



Legislative Assembly of Alberta

The 27th Legislature
Fifth Session

Standing Committee
on
Energy

Department of Environment and Water
Consideration of Main Estimates

Wednesday, March 7, 2012
6:30 p.m.

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Fifth Session**

Standing Committee on Energy

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6:30 p.m.

Wednesday, March 7, 2012

[Mrs. Ady in the chair]

**Department of Environment and Water
Consideration of Main Estimates**

The Chair: Welcome, everyone, to the meeting. I will be reading from the text so that we're all aware of the same rules. I know we've been in here a lot of nights, but it's important that we're on the same page.

Note that the committee has under consideration the estimates of the Department of Environment and Water for the fiscal year ending March 31.

I want to remind members not to touch the microphones. They're operated by *Hansard*, and they've asked us not to touch them. Would you also make sure that you do not leave your BlackBerrys on the table, and let's ensure that they're turned off.

Prior to going around the table for introductions, we will maybe first have the minister introduce her staff if she would. Only members and ministers may address the committee. So if you'll introduce your staff, then we'll whip around the table and introduce who's here tonight.

Mrs. McQueen: Well, thank you, Madam Chair. With me I have tonight my deputy, Ernie Hui; Bev Yee, assistant deputy minister of strategy; and Rick Brown, assistant deputy minister of operations. In the back I have another group of support staff that are here joining us as well.

The Chair: Okay. We're going to go ahead and start to my right. I'll start with myself. My name is Cindy Ady. I'm the chair of the committee and the MLA for Calgary-Shaw.

Mr. Lund: I'm Ty Lund, MLA for the most beautiful constituency in the province of Alberta.

Mr. Johnston: Good evening. Art Johnston, Calgary-Hays.

Mr. Webber: Len Webber, Calgary-Foothills.

Mr. Jacobs: Bryce Jacobs, Cardston-Taber-Warner.

Ms Blakeman: Laurie Blakeman. I'd like to welcome each and every one of you, particularly the fans in the back, to my fabulous constituency of Edmonton-Centre.

Mr. McFarland: I'm trying to top that. I'm Barry McFarland for our prettiest, most fabulous distant constituency of Little Bow.

Mr. Xiao: David Xiao. I'm also representing the most beautiful and the best part of Edmonton, Edmonton-McClung.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Thank you.

Government Motion 6 and Standing Order 59.01(4) prescribe the sequence as follows: the minister or the member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes; for the hour that follows, members of the Official Opposition and the minister or the member of Executive Council acting on the minister's behalf may speak; for the next 20 minutes the members of the third party, the Wildrose, if any, and the minister or the member of the Executive Council acting on the minister's behalf may speak; for the next 20 minutes the members of the fourth party, the ND, if

any, and the minister or the member of the Executive Council acting on the minister's behalf may speak; and for the next 20 minutes the members of any other opposition party represented in the Assembly or any independent members, if any, and the minister or the member of Executive Council acting on the minister's behalf may speak; and any member may speak thereafter.

Committee members, ministers, and other members who are not committee members may participate.

Department officials and members' staff may be present but may not address the committee.

Members may speak more than once; however, speaking time is limited to 10 minutes at a time.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Three hours have been scheduled to consider the estimates of the Department of Environment and Water. If debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule and we will adjourn; otherwise, we will adjourn at 9:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

The vote on the estimates is deferred until consideration of all department estimates has concluded and will occur in Committee of Supply on March 13, 2012, Government Motion 6.

We will be taking a break. I usually just arbitrarily decide, but tonight I have instructions that that it will be at 8 o'clock for six minutes. So we'll be watching the clock for that.

I would like to remind the committee again if they could check their cellphones because sometimes we forget. I'm going to check mine.

Ms Blakeman: And Laurie will enforce the doughnut rule.

The Chair: That's right. Or we'll be buying doughnuts in here.

We'll go ahead, and let's begin the first. Of course, we'll turn 10 minutes over to the minister; then we'll be moving to the Liberal Party.

Did you want to combine your time, hon. member? What would you like to do? How would you like to proceed?

Ms Blakeman: Well, I have 10 minutes to decide, so I'll let you know.

The Chair: Okay. Thank you.

Go ahead, hon. minister.

Mrs. McQueen: Thank you, Chair. First I want to thank the department staff for joining us here tonight and for the excellent job both the department staff and my office staff do every day in this department. I look forward to the next three hours to discuss great things under way in the Department of Environment and Water and to clarify questions that members may have, certainly then looking to gain support from all members of this committee for our budget.

Chairman, I'd like to briefly begin by saying that it has been an exciting first few months as Minister of Environment and Water, and it certainly has been an honour. Significant accomplishments in the department this year: we know we are continually viewed on a global stage, which is why our work continues to be world leading. The recent name change also sets the direction to the

world leaders in waste management. We are proud to be part of an important, groundbreaking work.

This year's budget reflects the need to bolster environmental monitoring, to ensure continued focus on water management, and to continue success of the climate change strategy. Our operating budget of more than \$222 million is an increase of almost \$34 million. Under that water for life continues to be a pillar in our budget and in our ministry. Water for life receives an additional \$19 million in operating support. Funds are divided among divisions in the department. Environment and Water funds the majority of the crossministry initiative, which totalled \$25 million. The water for life capital plan to support drinking water and waste-water management totals \$120 million. This budget is with Transportation but is a significant part of what we do in Alberta Environment and Water.

Under monitoring, spending on environmental monitoring, science, and reporting will be \$30 million. This is an increase of \$11 million from forecast, new funding for immediate on-the-ground enhancements, more monitoring stations, and increased frequency of sampling.

As you know, we recently, in February, announced a joint monitoring plan with the federal government. We are confident that this program will be one of the most progressive and comprehensive in the world. It has been designed to provide improved understanding of cumulative effects of oil sands development, and certainly we're not done yet. This is a regional program, a first step to a full, province-wide system. It's exciting to have this hard work that has been coming together for a year or so now come together.

Climate change. Greening energy production and climate change adaptation will continue to be supported through the climate change and emissions management fund. We have estimated it to be about \$70 million for the 2012-2013 year. Support is for greenhouse gas reduction, clean energy research, and ways to energy conservation.

Alberta has seen real results from the climate change strategy. To date \$257 million has been collected by the climate change fund; \$126 million is committed to date to 27 clean technology projects. The Climate Change and Emissions Management Corporation has announced \$126 million, as I said, towards 27 technology projects: renewable projects are 10 projects at \$65.2 million, energy efficiency projects – there are 12 – at \$32.9 million, greening fossil fuels are two projects at \$23.3 million, and carbon capture and storage had three projects at \$4.8 million.

Other department highlights. Wetlands. We're working on a made-for-Alberta policy, which will accommodate unique geography and industry and will provide a balanced approach to wetlands management. Our wetlands, as you know, are diverse in form, function, and distribution. A blanket no-net-loss approach is not the best approach. We feel it does not account for regional diversity. We have made significant progress. Two major pieces are completed, the wetlands policy intent and relative wetlands functions discussion. The final focus we'll work on this year is wetlands mitigation, and we want to complete the wetlands policy this year.

6:40

Our water allocation review. Our system has worked well for more than a hundred years. It's a system that is applauded by Albertans and environmental groups. The system effectively conserves water in areas of low supply. We still have interest in finding better ways to share, store, and conserve our water. We must use management tools and balanced objectives that consider

all needs and protects resources for all users. We are currently reviewing the system. Public input is essential to this as we make this review, and it must be built into the system that values the needs of Albertans. No decisions have been made, and no decisions will be made until we first consult with Albertans. I want to be very clear here that our water will not be for sale to other jurisdictions.

Groundwater mapping. We're excited about the proactive work with groundwater mapping as it helps us gain better understanding to plan for the future. We are compiling information today to prepare for that future. We have partnered with Alberta Geological Survey to enhance groundwater knowledge. We released a groundwater atlas in the fall for the Edmonton-Calgary corridor, and southern Alberta is next. We've also developed a draft groundwater management framework for lower Athabasca that sets limits and targets.

Data accessibility. My pleasure was to announce earlier, at the end of last year, the Oil Sands Information Portal. This is a great example of delivering on the commitment to transparency. I want to commend the staff for the over two years they spent putting that together. The portal is a one-window online source for oil sands environmental data that can be easily accessed by computer and now, I'm very happy to say, by iPad as well. Focus is on the cumulative effects data and facility-specific data. Air quality, water quality, water use, greenhouse gas emissions, and land disturbance are some of what is presented. It's open and easy access to information, which allows people to form their own opinions. We have much to gain from informed decisions on the issues. There has been a great deal, and I congratulate our team on that.

Waste and recycling. The too good to waste program is very successful. There are innovative approaches to waste management and recycling. We've seen many successes: the MOU assigned for construction and demolition waste, milk containers added to the beverage recycling program, and tire recycling expanded to include industrial and off-road tires. The MOU assigned to keep plastic bags out of landfills and the introduction of the paint stewardship program are just a few to name that have been added.

Tires. We have 334 municipal collection sites that accept tires in Alberta. Since 1992, 68 million were recycled into products like rubber roofing tiles, playground surfaces, arena matting, planters, and hoses.

Electronics. Alberta introduced Canada's first electronics recycling program in October of 2004. Albertans have recycled almost 4 million units of computer equipment and televisions.

Paint. We have 7.5 million litres of waste paint recycled.

Over 1.1 million aerosol containers have also been recycled.

Under used oil. We have more than 1 billion litres of used lubricating oil diverted from landfills. Almost 85 million used oil filters and more than 20 million kilograms of used plastic oil containers have been recycled.

On energy efficiency. We want Alberta to continue to lead in energy efficiency, and we are committed to that. We have a rebate program that has been incredibly successful. More than 152,000 rebates worth more than \$40 million have been issued. These rebates will prevent more than 1.5 million tonnes of greenhouse gases from entering the atmosphere, which would be equivalent to taking over 300,000 cars off the road per year. We're certainly exploring now opportunities to ensure we remain an energy efficiency leader in Alberta, and we're continuing to work on that program.

Our budget protects our core programs. It takes action on important, groundbreaking work, and it highlights many of the successes of the department that they have been working on for years and over the last few months. I'm happy to continue with the dialogue and look forward to a good dialogue back and forth.

Thank you, Chair.

The Chair: Thank you.

As I said before, we'll now move to the Liberal Party. Did you want to share your time? What's your pleasure?

Ms Blakeman: We'll try that for the first 20 minutes.

I'm sorry. By the way, it's the Official Opposition.

The Chair: Sorry. The Official Opposition. You know, everyone that I reference tells me the opposite, so I will reference it the way you want it.

Ms Blakeman: Thank you for your patience.

Okay. Thanks very much, Minister, for coming with your staff and especially to everybody in the back that gets to look at the backs of our heads. Sorry about that. I'll try and be as entertaining as I can. I do appreciate the work that you do on a daily basis, and I know that you're all really committed to this province and to making it a better place. Let me say that from the outset.

Now, I have looked in a bunch of places to see what sort of direction the minister and the ministry are operating under. Under the strategic plan, goal 6, page 10, we've got this: "find innovative solutions to developing Alberta's resources while protecting Alberta's environment to provide a healthy Alberta for future generations." I don't know about you, but I would find it a really difficult thing to work under because you're actually not called "developing Alberta's resources." You're called Alberta Environment and Water. I would have taken the "developing resources" out of there, but obviously that's a major focus of the government.

The mandates you're working with: making Alberta a national leader in energy efficiency; working with the government to ensure future coal-fired regulations are trying to reduce carbon dioxide emissions, again without unduly impacting Alberta consumers; Regulatory Enhancement Task Force recommendations for a single regulator; final stages on water for life, which the minister mentioned; and partnerships on the open information system, which I do congratulate all of you on.

There is a fairly significant increase in the budget since last year. It seems that most of the money is going into the climate change budget. A couple of questions. If you can just confirm that that is a reflection of the changing priorities and direction for the ministry. With that, I assume that there's going to be less focus put on CCS as a way of conserving and reducing our emissions. What I would like to know is: with the added money, how is that breaking down? What programs is it funding?

For people following along at home – and I know that you are just gripped by the discussion – in the budget documents we have I think it's six different vote allocations, and it doesn't give us a heck of a lot of information. For example, vote 5 says, "Monitoring, Science and Reporting." It doesn't tell us what programs are under that or how many FTEs there are or how the money breaks down into the programs or anything. So a lot of what I will spend my time doing in this hour is going: "Okay. Tease that one out for me. Tell me exactly what that amount of money is paying for because it's not clear."

Could I get a breakdown of how this additional money is being allocated? I'm not interested in what you tell me on page 90. That

I can read. I'm looking for what actual programs are being funded here. You may not be able to do that, in which case just provide it in writing through the clerk of the committee. Then it gets posted on the website, and we all get a copy, so it's sort of one-stop shopping for everybody.

I'm going to move to the strategic plan, page 10, again with the mandates, this "national leader in energy efficiency and sustainability," which seems to be covering absolutely everything from energy efficiency to conservation to new technologies. What is the timeline that the minister is working with to implement this initiative that is supposed to make Alberta a world leader? Do you have a three-year plan? Is that the way you're rolling it out? How is your commitment of money following that? Or is it five years or 10 years? How does that work? What exactly is the scope of what you're trying to do with this initiative? Are these baby steps? You know, we're aiming to be a world leader. Help me understand where this is all going to sort out.

6:50

One of the other pieces is that the federal programs under EcoEnergy have all ceased now, so any opportunity that homeowners in Alberta had to get some money to help them make their homes more energy efficient is gone. In this initiative of being a leader in energy efficiency and sustainability, are there any plans in this budget – and if so, where? – or in a future rollout through your business plan to offer any similar program in Alberta which is the local version of the EcoEnergy program? How much is the planning and implementation of this, becoming a world leader in all of this, expected to cost in the fiscal year that we're looking at? Then if you could give me how much you're looking at spending rolling out.

I'll stop there and give you a chance to answer.

Mrs. McQueen: Okay. Well, thank you very much. I guess what I'll do is start with a few comments that you made, so general issues that you talked about.

On the first comments that you made, with regard to us as the department looking at coal-fired regs with the province, yes, certainly we're working on that. As you would know, in looking at overall reductions in greenhouse gas emissions for the country and also for our province, the federal government is looking at doing a sector-by-sector approach to this. Certainly, they've done the transportation sector. Coal-fired regulations are ones that we're currently working on, and then oil and gas will be the next sector.

We are working on that to make sure that first and foremost, as we look to reduce and hit our targets with regard to reductions in greenhouse gas emissions for our province, we're also looking at and keeping in mind very focused and intentionally the consumers of Alberta, to make sure that as we're moving this forward, we're making sure that consumers are at the forefront of what we're looking at in addition to the environmental outcomes we're trying to achieve. We are currently in that process, working with the federal government back and forth on what those coal-fired regs may look like. So we're in discussions, myself and our federal Minister of the Environment.

With regard to the Regulatory Enhancement Task Force, as the hon. member and the members would know, I spent some time as parliamentary assistant along with two other members, one from SRD and one from Environment, when I was the Energy parliamentary assistant. Certainly, the overlying principle within that task force was to look at environmental or health and safety outcomes not being reduced but that we would look towards a regulatory process that was efficient and effective and that could

be brought together in how we deal with regulatory approvals, whether that be one window or one application, one review, a single regulator. That's certainly some work that has been done, and as the member would know, that's been accepted by government, and the recommendations for that are being brought forward. Again, I will mention that our overlying principle was not to reduce any environmental outcomes as we did that.

Partnerships and open information. We're very proud of the partnerships we have in Environment and Water, and I have to commend the people in this province that are our partners in many different areas, whether that be water or air or land, biodiversity. We have some outstanding partners in this province that work with us and certainly the work that has been done to be transparent and bring that information into the open. The Oil Sands Information Portal is just one example of that, and I'm certainly very happy about that as well, and I commend our partners.

On some of the other ones, hon. member, you mentioned that you thought we'd be moving away from CCS, with less focus as a government with regard to our greenhouse gas emissions. I would say that that is not a correct statement from our department's perspective. Certainly, we look to CCS as about 70 per cent of the reductions that Alberta will see with regard to our greenhouse gas emission reductions, so it still plays a large role for us, but energy efficiency, clean energy, all of those, will continue to play a role as well.

I missed the part on added programs, but I'll get back to that.

The federal programs you talked about, the eco programs that are wrapping up and finished: certainly, that is the case. With regard to our energy efficiency program, which was a three-year program, it finishes March 31 of this year. But on the mandate that the Premier has given us so that we can be a leader in energy efficiency in this nation, the departments of Environment and Water, Sustainable Resource Development, Energy, Municipal Affairs, and Agriculture and Rural Development are working right now to develop an Alberta program that would be of very high Canadian standards, that we will move forward with in energy efficiency.

Now, many of our departments do many different things, so what we're looking at is bringing that forward together and developing something that people could holistically look at between the crossministries on: what would be the energy efficiency program? We're just working on that, so I can't give you dollars or specifics yet, but we're quite excited about that and moving that forward and will be very happy to bring that forward as well.

The monitoring piece: we have put \$11 million into our budget, which is significant, with regard to that.

The other piece that you did ask me about was with regard to the general increases. Monitoring was \$11 million on the operational side. Generally speaking, the other increases were in the different sectors across the ministry. Salary increases as well are part of the increases you would see in our budget.

As it relates to monitoring, Albertans and Canadians certainly have high expectations that we'll excel at both energy production and environmental protection. I'm really proud to say that in Alberta we have the opportunity to have it both ways, and we will have it both ways. As we grow to deliver a better Alberta by building on the strengths and provisions that we have and the passion that Albertans have for the environment and as we grow and continue to develop the economy, we will make sure that it's a balanced approach. It doesn't have to be either/or; it can be both.

When you look at the work that we're doing with regard to the monitoring in collaboration with the federal government, with our

monitoring in the oil sands, we see that this will be an opportunity for us. Industry will be increasing the dollars to where they'll be working with us to a maximum of \$50 million per year over the next three years. By 2015 this program will be up and running, and it'll be fully implemented: the first-year enhancement, including increased sampling frequency parameters and locations for air, water, and biodiversity, and certainly looking at the long-term cumulative effects as we move forward. We'll use some of the dollars from our budget to get this moving.

It was a phased approach for me as I came on as a new minister. First and foremost, I wanted to have new dollars in my budget so that we wouldn't miss out on this monitoring season; second, we would do the announcement with the federal minister; and third, we will then look at the governance structure and how we make sure that it's science based, peer reviewed, and that people are confident in the data that is brought forward.

I think, Member, I will end there to leave you time, and if I've missed something, you can certainly let me know.

The Chair: I wanted to just interject here. I know you asked earlier that if there were responses, they would have those go to the clerk. I'm advised that those have to be tabled in the Assembly. That is the process that the table tells me we must use.

Ms Blakeman: Okay. That's a little different from what happens in some of these other committees, then. Sorry. My apologies. Tabled in the House.

Okay. I think that when you go back, you will find that I asked a couple of very specific questions about where things came from. I understand if you're not able to give those off the top of your head, but I am looking for that information. I would be more likely to vote in support of the budget if I had the information before the vote is actually called, which gives you guys about two weeks to produce it.

I am interested in the whole issue of coal because it is our single-largest emitter of greenhouse gas emissions. There just seems to be a real disconnect in the way the government talks about how much emissions we're going to be able to reduce. I'm very interested in how you plan to go ahead with this. How are you going to reduce the use of coal enough to make a significant dent in our emissions? We still haven't met any of the past targets.

7:00

Based on some of the information that I'm looking at and with you telling me that there's an expectation that 70 per cent of the reduction will come through carbon capture and storage – in other words, pumping it underground – I'm really interested in how the government thinks they're going to achieve this, especially when you say that we're not going to impact the consumers or forefront, I think is what you told me. I'm really interested in how all of this can be achieved in dollars and cents and on a timeline. I'd like to know how that's actually going to work. Are there timelines to convert these coal-fired plants, or is there a decision to build new ones? This takes a long time. You don't turn this stuff over in a year. What exactly are you guys working on, and how much money out of this budget that we're looking at is going to go toward that?

On page 30 of the fiscal plan we have the mention of the single regulator. Regulatory enhancement project: \$7 million in operating support and \$5 million in capital investment to continue the implementation of the recommendations, to put this single regulator together. The notes I have say that \$12 million is committed to the implementation of it, so I'm wondering how much of it is brought forward by your department.

Sorry, I'm jumping around a bit. If I'm looking at the right press release – yes, February 17, 2012 – around applying for energy efficiency rebates, it looks like the government of Alberta's three-year incentive program runs out March 31. It was for furnaces, domestic hot water, insulation. Is that it? Are there any expectations that this might be extended or come back again? This certainly was a very useful program for any constituency that has older housing stock in it, and a lot of these costs are pretty staggering when you look at the price for most homeowners. They look at a \$10,000 or a \$15,000 bill, and that's fantasyland. That's win-the-lottery stuff. So these programs are very important, and I'm just wondering what else is happening with that.

I talked about the federal program and whether there was anything else that was going to replace that.

The other thing the minister mentioned was the whole thing about science-based environmental indicators. I'm pretty excited about that because I think that's exactly where we should be going. Can the minister elaborate on what this is going to mean for all of these initiatives going forward? For example, what's that going to mean for baseline water studies? Will that mean that there's going to be an accelerated initiative on groundwater mapping? Does it mean that we will get a wetlands policy before the wetlands are gone in this province? We certainly are eating them up at an astonishing rate. I mean, that groundwater mapping: I think that we've still got seven years to go, so how does that work?

The Chair: Member, the first 20 minutes have elapsed. Would you like to just flow forward? Is that comfortable?

Ms Blakeman: Yeah. That's fine.

The Chair: Okay. Continue.

Ms Blakeman: I'm also wondering where the science-based regulations and monitoring of fracking are. That's the new kid on the block. It's got a lot of people with a lot of questions, and I'd like to believe that Environment and Water was out ahead of this one, so I'd like to know what the specifics are on that. Basically what I want to see is: where is the money, and how much is it?

That's five minutes for me. Let's see if you can match me in five minutes.

Mrs. McQueen: Okay. I'll try to see if I can be a bit less.

To answer your two money questions right off the bat with regard to how much is Environment and Water's budget with regard to regulatory enhancement projects, the answer is zero. That's right out of Energy's budget. Carbon capture and storage: the same. That is zero. That's out of Energy as well. Yes, we are fully committed to both of those projects, both of those initiatives, but they are not out of Environment and Water's budget per se as a line item. You can have assurance of that.

Energy efficiency. As I said in my opening comments a few minutes ago, we're very excited about creating a new program in Alberta. I think the hon. member is absolutely right. There are some things that worked really well with the last program that we had. Albertans really were receptive and responsive to the energy efficiency program. So we need to look at that. What worked well, where Albertans would like us to move in the future, and how we and Albertans can get the biggest bang for our buck and get the most benefit, certainly looking at that while making it a program that is easy for Albertans to access.

We're excited about developing that. We're going to bring those together, as I said, between the four ministries in as close a timeline as we can to develop a program that will be effective and

will deliver what we're looking forward to in that as well. Look forward to it. Certainly, I appreciate the feedback that you've given on that and always look for feedback from any Albertan that would like to give us feedback on what worked well with that.

There are some areas with regard to energy efficiency that I think Albertans have told me they would like to see simplified, and one of those is the home audits. Some people felt that it was difficult for them to either be at home or to access that for the dollars that they could get. So if there's a way that we could look at simplifying some of that stuff to make it easier for people to make the right choices, I think those are some of the things that I would like to look at as well.

The monitoring and the science-based: you had some additional questions there. You asked with regard to groundwater mapping if it was about seven years. I think we're more in the area of about three to five years to finish that. We've done, as I said, the Edmonton to Calgary corridor. We're working on southern Alberta, and then I'm getting plans together for the lower Athabasca region as well. I would agree with you that that's something that our department has done an excellent job with and continues to do. The work with the groundwater mapping that they've done, I must say, has been very good. People are very receptive to that work and would like that to continue. So we're looking more at about three to five years to continue with that.

The wetlands policy. Yes, the discussion on wetlands has been around for a number of years. I know that back a few years ago when I was parliamentary assistant, we were talking about it then. Certainly, I've made the commitment that for 2012 I would like us to have a good final discussion with regard to wetlands and then make a policy decision on that moving forward.

I think what I've heard from a lot of people – and I'll be going out and having a further conversation – is that it's not a one-size-fits-all in this province. I would say that about many things in this province that we do. I think that's the whole point of regional planning, to look at the differences between regions of this province. In an area of southern Alberta, where we have a basin that is closed, you know, it would make sense in some areas to have more than a 3 to 1. It might make sense to do that. In northern Alberta, where we have forests and those kinds of things, it may not make sense to have the same ratio of wetlands.

What I'd like to do is have some further discussion because I haven't had a full discussion with those that have worked on the wetlands policy, do that going forward with Albertans and by year's end make a decision, bring it forward and have a wetlands policy in place.

I think those are your questions. Did I miss any?

Ms Blakeman: I'd have to go back and look.

Mrs. McQueen: Oh, yes, I did. I missed the fracking question – sorry – that you asked me. Certainly, we've made a commitment in Environment and Water to work with the regulator, the Energy Resources Conservation Board, and Alberta Energy to bring forward information and a program with regard to fracking. We've had great development in this province over the last 60 years; 160,000-plus wells have been drilled. But we need to make sure and Albertans want to make sure – water, as we know, is a very valuable resource – that the program that we bring forward would be transparent, would include baseline monitoring and information about the frack fluids. Certainly, there'll be an opportunity for public engagement on this as well. So it's something that we're trying to make sure we can be bringing forward by year's end as well.

7:10

Ms Blakeman: Okay. Thank you.

Mrs. McQueen: I have one more that you wanted me to do.

Ms Blakeman: Sure.

Mrs. McQueen: Sorry. You were asking questions about coal. Do you want an answer on that one? Okay. Certainly.

We would certainly say that Alberta shares the same goals as the federal government with regard to meeting our targets for greenhouse gas emissions, and we're more than prepared to meet that as a province, what ours are. Where we differ and disagree and where we're having, I would say, a good dialogue with the federal government is really on how we achieve those goals. Certainly, Alberta would say and I would say as the Minister of Environment and Water: give us our targets, and we will meet our targets as a province. But some of this started prior to my being the minister, and as I said, the federal government has already begun some of this work in a sector-by-sector approach. What we are saying is that although we would like to see our targets set, and as we're working throughout all of the different industries that need to help us meet those reductions, we would be looking at that in a manner that would be responsible.

So, yes, we have the consumer in mind for pricing, but we do know we need to make a difference with regard to moving somewhat to natural gas with regard to coal plants and what would be the life of coal plants, those kinds of things.

Again I have to mention that carbon capture and storage will play a large role in that when that technology comes through. When I was in Durban, we had a great conversation. I sat on a panel with four other countries with regard to carbon capture. Europe, Norway, other places, China, Japan are looking for this technology. There's a great deal of supply of coal in the world. We have over 800 years of coal supply in this province. It's a low baseload price for consumers, so if we can break the technology with regard to carbon capture and storage, just like in the early years when Premier Lougheed looked at the technology for developing the oil sands, we see this as a game changer as well.

Ms Blakeman: Okay. I'm going to have to dig a little deeper on some of this stuff, just starting with the CCS. Nothing has actually been started. There's been no shovel in the ground on any of the CCS projects that have been funded by the government. I believe that the first target that could possibly be hit for actually putting some of the captured carbon underground is 2025. So, huh? I'm sorry. How are you going to do this when CCS is 13 years out for the first bit of it, and every single year between now and that target date this province creates more emissions?

I mean, in 2025, your best estimate, you're going to be able to put 5 megatons underground. That's what we created in this province in 2007. So how on earth are you going to catch up with 2008, '09, '10, '11, '12, '13, '14, up to 2025, when you will manage to put underground what we created in 2007? I'm sorry, but the math is just not working here. It's just mind-boggling. "Federal government, give us the target, and we'll meet it." How and when exactly? I certainly won't be in politics, and I don't know if you will be. Probably most of the people in this room won't be here. Working that far out on these targets becomes a bit of – what's it called that kids read? – a fairy tale.

I don't understand how you can do that, so I'm asking you for the specifics. If you guys have an idea of what you're doing, when you're going to do it, what it is, and how much it's going to cost, put it on the table because I'd like to see it. What I'm getting now

is some real big blue-sky stuff, and that's not answering the questions that I'm asking.

Okay. Let's talk about fracking. I'm really pleased to see somewhere in everything I've been reading that you are going to have companies divulge the ingredients, which I have been asking for for some time. I don't need the recipe. I don't want to know how you're combining it. I don't want to know if it's a cup of this and a teaspoon of that and four gallons of something else. I don't need to know the recipe, and neither does anyone else. It gets us in trouble with proprietary business: blah, blah or whatever the legalese is on that. But we do need to know what the ingredients are. Can I expect the government to be posting this as part of your open data plan so that each company will be posting on your website what they have in their fracking fluid? Is that the kind of commitment that you have here?

Secondly, what we really need and the huge issue in this province around fracking is water and the purity of well water. What we always get into here is: "Okay. You guys can light your well water on fire – fine – but prove that you couldn't light your well water on fire before the fracking happened." Well, of course, they don't have a baseline. So if you really want to do something environmental from the get-go, give people the money or do the testing for them to test their wells. Then we would have the baselines that we need to be able to conclusively support the companies' statements that their fracking had nothing to do with it.

The only scientific bit that we've got is what came out of the field in Michigan or Massachusetts, one of the M names, that essentially said: "No. It wasn't the methane that actually came out in the water. It was whatever else was in the seam that got pushed out the other end by the fracking fluid. It just pushed everything in front of it, and that's what ended up in the well water." Again, without the baselines, we're not going to know this.

I know the government likes to tell people to go to court, but this is Martha and Henry. These are people that are running farms, and they have to work off the farm in order to be able to afford to farm. They're not going to be able to turn around and go to court to fight some multinational company to be able to prove that their well water was impacted by whatever the heck was in the fracking fluid. So I would say that if you really want to be practical about this, that's the kind of help that people need. But you can answer me about that.

Wetlands. I know people say that you can make wetlands. Uh, okay. They are part of a very intricate ecosystem. My worry here and what I hear running underneath this is – let me do it the other way. What I'd like to hear from the minister and the department people is that we value them and we understand what an integral part of the ecosystem they are, and we will commit to there being no more than – I would like a no-net-loss policy, as you well know, but let's go, you know, 99 per cent or 98 per cent.

If you go into it by saying: "Okay, yeah, we can move around it. If you want to, you know, plow it under and build a development there or if you want to run a tailings pond for something over top of it, you can just make another one over here, and it'll be the same thing." Well, it's not the same thing, and I know the people back there know it. So what is your commitment to wetlands? I don't get a sense of it. What I keep getting is a lot of being very careful not to tell me anything.

The more you guys resist, the harder I dig, so give me some juice, and I will get off your back. Right now you're not giving me anything, and I will just continue to push harder. I am not happy to hear the language about: oh, one size fits all in Alberta. That to me

has been nothing but problems in Alberta in any of the other functions that the government has applied that to. So I would like something concrete about those wetlands.

Well, that got me off on a tangent. I actually had a kind of series of things here. I was going to do monitoring, water emissions, and gravel, so I kind of got off track here.

Monitoring. The Canada-Alberta implementation plan for oil sands monitoring: when the minister announced this along with the federal minister, there was no financial commitment. In the documents it says that, one, it's going to be 50 million bucks; two, the \$50 million is supposed to come from industry; and, three, there is supposed to be an independent commission. Long pause, *Hansard*.

7:20

Well, we don't have any financial commitment from industry, and we don't have the \$50 million, so what's going on here? When do we see the \$50 million? When do we see signed contracts with industry? How much are these guys supposed to put in? How is it held? Is it in trust? Does it roll through your department? Are you going to establish a DOA that holds it? Is there a very wealthy lawyer that's going to hold it in trust for you? Where is this money coming from, when is it coming, and then how is it going to be accountable to Albertans in the way that it is disbursed? That one is a head-scratcher. I've actually got a question mark here. Are you going to lend it to industry or what? Again, if you guys don't give me something concrete, I start to wonder about things, and you don't want me wondering.

Crikey. So I've now got 15, 25 minutes left. Uh-oh.

The Chair: Hon. member, you have one minute left at this point because we're not really going back and forth. You've been speaking for 10, so I think it would be good to let the minister maybe answer some of those questions.

Ms Blakeman: Yes, that's fine. Go ahead.

The Chair: Okay. Thanks.

Mrs. McQueen: Well, thank you, Member, for the questions. Let me see, where are we here? I think the first one that you asked was with regard to our fracking policy and my comments that by year's end we're working to have a fracking policy with the regulator, ERCB, and with Energy. Certainly, that is our goal.

Your question was with regard to baseline water testing if I'm correct. Right now with coal-bed methane we do that. We certainly test the wells at 600 metres, the water well testing that is happening. That would make some sense, to be able to take what we do there with CBM and to do that with fracking as well. Certainly, as we have the discussion moving forward, that would be something, what we're doing there, that would make some sense.

As well as the work that we're doing, we also know that CAPP recently announced the information and guidelines and principles encouraging its members to meet the practices nation-wide. Certainly, their principles were protection of quality surface and groundwater, accurate measurement of water use, full disclosure of fracking fluid additives, and sharing of best practices that reduce environmental risks as well. It's not only ourselves looking at it, but industry came out a few weeks ago with this as well. It's something that we're all working together towards. So I think that deals with that issue.

With regard to the question that you had with respect to wetlands. I appreciate the amount of time you may have spent with regard to talking about wetlands in the past and certainly in

the future. We are, as I said, committed in the department and myself to – we're going to have a busy year. I've kind of warned my staff about that. There are some things that we do need to tie up, and this is one of them, to make sure that we have a wetlands policy that's completed by year's end.

Our goal is to avoid impacts wherever possible and to minimize impacts that can't be avoided when necessary for compensation. We want to set regional objectives for wetlands. So it could happen that you could have what you talk about as a no-net-loss policy approach. You could have that in a regional area. It wouldn't be saying that you couldn't have no net loss, period, but it may not be, when we're finished, that that would be a whole provincial perspective.

I think that as we have those conversations about wetlands and where we want to put the priority in certain areas, especially in closed basins, some of those things, when I talk about it not being one size fits all, that could be an area and an approach that we could be taking with regard to wetlands. But I don't want to finalize that discussion because I still need to have some discussion with people that have been doing a lot of work over the years with regard to that. Certainly, I'm hearing what you're saying there, but I'm also hearing that we need to make a decision and some certainty around that.

I can't remember what this one was. Oh, yes, the monitoring piece. Correct. The monitoring piece, as I said, was a commitment that I made as minister as soon as I was appointed that we needed to deal with so that we would not lose this monitoring season. In a perfect world you might have come out with everything all nicely tied in one package, but if we had done that, some of the work that we've already done and committed to may have had us miss a season of monitoring that we feel is important.

So just for clarity for the record . . . [A timer sounded] I'm still okay?

The Chair: Yeah. Continue.

Mrs. McQueen: Okay. The \$50 million is for three years, to a maximum \$50 million each year for three years, so that's \$150 million for industry. As you know and members know, industry right now already participates in funding for monitoring as do ourselves and the federal government. Currently we have a commitment from industry to this money, and by spring you will see that this will be fleshed out on how that will move forward. CAPP is already working with companies on that piece. So we have the commitment, and that will come forward very shortly.

With regard to the external body, as I mentioned, what Albertans have told us and what actually all three reports, I would say, have told us – and I want to say first and foremost that there's a lot of great work done by our department and by other people that are doing the monitoring in the oil sands region – is that there are areas that have been recognized where we're doing well, and there are areas for improvement. So whether we look at the monitoring internally or externally, as has been recommended, the important piece is that people feel that the science behind the monitoring is credible, that they feel that it's peer reviewed, and that they feel that it's transparent and it's open and accessible information.

That is currently a piece that I am working on. I'm asking a group to come back to me on what that might look like because some of the recommendations that we got talked about an external body or how we can make sure that all of those three factors that I just spoke of are in but didn't go into a lot of detail of what that might look like. So I'm working on that. I've taken it through the process, and I'm just working through that piece right now, on

what science-based, peer-reviewed, credible, transparent monitoring would look like in the oil sands area.

As I said earlier, we have an additional \$11 million in our budget of Environment and Water, \$3 million operationally and \$8 million in capital, with regard to making sure that we're doing the monitoring on the ground now. As we're working out some of this detail, it's important, as I said, that we don't lose this season. I think we've had good collaboration with many different stakeholders of many different views, whether that be our departments, whether that be the federal government, whether that be environmental organizations, scientists, industry. I think that what we've heard from each one of those groups is that we are moving in the right direction. Certainly, as we move forward with this last piece, we will be bringing that forward in as timely a fashion as we can because I'm committed to that.

I'm equally committed to making sure that we get it right because the oil sands monitoring is a project within a province-wide system, and I want to make sure that for all of the good work that we do have happening, we get back some advice on how we integrate that so we don't lose the partners we have on the ground that are doing good work. Whether that be in biodiversity or water or air, we want to bring that together. But areas that we need to improve on and to build upon are certainly something we are now in that next step of building on.

So I will leave it at that for the member.

Ms Blakeman: Okay. Can I just get clarity on something? The \$50 million that is committed from the industry: is that \$50 million more than they're spending now, or are they going to hit \$50 million as a total target, from wherever they are today to \$50 million? If they're spending \$49 million right now and they're going to go to \$50 million, this is not such a big deal, but if they're spending a million now and they're going to get to \$50 million, okay, a bit more interesting. So confirmation on that.

You did just talk about the \$8 million in voted capital investment, which appears on page 91. Could I get a breakdown, please, of how that funding will be allocated?

You have an increase over last year but not an increase in your personnel, in the full-time equivalents, and it just strikes me that the ministry is going to have all this additional infrastructure and expectations and no more people that are actually on the ground doing monitoring, enforcement, or reporting. How is this going to balance if you don't have any more FTEs to do the job? I guess the question is: where are you going to take them from in order to have them do the new work?

Line 5 of voted expense is \$21.9 million, which is the monitoring, science, and reporting. You've sort of touched on that a couple of times, but if I could get a precise breakdown of where that funding is going, I'd appreciate it. There is a difference between last year and this year of about \$5 million. I think you've mentioned \$3 million, but I wasn't too sure if it was part of that \$5 million or not so if we can just get that breakdown.

7:30

Very quickly I want to talk about RAMP, which is referenced a number of times in this joint Canada-Alberta implementation plan for oil sands monitoring. Now, RAMP was – how would you say? – pretty discredited. There's definitely going to be a role for RAMP, but what exactly is it going to be? I think there's a credibility problem there. Specifically, who is going to run or operate the monitoring stations? I'd like a breakdown of who's doing what where, please. I'm sure you guys have that information, but it's like pulling teeth to get it. So who's going to run the monitoring stations, where are they placed, and who's

going to analyze the data, which is also an important part of that, right?

You were also going to answer me about where the funding commitments are now. We know about the \$50 million. Is there a postdated cheque in your pocket that's dated for the 1st of May? When exactly are we going to see this?

I'm also really curious why the minister decided to move forward without that independent panel in place. It does rather put the whole project in an interesting place when two out of the three major components of what you were announcing weren't in place, the money and the independence. As I keep asking, where's the timing on this?

The final bit of this is the health impacts. We had an announcement last fall from the Minister of Health and Wellness and the minister of aboriginal relations about the comprehensive health study, so I'm wondering: is that going to be part of what we're looking at here? There was supposed to be a signed letter of intent on this health impact study. Is the ministry involved at all in this? If it is, what is the role that the ministry of environment is playing in this health study? It was announced somewhere: ministers sign off on Fort MacKay health study. I think it was in the spring. If you have a role in this, what line item is it in? If you're going to spend money on it, where is it? Tell me the number of the vote and where it is.

You mentioned the Oil Sands Information Portal. What's the annual cost of that information portal? Where is it in the estimates, please?

Thank you.

Mrs. McQueen: Thank you for the questions. Maybe I'm not being really clear here, so I'll try to be with regard to the oil sands funding on the monitoring piece. It's \$50 million from industry, maximum, for three years, so \$150 million over three years, maximum. Currently industry invests about \$20 million per year in monitoring in the province. So it would be about an additional \$30 million that industry would be putting towards this monitoring. That's for a three-year period because that brings up all of the work that we need to do to get us where we need to go.

I've been deliberate with regard to having a three-pronged approach because of the facts and the discussions I've had with people like Dr. Schindler and others about the importance of not losing this monitoring season with the snowmelt. Knowing that, in a perfect world I would like to bring it all, as I said, in a complete package but understand that, quite frankly, if we didn't do it in this fashion and do the work with the federal government on the announcement, put our money in place so that we could actually have dollars on the ground now, we would be accused of: why aren't you getting this important season of monitoring? So we've done that. We've done the announcement with the federal government on the science-based piece and working with over a hundred scientists between the federal and the provincial governments, bringing this forward.

We have increased our budget with regard to \$3 million operationally and \$8 million in the capital budget, making sure my priority was that we would have that increase, and we have gotten that increase. I remember being asked by media: "Are you going to get any money for your budget? You say you're going to, but will your colleagues support you?" Absolutely, and I'm looking for all of you to support me as we move through the budget process as well.

The third piece is, quite frankly, about bringing forward now: what does this look like so that it's credible, it's science based, it's peer reviewed, and it's transparent? I am, as I said, working on that piece now.

No, I don't have a cheque in my back pocket, but industry has made a commitment to us that they will do this. They see it as important for them as well. They certainly are supportive of this. There is no reason for any of us to think that industry will not move forward with this. They've made that commitment to us. They're working through CAPP, they're working with their partners on how this will roll out, so I'm very confident. As they have said, in the spring we will have results with regard to that and more final details. I'd be happy to share it with the hon. member and, certainly, all Albertans when we have that plan going forward.

With regard to the science piece on the monitoring to make sure that we have it as credible, like I've said, I'm working with the group to help me bring back some of that information and looking forward to them doing that as soon as possible. I think with the work that we've done over the last four and a half months in the ministry, our staff have been working extremely hard to bring forward the priorities that our Premier has given to me as minister. We have worked, I think, in a very timely fashion on many of these issues, and we'll continue to do that. I'm committed to doing that, but I'm committed to getting it right. With that piece, as I say, it'll be done this year for sure, but having the science of the monitoring done in the season is first and foremost. Having the dollars there and then having the information that they're gathering is the third piece. We will have all of that this year for sure.

With regard to the question on RAMP and the comments with regard to RAMP for us, as I said, we have a numerous amount of partners on the ground, whether it be for our airsheds or watersheds, all of the ones that are there with us. With regard to RAMP there's been some criticism, certainly. What I've said is that as we develop this program and a province-wide system, we're going to build upon and integrate the good work that is already happening because many of those different groups I've met with that are doing very good work for us and very credible work and that have been recognized for credible work are certainly not wanting us to throw out their good work and start over.

So with the good partners that we have on the ground, we're going to build upon that. Where there are areas that are not working as well as we want them to, we're going to fix those areas, and we're going to integrate them and fill the gaps where they need to be filled so that we do indeed have a first-class monitoring system that not only as Albertans we'll be proud of; Canadians and people around the world will recognize the steps that we've taken to make sure that the data is scientific data, it's peer reviewed, it's credible, and it's transparent.

The health study. We are not the lead ministry. Health is the lead ministry. We do not provide any funding, but we certainly provide support in staff support or information that the department of health would be asking of us. I think that was all.

Ms Blakeman: The portal.

Mrs. McQueen: Oh, right. You had asked with regard to more details on the monitoring, so I'll give you some of those right now on the capital. Air monitoring stations will be \$500,000 on the ground; hydrometric monitoring stations, \$600,000; groundwater monitoring, \$2.3 million; mobile air monitoring laboratory to increase provincial capacity to respond to vents, fires, et cetera, \$600,000; for a total of \$4 million.

Data collection, development of data standards, and collection of infrastructure to support electronic data submissions from partners is \$1 million; data development and creation of a

standardized process to deliver data in an open and transparent fashion to the public and Albertans, including data quality, security, and governance, is a million dollars; data distribution and product development enhancement of the portal, a million dollars; for a total of \$3 million.

7:40

Operational funding to support increased field monitoring from both the joint oil sands monitoring program and other enhancements to the provincial monitoring is \$750,000; operational funding to support increasing data management capacity is \$750,000; establishment of an interim group to provide additional advice on provincial monitoring system implementation, \$750,000; bolstering the department's scientific capacity, modelling, investigation of new technologies, evaluation, and reporting methods, \$750,000; for a total of \$3 million.

The last one you asked about was the OSIP, the Oil Sands Information Portal. We have no significant new capital costs over the next year because the department has spent a great deal of time over the last couple of years doing that. It'll certainly be supported so we continue to have a great system. Reporting in the portal will be through existing budgets allocated to our IT information system, so we'll have no additional FTEs that will be supported out of this. But I do again commend the great work that staff have done to bring this forward.

Ms Blakeman: Okay. I'm going to run out of time, so I'm just going to start on some questions on water for life – I've asked to be put back on the list at the end of the shuffle here – although I'm still curious about how all those fine people are going to manage to do all of this with no extra people. What are you putting as a lower priority this year in order to move people around to work on a higher priority? I'll ask you for that one, too.

The total amount of program funding that is allocated for water for life: what is that, and what line item is it reflected under? On page 43 of the fiscal plan you're projecting \$384 million in grants and water for life for regional water and waste-water projects. Where is this in the estimates? And, boy, that's a big area to be explored but not right now. Is the minister able to provide me with, say, three measurable outcomes of how water for life has improved water management in the province? Anything? I'll take anything that's measurable.

In goal 6 of the strategic plan it's talking about beginning the final stage consultation on key actions under the water for life strategy. Okay. When would these consultations actually begin? You know, a date, a month would be good, even a season. What is the defined scope, and how much are they expected to cost?

I'm interested to see whether this minister is going to stick with the FITFIR – first in time, first in right – system of water allocation, or are you going to allow other alternative ways? How is that actually going to work out? As part of that, has the ministry contemplated defining water as a public good, which I would highly recommend? I think that would solve a lot of our questions. If we knew that we define water as a public good, a lot of those other questions automatically get answered for us. We've certainly got examples of that out of – who the heck did that? A couple of the states in the U.S., I think, and a couple of other countries. It's really helped them.

I'll let you answer that.

Mrs. McQueen: All right. The question with regard to water for life and where the funding is: it's certainly across the ministry. The dollars are spread across the ministry. We can get you the numbers. Under program expense, ministry support services, we

have water policy, \$9.3 million; and in operations we have it as well, \$41 million.

The Chair: Hon. minister, I am sorry, but the time has expired, so perhaps we can return later when we come back up on the list.

Right now, for the next 20 minutes, we're going to have the member of the third party with his questions. Did you want to flow back and forth? Do you want to go 10 and then the minister 10?

Mr. Boutilier: I have to go just 10 straight up because my four-year-old son is in Edmonton, and I want to make sure I hit bath time with him and his mom, so I'm going right away. And the third party is the Wildrose Party, just to be clear.

The Chair: Just my point earlier: when I go one way, I get told to go the other. So I'll just call you everything from now on, folks.

Mr. Boutilier: Just don't call me late for dinner.

The Chair: Okay. Please proceed.

Mr. Boutilier: Well, good evening to the minister and especially good evening to the minister's staff, who I know quite well. Congratulations to the deputy minister and the assistant deputy minister, one whom I know and the other I know just barely. Congratulations.

I think you have good people working for you, and I know that'll make your job easier. That is my compliment to your staff. To you, now, I have some questions. Actually, this is the first time that I have the opportunity to be able to ask questions to this minister of environment as last year, of course, it was the Member for Medicine Hat. I must say that I thought the Member for Medicine Hat did a very good job in that ministry, and I know his commitment to the environment and to water, I'm sure no different than yours.

That being the case, I'm going to start off with an observation in my 10 minutes. It's actually something that I'm quite disappointed about. It was that you as minister of environment and with your federal counterpart made an announcement about my community of Fort McMurray about air monitoring. That was a few weeks ago. I just want to indicate to you that Fort McMurray is 450 kilometres away, and it's not here in Edmonton. The fact that the announcement was made 450 kilometres away and not in my community: I don't know if that means you're going to have some Edmonton announcements in Fort McMurray. I suspect not.

I found it odd that in talking about the oil sands, which I'm very proud to be the MLA for, the announcements were made in Edmonton when really they should have been in the community where the oil sands are, in Fort McMurray. I just give that as friendly advice to you because I and my community, especially citizens, were very disappointed that the ministers of environment, both federally and provincially, chose to ignore the community. Even though the announcement, I think, was a good one, it seemed to be more appropriate to be in the community where my son breathes the air each and every day.

I'm assuming that you are the lead minister as the provincial environment minister simply because under our Constitution pertaining to issues such as air, water, and land, the ministry of environment for the province would be the lead minister in the announcement. I share that with you, and I'm sharing it simply for the people of Fort McMurray, who were somewhat disappointed that it was held in Edmonton and not in Fort McMurray. So I want to relay that to you as citizens asked me to relay that to you even

though I think much of the announcement was very good and positive. I commend the positive stuff about the announcement, but next time we prefer you don't miss the mark by 450 kilometres.

That being the case, I say that because we find that the government of Alberta is somewhat disconnected from the oil sands at this time. The more we see people coming in to witness first-hand the oil sands – and I might admit that I congratulate this minister for going to Fort McMurray, but usually we learn about it when you're there. I would only ask that if you come to visit my community, for which I've had the honour of being the mayor and a city councillor for over 12 years and the MLA for 15, as a courtesy I'd appreciate that you let me in. Not only that, as a former minister of environment if we're working in collaboration, if we're working together in partnerships, well, then, let's not make an announcement 450 kilometres away. I shared that, citizens asked me to relay that to you, so I've done my job as the MLA.

That being the case, I have numerous questions tonight. My first and foremost question was dealing with water. I'm pleased to see that water is part of the name of the new title of the ministry. Needless to say, I want first and foremost to compliment staff and compliment the minister of environment Lorne Taylor when he sat there, which I followed when it came to the issue of water for life. I think that really the title was always reflected before even this new Premier came up with a new title. Water for life is something that's been around for many, many years, so I'm not going to give credit to your Premier. I'm actually going to give credit to the staff and to previous ministers going back even before me such as Lorne Taylor, who recognized the importance of water.

7:50

Now, I also note that the question that I wanted to ask you on the budget is relative to the dollars. I'd appreciate an answer relative to what is being done in your ministry to truly increase water storage capacity in southern Alberta because, really, it is not evident to the many people that I get phone calls from and from others that are very interested in this in terms of on-stream storage and off-stream storage. Clearly, it is not visible, so certainly it's important to recognize the dollars that are associated with that and what can be done in the future.

Also, your ministry's mandate letter, which I'm assuming is written by the new Premier of Alberta, talks about ministry responsibilities, and I am very interested in determining about where it says:

- Begin the final stage consultation on key actions under the *Water for Life Strategy*.

Now, if your Premier was not aware of the water for life strategy pertaining to the actions that have taken place over the years, I would strongly suggest your Premier become more familiar with the water for life strategy and the excellent work of your staff for the many, many years that they have been out there and have done very good work and, I might add, very good work in southern Alberta.

Also, it talks about:

- Together with the Ministers of Agriculture and Rural Development, Energy and Sustainable Resource Development, design and implement an initiative to make Alberta the national leader in energy efficiency and sustainability.

Now, this is not a new concept. In fact, at the time in the ministry we used to say: it makes good sense – s-e-n-s-e but also c-e-n-t-s – in terms of the motivation relative to this type of objective. I'll be very interested to see in your business plan and in your budget

where the dollars are being put forward to be able to achieve this objective in your business plan.

Also, I am very interested in the fact that it talks about:

- In collaboration with the Ministers of Energy and Sustainable Resource Development, implement the Regulatory Enhancement Task Force recommendations, including the creation of a single regulator for upstream oil and gas.

I applaud this because the good folks to our east in Saskatchewan are leaving the ministry in the dust, and we don't like that. We believe in the Alberta advantage.

Last night I did ask a question about the \$25 million that was used for the spirit to achieve and jump up and create to do something. Sorry, I don't remember the slogan, but whatever that title was, perhaps the question could be asked: could \$25 million have been used more in the water for life strategy, in the ministry of environment strategy rather than a title that no one can remember?

Also, I would like to say that it says:

- Together with the Minister of Energy, work with the federal government to ensure future coal-fired regulations support the common goal of reducing carbon dioxide emissions, without unduly impacting Alberta consumers.

I want to for a moment say that having called Fort McMurray my home for 35 years, if not longer, and as a dad of a youngster who breathes the air every day, I believe Albertans as a whole are truly committed to the environment. In fact, I'm quite pleased to say that a forward-thinking Premier such as Peter Lougheed back in 1971 was the first Premier in all of Canada to have a ministry of environment, and he had it because he had a vision of what the values of Albertans are. That was well before Quebec, well before Ontario, and certainly before the federal government.

In doing so and having that vision of the ministry of environment, I had the honour of sitting with the minister of environment and also with the CEO of Suncor. After 40 years of displacing the oil sands in terms of mining it then filling it back in, last October the company received its first and foremost reclamation certificate. It took 40 years. What I find interesting is that our community never gets the benefit of the media in that here it is now that we have a piece of land that was disturbed, it was reclaimed, and now it is back like it was 40 years ago. Now, it took 40 years, and GCOS, Great Canadian Oil Sands, now referred to as Suncor, is very proud of that achievement.

What I find interesting from a technology perspective in your ministry is what you're doing with technology and working in partnership and collaboration. The fact is that today that same 40-year period can now be achieved in 10 years. I think that's very good. It speaks of the technology. It speaks of things such as AOOSTRA and what was taking place in our community.

As we go forward, the question is: what dollars have been allocated for new technologies and partnership with industry?

The Chair: Hon. member, we'll now turn the next 10 minutes over to the minister to respond.

Mrs. McQueen: Well, thank you, and thank you to the hon. member for his comments. Certainly, the announcement with your first part with regard to the monitoring that we had was a very good announcement. We're very happy to do the announcement. As the member knows, I've had many opportunities when he's been there and when he hasn't been there to visit his wonderful community of Fort McMurray. He would know that Mayor Blake and I have a very good relationship, and I always like to go and visit the community and visit the council and the wonderful people in the Wood Buffalo region.

It was unfortunate that with the schedules we couldn't have that announcement in Wood Buffalo. The intention was that we would do that, but it didn't work. I always love to go visit the Wood Buffalo region and the great people that are there and to have the opportunity to dialogue with them. I know I've had very good feedback. The member may have had some feedback on that, but I've also received some very good feedback from the people in Fort McMurray and region with regard to that announcement. Certainly, they appreciate it as well.

The science community at the University of Alberta: we were very glad that they would host that for us. They were concentrating on what the importance of that was. The importance of that is the announcement and the recognition from both myself and federal Minister Kent about the excellent opportunities in development that the oil sands region has for us. It's the engine of not only this province but of the country and, certainly, of the dedication we both have with regard to development of the oil sands in an environmentally sustainable way.

I'd like to also make a comment about, certainly, the credit that our Premier, Premier Redford, deserves with regard to not just the symbolic point of changing our ministry to the Ministry of Environment and Water but the real reason that the Premier has done that. Of course, the Premier is very much aware of the water for life strategy and the good work that was done in the past with that. The Premier also has a very strong vision, and that is for us and that is through my mandate as we're growing this province over the next 20, 25 years. This is the outlook that I love about working with our Premier. She's a visionary leader, and she looks at the big picture.

As we look towards water and having a discussion about water and the importance of water in this province for Albertans, we're looking out over the next 20, 25 years of growth and then working back and having a discussion with Albertans on the importance of water, water management, storage, and conservation. How do we make sure that as we grow the province and with the importance of water for people, for agriculture, for industry, we're not just looking in our short period of time of every four years an election but that we're taking a big, broad vision, as she is doing, not only with the water discussion and the environment? With the Canadian energy strategy and in everything that she does, it's a big, broad vision. I'm certainly very proud of that work that is happening.

We're looking forward to the discussion we're going to have with Albertans with regard to water and the importance of water across this province. Certainly, in the coming months we'll be laying out those plans. The consultation will be a very good process, and I'm looking very much forward to that discussion as well.

I want to thank the member for his positive comments about our staff. I would concur with him on that. We have excellent staff, as you would have known in working with them, and you know as a Member of the Legislative Assembly what an excellent staff we have in Environment and Water and clearly across the government of Alberta. I think it's important that you and other members recognize them, especially when they're here to be able to hear that as well.

I also am appreciative of the member's comments with regard to the regulatory enhancement project. It's a project that I and other members have put a great deal of time into. As we spoke about earlier, the overlying objective was not to reduce any environmental or health and safety outcomes. We can streamline to a single regulator and have a more efficient, effective regulatory process that achieves the same outcomes we're going to have but achieves them in a more timely fashion.

So I can say that the six recommendations that were part of that report I'm very much looking forward to as we move those forward, not just the single regulator piece but the policy management office so that no longer will we develop policies in this province that relate to oil, gas, and coal in isolation of each other, but we'll have a holistic approach, looking at them between the ministries of Energy, Environment and Water, and Sustainable Resource Development and then, of course, inviting any other ministries where there may be a policy that we're dealing with that actually may have part of that. We're very, very much looking forward to that.

8:00

The other recommendation I absolutely love in there is recommendation 6. People probably have this ingrained in their minds because I talk about a lot of this. This recommendation is really about: how do we make sure for landowners that when development is happening on their property and they make an agreement with an oil and gas company and they don't take them to a hearing, the agreement they have is tied to the licence? That is a very important piece. The hon. member will know that I spent a number of years in community local council as well as councillor and mayor and had an opportunity at that time and, certainly, in my time as an MLA and minister to have good dialogue with landowners about the importance of them having the agreements that industry makes with them tied to licences. So I'm very much in favour of that and looking forward to that coming.

As well, there's another recommendation that's in the regulatory enhancement project really dealing with the big picture of policy discussion and development so that when we're talking things like cumulative effects management or land-use planning, all Albertans would be involved in that big policy discussion, and individual projects will then move to those that would be adversely affected or impacted. So I thank the member for his comments with regard to REP because it is a very important initiative, and I'm glad he's supportive of that.

The member had a question with regard to storage in southern Alberta and what we are doing there. We're focused on the Bow system, where TransAlta runs a series of storage reservoirs. We've had some opening discussions with TransAlta with regard to that to determine if increased storage could arise if there is a change in the application going forward there with the operations of TransAlta. Certainly, the discussions look promising. We hope to continue with those going forward and have them completed by the end of 2012. That would be one example of some of this work that we're doing in southern Alberta with regard to storage.

I did want to comment about our Freedom To Create, Spirit To Achieve, such an easy slogan to remember. It's like my Pulling Together slogan in my home community of Drayton Valley. It hits you at the heart, and it's what is important to Albertans. We all have that spirit to achieve, and in this province we have the freedom to create whatever opportunities we want. Our chair, who was the previous minister of tourism, was brilliant when she came forward with this motto. I use it all the time, and it's ingrained because it is such a wonderful, wonderful slogan that we have. Certainly, I would actually be willing to send a little card over to the member to make sure that he always has that in his pocket, so he doesn't forget what that is about.

I will leave it at that for now unless there's anything that I have missed that the hon. member had to say, except for the importance, I will say again, of the vision that our Premier has for this province, the vision to make sure as our ministry about moving forward not only with water for life, energy efficiency, all of the things that are important for Albertans, that certainly are

being articulated by our Premier. We look forward to continuing on the work of water for life, continuing on fulfilling some of the things that are left within that strategy because, as I did say before and I say on many opportunities, the previous minister, Lorne, was a visionary leader as well and really did look at this and at the big picture. That's exactly the discussion that we'll be having with Albertans with regard to water and, certainly, in areas like the closed basin in the south having good discussions about that.

The water discussions will be about the big vision and how we plan for the future. I'm certainly looking forward to that because the Premier's vision about this province is exceptional. I know that Albertans are very, very excited about her vision, about the vision we have as ministers to complete that vision.

I thank the member for the opportunity to be able to share my vision and the Premier's vision with regard to Environment and Water.

Mr. Boutilier: Do I get more time?

The Chair: You have 30 seconds, hon. member.

Mr. Boutilier: Well, thank you. I will try to remember the Alberta advantage. For some reason I can remember that one better than this one.

That being the case, I thank the minister's staff for their excellent work, and I will say that it'll be interesting to see the vision for the future. Maybe that'll be determined in the next month or so.

Thank you very much.

The Chair: Thank you, hon. members. We are going to take that six-minute break that I promised you. Some of us are going off to bath time, and others are going to other places. Please be back at the table in six minutes.

[The committee adjourned from 8:05 p.m. to 8:11 p.m.]

The Chair: Hon. members, those of you that have had a wonderful break, we are back for those that are listening tonight. For the next 20 minutes the members of the fourth party – I hope you're okay with the word "fourth" party. People seem to be sensitive about their names tonight.

Ms Notley: I'll say who I am.

The Chair: Okay. And would you please introduce yourself at the table as well?

Do you want to go 10 minutes and 10 minutes, or do you want to go back and forth?

Ms Notley: I'll try back and forth. Hopefully, that will work.

Yes. Rachel Notley with the fourth party, also known as the NDP. I have a few questions arising from previous questions, and then I can go back to some of my other ones. It's been a good discussion so far. I appreciate the minister for her time here as well as the staff for their time here in addition.

I think I want to just start really quickly by following up on the last question that was asked by the Member for Edmonton-Centre around the issue of the recently announced oil sands monitoring panel. Just to clarify, I may have missed the answer, but in terms of talking about the two components that are as yet not entirely addressed, in particular the \$50 million, I think I heard the minister say that industry has agreed to fund a maximum of \$50 million. So my question to the minister is: is there a minimum?

I mean, I know that they roughly, I think, fund about \$20 million a year at this point, and that's what they were putting into

the much-discredited RAMP process. We're basically looking at finding the other \$30 million. Do we have an agreement from them that it will be \$30 million? I just ask that because you said a couple of times a maximum of \$50 million. I want to know: do we have an agreement from them on what the minimum will be, or is that still subject to negotiation?

Mrs. McQueen: Do you want me to answer now?

Ms Notley: Sure.

Mrs. McQueen: Okay. Thank you for the question and for being here this evening. Just to be clear on it, the monitoring panel and the science-based work that we're doing to develop this is – and you're correct when you say that industry is already contributing \$20 million. I say to a maximum of \$50 million because until we design this with scientists and with academics and with the group that will lead this with us, we do not know the exact dollar. We're saying to a maximum so that we have a ceiling on it. That's the reason we're using that.

That \$50 million is \$50 million per year for three years. So the maximum is \$150 million over that three-year period, which will build us up to the kind of monitoring system that we need to build up towards.

Ms Notley: Is there a minimum?

Mrs. McQueen: There is not a minimum. I would say that what we're telling you is that we're building upon what we have already. It would be very close to that \$50 million. That's what's been suggested to us by the academics and scientists that are helping us to work through this. The estimated cost would be about \$50 million per year. So we're looking at that number, and, yes, industry has agreed with that number. We're working, as I said – and I'm not sure if you were in the room or not, but CAPP is working with their partners on that. Certainly, the plan is going to be and will be driven by science. It's a science-based plan, and that has been what has been asked. So as we look to that maximum, that is how the plan will be rolled out, as a science-based plan.

Ms Notley: Okay. I guess I have a bit of a concern about that, then. Of course, this relates to the issue of the third party, or the independent element of the panel, which has already been raised. Certainly, no disrespect to the many people in the ministry, both federal and provincial, who have been working on monitoring issues to this point, but I think that the responsibility for the outcome of any ministry and the work of any staff person ultimately rests with the government, to whom they answer.

So what we've got, of course, is a regime for many years. I mean, I sat in this meeting, in this very room as recently as two years ago and was assured repeatedly that we had a world-class monitoring system, that anybody who raised concerns about that was just lighting their hair on fire. I was assured of that on the basis, we were told at the time, of the credible recommendations given by the very people who will now sit down and create in a nontransparent way this new process which will then drive how much money industry is asked to put into the pot. So you can see where the public will continue to have significant concerns about where this is going.

If you want to be assured that industry does not continue to have its disproportionate level of influence on the work that is done by your ministry as evidenced by a number of different things that have occurred over the last few years, then I would suggest that they come out and commit a minimum, and then you

work with it. Otherwise, you have the spectre of them being behind closed doors with the group of people who've been behind closed doors with them for some time. That's not so much a question because we've already talked about this.

Again, this is not meant to be disrespectful to them because I know they are really committed to their jobs, but I think that it's unfortunate that many of the people who work in your ministry, who I know are desperately committed to preserving and protecting the environment, sometimes find themselves incredibly frustrated with the overarching direction given by this government. I also know that the history of this government on environmental issues has really taken a beating in terms of credibility. Putting the task of designing the system back into that system as opposed to accepting the recommendation that you create an independent panel that is truly independent and not answering to either the federal or provincial minister would give you credibility. Your decision to not select that route is a problem.

I want to move quickly to fracking. First of all, let's talk a little bit about relationships with industry. As you know, our caucus released some documents that we received back in August or September which demonstrated that there were some very high-level conversations going on between your ministry and the federal ministry and two other provinces and CAPP about a communications plan around fracking, which was quite frustrating given that there was a clear consensus within the documents that you didn't actually have the research yet. But you were going to start putting together a communications plan to convince Albertans there was no problem even though we didn't have the research yet. So, again, a problem with credibility there, Minister.

That's a concern because now you're talking about moving forward in terms of consultations with fracking. Then today already in answer to one of the questions you kindly quoted an industry press release and told us all about the industry and what the industry is doing. I think the industry has more than enough resources to tell the world what it's doing and that probably the minister ought not to spend time acting as a spokesperson for industry. As an aside, my view of it is that what they've announced is nothing more than the most low-hanging fruit on the issue of fracking. Anyone who's studied it at all knows that the most reluctant of industry players have long since agreed to the things that industry in Alberta recently announced and that that isn't really any kind of great step forward, that, in fact, there's much more that can be done. A lot of that rests with the government.

8:20

Now, you talked about groundwater mapping and the fact that we're looking at three to five years. I'm concerned that we have projections of some significant increases in fracking operations combined with a very different and an evolving technology as it relates to fracking operations. So it's not the same as what's been going on for the last 40 years, as the Minister of Energy likes to insist. We're going to increase the frequency and the quantity quite dramatically, yet we are not going to finish our groundwater mapping for three to five years. Is the minister not concerned about the environmental assurance piece associated with that? Is she not concerned that maybe she's not doing her job if that's the way we're going at it? Most experts in fracking will tell you: the first thing you've got to know is what the groundwater scenario is in the areas where you're planning on doing this work. I'm wondering if you could speak to that.

Then linked to that, your ministry – no, I guess it was actually the ERCB. They did a briefing a couple of weeks ago on fracking and sort of just a bit of: here's an information piece on fracking.

I'm concerned again because the people who were allowed to attend that were very limited in scope. Opposition wasn't allowed to attend. NGOs weren't allowed to attend. It was basically media that were meeting with simply your ministry folks. Again, as we're starting upon this process of consulting on fracking, I'm wondering if you can speak to at what point you will actually open the door to anyone other than your ministry officials and industry and actually invite other people into a process that is transparent so that we're not trying to play catch-up with a plan that has actually been constructed behind closed doors.

One of the things I would have asked had I been able to go to that event and that I think our staff would have asked had they been allowed to go to that event is on the issue of fracking. You have here, I think, your deputy minister and two assistant deputy ministers with you as well. Can you categorically tell us that there have been no incidents of groundwater contamination from fracking that you've been asked to investigate in the last 12 months, that there have been none in Alberta? That's, I think, the end of my questions on fracking at this point.

Mrs. McQueen: Okay. Well, thank you. There are quite a few topics here. I'll just try and do them in order, and if I've missed any, you'll let me know, I'm sure. I want you to know so that we're very, very clear. The \$150 million from industry with regard to the monitoring panel is committed by industry. The science and the plan for industry that have made the commitment is based on the results of a very public plan, the joint Canada-Alberta implementation plan for oil sands monitoring, which is very detailed with regard to what will be needed on-site with regard to the monitoring. That's a very public plan, and that's where that is.

I also would like to say that although there has been some criticism with some of the monitoring in the oil sands, there've been very, very good comments made, and I'll use the Royal Society as an example for some of the very positive comments that they gave us as well. I've said earlier this evening that we are going to build upon and integrate the very good things that are happening with regard to monitoring. We're going to build upon that. Where there are areas that we have not had as much success as Albertans or we would want to, we're going to build upon that, and we're going to fix that and fill in those gaps. That is very, very important.

You talk about: should there be a minimum? We have a commitment for the three years for \$50 million for that based on a good science plan, so I'm very comfortable with that with regard to how that's moving forward.

With regard to your comments: should the Minister of Environment and Water, should I be speaking about the industry? Is that my place to do that? It is always my place as an Albertan, and certainly as an MLA I am proud of all of the industries that we have in this province. Whether they be agriculture, oil and gas, forestry, tourism, small businesses, whatever they are, I'm always very proud, and I speak about them all the time with regard to the successes we have in Alberta. I won't apologize for that. I will continue to speak about the good work that people are doing to help us achieve the quality of life that we have here in this province.

Do we collaborate with partners? Your comments: are we only collaborating with industry partners? Absolutely not. We collaborate. I do as an MLA. I do as the Minister of Environment and Water with all partners. All people who are around are invited to the circle of my desk for collaboration. I've made it very important that all stakeholders know that my door is open to varying views. So, yes, I'll collaborate with industry, whatever

that industry happens to be, but I'll also collaborate with anybody who would like to have that discussion with me as Minister of Environment and Water.

Our groundwater monitoring. I think you had mentioned the word "mapping," so I just would like to be very, very clear on that. Two point three million dollars is in this year's budget to continue the work that we've done with monitoring and the work that we need to do with regard to water monitoring. We feel this is extremely important. As I said, the Edmonton to Calgary corridor is complete. Southern Alberta we're working on, and we're working on the plans with regard to the lower Athabasca.

With regard to fracking certainly education and awareness are very important for people. As the Minister of Energy talks about – you mentioned 40, but it's actually 60 years of oil and gas activity in this province that's been going on, with over 167,000 wells being drilled. We're proud of the record we have here in Alberta, and certainly we need to know that there's always continuous improvement that will happen. That is one of the reasons that we are working with Albertans and with stakeholders to bring forward policy with regard to fracking in Alberta.

Just as we would bring a policy forward in agriculture or in forestry, we're not going to stop the industry while we do that. We're going to continue to work with best practices. We're going to continue to up our game, if you will, with regard to the environmental outcomes. But we will not put a halt with regard to any of the industries in the province as we're moving forward with the policies that we will move forward with.

With regard to the question you had: has Alberta Environment and Water had any in the last 12 months, I think you said, investigating? No, we have not investigated any fracking incidents and have not been asked to in the last 12 months. The ERCB is the agency that does the bulk of the response to incidents, as you would know, so we are not the only party that would investigate, but certainly to the best of our knowledge here this evening we have not had any requests towards that.

We continually review and upgrade groundwater regulations and policies to ensure the management and protection of water respond to the changing pressures and the knowledge development. Certainly, the groundwater level fluctuations and water quality in the province are important to us, and that's why we're working with Alberta Geological Survey to map areas of the province. We will continue, as I said, to work on groundwater mapping. As I said earlier this evening, we feel that we can have that complete within the next three to five years, and the staff are working very hard on that because it's very important for us.

We take the same concerns as Albertans. Water is a priority for us, and maintaining that certainly is important for us. We'll continue to develop policies with Albertans in the areas that they feel are important, and fracking is one of those policies we'll continue to have a discussion on.

Ms Notley: Well, thank you. I'm wondering, just following up on that, if you could just clarify for me. I appreciate that the ERCB officially is the one that investigates, but I also know that the ministry provides advice and consults and sometimes provides specialized advice. Based on that, I just want to double-check with you that you are unaware of there being any potential incidents of groundwater contamination in the last 12 months that you and/or your staff have been involved with. So if you could speak to that.

On the question of developing the fracking policy, you've mentioned talking to stakeholders, and I'm sure you have been because we're fully aware that you've been meeting with CAPP for at least six months about fracking policy. My question is: have you and the people that are working on that policy met with any

surface rights groups yet to formally invite them into the process of having their concerns addressed? Have you met yet with, for instance, the Pembina Institute? Have you met with any water advocacy groups in the course of talking about the development of your fracking policy? I'm fully aware that you've been meeting with CAPP. But my question is: have you met on that basis? I'm not talking about taking a meeting in your office when you don't talk about the development of the fracking policy; I'm talking about actually having them as an equal player at the table talking about the development of fracking policy.

8:30

In terms of the plan – and, again, we're going back. You've said that \$50 million is committed. So if \$50 million per year is committed, then the answer would be that \$50 million is the minimum. But you're kind of going back and forth and saying that there is no minimum. Then when I asked you about the minimum, you said, "Well, we need to first map out our plan and figure out exactly what we need to do." Then I said, "Well, who's helping you do that?" You said: "Oh, well, it doesn't really matter because we've already got a plan. Look at this plan. It's all detailed." So I feel like we're having a bit of a circular discussion here, Minister.

I've read the plan that you referred to. I know it's there, and it looks to me like it probably needs a little bit more meat on the bones, and that's fine. But my problem, again, is that that meat on the bones is not being put there in a transparent, independent fashion, and it apparently is the meat on the bones which is going to define whether there is a minimum that industry commits to or whether there's not. Again, I go back to you about how you're going to deal with the trust issue if you do not have a transparent, independent process for establishing the minimum that industry will put in each year. If, in fact, the answer is that the minimum is \$50 million, I'll stop harping on this.

The Chair: Hon. member, thank you very much for your questions. Your 20 minutes have expired.

Just so that everybody is aware, we will now, in the spirit of collegiality, be going to the members. I know that you've asked to be put back on.

I have hon. member Bryce Jacobs. Mr. Jacobs, did you want to go back and forth?

Mr. Jacobs: That's fine. Back and forth is fine.

The Chair: Back and forth. Then we'll move to the hon. member from the Official Opposition. Thank you.

Mr. Jacobs: Thank you very much, Madam Chair.

Hon. minister, first of all, let me congratulate you and your staff for clarity in your answers this evening. I've actually learned some things, so thank you.

As you know, Minister, I represent the constituency that's included in the South Saskatchewan River basin. That basin has been closed to new water licences for several years, so water is a very important subject for discussion among my constituents.

I would point out to you that the Member for Little Bow and myself represent many of the irrigation districts and their boards, who draw on the water from the major rivers in that basin to provide irrigation water and recreation water for farms and for recreation use and who do a great job. We've been talking to them for a long time about more efficient use of water. You know, the irrigators have now reached a point where they're only using a fraction of the water on the same acres that they used to use, so

they've done a really good job in improving the efficiency of the way they provide water to the farms and ranches that irrigate.

But one of the subjects that always comes up whenever I meet with these boards is water storage, and that subject has already been mentioned tonight. They are frustrated. They understand that we've been so very concerned about efficient use of water, but they also believe that we're wasting opportunities to store water. The last several years we've had high runoff, lots of rainfall, lots of snowfall, and have actually flowed a lot more water out of the province than we probably needed to. I think this is a subject that we really need to start to get serious about, stop giving lip service to, and actually proceed with some plans and the development of those plans to store more water while we have the opportunity to do so.

Also, with these boards, when we talk about water allocation, they raise the subject of: what's going to happen to the principle of first in time, first in line? That's of serious concern to them because many of them have original licences that were issued hundreds of years ago on the use of the water, and they're extremely frustrated about what might happen to those licences if we continue. They worry about land-use planning, ALSA. You know, it's been rumoured that we're going to cancel some licences or that we could. I know we're not, but we could. They're frustrated about that.

If you could comment on those three, then I have one more on standards. Thank you.

Mrs. McQueen: Thank you, hon. member. Certainly, you – and you mentioned your colleague and our colleague from Little Bow – live in a beautiful part of the province and have the opportunity to meet with the irrigation districts on a number of occasions. Probably what was most significant for me when I first became minister was to actually have an aerial view of the irrigation districts. As a visual learner that was very, very important for me, to be able to see what they see on a daily basis and to be able to learn and have that first before we had any discussions about irrigation districts or water in the south basin, particularly, because it's a closed basin.

I'm really excited. We've had some really good dialogue with the irrigation districts about us moving forward with regard to a discussion about water in the province later on this year to talk about how we can – exactly what you say and what they say – conserve, store, and manage water effectively. I know that they are certainly concerned about FITFIR, first in time, first in right. We've had that principle for over a hundred-year history with regard to that, and it works very well.

I think the irrigation districts, not only for managing water but reducing their water usage through efficiencies, need to be commended – I have done that with them as well – and also with regard to their flexibility in really wanting to make sure that we know when there is a need. They've done this in the past – so it's not just saying it; it's living it – when there are areas and times of water shortage in the province, particularly in that area. They're more than willing to share and to share where needed.

I think that's really about some of the principles and some of the discussions that we want to have as we go across the province and talk about a water discussion. We're looking, as I said earlier in the evening, at a big policy discussion that's future looking: 25, 30 years. How do we grow this province? How do we share, store, and manage water in the province and keep the principles of FITFIR and others and also realize that as the province will grow and double in population, we have to make sure that agriculture, human use, industry development, economic development, all of those things, can be part of the discussion? I'm certainly really

looking forward to that discussion. I think Albertans are more than ready to have the discussion.

It was interesting when our ministry was renamed to Environment and Water. We know water has always been part of our ministry, and Albertans know that as well, but the importance of highlighting that says a lot. It says that we value water in this province, that it's important to us, and by having it in my mandate that we're going to have a discussion about that, what that means for Albertans as well, is I think an extremely important and very timely discussion, so I'm looking forward to that.

As you know, hon. member, mostly in southern Alberta but a little bit outside of the south we operate \$9 billion worth of infrastructure. Most of that \$9 billion is in southern Alberta. We operate the infrastructure at optimum levels to enable us to capture and utilize as much water as we can for Alberta and to save and store our water. That's why we focused on the Bow River system and existing storage. As I spoke earlier with TransAlta, if there are opportunities for existing storage, it's certainly very important for us to enhance that and have those discussions.

I know that you know and value water. We are here to have those discussions with Albertans. We will not be making any of those decisions without Albertans. What I will say: we've made a decision – I said it in my opening comments, and I'll say it again; it's important for Albertans to know this so that it's clear and so we don't have to have people confusing the issue – that water in Alberta will not be for sale to other jurisdictions. That's a principle that we start with and that I say often so that we can actually have a really good discussion.

8:40

I know the department has done a very good job with regard to, from when I first came on, what little I knew about water in the province, and now I know a little bit more, the education piece on water. When we look in the north at the abundance of water and as we move through central and southern Alberta at how water changes and the closed basin in the south, it's been a great learning opportunity for me as minister. I think it's also part of what we roll out when we have a discussion on water, that first of all we do an education piece on what we're not going to be doing so that it's clear about not doing the sale to other jurisdictions. Also, in education about water we need to make sure that we are all aware of the areas of abundance in the province and the areas that are closed so that when we have the conversation, people are as much as possible at the same level of education on that. I know it was certainly very helpful for me as well.

Just to kind of close on that piece, the irrigation districts are extremely important to Alberta. As a person coming from an agricultural background myself and growing up on our family farm, where my brothers still farm my parents' land, it's extremely important. Food and water are the essentials, and we need those, and in Alberta we are lucky to have both. The agriculture industry does a phenomenal job in this province. We're proud. We know that we're going to continue to grow as we feed the world. That's going to be a large part, and Alberta is going to play a large role in that. Our irrigation districts play a large role in that with regard to agriculture in the south. I've told them that, but I want you to know as well the importance that I believe that they place in that as well.

Mr. Jacobs: Thank you very much. I was interested last year that the discussions with the boards and the counties and the municipalities were not so much concerned about where the water was coming from but how to get rid of it because we had some

huge amounts of water in the last couple of years. Drainage became a significant factor, which I know you're also aware of.

For my next question I'd like to go page 29 of this Environment and Water accountability statement. You have a chart there showing performance measures. The top of the chart shows that this year we have 5 out of 6 river systems with good to excellent water, and the goal is for 6 out of 6. My question on that subject would be: what was the problem with the one river that wasn't up to par?

My second question would be on drinking water and safe drinking water. I hear a lot of comments from small villages and small towns that as we increase the water safety standards, their existing systems become obsolete, and they need to build new systems. Of course, that presents a challenge to one of your colleagues because they have to fund the new systems. They often ask me: Broyle, if we've drunk the water for a hundred years and nobody has really had a problem, why do we have to keep upping the standards on the water? That creates problems and more expense for not only the province but also for them.

If you could comment on those two areas, I would appreciate it.

Mrs. McQueen: Excellent. Great questions again.

With regard to your first question the Oldman basin was the one that did not receive the rating, and that was due, as you mentioned – it was a blessing in a way, the amount of rain that we've needed and received over the years – due to rainfall and flooding. The flooding is not a blessing, but certainly the rainfall in that area was. That was the reason with regard to the Oldman basin.

With regard to the infrastructure of municipalities and communities and the standards that we continue to raise – and we work with the federal government on this – we always look for continuous improvement. We know that we have to continually improve with regard to the standards. There is a cost to municipalities. You were a former municipal leader and would know that very well as a reeve. I myself, being a former councillor and mayor, know that. We're building a couple of plants in my constituency, so I understand that, and I hear that. Albertans expect us to have high standards with regard to drinking water.

We work within a national system. Those standards are set nationally as well, so it's not just that we are setting them. When we're working in that national system, too, public safety is always first and foremost, so we need to do that. The one thing that we do make sure when these standards come forward is that they don't have to be there tomorrow. I believe it's 10 years with regard to the standards so that we have time built in for municipalities, first of all, because we help fund those a great deal as well. For municipalities that need to make sure that their budgets are able to account for that as well, we need to make sure that that time is there.

Really, it is about the public safety. It is about making sure the standards are continually improving and making sure that we're working in co-operation and collaboration with municipal leaders and their staff to make sure that their budgets are able to handle that. We work with them on that, so it's very, very important and something that we continue to do with them.

I know that we share those dollars as far as the capital piece with regard to Transportation, so the Minister of Transportation talks to me every once in a while, too, about the increase in standards and if new plants are being built, how long those plants will be in place before the standards are changed again. It is important that public safety is always first and foremost. We work within a national standard but also give municipalities the time they need to be able to get the dollars together to build these projects together with us.

As you would know, on regional systems we certainly contribute and encourage regional systems. Urban municipalities and rural municipalities: we work together as well through our department and through Transportation to fund those projects.

Mr. Jacobs: Thank you. No further questions.

The Chair: Ms Blakeman.

Ms Blakeman: Thanks very much. I just want to go back to something that I was listening to in the previous discussion here. The minister has been very clear that she's a fan of FITFIR and likes it and thinks that it's worked very well and is definitely, according to the last conversation, keeping it on the table. I realize that as a new minister you don't have a lot of stuff at your fingertips with the facts and figures, so your overall answers seem to be much more visionary and about what you'd like to do, but what I'm noticing is that you seem to be starting a new discussion about water. I've been the environment critic for four years this time, and I was once before as well, and I'm hearing the same language coming from you that I heard from the previous minister three years ago, all about starting a water policy, and it was coming any day now. Any day now. I remember I even had a question about which season. Would it be before the end of winter? Would it be spring? Now I'm hearing the same language from you. So are we starting this discussion all over again?

One of my major questions to the previous minister repeatedly was: when do we get this policy, end date, stop, finished, done, implemented? Now I'm hearing: "Well, we're going to have a conversation. We need to get all the stakeholders together." So that's the number one question. Where are we in this consultation process, and how does it compare to the consultation process from the previous minister, and when is there an end date to this?

Secondly, I don't think anybody in Alberta believes that the government is going to sell water to other jurisdictions. With respect, Minister, that's not a useful measurement to me. What I'm interested in is: are you going to allow people to sell water within Alberta to each other?

We could have the situation where a golf course has been in existence for 90 years but the market gardener down the block or down the township road has only been there for 25 years, and the golf course says: "Tough luck. I'm FITFIR. You're not going to get any more water for your market garden." FITFIR applies here. That's the problem with FITFIR. It has nothing to do with how much you need the water, whether it's a public good, you know, or any other criteria you want to bring into play here. It's about: I was here first.

I'm not interested in the ascertainments of the minister that you're not going to sell water outside of the province. To me that's a no-brainer. Of course you're not going to. Are you going to allow the sale of water inside the province?

8:50

Now, before we get into the language-play game here, we're talking about water licences. If you allow one group that holds a licence under FITFIR to sell it to somebody else for X amount of money – you know, let's talk about our agricultural sector. How on earth is our agricultural sector, our market gardener supposed to compete with Syncrude or TransAlta or any of those other very large companies that can afford to pay big money? Hey, we've got some corporate farms here in Alberta now. How does that market gardener compete with a corporate farm that's owned by Nestlé?

You know, how are you going to set that criteria? Because when you start allowing sale of water licences and sale of those allocations, we're in trouble here. I get the message that you're not

going to be stepping in front of this and saying: we're not going to sell these things. Obviously, you're open to it. What are the parameters there? I'm going to let you answer that.

Mrs. McQueen: Okay. Thank you. Certainly, just to go back to the first part, you talked about the previous minister of environment with regard to conversations that he's had, and you've been here for four years this time as environment critic. That is true that the previous minister had input from different groups with regard to water. I have not had and I don't believe the previous minister has had a fulsome conversation with regard to water management, storage, and allocation with Albertans, and that's certainly something that we're going to do.

As I've said in previous comments, as we continue to grow this province, we need to be looking ahead, and we need to look to the future. We should never as elected officials be looking in just our mandate of whatever our election cycles are. For me what is important is that we look ahead 25, 30 years and say: "Where is the province going to be? As far as we can predict, where is the province going to be in population growth, in agricultural growth, in industry growth?" and then look there and say, "What will the needs be?" So as we have a conversation on water, it has to be a conversation that's not about the next one or two years. It's a conversation about looking forward with regard to what the needs will be and where Alberta will be in the coming 25, 30 years. That's what part of that conversation is.

You talked about FITFIR, and it has worked well over the last 100 years. I would say, generally speaking, that most people are quite happy with FITFIR. I think where you get into conversations where people may be less happy with FITFIR is when we get into a closed-basin discussion. Certainly, that would be the area where I can say that, in the last few months that I've been minister, the discussions have been centred around that. In basins that are not closed, the allocation issue seems to be less of an issue. Certainly, Albertans all across the province want to make sure that we're doing a better job with conservation and storage and management of water. But with regard to FITFIR that is certainly more of a discussion that we have in the south, the sharing of water within that.

With regard to water transfers you talked about: could a Suncor not share with the local market garden? The places where Suncor is developing in the oil sands is not a closed system, so there is not an issue there.

With regard to water transfers, whether they be in any part of the province, there are rules around the transfer of water, and those are rules that are in place for a reason, to make sure that there are efficiencies gained as well. You know, just to go back to the hon. member who spoke prior to you about the efficiencies gained within the irrigation districts as they've also shared water with others, that's very important as well. So the transfers have . . .

Ms Blakeman: Sorry, Minister. I didn't talk about transfers. I talked about allocations and licences.

Mrs. McQueen: Okay. Sorry. Well, I'll just mention that for those that have licences, if they are going to transfer water somewhere else, there are rules around that. We're going to have a good conversation with Albertans with regard to the current system we have and the parameters around that, and I'm not going to prejudge anything. When I say that FITFIR has worked very well, I believe it has worked very well. But we're going to have a good conversation about water in Alberta.

The only reason that I always say – and I know you commented on it – that water will not be for sale in other jurisdictions is because some people like to bring that forward. Whenever we have a discussion about water, that's always brought up, that we're going to sell water to other jurisdictions. So I like to say it. I think that, you know, if you say things maybe enough times, people will start to realize that we mean it with regard to that. That comes up in every conversation we have about water. I understand the hon. member realizes that, but there are other people we say it to as well so that all Albertans know, as we lead into this discussion, what will not be up for discussion.

We're going to have a good dialogue about the importance of water, the importance of water usage in industry, all of those kinds of things, and about the conservation and storage management of water and have it as a visionary discussion looking into the future, not to be visionary in discussion but to be forward thinking.

I won't apologize for that. I think it's good, solid planning to make sure we're planning for the future in a larger long term and then work back to where we are. How do we make sure that we actually know where we're going, where we plan to go, so that when we're actually working towards that, we can achieve the goals that we're striving for?

Ms Blakeman: My point is – I am hearing you – that you are going to repeat everything that's just happened in the last four years, that we're not moving forward from the point that the previous minister had reached because you want to do it all over again. So you're starting another conversation all over again. Frankly, I heard the previous minister talk about capacity and storage and water basins and everything you just mentioned, and he had a consultation on all of those things, supposedly, to develop a water policy. Now I'm hearing you repeat exactly that. It tells me that we are now going back to four years ago and starting over because you're a new minister and you want to have your own conversation. That's what I just heard. So that I find troubling.

I'm going to move on. When we look on page 29 of the business plan – it's the same page that was referred to by my previous colleague, so you should still have it around somewhere – it talks about how in 2009 we saw reductions of 234 million tonnes of CO₂ equivalent reductions. But the 2008 reduction commitments don't actually have Alberta achieving overall any reductions until 2020, which I mentioned before. So our emissions currently are set to increase until 2020. If you juxtapose the two of them, which is page 8 of the Climate Change and Emissions Management Corporation annual report – oh, sorry; I've got the wrong page – along with those targets, again, by 2020 they are expecting to reduce by 50 megatonnes. Eight years from now we're supposed to have reduced by an accumulated eight megatonnes. We are nowhere close to getting that. We're actually still increasing the amount of CO₂ emissions that we put out. We haven't reduced any of it.

When I look at what's in this annual report, only once do they talk about how many reductions they actually expect. All the rest of it's about how much money they've given people. Although I notice my neighbour is in here, and three cheers for him. He's doing great work, and I'm sure everybody is. But if you add up these reductions from round 1, round 2, and round 3, it's miniscule compared to where we're supposed to get to, and if we take each one of these groups that has been funded and how much they think they might be able to reduce emissions by and project that forward and that each year we'll get more and more of these groups doing more and more of this work, we're still nowhere close.

Here are the questions on climate change reductions. What were our total actual emissions in 2011-2012? What did we actually emit last year, and how does that compare to the previous five years of emissions?

9:00

Next question: where did the 234 tonnes in reductions come from, exactly which industries? There is a graph that's given to me on page 8 of the CCEMC annual report. It doesn't give me exact. It's sort of a bar graph, and I really can't tell how they think they're reducing that. Again, I want to know if these are real emissions or if they're intensity emissions. Please clarify that. When is Alberta going to start officially tracking emissions reductions, not intensity emissions? I still find that really deceitful. So that's that.

Now I want to talk about gravel. Now, you cannot take gravel and separate it from water. You know, surface and groundwater are the same thing. They go up, and they go down, and in the middle of that we have gravel, which is sort of nature's way of cleansing all of this. It seems to me that the province is paying very little attention to the alluvial aquifers. I want to know if there is a policy – if there is, please supply it; if there's not, are you working on a policy? – on permanent loss of alluvial aquifers from mining. With that we lose reservoir capacity. We lose cleansing and purification. We lose the aquatic food chain. We have bank erosion. Where is the protection policy around alluvial aquifers?

On your website it says that you do random, unannounced, and planned inspections of gravel. Now, I grant that you do not have a specific reference to gravel, but you are involved in the approval process through environmental assessments and in monitoring compliance in reclamations, so you do have it. Last year how many random inspections for gravel sites were conducted? Of these, how many inspections were at pits with a history of noncompliance, and how many of the sites inspected were found to be noncompliant? If you go back to page 90, which is your budget, of the total \$12.4 million allocated for compliance and enforcement in vote 4.3, how much is for the monitoring of gravel pits?

Alberta Environment is also responsible for reclamation of gravel pits. How many gravel pits were certified as reclaimed last year? Included in that, I'm presuming, I'm going to get how many tonnes of gravel were put back and whatever. What mechanisms does the ministry employ to ensure timely reclamation of gravel pits? What is the checklist that you were using to say: yeah, we're going to sign off on this; this is reclaimed officially. What's on that checklist?

The third part about this is that there seems to be a real push-me, pull-me between Alberta Environment and the municipalities, and people are very upset. The municipalities will approve mining of gravel and don't seem to be taking or aren't forced to take into consideration the effect on the water. I want to know if the ministry is reviewing the protocols around approvals for gravel in Alberta and why Alberta Environment doesn't get involved in it earlier and with a bigger stick than you're doing. Right now you guys don't even look at it until the municipalities have said yes or no, and if they say yes or no, you guys say exactly the same thing. I'm not seeing anybody that is with their superhero cape on with the W on the chest for Waterman who is out there to protect the water. If the municipality says yes, then you guys say yes, and you basically let it go ahead. Nowhere am I seeing anyone or any body that is responsible for protecting the water.

All of that last stuff was all on the CO₂ emissions and on the gravel. Thank you.

Mrs. McQueen: Thank you, hon. member. Just to finish up, I guess, the last thread of the conversation that we talked about with regard to the water, I just want to make a final comment with regard to that. Indeed, the previous minister did have input with regard to water from experts. Our consultation with Albertans that will begin later this year: what Albertans have told us is that they want to make sure that they have good consultation as well.

It's not to redo everything that's being done. I think we can pick up some of the good work that has been done. Whether they're experts, whether they're NGOs, whether they're Albertans, lots of people are quite excited. I've had very good feedback that people are quite excited to be engaged in a discussion about water. I'll leave it at that.

In my opinion and in our government's opinion, with regard to any discussion, in particular on water, for me and our ministry to have that consultation with Albertans in a manner that works for them certainly is very important for me as a minister to do and for our government, and certainly Premier Redford wants to make sure that we have that good discussion.

With regard to the policy you asked me about on gravel, some of the questions on the detail that I don't have, I'm going to get back to you on. We'll make sure that we've written them down, and we'll get back to you. Yes, we do have a policy with regard to gravel and certainly are more than willing to get that to you and to share that with you.

Your question with regard to water and municipalities. If it's in a river, there's no approval granted. If it's within a flood plain and the site is assessed and if the impacts can be mitigated, they could go forward. It has been in effect since 2011. With regard to municipalities certainly the decisions on the zoning and the approvals of those developments are something that is in the hands of municipalities, as with other kinds of developments.

On your more specific questions – on gravel pits, on the monitoring, and within the budget – we will get back to you on those. If you're all right with that, we can get those comments to you.

With regard to – I'm trying to think of how you framed it – the emissions. We know that technology – and I've mentioned this before this evening with regard to carbon capture and storage – will be playing a large role with regard to the emissions in the project. We know . . .

The Chair: Sorry, hon. minister. The time has elapsed.

I am going to move now to Mr. Lund.

Mr. Lund: Well, thank you, Madam Chair. I find very interesting the discussion on water. The last discussion, about having nothing to do with gravel pits and their approval: that's not the case. Depending on where the proposal is, Environment does have a role, as a matter of fact a very superior role, on whether a pit will go ahead if it's in a certain location. I wanted to make sure that you knew that.

Getting back to the quality of water, one of the things that I remember is that a number of years ago – and I think Mr. Jacobs was referring to it – there was a little hamlet that had a water system. Spring Coulee, I believe, it was called. We had a policy at that time that if there was – I've forgotten the number. The problem with that one: they had two more residents than they should have had, so we forced a different standard on the water. What I found very frustrating was that it was simply the turbidity in the water, not some arsenic or one of those others that could have been a problem. I think we've got to be careful just exactly for what reasons we're implementing some of those.

I'm very pleased to hear that you are looking at a major discussion about water in the province. If I could give you a little bit of advice, make sure that we go out first and have the public understand why it is that we're doing it. If we don't go that route, they get the notion that we're trying to fix something that isn't broke. So I would really urge that we do that.

9:10

The mapping that you did: I was disappointed that it didn't come further west. It was pretty much right along highway 2. It didn't go out farther west, where, really, the recharge area is the greatest. I think it would be important to have a look at that.

Water, of course, when you think about it, is our greatest renewable resource. We have to make sure that the public understands that, how critical it is in food production and all of life. It's very important, but it is renewable, so we can use it. We have to get the best value out of it, but it is something that is going to be here.

When we went around before, the first time, and talked about water, a lot of good ideas came out. One of them, of course, was the whole notion of licensing water wells. Then on top of that, there was the whole idea about transferring some licences. One of the best examples, I guess, where it's very advantageous is if you're going to have a processing plant. I can't imagine any food processing plant that doesn't use a lot of water. If you're in an area like southern Alberta currently, there could very well be some licences that aren't being used to the highest and best use, and I think we need to figure out a way that we can handle those. There is a transfer of some currently, but it's pretty cumbersome, and it's not very freewheeling. Those are the kinds of things where I think we've got to tell the public, "This is why we're doing it" so that they can understand the great value in going there.

The issue about emissions from coal is an interesting one. What is currently happening is that ever-increasing amounts of coal, millions of tonnes of it, are going to be shipped out of Alberta because we can't use it and end up in China and other places, where it's going to be burned. It's going to go into the same atmosphere that we would put it into, yet it's okay for them to do it, but it's not okay for us to do it.

I think that in some of the technology that's coming in degasification, from what I've read about that, it's much easier to separate out the CO₂ and capture it and then, of course, sequester it. That whole process, I think, would free up a lot of our coal and would actually give Albertans the advantage of using it, not shipping it out. I think we need to look at that.

When we talked about water storage, we were mentioning pretty much just the South Saskatchewan River basin. I think we've got to come further north with some of that. On the Red Deer River west of Sundre years ago, before the Gleniffer project went in, the Red Deer River dam, there was a site picked above Sundre. Right today we're having great difficulty that every time the river gets up and floods, it takes out – Sundre is pretty vulnerable right now.

When you think about it, a storage facility of any magnitude could serve three purposes: one, for flood control; two, we'd have the water to use and to let go when the river is down; and three, of course, would be the hydroelectricity that could be generated from it. I would hope that we start looking at some of those.

Actually, the Red Deer River is still in the South Saskatchewan River basin, so it would fit in with that area. The Clearwater River, a little further north, has got a lot of the same characteristics and is a problem, but if we're not careful, it'll flow into the Red Deer River anyway. That has happened twice now in

the last – that's not with man doing anything; that's simply the water getting up where it naturally would flow.

With those few comments, I would like to congratulate the work that you're doing and the work of the staff. It's not an easy department to manage because, of course, there are all kinds of different ideas out there, and I don't think anyone does anything anymore without somebody complaining about it. So thank you.

Mrs. McQueen: Well, thank you, hon. member. I want to congratulate you, too, and to commend you for your comments. From the time you spent as minister as well, you would know far better than I that it is a complicated ministry and there's lots to learn in this ministry. Over the last four and a half months I've certainly enjoyed the opportunities although never enough time to be able to talk to you and have discussions with you. Certainly, your time here in government, particularly in this ministry, has been very helpful to me as well. I appreciate your comments. I think that as we move forward with the water discussions, I'm really looking forward to having conversations with Albertans but certainly with you as well. You've got a lot of wisdom and knowledge, and I look forward to having the opportunity to listen and to share with you. I think one of the wisest things that has been said tonight – and there have been many – is really about when we do go out and have the discussion on water, that we educate people as to why we're having the discussion.

I think probably one of the most important things I've learned over the last few years as an MLA with regard to some of the other policies that we've undertaken is that they're good policies. Sometimes in our hurry to make sure we're trying to solve problems, we forget to let Albertans know what the problem is. With regard to the discussion on water, that's exactly right. Your advice is very good with regard to: let's make sure. That's the education piece I talk about, making sure that Albertans know why we even need to have this conversation. Certainly, letting them know where there are issues in the province and where we need to focus more or focus differently, I would say, will be very important.

I think that more and more Albertans, as you know, living in rural Alberta, urban Albertans as well but certainly in the rural areas, talk about water a great deal with regard to agriculture and development and that, so it's going to be a very fruitful conversation. I take a lot of the advice you've given us, especially with regard to some of your last comments about storage and the benefits we can have with that, certainly for flood control, using the water but also for hydro, are very, very important points as well. So looking forward to those discussions as we move forward.

The other part that you mentioned that I thought was very insightful and very wise as well were the comments you made with regard to coal. It's interesting that when we were in Durban, we had this very same conversation. People were talking about the great work we are doing in Alberta and the investments we are making in technology, CCS being one of them. It was interesting, especially in talking to, certainly, China, Japan, France. Japan was very interesting in the sense that they talked about their need to move to coal, certainly with the unfortunate incidents with regard to nuclear and the chances of siting another nuclear plant. In the discussions we talked about that.

So you're absolutely right. We may not be able to unleash the technology tomorrow, but we always have to work toward innovation and technology advances. It's a great question, and we had that conversation there, too, as they are looking for us to send them our coal. Why would we not look at the innovation as we are doing in the investments we are making with CCS? But CCS is

one technology; there will be others. Just as the oil sands have been developed and that technology emerges, it will be the same with coal technology, to move to cleaner coal. It's certainly something that is key, and we know that it's key. Why would our consumers in Alberta not have access to what I would say is a fairly cheap source of energy? What we need to do is work with Albertans and with industry to make sure that technology is unleashed so that we can make sure we have that here in Alberta.

So I agree with you. It was a very interesting discussion in Durban, and more and more countries are moving there. As you know, our clean energy strategy talks about moving to renewable and other forms of cleaner energy, but we know right now that coal and other forms of energy can be cleaned as well. I appreciate your comments on that as well.

9:20

And I appreciate the comments that you added to the conversation – yes, indeed, to the Member for Edmonton-Centre – with regard to if there are rivers, we have input there, and for no approvals, and with regard to flood plains. I always appreciate the time that we have together and the discussions that we have.

With regard to your comment about the small community of Spring Coulee and the population over by a couple of people, we always deal with that in rural Alberta. The cities are already cities, so there are different rules there. It's always a challenge, certainly, because in rural Alberta you want to grow your population for many reasons, for sustainability but also for grants. Most grants, whether they be federal or provincial in nature, also are around population, so we do our census to make sure we know those numbers. There are cases like that, and there are a few other cases where it's not an advantage. So that's one issue.

I think it's common sense. When we look at this, that's what our policies state. As I said earlier, we look to public safety, and that's first and foremost. We have to do that, but we have to have common sense, and that's when these updates to the plants are done. They're done in a way that municipalities have the time to meet the standards that we put forward. So we need to do that. I take your part with that particular incident, but generally speaking, when we look at other places in the country or other places around the world, Alberta has great water quality.

I commend our municipalities. They work so hard with us to make sure that the standards and the water quality are exceptional for their residents. I know, you being a former reeve as well and serving for many years at the community level, the seriousness you took to make sure for your residents, just as you do now as an MLA, that that's very important, that the safety for residents is there while balancing as well the common-sense approach if there are a couple of people over: is that the number?

We'll always have those balances, I think, as approvals happen and it takes time for us to be able to fund all those and for municipalities to be able to come up with that funding. It's a balancing act, and certainly we know, and I know that you know and would appreciate and would support that public safety is paramount. I know that you do as well.

I guess, just finally wrapping up with the comments, our dialogue back and forth, the last one I would talk about is the work that industry is doing as well with regard to voluntarily returning unused licences. We've had that happen, and it continues to happen. We commend that as well because we think that it's very, very important that when they have licences that they are not using, they turn those back, particularly again in the south where we do have a closed basin, so that other users can have access to that water usage as well. So certainly something that we're looking forward to.

I think you mentioned about the need for good discussion and the interest in the discussion as we move forward. It will be very, very interesting to have that conversation, and we'll certainly take note of what you said. I agree with you on educating people on why we're going out there, educating people on what we're not doing, and then being able to have a really good discussion about: do we even need to change anything with regard to water management, recycling, storage, all of those things? How are things? To have that conversation with Albertans so that people can be engaged in a process that works for them – I learned a great deal when I was out on the Property Rights Task Force as well. People gave us great feedback in many areas but, certainly, in ways that they want to be consulted, what worked for them for consultation and some of the ways they didn't like. I look forward to taking some of that work as we move forward on this consultation.

This is my 22nd year as an elected official, but I must say that the number of years that I spent at the community level and worked with the Department of Environment and Water with regard to consultation – I have to commend this ministry and the staff that work in the ministry for the outstanding job that they do both with our associations of AUMA and AAMD and C in partnership in water and in excellence but also with regard to the consultation and the manner that the department has consultation. We heard that on the road as well. Some departments do it very well, and this is certainly one of those. So I'm looking forward to that consultation as we move forward.

The Chair: Thank you.

I think we have about five minutes left, Ms Blakeman, if you would like to maybe have a final question.

Ms Blakeman: Thanks. I was just culling through my notes, and I wanted to go back to the fracking again. I know that the specificity of language is very important here, so I'm just going to make sure that the department is not aware of any requests for testing well water because there's a fear of fracking fluid or anything else having gotten into their well water as a result of that. You know, what other language can I use? You're not aware of it? You didn't participate in anything? There are no unopened letters that are making this request? I'm quite puzzled about this, so I just want to make sure that I've used all the right language to cover all the bases to make sure that there isn't some way that I should have asked this question differently to get the information that I'm seeking.

Mr. McFarland: Ask about the lady from Rocky View, Rosedale, or wherever it was. That's what you're meaning.

Ms Blakeman: Well, I actually don't know her, but there are other people that have communicated with me that aren't her. But, sure, if you want to use her as an example. [interjection] Okay.

The Chair: Hon. members, through the chair. It's late, I know. The minister can answer the question, please.

Ms Blakeman: Yeah. Go ahead.

Mrs. McQueen: Thank you, again, for the question. As I had said earlier in the evening, the ERCB, Energy Resources Conservation Board, of course, would be the first contact with regard to issues like that. They are the regulator in the province with regard to this. Also, as I said, to the best of my knowledge and our staff's knowledge here, we're not aware, over the last 12 months, as the question was raised, of anyone coming forward. I would suggest that if the hon. member has concerns, certainly, the first area of contact would be with the Energy Resources Conservation Board as it would be for Albertans.

What we are doing is that we are having early discussions at our department level with Energy to formulate a hydraulic fracturing program that can be clearly communicated to Albertans. As I said before, potential elements of such a program could include implementation of a baseline monitoring program, reporting of fracture fluid composition in water use, public engagement forums, and regulatory review processes with a focus on place-based cumulative effects management. So we're looking forward to that conversation as well with Albertans.

As you can tell, my staff does an excellent job. A great department. We have a lot on our plate, and we will have a lot on our plate over the coming months in this year as there are a number of different issues – fracturing being one of them, wetlands, as we talked about, monitoring – moving forward. I know that we will have a good discussion as it relates to this, the water discussion, moving forward. I'm looking forward to that conversation because it's a conversation that Albertans raise. They also know that this is an energy-producing province. As the hon. member mentioned earlier, you may not be necessarily interested in all the mixes of the chemicals, but you want to see that that would be open and transparent and that people would have access to the information. You want to make sure, as we do.

We have started, as I said earlier, with regard to water. It's very important for us. The groundwater work that's happening is very important as well, and as we move forward on that, that's an important piece as well. It's going to be a good conversation. It's one that, with regard to this topic, we're in early discussions with the department. We'll continue that discussion with the Department of Energy, our regulator, the Energy Resources Conservation Board, and then be able to have a discussion and dialogue with Albertans as well.

I thank the member for her questions this evening and all the members for their questions. I think it's been a very good dialogue. Thank you.

The Chair: Thank you, everyone.

I do want to compliment the minister and her staff. You stood the test well.

We are now at the three-hour mark, so although I apologize for the interruption, I must advise the committee that the time allotted for this item of business has concluded.

I'd like to remind committee members that on Monday we will be meeting here for Agriculture.

Pursuant to Government Motion 6 tonight's meeting is adjourned.

[The committee adjourned at 9:30 p.m.]

