofits in central Alberta that employ 700 or 800 people and are currently taking steps to consider how they may in fact wind down their nonprofits because of the legislative changes, particularly around labour legislation, that are ultimately going to be imposed by the minister of community services. In this case, they fall under his ministry, and I know that the minister has asked them what their contingency plans are if they have to close their doors.

The government isn’t doing better. They say: trust us. You know, when the government arrives at your door and says, “We’re here from the government; we’re here to help,” people have the right to be skeptical of this government, because they haven’t been helping. Bill 13 is not going to help. The capacity market is going to make things worse. We’re going to see an increase in power prices. We’ve already seen it. The government’s rate rider, essentially a cap, is now in place. They are literally paying more. It’s not “they,” Madam Speaker. At the end of the day, the “they” is us. It is the good people of Alberta, it is the outstanding people of Olds-Didsbury-Three Hills that are paying more.

It’s exactly why this government should heed the Official Opposition’s advice, take this amendment seriously, vote in favour of it, and postpone this legislation while they go back to the drawing board and get this right. I encourage all members of the Assembly, on what is quite likely to be the last day of the session, to make one good decision this session, and that can be this morning.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Seeing none, any others who wish to speak to the amendment? The hon. Member for Livingstone-Macleod.

Mr. Stier: Well, thank you, Madam Speaker. A pleasure to see you this morning, and a pleasure to see everyone today. I have a few comments with respect to the moving of a hoist amendment this morning on Bill 13, which is An Act to Secure Alberta’s Electricity Future. I’m supporting this amendment, and I encourage all members, on both sides of the House, to support it as well. I’m doing so for a number of reasons, but chief among them is the fact that the system of power production in Alberta was working totally fine before the NDP decided to accelerate the coal phase-out by decades and force-feed renewable generation despite lacking any ability to store the power long term.

Make no mistake; the cost of electricity in the province will be more expensive once we have moved from our current energy market to a capacity market. Why? The answer is risk. In an energy market the consumer assumes very little of the risk, but it can result in price jumps, depending on the supply and demand of producers and consumers at any point in time.

Alberta’s current electricity generation industry is in an energy-only market, which means that generators are paid for electricity they produce based solely on the wholesale price of electricity, which fluctuates. These companies decide on the type of generation they produce and on the location of facilities. On the other hand, we have a capacity market, which, to paraphrase Alberta’s Electric

System Operator, or AESO, uses competitive forces to incent suppliers to provide innovative and low-cost solutions.

Alberta was doing just fine in an energy-only market, Madam Speaker. Prices for electricity were low, and most importantly, when an Albertan turned on the light switch or started the coffee maker, there was always consistent, stable, and reliable power. So why is Alberta considering changing to a capacity market? The answer is ideology. The NDP have been dead set against any hint of a free-market solution in the power generation industry since Premier Klein deregulated the industry in the ’90s. But, ultimately, it was their breakneck speed to phase out coal that made the transition to a capacity market necessary.

Members on this side of the House routinely talk about making sure we get legislation right the first time. I’ve said that about many bills we’ve talked about in the past few weeks. With Bill 13, this is doubly important. There are no do-overs. Our Ontario cousins are a prime example of what happens when you rush through legislation. Because the Ontario government didn’t ensure that all the kinks were worked out beforehand, Ontario citizens are experiencing horribly expensive power bills. We’re now hearing stories about Ontario consumers having to choose between buying food and paying their power bill. Imagine that. It’s absolutely imperative that this does not happen here.

In our effort to improve the bill and ensure that the legislation leaves no detail, my colleagues proposed a number of well-reasoned amendments in previous readings and in previous discussions on it. We originally proposed an amendment that required power generators that were paid capacity payments to offer electricity when AESO requests it. First of all, it is simply wrong to promise electricity and then, when it is actually needed, claim that you don’t have any to give. The capacity payment is essentially that promise. The power generator receives a payment based on the capacity to produce power. To then deny the market electricity is unacceptable. First of all, it drives the cost of electricity up, and the new capacity market is supposed to keep prices as low as possible for the average consumer.

11:20

In the past generators have been found attempting to manipulate the market by starving the market of supply in an attempt to artificially drive the price of electricity up. It is naive to think that it cannot happen again. We proposed the amendment to close that loophole, but unfortunately the NDP members across the aisle thought ensuring that power generators that receive capacity payments supply power when AESO requests power was unnecessary and didn’t add anything to the bill and defeated that amendment.

Our second previous amendment regarded consultation by government during the regulation development process. If passed, it would have required the government to consult with stakeholders for a full 60 days. Frankly, capacity markets are complex, and we must get it perfect the first time, right from the start. There are no do-overs, no mulligans, and no opportunities for redos. Because of this, it is absolutely paramount that we consult the experts, the power generators.

The unfortunate part about that amendment was that it was even necessary, frankly. Consultation should be the first and last thing a government ever thinks about when it considers legislation. Unfortunately, though, this government seems to have a very broken relationship with consultations, making our amendment absolutely essential to the proposed bill. Not only is it important to hear the feedback first-hand from stakeholders, Madam Speaker, and from those working in the industry.

It would have also brought the stakeholders, the ones being impacted by the legislation, onboard and gotten their buy-in, the public. The success of Bill 13 is really counting on stakeholder buy-in, and nothing ensures stakeholder buy-in on a project like thorough and meaningful consultation. How did the government respond to our previous proposed amendment? The hon. Member for Edmonton-Whitemud claimed that the amendment was redundant, that extensive consultations had been done, and that the amendment didn't add anything to the value of the bill and therefore, again, rejected it.

Our third previous proposed amendment was basically housekeeping issues with the bill. Throughout the bill, language that would have accorded the capacity market the standard "fair, efficient and openly competitive" theory was not included, which is inconsistent with other legislation Alberta has on the books. By including the reference specifically, it would have provided to electricity stakeholders certainty that AESO and the Alberta government would never skip out on their commitments. That amendment would have helped restore trust in the government among stakeholders. Not to sound like a broken record again, but you'd think that a government and a government agency wouldn't renege on their promise. But as we see with the government's handling of the coal phase-out, as an example, what was once thought impossible, this government has shown to be very possible.

Finally, my caucus colleagues and I proposed a further amendment that would clarify that when a generator wins a capacity contract under the provisional rules, the provisional rules remain in place on those contracts. It is foolish to believe that offering a contract with the proviso that the rules outlined in the agreement will change won't have a negative effect on the price being offered for the deal. The minister, AESO, and the Alberta Utilities Commission, also known as the AUC, can't go changing the rules midstream and expect generators to invest in the capacity market.

Instead of demanding that generators remain flexible and receive a lower price for the capacity market, we should have passed that amendment and extended a little bit more assurance to generators that we wouldn't continue to move their goalposts even after they signed a contract. Did the NDP support that amendment? Of course not. They claimed it wasn't necessary and, once again, rejected it.

While we tried to work with the government to improve the bill, they continued to reject our suggestions. Albertans are the ones who will suffer for it.

As I mentioned earlier, in Ontario there are many people who have become energy poor. They are left with the choice of paying their utility bill or buying groceries now, Madam Speaker. What a horrible crisis they've had in the power situation in Ontario. Canada, though, is a first-world country, rich in natural resources, whose populace is highly educated and boasts a 99 per cent literacy rate, yet we have thousands of people in Ontario who cannot afford to keep the lights on and feed their children. What a crime. I've read accounts of people in Ontario that have had their utility costs increase by nearly 400 per cent in just a matter of a few years, and we have a government that seems intent on bringing that same failed power generation system to our province.

I can't believe that we're going down that same path, Madam Speaker. In fact, it has already started. Due to the government's disastrous bungling of the carbon tax on heavy industrial emitters, Alberta's coal-fired power plants returned their power purchase agreements, or PPAs, to the Balancing Pool, the government body responsible for managing the risks and maximizing the value of certain generating assets held on behalf of Alberta's electricity consumers. The return of the PPAs to the Balancing Pool resulted in \$700 million being spent to cover the losses, and starting this year, all Alberta electricity consumers will pay a surcharge to help

pay for a further \$190 million in losses by the Balancing Pool. A hundred and ninety million. Due to the NDP's ideological agenda, they have cost Alberta taxpayers over \$1.3 billion to shut down the province's coal plants early and convert them to natural gas. That's real money, \$1.3 billion. I don't even know how much that is.

To conclude, I've outlined many of the reasons why I support this hoist amendment that we are making today, and I hope my fellow members will consider the impacts of this bill and, likewise, will support this amendment. We need to send it back, have another look at it in the fall, make sure that we're doing things right. That's our challenge as the opposition, to ensure that these bills are right before we support them. We have trouble with this bill. It was unjustifiable, and we'll look, I think, at this as something that will be reflective of what this government has done for years and years if it proceeds as is. I strongly urge both sides of the House to support this amendment. Bring it back, we'll look at it again, and let's make it right this time.

Thank you.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Seeing none, any others wishing to speak to the amendment? The hon. Member for Sherwood Park.

Ms McKittrick: Thank you, Madam Speaker. I am pleased to rise to speak on this amendment. I will not be supporting this amendment. The reason I am not supporting this amendment is because there are many people in our communities in Alberta that are waiting for this bill to pass. The bill speaks about the changes that will enable community generation and that community generation projects will be able to feed electricity back to the grid. This is an area that many in our communities have been waiting for.

I could list the projects, which I think I did previously, that are really waiting for this bill and the number of e-mails and discussions that I have had around this part of the bill, that is really important. I think we have to be fair to this community, that has worked really hard around generating electricity from a community perspective. Projects can be found in places all throughout Alberta, north and south. I think it's really important that as MLAs we do not delay the passing of this bill so that those persons who have invested in those communities and those co-ops that have invested in community generation can move forward and know that they have a path towards their relationship with the electricity grid.

I would like to urge all members to vote for this bill so that the needed changes can be made and these projects go ahead. Thank you, Madam Speaker.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, any other members wishing to speak to the bill? The hon. Member for Little Bow.

Mr. Schneider: Thank you very much, Madam Speaker. It's a pleasure to rise this morning to speak to Bill 13, specifically to the amendment put forward by my good friend from Olds-Didsbury-Three Hills, which states that we should possibly read this bill three months from now. I understand his reasoning. Even our colleague from Bonnyville-Cold Lake agreed with that. Now, he's walked out, so I'm not going to talk about him. But we can kind of see unintended consequences that happen as a result of this bill.

11:30

We've been talking about this bill in the House for a long time. There have been a lot of questions by this side of the House and a lot of amendments put forward that would have made this

legislation a little better, certainly from our opinion, certainly from our stakeholders' opinion. It makes some sense, certainly to this side of the House, to look at things a little closer and consider some of those comments. It's never wrong to take some time to consult.

What is happening in Alberta right now, as we speak, is that the government is in the process of radically re-creating our entire provincial electricity system. Now, that is what this bill is all about. The NDP government was elected in 2015, and there have been a few policies that have been created that have been, shall we say, expensive for Albertans. Part of this radical change to the electricity system in Alberta is the change from the energy-only market to a capacity market. The decision to add a capacity market is pretty much the culmination of a plan that the government basically introduced when they pushed forward their climate leadership plan in May of 2016, one year after they were elected.

Madam Speaker, this government was elected on May 5, 2015. I don't believe they expected to be elected, so of course they were not quite ready. I don't think they had enough staffers. As I recall, they had a bit of a platform – now, that was a national platform, not something that would have been created specifically for Alberta – and found themselves in a position that they were governing a province now. You know, I don't know that they considered that they had to have a budget ready, possibly. We had a budget that had been debated and passed, I think, before the election, but that wouldn't have been a budget that the government would have been happy with.

There was a lot of stuff going on, a lot of things that the government had to get ready before the fall session. That session is where we began to see a lot of what we would be seeing from that point on with this government, things like Bill 6. That was kind of the flagship bill in the fall of 2015. I think the government learned a lot from that bill, learned a lot about putting a piece of legislation forward to a certain, specific portion of society that did not agree with the legislation. They found that there is some push-back at times.

Anyway, along came the climate leadership plan. Something within that plan that also came along with the climate leadership plan was something that the government did not talk to people about as they campaigned in 2015, something that the electorate knew nothing about, a carbon tax. As much as the government would like us to believe that Albertans have no problem with this tax, the polling certainly shows exactly the opposite.

Of course, the carbon tax was levied on heavy industrial emitters as per the government's plan, with the target really being the coal-fired power plants in Alberta, that have been generating the heavy load of Alberta's electricity for some time.

Mr. Yao: Some time.

Mr. Schneider: Some time.

As I mentioned last time I spoke on Bill 13 – I think it was last week – when this carbon tax, that was hidden from the people of Alberta, was charged to the companies that owned and operated the coal-fired plants in this province, those companies immediately invoked the portion of the contract that they held with the province of Alberta which allowed them to opt out of their contracts. I think each of their contracts indeed had verbiage that allowed them to opt out if at any time during the life of those contracts any government made those arrangements uncompetitive. Argue as you will, it was a contract that was signed and a deal that was made with all the power companies. Of course, they took the opportunity to opt out of those contracts.

This was all part of the grand scheme, not the handing back of the contracts but the grand scheme of the government to hurry up

and shut down coal-fired plants. Now, there were 12 of Alberta's plants that had actually been scheduled to be shut down, as per the federal government, by 2029. Madam Speaker, there were six of Alberta's plants that had actually been scheduled to be shut down much later, as late as 2061. That was the Keephills plant. Genesee, I believe, was 2055.

Now, these plants, of course, were considered state of the art, and I think everyone here knows that we here in Alberta have been scrubbing our coal plants' emissions better than anyone else in the world for some time now. We've learned how to do that here, and I've always wondered, to be perfectly honest, why part of the climate leadership plan did not include a plan to take the opportunity to see that the technology that we use here in Alberta was taken to or sold to or used as an education tool in countries all over the world that are building plants continuously as we speak, China being a good example.

Anyway, as the power generation companies handed back their contracts to the Balancing Pool, the cost to the Balancing Pool turned out to be \$70 million per month. At the end of the day, the pool lost an obscenely incredible \$2 billion. Now, the government poured a lot of money into the Balancing Pool while they tried to come up with a Band-Aid or something to stop the bloodletting.

Anyway, as a result of the coal-fired generation phase-out and the push for renewable generation, the government has compromised the reliability of the electrical system. In order to replace this backbone of electricity that Alberta has had for many, many years and implement the renewables for up to 30 per cent of the electrical generation, that this government has implemented by the passing of Bill 27 in 2016, Bill 13 strives to change Alberta's electricity market from the steady power that we are all used to, known as the energy-only market, to the capacity market.

Bill 13 is not about renewables per say, but this bill is about financing coal-to-gas conversions. This bill is about new natural gas generation, which is called combined-cycle gas and simple-cycle gas peaker plants, which is required to be the backup for renewables because, of course, wind and sun are intermittent and therefore cannot be considered as a baseload for Alberta to generate the roughly 10,000 megawatts that this province uses every day.

The Alberta Electric System Operator did some modelling in this regard, and that modelling showed that the renewable electricity program will indeed decrease the revenue needed for all generators to recoup their investment and earn profit, and rightly so. Generators that would be spending huge amounts of money, that would not see a return on investment, would of course be likely to not become involved in Alberta's new electricity market at all. Investment would be deterred. Makes sense.

Under our current energy-only market our electricity and our capacity are bundled. This bill and the changes within it maintain the competitive market but separate the markets for capacity and electricity. You see, Madam Speaker, in the electrical system that we now enjoy, the distinguishing characteristic of that energy-only market is that electrical generation is only rewarded or electrical generation is only paid for when that electricity is used. Those systems are designed to meet peaks in the demand throughout an average day in this province. The pool price therefore must be able to recover not only the operating costs of that facility when it is actually generating but also the fixed costs of that facility not only when it generates but for all those hours during the year when it's not generating.

The basic idea of a capacity market is fairly simple. Generation should be compensated, of course, for making electricity available to the market, but capacity is also compensated, that being that generators built for Alberta's electricity market are actually paid just for the capacity in generation that they have, whether they're

running or not. Two streams of payment: generation and capacity. This creates the ability to meet the requirement at any given time, mostly peak times. All that being said, Madam Speaker, it means that Bill 13 cannot help but make electricity more expensive for consumers because the risk is being transferred away from the generators and, of course, onto the backs of ratepayers and the backs of the taxpayers in Alberta.

Wrap it up. That's the signal I'm getting.

You know what, Madam Speaker? I did receive a pamphlet in the mail yesterday, when I checked, sent by efficiency Alberta, that talks about electricity prices. They're expected to increase this year, from the historic lows of the last three years back to a range that is closer to the historical average price. It states that if the market goes above – this is for household consumers – 6.8 cents per kilowatt hour, the government of Alberta will cover your costs above that price. The government of Alberta is made up of 4.3 million people, and we know who pays the freight around here and where that money comes from. Hopefully, the people that read the pamphlet – this government wants everyone to believe it's being so friendly to them to give them money back. They're giving their own money back. So it was \$74 million that it was going to cost to keep that project going.

11:40

Madam Speaker, we have before us an amendment that asks us to consider speaking to this being read a third time three months from now. It is an amendment that I intend to support. I suggest that everyone within the building, this Chamber, this Legislative Assembly, also support this amendment – I believe it's a good one – put forward by my good friend from Olds-Didsbury-Three Hills.

Thank you, Madam Speaker.

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

Seeing none, any others wishing to speak to the amendment? The hon. Member for Calgary-Foothills.

Mr. Panda: Thank you. I rise to speak in support of this great amendment from my colleague from Olds-Didsbury-Three Hills – the second-best riding in Alberta – the reason being, Madam Speaker, as you know, that I'm the critic for this file, and I've been consulting stakeholders across the province. The government did engage some stakeholders selectively, but they haven't considered all their input. That's why our job here is to get some more time to get this right.

We did everything we could as the Official Opposition. We moved amendments, and we were not successful in getting the government's approval of any of our amendments. That's why we need some more time to look at this issue and size it up and explain to people in our constituencies how it's going to impact, because this government didn't present any economic impact analysis of this policy. This policy is derived from their big climate change plan – that's the overarching driver for this capacity market – because this government wanted to actually completely remake Alberta's electric generation system under its climate leadership plan.

That's why they have to incentivize or rebuild the province's baseload power generation, because they want to replace safe and reliable and cheap coal-fired electricity with other alternatives. Those alternatives come at a cost, and when Albertans are asking, "How much would it cost?" the Minister of Energy didn't get up in this House and tell us how much it costs. We asked the minister many times: tell us how much it costs. She doesn't know, I guess.

You know what, Madam Speaker? The Alberta Electric System Operator, the Independent System Operator, the government

agency which the minister oversees: that agency told us that they estimated that it will cost \$25 billion, billion with a "b," to replace coal plants and meet the government's targets for new renewable power generation and meet future customer demand. That's what AESO said, but the minister didn't get up to tell us that. Her own department, which oversees AESO, has this information that the minister tried to hide.

What else did they try to hide, Madam Speaker? There are so many costs. I'm trying to put a bow around it and trying to, I mean, summarize and size it for all my colleagues here. I might need help from the Member for Bonnyville-Cold Lake to actually add up these numbers for me if he can because it's going to be tough. AESO says: \$25 billion to replace coal-fired power plants. Now, let's look at different costs here. Renewables: there are wind and solar. First, let's talk about wind. They signed 600-megawatt deals with three proponents for wind in the first REP 1, and when the price is about 3.7 cents per kilowatt hour, the wind projects pay back the NDP government, whereas the IPPSA indicated the 2016 wholesale price of electricity averaged 1.7 cents per kilowatt hour. So there's a difference between 3.7 cents and 1.7 cents.

We don't know, actually, how much it's going to cost because REP 2 and 3 are now being bid. REP 3 is for 400 megawatts, and REP 2 is for 300 megawatts. So we don't know the total cost. I can ask one of these guys here if they can just guess a number out of the \$25 billion, put some number. We'll add it up at the end by the time I finish. We don't know the cost there, but my colleague is going to guess. Then solar is the other renewable energy program, their round 2, and it's the same thing. In 2016 as per IPPSA's estimate it's 1.7 cents per kilowatt hour. So we had to make a line item there and guess how much that would be.

Now the capacity market. Why do we need the capacity market, Madam Speaker? Because the NDP decided to phase out the coal power plants, which are low-emitting power plants, which are good to go till 2061 but which for their ideological reasons they phased out sooner. So that's going to cost us \$25 billion.

Then the power purchase agreements debacle. When the NDP raised the carbon tax, the coal-fired power plants dumped their PPAs, and it cost taxpayers at least \$2 billion to buy back the PPAs. Again, the full cost needs to be confirmed.

Madam Speaker, then there are the subsidized electricity prices. For customers on the RRO, regulated rate option, the price is capped at 6.8 cents per kilowatt hour, but in April 2018 that addition cost the NDP \$9 million. Originally in the budget they made an estimated \$74.3 million to subsidize the consumers, but if you go by that \$9 million that we just paid in April times 12 months, again, I'll ask my colleague there to use the calculator and count that.

Madam Speaker, with all that, this is the number that I spoke. It's more than \$30 billion, north of \$30 billion. We still don't know if that stops there or not.

Then throw in the jobs, throw in the economic diversification, these policy costs. There were thousands of jobs lost in the riding of my good friend from Drumheller-Stettler and in Forestburg and other places. Thousands of jobs were lost because of this ideological policy to revamp the electric generation system and destabilize the reliable power grid.

We're not done there yet, Madam Speaker. Then look at the \$96 billion debt we talked about. Then add the \$35 billion of investments that left Alberta. These are all billions. We are talking about big money here. That's why the amendment brought by our colleague from Olds-Didsbury-Three Hills makes sense, because this government lost its direction. Their intentions are good. I'm not doubting their intentions.

11:50

We are cautioning them. The other party in Ontario tried this policy. I mean, we don't have to look outside at Germany or Japan or other countries where they came back to coal-fired power. It's reliable. It's cheaper. Then they can handle the emissions. If the government's intention is to reduce emissions, this policy has not served that because there is no tangible reduction in the emissions when they shut down the coal power plants, which are actually very efficient. Keephills and others, those two or three power plants which are supposed to be operational until 2061: this government closed them. They accelerated their phase-out. Because of that, now they have to rely on unreliable and unstable intermittent renewable energy, which is going to be costly. That's why we asked for an economic impact analysis. They said that they don't have it, or they don't want to tell Albertans. They just want to hide it and pass it on to future generations. We can size it up. We asked the minister to stand up and explain to this House. She won't. Even today, on the last day of this session, she didn't stand up to explain to the members.

Madam Speaker, that's why I and my colleague, who's the author of this amendment that we are discussing now, actually approached the Auditor General, an officer of this Legislature, to help us. That's why I'm also asking my colleague who's the chair of PAC and who's a professional accountant to help me actually understand. In summer – we have a four-month recess now – when we go door-knocking in our ridings, people are going to ask: “How much is Bill 13 going to cost us? How much will we see on our electricity bills?” And I will say: well, you won't see anything on the electricity bills because it's capped at 6.8 cents per kilowatt hour, but you will see that as a taxpayer. Then they'll ask me: how much? I don't know. That's why we need time to study this further and bring more stakeholders, bring those that are responsible for this file – like the Alberta Electric System Operator, Balancing Pool, and others – to come and explain to us.

That's why I ask all the members of this House to support this amendment and get this bill right. You're going to be in your ridings for the next four months, and you'll have a tough time answering these questions. We can't squander the wealth of future generations. We have to get this right. If your intent is to reduce emissions, this policy is not going to help that. The Premier keeps saying that the economy and the environment should go hand in hand. We didn't gain anything on the environment, and we didn't get any social licence by shutting down those coal-fired power plants. At least on the economy side it's devastating. We talked about billions, the impact of this policy. Again, the ministry is silent. The minister wouldn't tell me how much it costs. That's why I encourage everyone to vote for this amendment.

Thank you, Madam Speaker.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

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

Dr. Swann: Yeah. I would appreciate a brief comment on the bill and on the amendment.

The Deputy Speaker: Go ahead.

Dr. Swann: I struggle with this bill, frankly. It's been clear to me from the outset that there is an inconsistent approach to this important or, rather, essential service, electricity, and I'm concerned that we're prioritizing climate change on the one hand but we're not sending messages to our consumers that the price is going to help them make better decisions about their electricity. We're

interfering with the market and therefore undermining to some extent investor confidence. We're certainly not incenting behaviour change.

On the other hand, I see an important shift from coal, the dirtiest possible energy source on the planet, going to renewables and reasonably good prices that we're getting for renewables. I see a continuing growth in renewable priorities, and I see protection for consumers against gouging by industry. So it's a very mixed bill.

I'm struggling with whether to give us more time on this or whether to support this bill entirely and not support the amendment. But I needed to say that for the record it's been a very mixed bag on electricity, and I have not developed the confidence in the government in relation to managing the electricity system as yet. One of our proposals around the regulated rate option was rejected outright by the government, and it would have saved up to a billion dollars in 10 years in consumer prices.

I'm still unsure of how I'm going to vote on this. I guess I've got to decide in the next 30 seconds or so, but I needed to register my concerns about the bill and would have liked to see more time to deal with this.

On the other hand, I want to get on with more stability in the system, more investor clarity about where we're going, so I will likely support the bill.

Thanks, Madam Speaker.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, any other speakers to the amendment?

Seeing none, I'll call the question.

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

[Several members rose calling for a division. The division bell was rung at 11:57 a.m.]

[One minute having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Anderson, W.	Hanson	Smith
Clark	Hunter	Stier
Cooper	McPherson	Strankman
Cyr	Panda	Swann
Ellis	Schneider	Yao

12:00

Against the motion:

Carlier	Hinkley	Nielsen
Carson	Hoffman	Piquette
Ceci	Horne	Renaud
Connolly	Kazim	Rosendahl
Coolahan	Kleinstaub	Sabir
Cortes-Vargas	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Luff	Shepherd
Drever	McKittrick	Sucha
Eggen	McLean	Turner
Fitzpatrick	Miller	Westhead
Ganley	Miranda	Woollard
Goehring		

Totals:	For – 15	Against – 37
---------	----------	--------------

[Motion on amendment HA lost]

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

[Several members rose calling for a division. The division bell was rung at 12:02 p.m.]

[One minute having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Carlier	Hinkley	Piquette
Carson	Hoffman	Renaud
Ceci	Horne	Rosendahl
Connolly	Kazim	Sabir
Coolahan	Kleinsteinuber	Schmidt
Cortes-Vargas	Littlewood	Schreiner
Dach	Loyola	Shepherd
Dang	Luff	Sucha
Drever	McKitrick	Swann
Eggen	McLean	Turner
Fitzpatrick	Miller	Westhead

Ganley
Goehring

Miranda
Nielsen

Woollard

Against the motion:

Anderson, W.	Hanson	Smith
Clark	Hunter	Stier
Cooper	McPherson	Strankman
Cyr	Panda	Yao
Ellis	Schneider	

Totals: For – 38 Against – 14

[Motion carried; Bill 13 read a third time]

The Deputy Speaker: Hon. members, the House stands adjourned until 1:30 this afternoon.

[The Assembly adjourned at 12:06 p.m.]

Table of Contents

Prayers	1573
Orders of the Day	1573
Government Motions	
Adjournment of Spring Session	1573
Afternoon Sitting Adjournment	1573
Government Bills and Orders	
Third Reading	
Bill 13 An Act to Secure Alberta's Electricity Future	1573
Division	1585
Division	1591
Division	1592

Alberta Hansard is available online at www.assembly.ab.ca

For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875