

Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee on Public Accounts

Ministry of Technology and Innovation

Tuesday, November 3, 2026
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Standing Committee on Public Accounts

Participants

Ministry of Technology and Innovation
- Janak Alford, Deputy Minister
- Martin Dinel, Assistant Deputy Minister, Cybersecurity, and Chief Information Security Officer
- Hilary Faulkner, Assistant Deputy Minister, Innovation, Privacy and Stewardship
- Carmela Krebes, Acting Assistant Deputy Minister and Senior Financial Officer
- David Lust, Assistant Deputy Minister, Digital Design and Delivery
- Michael Mahon, Chief Executive Officer, Alberta Innovates
- Kristina Williams, President and Chief Executive Officer, Alberta Enterprise Corporation

9 a.m. Tuesday, November 3, 2026

[Mr. Sabir in the chair]

The Chair: Good morning, everyone. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Irfan Sabir, the MLA for Calgary-Bhullar-McCall and chair of the committee. As we begin this morning, I would like to invite members, guests, and LAO staff at the table to introduce themselves. We will begin to my right.

Mr. van Dijken: Good morning. Glenn van Dijken, the MLA for Athabasca-Barrhead-Westlock.

Mr. Cyr: Good morning. Scott Cyr, the MLA for Bonnyville-Cold Lake-St. Paul.

Mr. Bouchard: Good morning, everyone. I'm Eric Bouchard, MLA for Calgary-Lougheed.

Mr. Dyck: Good morning. I'm Nolan Dyck, MLA for Grande Prairie.

Mr. Sinclair: Good morning. I'm Scott Sinclair, the MLA for Lesser Slave Lake.

Mr. Lust: David Lust, ADM of digital design and delivery.

Ms Krebes: Good morning. Carmela Krebes, acting deputy minister and senior financial officer.

Mr. Alford: Morning. Janak Alford, Deputy Minister of Technology and Innovation.

Ms Faulkner: Good morning. Hilary Faulkner, assistant deputy minister of innovation, privacy, and stewardship.

Mr. Dinel: Good day. Martin Dinel, chief information security officer, ADM for cybersecurity.

Mr. Peters: Good morning. Phil Peters, Auditor General.

Mr. Ireland: Good morning. Brad Ireland, Assistant Auditor General.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Ms Renaud: Marie Renaud, St. Albert.

Member Eremenko: Janet Eremenko, MLA for Calgary-Currie.

Ms Robert: Good morning. Nancy Robert, clerk of *Journals* and committees.

Mr. Huffman: Good morning. Warren Huffman, committee clerk.

The Chair: Thank you.

We will go back to MLA Lovely.

Ms Lovely: Good morning, everyone. Jackie Lovely, MLA for the Camrose constituency.

The Chair: Thank you.

We'll now go to those joining us online. Please introduce yourself as I call your name. We have a staffperson from Alberta Enterprise Corporation, Ms Kristina Williams.

Ms Williams: Kristina Williams, president and CEO of Alberta Enterprise Corporation.

The Chair: Thank you.

Purpose statement. The Standing Committee on Public Accounts is mandated to review the public accounts of the government of Alberta and reports of the Auditor General. The committee examines the administration of government policy, not the merits of it, with the objective of enhancing transparency and accountability in government spending of public funds. The committee operates best when it maintains a nonpartisan approach in carrying out its responsibilities on behalf of Albertans.

A few housekeeping items to address before we turn to the business at hand. The microphones are operated by Legislative Assembly Office staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of the meeting can be accessed via the Legislative Assembly website. Those participating by videoconference are encouraged to please turn on your camera while speaking and mute your microphone when not speaking. Members participating virtually who wish to be placed on a speakers list are asked to e-mail or send a message to the committee clerk, and members in the room are asked to please signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting. Comments should flow through the chair at all times.

Approval of the agenda. Hon. members, are there any changes or additions to the agenda? Seeing none, would a member like to move that the Standing Committee on Public Accounts approve the proposed agenda as distributed for its November 3, 2026, meeting?

Mr. van Dijken: So moved.

The Chair: Thank you. Any discussion on the motion? Seeing none, all in favour? Any opposed? Thank you. The motion is carried.

We have minutes from the October 27, 2026, meeting of the committee. Do members have any errors or omissions to note? If not, would a member like to move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on October 27, 2026?

Mr. van Dijken: So moved.

The Chair: Thank you. Any discussion on the motion? All in favour? Any opposed? Thank you. The motion is carried.

I would like to now welcome our guests from the Ministry of Technology and Innovation and the office of the Auditor General who are here to address the ministry's annual report 2025-26, responsibilities under their purview during the reporting period, and the relevant report and outstanding recommendations of the Auditor General. I invite officials from the ministry to provide opening remarks not exceeding 10 minutes.

Mr. Alford: Good morning, Chair and members of the committee. Thank you for the opportunity to be here today. My name is Janak Alford. I'm the Deputy Minister of Technology and Innovation. Joining me at the table are Carmela Krebes, acting ADM and senior financial officer; Hilary Faulkner, chief privacy officer and ADM, innovation, privacy and stewardship; Martin Dinel, assistant deputy minister of cybersecurity services and chief information security officer; and David Lust, assistant deputy minister, digital design and delivery, chief operating officer, and chief digital officer.

In the gallery from the departments are Sean Murphy, chief AI officer and assistant deputy minister, artificial intelligence, data,

and emerging technologies, and Richard Henderson, assistant deputy minister, technology support and operations and corporate chief information officer. Also in the gallery are Dr. Mike Mahon, president and CEO, and Cindy Fox, vice-president, finance, from Alberta Innovates. Jennie Allen, chief financial officer for Alberta Enterprise Corporation. Kristina Williams, president and chief executive officer of Alberta Enterprise Corporation, is online, as noted.

It's a privilege to present some of the key highlights and accomplishments from the ministry's '25-26 annual report covering the fiscal year that ended on March 31, 2026. The ministry consists of the Department of Technology and Innovation and two agencies, Alberta Enterprise Corporation, or AEC, and Alberta Innovates. In '25-26 we focused on three outcomes from our business plan: digital government services that are secure, cost effective, and easy to access; services that are safe, secure, and privacy protecting; and making Alberta the most attractive jurisdiction for innovators in Canada.

In his message in the annual report our minister, Nate Glubish, observed that technology shapes how people access information and services, how government spends public money, and how Alberta competes for jobs and investment. In '25-26 the ministry made meaningful progress on all three fronts. I will speak to each of them along with our work on privacy and cybersecurity and then briefly cover our financial results.

First, let me begin by discussing our access to services. This was a landmark year for online services in Alberta. In August 2025 we launched the Alberta Wallet, giving Albertans a secure way to store and present verifiable digital government documents on their mobile devices, beginning with the mobile health card. Working with Primary and Preventative Health Services and Service Alberta and Red Tape Reduction, Alberta became the first jurisdiction in Canada with a mobile health card that can be scanned at Alberta Health Services facilities and used as proof of insurance across the country, including at private facilities. Uptake has been strong with more than 406,000 cards issued by the end of the fiscal year. We also expanded what Albertans can do through their Alberta.ca account. Albertans can now access more than 100 government services through their account, up from 70 the year before.

Access to digital services depends on access to the Internet, and the Alberta broadband strategy continued to make significant progress in closing the digital divide. About 91 per cent of underserved households now have access to high-speed Internet or are covered by projects in progress. During the year we negotiated and signed agreements with 16 funding recipients for 20 projects. Together the governments of Alberta and Canada have invested more than $622 million across 80 projects through the universal broadband fund, supporting connectivity for more than 135,000 households. When the strategy began, only about 20 per cent of Indigenous communities in Alberta had access to high-speed Internet. That number has now grown to more than 65 per cent.

Second, we're going to talk about how government spends public money. The ministry's use of artificial intelligence advanced significantly this year, and we did it responsibly. In May 2025 we launched Alberta's AI usage policy, which sets clear rules for responsible, effective, and accountable use of AI in government, with strong privacy protections and controls. We established the Alberta AI Academy, a free, whole-of-government platform that trains public servants to use these tools safely and confidently. We deployed 23,000 enterprise AI licences across all ministries, including Copilot and Gemini. These AI initiatives have delivered more than $70 million in cost savings and avoidance. We also launched procurement as code, the government's AI-powered procurement initiative, which streamlines processes, introduces smart submissions, and shortens processing time.

Moving on. Protecting Albertans' privacy is paramount. In 2025-26 the Protection of Privacy Act came into force, replacing legislation that had not been updated in over two decades. It gives Albertans the strongest privacy penalties in Canada and peace of mind that their personal information is protected.

9:10

Cybersecurity remains a core priority. In 2025 active infrastructure vulnerabilities dropped by 14 per cent, and 100 per cent of the government's in-scope critical systems, 111 applications in total, had their disaster recovery plans tested, meeting our target. Our work also extends beyond government. We published 71 strategic threat intelligence reports to help organizations across the province strengthen their cyber resilience. As of March 31, 2026, our CyberAlberta community had grown to more than 1,200 members, representing almost 500 public and private-sector organizations. Through our cybersafe program we also help Albertans understand cyber threats and protect their digital assets. Edmonton and Alberta now rank as top-tier cities for cybersecurity professionals.

Third, we're going to discuss how Alberta competes for jobs and investment. In the 2025-26 fiscal year we renewed the Alberta Technology and Innovation strategy to sharpen the province's focus on scaling companies, retaining capital, and growing jobs and to deliver a stronger return on public investment. We allocated $22.5 million to this strategy.

Alberta is also working on becoming a top destination for AI data centres in North America. Working with Affordability and Utilities, we passed the Utilities Statutes Amendment Act in fall 2025, which gave data centres a new pathway to the power they need while ensuring there is enough electricity for Albertans, businesses, and communities. Working with Treasury Board and Finance and Municipal Affairs, we passed the Financial Statutes Amendment Act, which establishes a provincial levy framework for large, grid-connected data centres of 75 megawatts or more.

Our agencies continue to deliver strong results. Alberta Innovates manages a portfolio of 1,433 active projects with an estimated total value of $1.3 billion. Together with its subsidiaries, InnoTech Alberta and C-FER Technologies, it directly supported more than 1,800 clients in 2025-26. Companies supported from 2021 to 2025 attracted more than $21 in additional funding for every dollar of Alberta Innovates funding, with over 78 per cent coming from private-sector investment and initial public offerings.

Since 2008 AEC and its syndicate partners have invested $1.64 billion in 106 Alberta companies. Every dollar AEC invests has resulted in $5.13 of investment in Alberta companies, and these investments have supported almost 3,700 direct jobs and an estimated 17,600 indirect jobs.

Let's turn briefly to our financial results. The ministry's 2025-26 expenses totalled $1.13 billion, which is $35.6 million lower than budgeted, mainly due to the timing of broadband projects. Expenses were $53.4 million higher than the previous year, primarily due to higher broadband grant payments as more projects became ready along with compensation increases. Revenues totalled $213 million, which is $34 million higher than budgeted, primarily due to higher recoveries for IT shared services we provide to other ministries.

In closing, 2025-2026 was a year of real results: more services online, stronger privacy protections, a more secure government, and a growing technology sector. I want to thank the staff of the department, Alberta Enterprise Corporation, and Alberta Innovates for their work and the office of the Auditor General for its continued

collaboration. As the minister said in his message, there has never been a better time to be in technology in Alberta.

Thank you, Chair. My colleagues and I look forward to the committee's questions.

The Chair: Thank you.

I will now turn it over to the Auditor General. Mr. Peters, you have five minutes.

Mr. Peters: Thank you, Mr. Chair. Good morning, hon. committee members and officials from the Department of Technology and Innovation. Thank you for permitting me and my office to be part of these proceedings.

The ministry has a total of seven outstanding recommendations, five to the department and two to Alberta Innovates. None are ready for an assessment yet.

We have completed our fiscal '25-26 financial statement audit work for the department and its entities as set out in the Auditor General Act. Any findings will be reported to the Members of the Legislative Assembly in the coming months as part of our annual audit of the province's consolidated financial statements and our annual summary of ministry audit work.

As to the department's outstanding recommendations, in our financial report in 2021 we recommended that the department remove terminated user access to government network and IT applications promptly. This recommendation was repeated again in 2024. Not removing access rights of terminated employees creates noncompliance with government IT policies and increases the risk of unauthorized access.

We released a performance audit in 2024 related to the alberta.ca account where we looked at whether the department had effective processes to manage users and provide secure access through alberta.ca accounts to online government programs and services. We made four recommendations to enhance monitoring of systems, improve program onboarding and governance practices, strengthen data encryption controls, and test automated controls. Cybersecurity incidents and system errors can go undetected for a long time and expose data and cause systems to be unavailable.

In relation to Alberta Innovates, in 2021 we recommended that Alberta Innovates improve processes to measure, monitor, and report value generated by research and innovation activities. Without effective performance-reporting processes Alberta Innovates may not be able to demonstrate whether its activities are maximizing its contribution to achieving government's research and innovation goals and achieving the corporation's legislative mandate. In our financial reporting in 2025 we recommended that Alberta Innovates improve its IT controls over IT risk management, oversight of IT service providers, and user access.

Thank you to the Department of Technology and Innovation for its co-operation and assistance throughout our audit work.

Thank you, Mr. Chair. I would be pleased to answer any questions from the committee.

The Chair: Thank you.

We will now hear questions from committee members, and we will begin with the Official Opposition caucus. You have 15 minutes in this block. Member Schmidt.

Mr. Schmidt: Thank you, Mr. Chair. Page 34 of the annual report discusses the ministry's AI data centre strategy. As of March 31, 2026, how many projects are operating in Alberta?

Mr. Alford: As of that time there are no large-scale AI data centre projects operating at the end of that fiscal year.

Mr. Schmidt: Okay. Zero operating. And how many were proposed by March 31, 2026?

Mr. Alford: I'm just going to ask my team if we have that exact number. I'll get that number precisely in just a moment. I would say that if I were to estimate very quickly, just in the interest of time, about 30 is probably the number that we were aware of.

Mr. Schmidt: Thirty proposed. Okay. And how many are under construction as of March 31, 2026?

Mr. Alford: From memory I believe there were two under construction, smaller ones by a company called eStruxture.

Mr. Schmidt: Where were those under construction? What was the location of those?

Mr. Alford: You'd have to give me a moment to pull it up. I believe they were closer to the Calgary area, but I can give you their precise location. Bear with me one moment. I believe there is one in Calgary and one in Rocky View county.

Mr. Schmidt: Okay. Thank you very much.

What was the capital investment in fiscal '25-26 for AI data centres?

Mr. Alford: I can't speak on behalf of the companies. I don't have their financials.

Mr. Schmidt: You don't track that. Okay. That's interesting because the ministry stated in 2024 that it hopes to capture $100 billion in data centre investment. I'm curious. Is that a target that the ministry has set?

Mr. Alford: As our minister has articulated, that is an aspiration for what is certainly possible. In this fiscal year, though we don't have the full numbers for this fiscal year, we have had announcements from large-scale investments, as you're aware, through companies like Meta. Those companies, through their press releases, are in essence how we know the magnitude of these projects. They have their own financials. They don't disclose those publicly.

9:20

Mr. Schmidt: Sure. But if the deputy minister can confirm my understanding, then. The ministry isn't actually collecting data or tracking capital investment in data centres. Is that correct?

Mr. Alford: We don't have access to their financials. When we do talk to them, there are heuristics that we have. Roughly speaking, an industry heuristic would be something like $75 million per megawatt. That would be something that would be a common industry heuristic. So if you hear of, you know, a large-scale data centre of 100 megawatts, that is it. That is a heuristic you can apply to that based on industry standards.

Mr. Schmidt: Okay. I think, Mr. Chair, that that was a long way of saying, "No, the ministry is not actually tracking capital investment in data centres," which is interesting because – so where did the $100 billion number come from?

Mr. Alford: I can't speculate on behalf of Minister Glubish. I will say that, given the large amount of investment per megawatt and the interest that we've had in data centres in Alberta, that number is not outlandish. That's in line with large projects like we've seen come online this fiscal year, and we'll have to continue to monitor closely as those projects are announced.

Mr. Schmidt: Wait. Hold on a second. You said that there were two under construction.

Mr. Alford: Correct.

Mr. Schmidt: And you don't know how much investment was made in those, so then how can you justify saying that this number is not outlandish based on what's come online in fiscal '25-26 when you've just admitted that you're not tracking that information?

Mr. Alford: We don't have their financial information. Many of the proponents we work with do tell us their size in megawatts, so the amount of energy they're going to consume, and we use heuristics, industry standards that allow us to understand what that would result in. If you look on those two eStruxture . . .

Mr. Schmidt: Yeah. How many megawatts is each of those projects, then?

Mr. Alford: Nine and 26 is what we're aware of for those two.

Mr. Schmidt: Nine and 26.

Mr. Alford: As an example.

Mr. Schmidt: Okay. So the other 30 that are proposed: how many have secured financing or made a final investment decision?

Mr. Alford: In the '25-26 fiscal year I'm not sure any were announced as having made a final investment decision in that year.

Mr. Schmidt: Okay. Those are 30 aspirational data centres. Is that correct?

Mr. Alford: No. Those cover a range of different projects that have come in through the AI data centre concierge service that we provide on behalf of the ministry and in partnership with other ministries. Correct.

Mr. Schmidt: In preparing for this meeting, there are a lot of different numbers floating around. In fact, the *Globe and Mail* a couple of days ago reported that there were 149 data centres announced. What plans did the ministry have for publicly reporting the actual state of play for AI data centres in Alberta so that we can clear up all of the confusion around how many projects are actually being considered here?

Mr. Alford: Well, I think that there are a number of public sources, for example . . .

Mr. Schmidt: Sorry. Sorry. I just want to be clear. What is the ministry going to do to present that information to the public? I'm not interested in other public sources. I'm just interested in knowing what the ministry will do to make the public aware of how many data centres are being proposed in Alberta.

Mr. Alford: I'm speaking to the annual report in terms of what happened in '25-26. I can't speculate on behalf of the government in terms of what steps it may make to do that.

Mr. Schmidt: Yeah. But you're speaking on behalf of the Department of Technology and Innovation, are you not?

Mr. Alford: Yeah. I'm speaking to the contents of the '25-26 annual report.

Mr. Schmidt: Right. The '25-26 annual report talks about the AI data centre strategy. Does anything in that data centre strategy speak to providing public information about the number of data centres that are going to be proposed in Alberta?

Mr. Alford: I believe this government announced the AI data centre strategy in December 2024. Since that time I'm not aware of any specific steps as part of that strategy around announcing on behalf of these different projects. Businesses are going to make their own investment decisions.

Mr. Schmidt: Okay. Sure. Thank you very much. We've got a lot of questions to get through, so I'm going to move on.

Part of the data centre strategy promotes Alberta's water infrastructure to prospective investors, and I'm wondering: did your department obtain an estimate for the combined water requirements for the projects that it's assisting?

Mr. Alford: In the '25-26 fiscal year we spoke to a range of different proponents who are exploring different types of sizes and different types of technologies for their data centres. We are aware that most brand new data centres do not use the evaporative cooling system that many folks are concerned about having a high water consumption. Many of the proponents that we have spoken to leverage a low-water usage, closed-loop system which uses either little to no water as a result of . . .

Mr. Schmidt: Right. I appreciate that. Does the ministry have a number? Like, how many cubes of water are going to be assigned to these data centres, or what are they looking for? Just a number for the number of cubes of water that are required.

Mr. Alford: We don't have that information on a data centre by data centre basis. Many of these projects are in early planning stages. They don't have those numbers, and they haven't shared them with us.

When it does come to water, again, I would refer the process to Environment and Protected Areas around water licensing. I believe that all water, as my understanding, a layperson's understanding outside of the EPA, is licensed through the government, so any project that would seek to come online would go through the standard water licensing approach to obtain the water necessary that they would use for their operations. I do know, again, from the project that was announced this fiscal year, that they did provide some heuristics for the Meta project that are publicly available that give you kind of an estimate around the magnitude of the project and their anticipated water usage, again, as a heuristic rule of thumb.

Mr. Schmidt: Okay. So the ministry uses heuristics to assess potential impacts. Did the government do any potential feasibility on the impacts on existing municipal agriculture or industrial demand for the increased demand for water from the AI data centres and their associated power plants?

Mr. Alford: This department did not in that fiscal year model that although we do work with multiple other ministries as part of the concierge team, with representatives from multiple ministries, including EPA, Agriculture and Irrigation, and others who are on the concierge program.

Mr. Schmidt: Okay. So are you saying that if we ask Environment and Protected Areas what their model was for impact on water usage, they would have a number for us?

Mr. Alford: Again, water usage depends on details of the projects that are not mature. At an early stage we invite proponents to come

and talk to us through the regulatory process that we support through the concierge.

Mr. Schmidt: Sorry. I'm asking a pretty straightforward question. The deputy minister suggested that through the concierge service EPA may have done some water modelling on the combined impact of AI data centres.

Mr. Alford: No. I said that we have only heuristics through which we can . . .

Mr. Schmidt: No.

Mr. Alford: . . . evaluate these different programs and that . . .

Mr. Schmidt: Well, I encourage you to read the transcript when it comes out because you'll see that you're wrong.

I want to be clear. Will there be any cost to taxpayers for building out the required water infrastructure for AI data centres? The government has been suggesting that taxpayers won't be on the hook for electricity infrastructure build-out, but they haven't been clear about water infrastructure build-out.

Mr. Alford: Again, I can't speculate. These projects are in early stages. Many of them still haven't found a home yet in terms of a specific parcel of land, even in some cases a specific municipality. They come to us at early stages. We help them understand Alberta's pre-existing regulatory requirements, how to advance projects by meeting all of the regulatory standards, and we connect them to our partners in other ministries as part of the concierge program.

Mr. Schmidt: Okay. So how is it, then, that the department can apparently assure taxpayers that they won't be on the hook for electricity infrastructure build-out, but when it comes to water infrastructure build-out, there's no such guarantee?

Mr. Alford: These are very different concepts. The energy usage: the government's position has been to invite people to bring their own power. We know that AI data centres require a significant amount of power to generate, and the government's position has been that there would be projects – through the work that we did with AU last year, projects should be looking at bringing their own power in, so bringing their own on-site power generation. With respect to that, they have their own economic pro forma in terms of bringing those power turbines online and figuring out how to energize those data centres, and that's been the strategy in that case. Water is very different. Water is fully licensed out, so they will need to work with the EPA and licence holders to license existing water rights out for their facilities.

9:30

Mr. Schmidt: Yeah. That part I understand. But, you know, water needs a way to get from where it is to where it's supposed to go, and somebody has to pay for that infrastructure. So you're saying that taxpayers may well be on the hook for that construction?

Mr. Alford: I'm not saying that. I'm saying that I can't speculate on projects that have not made an investment decision.

Mr. Schmidt: Well, if you're not saying no, then you're absolutely saying yes.

I want to go on to the impact on energy prices. The government's own fiscal plan forecasts an increase in the price of natural gas from $1.70 a gigajoule to $3 a gigajoule and says that AI data centres will be responsible for some of that price increase. I'm wondering: is this ministry doing anything to ensure that heating costs for Albertans won't increase as AI data centre demand for natural gas drives up the price?

Mr. Alford: I would have to refer the committee member to the Ministry of Affordability and Utilities. That's outside of our remit for the Ministry of Technology and Innovation.

Mr. Schmidt: I mean, this ministry has been out front telling people in town halls that their power prices won't go up, but do they have a position on natural gas prices for heating for residential consumers?

Mr. Alford: Again I would have to refer you to the Ministry of Affordability and Utilities or the Ministry of Energy and Minerals for conversations around power prices.

Mr. Schmidt: So you're bringing in data centres, but the downstream effects are somebody else's responsibility. Is that clear? Is that . . .

Mr. Alford: No. As I've mentioned, the concierge program that we run allows proponents to understand how to meet Alberta's pre-existing regulatory requirements, and we also help connect those projects to the ministries that will support them in their questions such as understanding how to energize, understanding how to site, and understanding what requirements a data centre might have in Alberta. That is our primary role as the lead ministry. Each of the projects themselves will come with their own specific technologies, their own specific sizes, and their own specific financials to support them.

The Chair: Thank you.

We will now hear questions from the government caucus members. MLA Lovely.

Ms Lovely: Well, good morning. The Auditor General's recommendation concerning the timely removal of former employees' access to government networks and applications was originally made in 2021 and repeated in 2024. What measurable improvements have been achieved since the recommendation was repeated?

Mr. Alford: Thank you for the question, Mr. Chair. On measurable improvements since the recommendation was repeated, I can point to several concrete results. Our automated controls now remove 99.6 per cent of accounts within four hours once we have received a notification of the departure. The figure is based on over 8,130 accounts processed in the fiscal year in question. Supervisor compliance for termination has risen significantly, by 54 percentage points from the baseline, and is now at 86 per cent, as of November 2024, across 25 ministries.

We've also put in place system controls such as contractor account expiry at the point of provisioning, so if somebody leaves or if someone has an end date, their system automatically shuts off, and then offboarding procedures, including central sign-in, quarterly cybersecurity reviews, annual reminders to hiring managers of their termination obligations, and in our most recent cybersecurity control assessment the vast majority of respondents confirmed that they have reviewed and understand that process. There are only two clerical cases where we are aware that someone's account posttermination wasn't promptly deleted. Those were a clerical issue. Those were not an access; there was no access to any government system as a result of it.

Just very briefly, we are on track for reassessment in '27-28, and we are collecting 12 months of information on our latest controls to share back with the Auditor General's office next fiscal year for

reassessment and sign-off. The corrective actions that I've described are under way, and we're confident that the sustained end-to-end compliance can be demonstrated once these remaining steps are taken.

Ms Lovely: Okay. You may have answered my next question here. Let me just check. I think I can still ask this. What is the ministry doing to ensure that delays in recording employee terminations do not leave inactive accounts accessible? I think you did answer that already.

Mr. Alford: I did.

Ms Lovely: I think you answered my next one as well. Okay.

The ministry status report indicates that the controls addressing the alberta.ca account recommendations are now operational; however, the ministry is accumulating approximately 12 months of operating evidence before requesting a reassessment to the Auditor General. The first question is: what monitoring is occurring during this evidence-gathering period?

Mr. Alford: Perfect. Thank you, Chair, and thank you, Member, for the question. The department has designed and implemented key protections to support system monitoring, including centralized logging across the alberta.ca access systems, protective monitoring to identify security events and unusual accesses, processes to review and investigate identified events, escalation, and follow-up. The department has also implemented quarterly reporting protocols to assess and document any policy violations, data anomalies, and other irregularities in account information managed by our integrated identity and access management system process. Records of anomalies or their confirmed absence are tracked and signed off on quarterly now by management. And there's a formal reporting process prepared annually, which outlines any issues identified over the past fiscal year and the status of any solutions implemented.

On how the department will demonstrate these controls, the department is accumulating approximately 12 months of data here as well to be able to identify that.

Ms Lovely: Okay. How will the ministry demonstrate that these controls are operating consistently and effectively?

Mr. Alford: The primary avenue is going to be our quarterly reporting protocol. That requires management to document any anomalies. We also have our automated systems integration. Over 2.3 million Albertans who have verified their accounts through alberta.ca: when they're logging in, we're able to detect if there are any anomalies, if someone is perhaps accessing systems that they shouldn't be. We integrate that into our cybersecurity solutions, that we'll hear more about later on in this presentation. We've embedded that into our platform operations unit, which has a continuous oversight and provides guidance to all parties with integrated systems into alberta.ca.

So if there is any observation, we share it with the respective ministry and the respective technical team, and if there are any gaps, we put forward an implementation plan to close any gaps. We have the ability to track access violations, control violations, noncompliance, whether they be governance, risk, or compliance processes, and we incorporate that with our annual cybersecurity reporting.

Ms Lovely: Okay. What assurance can the ministry provide that any issues identified during this period will be properly addressed?

Mr. Alford: The protocols that we've put in place allow us to now respond basically more actively in real time. We do have that real-time monitoring through our integrated security and incident event management system, and we're able to provide insight now into all of the account usage. If we're detecting that someone is accessing the system or if there are any sort of data anomalies, then we can escalate that to our cybersecurity team. Then, of course, we will report on it through forthcoming audits.

Ms Lovely: Okay. Alberta Innovates continues to address Auditor General recommendations relating to its IT controls and its processes for measuring and reporting the value generated from research and innovation activities. What work was completed on these recommendations during 2025-2026?

Mr. Alford: For that, I'm going to invite Dr. Mike Mahon from Alberta Innovates to come up and speak on that item.

Dr. Mahon: Good morning. In terms of the first question related to IT controls . . .

The Chair: Please introduce yourself.

Dr. Mahon: Sorry. Mike Mahon, CEO of Alberta Innovates. My apologies.

In terms of the question regarding the IT controls, I will say that we're fortunate to have received additional funding from the government of Alberta through Technology and Innovation to address IT controls in collaboration with the department. Those controls have focused in particular on cybersecurity and the access to our systems. One of the challenges for Alberta Innovates is that we have both Alberta Innovates as our overall entity, but we also have C-FER and InnoTech, which both have complicated systems as it relates to engaging with the external business community.

9:40

Those challenges have been an area of focus for us as it relates to a cyberevent that we had just after I started in 2024, so the activities have been primarily focused in that area. Looking forward, that remains our primary focus, tightening up our security as it relates to one particular cyberevent. So those areas of focus will continue as we move into the next fiscal year. As I said, in particular we've been aided by additional funding from the department to assist us.

In terms of the second question we are at an interesting point in time in that when the recommendation was made, we had a previous strategic plan and ATIS 2.0 was not yet in place. With the transition to a new strategic plan that was approved in 2025 and with the approval of ATIS 2.0, we've been in conversations with the Auditor General about transitioning the focus of performance in relation to the new ATIS 2.0 strategy as well as in relation to the Alberta Innovates strategy. This, for us, makes a good deal of sense because rather than tracking back against a recommendation that was made related to our old strategic plan and performance measures, the new focus on value for money will be squarely focused on our new strategy.

I'll just point out, for example, that in our new strategy there's a more greatly enhanced focus on commercialization and scale-up. So for us the value for money is squarely focused in that area as we move forward, and we'll work closely with the Auditor General as we do so.

Ms Lovely: All right. What work remains outstanding before the recommendations can be presented as ready for assessment? And while implementation remains under way, how does the ministry

currently determine whether Alberta Innovates is delivering value for taxpayers?

Mr. Alford: I will also invite Dr. Mahon to answer the second part of the question.

Dr. Mahon: Thank you. I'm Mike Mahon, CEO of Alberta Innovates. I guess I'll say that in this fiscal year and previous fiscal year that this annual report focuses on, we have very much been centred on the value for money, and the deputy minister presented that data at the beginning of the meeting. I'll say that looking forward, part of the strategy is to look at value for money as it relates, as I said, to our new strategic plan.

In this previous year there was movement towards the approval of an IP office, and that will serve as an area of focus as we move forward so that the value for money will be partly based on the number of companies we fund, partly based on the resources that those companies bring to the Alberta economy. In addition, looking forward will be partly based on the extent to which we maintain those companies in Alberta, which is a priority for the province.

Ms Lovely: Thank you.

All right. I'd like to cede the remainder of my time to my colleague Nolan Dyck.

Mr. Dyck: Excellent. Thank you very much, MLA Lovely. I really appreciate that. Thanks for being here. I do have a couple of questions here and would love some answers. I do want to talk about artificial intelligence, just in your report. You guys put together 23,000 licences across the public service – I think that really has some great potential – but also achieved more than $70 million in both cost avoidance and savings. I have a couple of questions here. One, how did you drive more efficiency in this? I think the taxpayer is always really interested in efficiency of government. Also, how did you calculate the $70 million? I think those are two very important questions that taxpayers would be very interested in knowing.

Mr. Alford: Perfect. Thank you, Chair, and thank you, Member, for the question. We've been able to measure the productivity gains through the use of artificial intelligence across the public service. I'll just introduce something very quickly. Most of us are familiar and have now used chat tools like ChatGPT or Copilot or Gemini, for example. These tools have been measured by us and many other governments and organizations about raising general staff productivity by approximately 10 per cent, so saving roughly three to four hours of an individual's time per week that can be put to more valuable work.

When we start to narrowly apply the use of artificial intelligence, we also find that it's helpful for us to do the foundational work that we do within the department such as application development, maintenance, cybersecurity, and more. When we do apply these tools to the creation of enterprise platforms and systems – you heard me talk a little bit about some of the alberta.ca tools and things like that. When we're making products like that, we can actually reduce the time and cost of those solutions often by as much as 90 per cent, so reducing the overall cost of implementation to one-tenth of the cost, and we were able to achieve that multiple times during this fiscal year for smaller-scale projects.

With respect to your other question as well in terms of how the $70 million breaks down, today after rolling out those 23,000 licences to staff, we're able to measure approximately $8.9 million per month in time savings as a result of that investment in AI using, again, heuristics and indicators and time-tracking productivity across the workforce.

Second, we're also applying these tools now to larger scale IT projects and solutions. Our minister has spoken publicly around one project that had come in through a very high tender, approximately $54 million. We're now able to deliver and we've been able to deliver the first phases of that and continue to develop that project for closer to $2 million. In the fiscal year in question we monitor roughly a $26.25 million savings, and then we've had some significant measurements that we have across 12 more applications that have been under development to get up to the $70 million of cost savings and avoidance for that fiscal year. We also believe that that is replicable across multiple fiscal years, and we're going to continue to monitor and report on that into the future.

I'll leave that there for your next question.

Thank you, Chair.

Mr. Dyck: Thank you.

The Chair: Thank you. You still have two seconds.

Mr. Dyck: Well, thank you so very much, Chair.

The Chair: We will now hear questions from the Official Opposition. MLA Janet Eremenko.

Member Eremenko: Thank you, Mr. Chair. I have a few questions and follow-ups to my colleague opposite in regard to the $70 million cost avoidance and savings. What are your targets in terms of implementing that by way of the front-line experience, customer satisfaction, employee satisfaction, for example?

Mr. Alford: Excellent question. When we set out on the program in the fiscal year in question, we really kicked off assessing the possibility of AI tools, and at that time in early '25-26 they were not yet, in our estimation, mature enough to put in front of the public. The public has to have a high amount of trust, and we needed time to assess and test these tools. We did have one tool in place called search AI that, again, we measured and monitored throughout the year, and we said that, you know, there's an opportunity for us to come back to the public-facing AI.

Our strategy has been within the department to modernize the function of government but still keep humans on the front line talking to other humans. It's important to have people, as people do, to support each other but reducing the internal complexity of our systems. We've taken, really, a back-to-front approach around our AI adoption where we can assess it safely inside, we can assess it against back office operations, we can assess it for cybersecurity and IT, and now we'll look, going into the future years, around putting it out if there are opportunities to use that to support Albertans, but we continue to rely on our people as being our front line.

Member Eremenko: Thank you.

I have some questions about data centres to riff off of the initial block here that we had.

Mr. Alford: Of course.

Member Eremenko: Now, how many data centres were operational at the beginning of the fiscal year in question?

Mr. Alford: I'm not aware of any of what we would define as an AI data centre. There are several data centres in Alberta that are the traditional cloud data centres. They're smaller in scale and they do more traditional cloud computing.

Member Eremenko: And you don't have a number of what that is? How many were operational at the beginning of '25-26?

Mr. Alford: There are data centres everywhere. We have three of them. The universities all have their own data centres. The cloud providers like AWS and . . .

Member Eremenko: Okay. What qualifies as a large-scale data centre?

9:50

Mr. Alford: As we've defined it more recently in the fiscal year in question, we've started to look at 75 megawatts being our scale for a large-scale data centre.

Member Eremenko: Seventy-five megawatts. Okay. There were two large-scale data centres, over 75 megawatts, proposed in '25-26.

Mr. Alford: No. There were two smaller ones that would be under the 75 that I was aware of under construction.

Member Eremenko: And those are AI data centres?

Mr. Alford: We understand that they will be used for that. That is my understanding, yes.

Member Eremenko: Okay. AI data centres versus just regular data centres, cloud-based data centres, have the same kinds of energy and water requirements, assuming that the technology is the same for circulating water, for example.

Mr. Alford: The big difference is the amount of energy they consume. When you're using an AI data centre, it does consume more energy than traditional cloud compute because they do so much more computing. Traditional data centres range from – you know, we can measure them in tens of kilowatts. I think one of our smaller data centres in the government is, like, 300 kilowatts, so smaller. We're aware that if you are kind of a traditional cloud-based, like a hyperscaler, like a cloud company data centre, those are traditionally maxing out at about 10 megawatts, and then the new AI data centres are coming in closer to 75.

Member Eremenko: Okay. It's a distinction that's going to be important, of course, for Albertans to understand when we're talking about data centres versus AI.

Mr. Alford: It's a slightly blurry line. Traditional data centres will have some amount of AI happening, and large-scale AI data centres will have some amount of traditional happening. It's a bit of a blur. But, really, it's the magnitude of the size.

Member Eremenko: We've got this number. The AI data centre strategy is very lean on numbers. We have the $100 billion aspirational goal. Like, couch that in demand. Couch that in the need for what Albertans actually require. A hundred billion dollars provides how much AI data storage per capita, for example. Tell me how – that's a random number that I would like to have ratioed against what the actual need for AI data centres are.

Mr. Alford: That's an excellent question. I'm going to give you an unsatisfactory answer by saying AI adoption in Canada is still quite low. I'm going to use a number. I believe this number is coming from the government of Canada, if I recall, but about 18 per cent of businesses have started to adopt AI in their operations, meaning that we don't really know what the upper limit of demand here is. Also, any data centre, of course, is connected globally. So even if there's a data centre in Alberta, that can feed demand globally. It can feed demand across Canada through fibre optics, so there's really no delay. If you put a data centre here in Alberta, you can easily support a client in Nova Scotia or in British Columbia and be able to provide them the compute capability as well.

Member Eremenko: Data sovereignty, of course, is a big topic of conversation, and that also is present in the annual report for '25-26 and for the strategy. Are you saying that data centres located in Alberta could be storing data from around the world?

Mr. Alford: Well, we're aware that there's a range of different projects being put forward. Some of them are projects that are going to be presented as being Canadian owned and operated. Some of them are projects that have a, you know, Canadian component with a large-scale anchor tenant, for example, that may be an international tenant. Some of them are Indigenous owned. There's a range of different typologies. Like, traditional data centres: you could serve local demand; you could serve international demand.

Member Eremenko: What about Canadian data sovereignty? We know that this is a significant concern, particularly around security as well. Will Canadian data be prioritized in a Canadian data centre? In an Alberta data centre? It looks like most of the proposals are coming here.

Mr. Alford: Again, it's an excellent question. It goes towards how you – again, I don't want to give you an unsatisfactory answer, but it's how you define sovereignty.

Member Eremenko: That's okay. I just want kind of an honest answer.

Mr. Alford: Sovereignty, meaning that you as a citizen have choice around which cloud provider or AI provider you utilize – you can do that today. You can take an American company like Amazon Web Services today, have Canadian data centres where you can store your data in Canada in a Canadian data centre under Canadian law, for example. You can choose. Again, most customers have a choice between hosting their information in Canada or abroad. Right now I would say that Canada is at a deficiency with respect to the amount of compute compared to our U.S. neighbours. Having more data centres in Canada increases the potential for people to have more choice about hosting and storing their data in Canada.

Member Eremenko: Given the emphasis on artificial intelligence from this government and, clearly, the investments being made in that space, can we provide assurances to Albertans today that artificial intelligence, the various programs that are being used by the government of Alberta, will be stored in an Alberta data centre?

Mr. Alford: No. I will say that our AI policy covers a range of different data classification. You have unclassified data, which is just public access, open data for example, all the way up through protected A, protected B, and protected C. Our AI usage policy within the government, which was published in the fiscal year in question, provides a clear breakdown for staff of when they can use different tools and technologies.

I will say that, you know, Alberta does not have large-scale operational AI data centres at this point. These are some of what are being built out. We are working with a range of providers. We have our own compute that we've purchased. So if we have a sensitive workload, we can use our own physical compute within our own data centres. If we have a public workload, then we can use compute that's global, and if we have a more sensitive workload, we have legal and contractual . . .

Member Eremenko: But when the data centres do come online, because we know that there are massive projects in the pipe, will

those be storing protected A, B, and C class data so that we can trust that there is data sovereignty?

Mr. Alford: I can't speculate what's going to happen in future fiscal years when those data centres come online.

Member Eremenko: Have you modelled or forecasted the future need? You're saying only 18 per cent now. Is there any kind of insight from the ministry about what that could be in a 15-year timeline?

Mr. Alford: Nothing that we've modelled in the fiscal year in question. I think that there's plenty of speculation on that space. Many think tanks such as, you know, McKinsey and Boston Consulting Group and others have come out to say that this is a multitrillion-dollar industry modelled on, basically, adoption curves and things like that. But we don't have a specific amount of the number of data centres or the size needed in 15 years.

Member Eremenko: Okay. I'll leave it at that.

Mr. Alford: Thank you.

The Chair: Thank you.

We'll now hear questions from government members, and you have 10 minutes in this block. MLA Dyck.

Mr. Dyck: Excellent. Well, thank you very much. I do want to just quickly ask about your Alberta AI Academy. I know you've put a lot of work into this to build the AI capacity within the public service. I've heard the minister speak about some of those situations, too.

Then I want to know a little bit more about project pronghorn. What government applications or services were developed, accelerated through project pronghorn? I think it's an interesting one, but I just would love a little bit more information on this.

Mr. Alford: Yeah. Perfect. I'm happy to speak about both of those. When we started to explore the responsible use of artificial intelligence in the department, primarily in this fiscal year in question, we started to look at, "What can AI do?" and we started to also look at: "How do people use it? How do they learn? How do they adapt to using these technologies?" They were so new that no government had really laid down a clear road map on what people would need. So we started to assess a range of different technologies. Over the first approximately four months we heard a lot of feedback from staff that they found it very productive, they found the tools relieved a lot of stress and challenges, but they needed more support, they needed more training.

So we came up and we pitched the idea to our minister to launch something that we call the Alberta AI Academy. That went live on September 9, 2025, and we enrolled our first cohort of people, I think about a couple of hundred people on our first wave through. We taught them key concepts like: how do you prompt? How do you trust AI results? How do you do your homework and ensure that the results don't have hallucination or bias? How do you keep data safe? How do you fall within our data and privacy protection standards when you're using these tools? What are safe tools that we've certified for use through our cybersecurity and legal teams? The AI Academy really laid down this groundwork and taught people how to unlock those time savings, those three to four hours a week that are very common.

We also taught them more sophisticated uses. For example, many of the things government does is repetitive, right? We often process many contracts or we process many documents. Well, repetitive processes can also be assisted with artificial intelligence to understand and map out processes and to also automate certain steps. If you've ever found yourself copying and pasting or, you know, typing a lot of invoices manually into an Excel spreadsheet or into a system, AI is able to help with that. We teach people those higher levels.

10:00

What we found through this is that as we graduated people up to greater levels of proficiency at the AI Academy, a certain amount of staff were very good at using it to build the next generation of technologies themselves. Instead of merely being a customer of existing products that we would have to license, we found that AI has the capability. If we give staff the proficiency and the space to learn, we can build those tools ourselves and really unlock that savings that I spoke about before, that sort of 10X savings.

That got us into launching what we call project pronghorn, which was: how do we take staff to take the entire body of government standards – the entire body of our security, our accessibility, our language, our look and feel, all of the things that are important for Albertans, privacy – and build applications and solutions that would exceed the quality that we were getting through a traditional vendor or other mechanisms?

We launched that program in January 2026. Since then we've graduated multiple teams now to start to build tools like that. In the fiscal year I believe there were, like I said, several projects under development. I don't think any of them launched until the current fiscal year that we're in, but we did have a range of tools under development. I think over the time period those staff have demonstrated that these savings are repeatable and that we're continuing to roll those learnings back into the AI Academy so other people, not just within our ministry but across Alberta government, can replicate the kind of productivity gains that we're getting out of AI.

Mr. Dyck: Awesome. Just a quick follow-up here. I want to kind of pinpoint a couple of things here. Has there been a shift from using external consultants? It sounds like with project pronghorn there's been this opportunity for staff to actually develop, which is fantastic. How are you measuring that productivity that is actually the AI use and also that is actually going towards efficiency? I realize time savings can be efficiency, but how are you measuring that as well?

Mr. Alford: Excellent question. The ministry, as we've disclosed, has more than a thousand different technology legacy systems that we support. Those systems often will reach an end of life. Typically they'll start to get old at about 10 years, and they'll get really quite old at 15; then they'll start to get beyond end of life at 20 years. We can look at a system like that that we've already created or that we've bought and we're able to now benchmark the prior cost of building it to the new cost of replacing it with AI. That gives us a really measurable benchmark in terms of the savings.

We also have a lot of demand for new services, new digital tools that will support the Alberta public service. That may be public-facing and support, you know, Albertans gaining access to programs and things like that. Many of those have business cases that were developed either early in the adoption of AI or before the implementation of AI, and we're able to see those cost reductions.

Just as an example, if someone had estimated, you know, that it would take $3 million to do an application, we're able to analyze that and then remodel that through the velocity at which AI is able to assess. Then we find in many cases it's greater than sort of a 10X cost reduction.

We have those measurements from before and after, and it has driven us around some of our budget as well. We've been modelling in terms of our usage. You know, we have our staff, and we also have contractors who support our maintenance. We have contractors who are building. We're able to look across the whole body of the workforce and say: well, where do we optimize to put people on the higher value work? Anything that's repetitive or there are people doing repetitive tasks that can be automated: those people are excited to take on higher value work.

As I've said to the staff, AI is not there to replace anyone. It will evolve all of our jobs. It's changed how my entire team works. It's changed how the department works. But it's there to empower people, and we've been very clear that we're taking a humancentric approach to AI, meaning that we're investing in people. In terms of participation we've had thousands of people now take place in the academy following these methods, and we've had really high uptake. After training we have more than 90 per cent of people continue to use these tools, continue to apply them daily, and we're seeing both a high amount of positivity and a high amount of uptake from the usage of AI.

Mr. Dyck: Thank you.

I will cede the rest of my time to MLA Bouchard.

The Chair: MLA Bouchard.

Mr. Bouchard: Thank you, Mr. Chair. I'm looking at page 46 of the annual report. I see that the ministry's operating expenses totalled approximately $1.13 billion in 2025-2026. This was $35.6 million below budget but $53.4 million higher than the previous year. Could the deputy minister explain the principal factors behind these variances?

Mr. Alford: Thank you, Chair, and thank you, Member, for the question. Principal factors between the $35.6 million underspend is attributed largely, mainly, to budget from our technology support and operations division due to the broadband project delays. That moved the funding forward. Unspent funds were reprofiled into the current fiscal year. While the overall ministry underspent by $35.6 million, broadband spending alone was approximately $43 million below, and that represents the largest single contributor there. The underspend with respect to broadband was driven by permitting delays, procurement challenges, seasonal construction constraints, and delays from the project recipients.

On the broadband variance we had reprofiled $13.6 million in the third quarter, and then an additional $29.1 million carried forward at the end of the fiscal year. I just want to be clear, though, that this reflects project timing and not cancellation or cancelled commitments. Funding remains available and committed to approved broadband initiatives, and this helps to fund the programs currently still under construction this fiscal year.

Mr. Bouchard: What results were achieved from the additional year-over-year spending?

Mr. Alford: I'm sorry. In broadband specifically?

Mr. Bouchard: Correct.

Mr. Alford: Okay. With respect to the results achieved, as of the end of the fiscal year we had had 91 per cent of underserved households that either had access now to high-speed Internet or were covered by projects under progress . . .

The Chair: Thank you.

We'll go back to the Official Opposition for 10 minutes. Member Janet Eremenko.

Member Eremenko: Thank you, Mr. Chair. The DM mentioned a couple of times the concierge program, and I have a few questions in regard to that. What is the cost to operate the concierge program?

Mr. Alford: I have that right here. The number that I have – the cost is the salary of about six staff working on that within the ministry. There was an additional cost. We had a period of time, a consultant from KPMG for about $111,000 to set up a case management system just so we could manage the various projects, so it's funded internally to the department.

Member Eremenko: What's the mandate of the program again? Tell me: if I have a proposal, what does that look like in the program?

Mr. Alford: Yeah. If you are a proponent coming in, we also – there are different groups of people we talk to. We talk to energy providers who are interested in, you know, getting connected into AI companies. We also are approached by AI companies looking for energy providers, so there's a bit of different folks who reach out to us and want to understand how to navigate Alberta's regulatory environment. We will meet with them, they'll tell us a little bit about their projects and their phases, and then we bring different ministries together based on the nature of the project.

I think we've got participants from Indigenous Relations, Forestry and Parks, Environment and Protected Areas, Service Alberta and Red Tape Reduction, Energy and Minerals, Affordability and Utilities, and Municipal Affairs as the lead ministries. We'll help them understand what are the regulatory requirements to advance a project. Some of the projects are, you know, small-scale things that are looking to understand how to get into the AESO process, the grid connection. Others are large.

10:10

Member Eremenko: Do you provide timelines as far as how long a proposal is going to take from initial point of entry to approval or decline?

Mr. Alford: The timelines largely depend on the proponents themselves, so they need to do their own engineering. They're going to need to develop an Indigenous Relations engagement strategy. They're going to need to do studies. They're going to need to look at these things themselves. I can't speak on behalf of Service Alberta and Red Tape Reduction, but I know that we're always looking for opportunities to reduce red tape; give certainty; give clear, again, estimated timelines. But it largely depends on the projects themselves.

Member Eremenko: And again, how many projects are currently being supported through the concierge program? Can I call those proposals?

Mr. Alford: Yeah, you could call them proposals. I believe I estimated that at the end of the fiscal year it was approximately 30. Those proposals will range from, "Here's a concept," somebody kicking the tires, so to speak, to other ones that are more mature who are either, you know, looking for land or who are looking to start the permitting process.

Member Eremenko: Okay. At what stage in that process does a proposal become public?

Mr. Alford: That's up to the proponent. We don't announce on behalf of these. This is a process that, when they've decided to make a final investment decision, they will release this as well.

Member Eremenko: There's no regulation around at what point a project needs to be presented to a community so that for public consultation there's no standard?

Mr. Alford: It depends on a number of project factors; for example, if they are going to energize themselves. Bringing their own power and setting up that: there's an AUC process which they go through, and they'll go through that AUC process, and that has all of the details broken down through there. There is opportunity for community engagement through that process. There are clearly defined statutes through the AUC process which they follow.

Member Eremenko: But not within your ministry? Not regulations there.

Mr. Alford: Not within my ministry. Correct.

Member Eremenko: I believe earlier you'd mentioned that there were currently two projects under construction in '25-26.

Mr. Alford: I believe those were the two.

Member Eremenko: You think that was the two. Is that information publicly available in terms of what those projects are and where they're located?

Mr. Alford: I believe so, yes. You should be able to see them on the website of the proponent.

Member Eremenko: Could the ministry provide those in writing, please?

Mr. Alford: Yes.

Member Eremenko: Thank you. I think that might – oh, I just have one question. The environmental impact assessment process: at what point does your ministry or the concierge program oversee whether or not environmental impact assessments are required for any proposals?

Mr. Alford: Perfect. Let me get you the details. Bear with me for one second here. The short answer is that our ministry does not. That is through Environment and Protected Areas – here it is – if there is something that they need to do.

In terms of consultation when a project is coming in and they do have – depending on how they're energizing, right? If they're generating their own power, it's very different than if they're going to come in and be a smaller grid-connected proposal. Very different requirements needed there. A proponent will come in. They'll engage through the Indigenous Relations office. They'll engage through the Aboriginal consultation office. They'll engage through EPA. The proponents can work through that process.

With respect to, you know, through the AUC, if they're bringing power plants, transmission lines, or grid connections, the AUC does not regulate data centres. They regulate power infrastructure, so there will be a regulatory requirement there as well. The department doesn't partake in environmental impact assessments. That's done through Environment and Protected Areas.

Member Eremenko: To the best of your knowledge, the data centre is not subject to environmental impact assessments. It's not mandatory for a data centre. Well, I would think that through the concierge process, I mean, the ministry is sitting at the table concerning how to navigate a very complex process for a very big project. I would expect that there would be some degree of understanding within the ministry of whether or not an environmental impact assessment is suggested or required for the clients, for the proponents that you're supporting through the program.

Mr. Alford: I hesitate only because I don't want to speak in generalities around these. A data centre could be the size of this room. A data centre could be a large campus with 50 buildings on it. Each of those will have their own municipal requirements. They'll have their own environmental requirements.

Member Eremenko: Based on the size.

Mr. Alford: Based on the size. So I can't speak in generalities in terms of that. I think that you would also find that different municipalities are going to have their own requirements as well.

Member Eremenko: Thank you.

I'll cede my time, Mr. Chair, to MLA Schmidt.

The Chair: MLA Schmidt.

Mr. Schmidt: Thank you. I want to follow up on this. If an AI data centre is not necessarily required to go through an environmental impact assessment, how is the ministry working to ensure that the minister's promise that projects should only proceed where they are appropriately located is met? What criteria does the department have for the appropriate location of an AI data centre?

Mr. Alford: The department's role, again to the concierge program, is the convening together and providing insight and a doorway into government around understanding the regulatory requirements and being a liaison between the proponents and the ministries in question.

Mr. Schmidt: Okay. So when the minister says that projects will only proceed where they are appropriately located, the department doesn't actually have the ability to enforce that promise. Is that correct?

Mr. Alford: The Ministry of Technology and Innovation is not a regulator. It will work with the regulators to help the proponent understand the regulatory requirements.

Mr. Schmidt: Okay. Thank you very much.

I also want to dig into the minister's promise to not raise residential power costs. Again, if power costs for residential consumers do go up, is there a trigger that government has for any intervention into the system? Is anybody going to be monitoring power costs and enforcing the minister's commitment to Albertans that power costs won't in fact go up?

Mr. Alford: I'll give you the best answer I can. The minister has spoken about the need for protecting the stability and affordability of the grid. My understanding of the Alberta electrical system, which I'll refer to to aid our colleagues in AU, is that we have a competitive market, and supply and demand will change over time. With respect to long-term forecasts, I don't have a long-term forecast to provide.

Mr. Schmidt: Yes or no question: does the ministry have the power to enforce a power-cost threshold for Albertans?

Mr. Alford: The Ministry of Technology and Innovation does not have that.

Mr. Schmidt: Thank you very much.

Did the ministry do any modelling for alternative energy demand scenarios if AI data centres were to use renewable energy? Yes or no?

Mr. Alford: We've looked at other jurisdictions that have studied that. The challenge with AI data centres is that they have a large continuous load, and that makes it difficult to energize through renewables.

The Chair: Thank you.

We will now hear from government members. MLA van Dijken.

Mr. van Dijken: Thank you, Mr. Chair. I'm going to focus my comments and questions with regard to broadband connectivity within Alberta. I note on page 24 of the annual report that "48 per cent of households in the underserved-household baseline had confirmed access to high-speed Internet." Now, that was 7 percentage points below the target of 55 per cent. What factors caused the ministry to fall short of its 2025-26 target? Despite this variance, does the ministry remain confident that universal connectivity can be achieved?

Mr. Alford: Thank you, Chair, and thank you to the member for the question. There were a few causes to falling short on the '25-26 topic, and they're contributing causes. The project proponents managed site-readiness requirements across land access, negotiations, permit, and site-related challenges. We were notified through these different initiatives that they faced supply chain constraints, contractor availability issues, and adverse weather conditions in that year.

Several projects expanded in scope during the year to serve additional households, which increased program reach but delayed their construction schedules. Fourteen of the projects experienced some amount of slippage ranging from, you know, 60 days or more. We also had some timing challenges with our federal project partners, including the signing of contribution agreements, which affected some project approvals and contract starts. The federal election further affected project approvals related to programs within the fiscal year.

10:20

I would note that the strategy's underserved-household baseline also grew in the time since we've launched this program. The original baseline was 201,000 households based on the census 2016 data. Now updated in 2021, the federal mapping increased that to around 239,500 households, an increase of nearly 40,000 households, or 20 per cent. The strategy has absorbed that larger baseline without requiring or requesting any additional provincial funding and also in this fiscal year reducing our expenditures by about $25 million.

When we're looking at the broader piece, again I'll note that as of March 31, 2026, 91 per cent of those underserved households had either access to or had projects under progress – that represents about 218,000, about 20,000 more than we set out to do – and that 57 of the projects, or 71 per cent, were complete or under construction, so there remains a tail of projects. The federal data at the end of the fiscal year shows that 95.3 per cent of all Albertan households have access to high-speed Internet as of January 2026. Our department assesses now that 98 per cent of Albertans now have access to high-speed Internet.

For those remaining households we have piloted in the fiscal year in question a limited program of a satellite rebate program. Instead of having fibre come to your door, could you connect to a satellite-based Internet? We had, you know, a relatively small uptake in that program, but it gave us the data that we needed to launch and roll out the program. As of today, in fact, any Albertan can take advantage of the Alberta satellite rebate program across the entire province. There's a rebate in place of up to $1,000 per household to gain access to low Earth orbit satellite hardware and installation. The fund does not pay people's monthly bills or offset their usage, but if anyone in Alberta, wherever you are, wants to get access to Internet today, the program will support and offset your cost up to $1,000.

With that in mind, we are extremely confident that we can say that Albertans today and before the end of this fiscal year can gain access to high-speed Internet while those projects are completing and that we have come in and already given money back in terms of the overall amounts. We're coming in under budget. In this year every Albertan can gain access to high-speed Internet, and that's something we're very proud of.

Mr. van Dijken: Okay. Thank you, Chair. I'm going to ask with regard to page 20, key objective 1.3. The ministry describes its work to expand high-speed Internet access through the Alberta broadband strategy, particularly in rural, remote, and Indigenous communities. You talk about the projects and the percentages that have access at this time. Could you share how the progress made on this key objective supported better connectivity for rural, remote, and Indigenous communities? Could you explain how the progress made during '25-26 improved connectivity for these remote communities? What economic and social benefits has the ministry observed as a result of improved broadband access? And how does the ministry measure progress towards achieving universal high-speed Internet access across Alberta?

Mr. Alford: Perfect. Thank you, Chair, and thank you to the member for the question. Through measurement through the communications monitoring report from the Canadian Radio-television and Telecommunications Commission, or CRTC, we can measure that number for Indigenous access has grown now to more than 65 per cent. When we are looking at the economic and social benefits, broadband access is essential for rural and remote communities to participate in the modern economy. That strategy ensures that remote, rural, and Indigenous communities are included in the province's economic growth and that the high-speed Internet will enable folks to take full advantage of those services.

I also wanted to speak a little bit about the projects that we have. I mentioned roughly those 20 projects. Some of the areas where we have municipalities going in include Métis settlements and First Nations communities. I can enumerate some of them.

One of the things that we've also noticed in terms of the economics of this is that of the projects I spoke about, nine of the projects are led by Indigenous recipients themselves. Of those contribution agreements, nine of those agreements were signed by March 31. Several of them are under way. We have had a good uptake from Indigenous communities and Indigenous businesses in terms of actually installing and participating in the program. I think in the fiscal year about $4 million went into Indigenous businesses putting high-speed Internet into the communities as well.

Mr. van Dijken: Thank you, Chair.

I'll cede the rest of my time to MLA Bouchard.

The Chair: MLA Bouchard.

Mr. Bouchard: Thank you, Chair. We'll stay on page 46 of the annual report. It attributes much of the ministry's lower-than-budgeted spending to delays in broadband projects. It also indicates that the unspent funding was reprofiled to 2026-27. How much

funding was reprofiled, and do we know what caused the broadband project delays?

Mr. Alford: I'll speak to part of it. Then I'll turn it over to my SFO to answer the financial aspect of it. As mentioned, some of the project delays were not due to any delay within government. It was due to the delay within industry around the ability to execute on the project. There were environmental delays. There were a lot of supply chain issues in terms of getting access to the materials that they needed to go in to actually lay the fibre. Then there were some announcement delays related to the approval of the projects. That largely had something to do with the federal election and the timing in 2025 with respect to that and getting kind of, you know, relaunched with the current government.

With respect to the financial element, I'm going to turn it to my acting assistant deputy minister, SFO Carmela Krebes, to talk about the financial aspect there.

Ms Krebes: Okay. Thank you for the question. We requested and received through Treasury Board approval to reprofile $47 million from '25-26 to '26-27. As the deputy mentioned earlier, we did not lose that funding. It was just moved to the year where we could actually spend the money.

Mr. Bouchard: Thanks.

Do we know what measures are in place to ensure that the projects will remain on schedule and within budget?

Mr. Alford: It's through our continual engagement with industry there. We are confident that this program will come in well under budget. With respect to how it gets paid out, it gets paid out at the end of . . .

The Chair: Thank you.

We'll now hear questions from the Official Opposition. MLA Marie Renaud.

Ms Renaud: Thank you, Mr. Chair. I just have a couple of questions to follow up some of my colleagues across the way. You touched on red tape reductions. Could you give us a number of how many red tape policies were rescinded or removed as it relates to data centres? If you don't have that number or the list of what it was, if you could put that together for the committee, that would be great.

Mr. Alford: I'm happy to take that away and give you a response in writing.

Ms Renaud: Awesome.

You also talked about some of the smaller AI projects that your ministry was overseeing. Could you tell us if in the '25-26 period there was a project related to sorting people on AISH and ADAP?

Mr. Alford: Sorry. Could you ask the question again?

Ms Renaud: Sure. It's the ministry of social services. There was a project in 2025. They created a new program and then proceeded to sort people, about 80,000 people, and I'm just wondering if that was a project that was undertaken by your ministry.

Mr. Alford: I can say that our ministry works closely with the Ministry of Assisted Living and Social Services, and through that period we were supporting them through the modernization of the technology that supports that. If the question was whether artificial intelligence was used for that, not that I'm aware of.

Ms Renaud: Great. Thank you.

In section 619 of the MGA, Municipal Government Act, certain approvals issued by provincial regulators, including the AUC, can take precedence over land-use bylaws that municipalities pass and approve as it relates to data centres approving power plants. How much meaningful control do local residents actually have in this process?

10:30

Mr. Alford: I'll answer to the best of my ability, and I'll have to refer you to the Ministry of Affordability and Utilities for a more detailed response. I am aware of – you know, there was a large project that had a significant, I think, community turnout this fiscal year. I do believe that the AUC rules do require community engagement, community input in terms of making their decision and that through, I believe, rule 012 of AUC they'll look at a range of different community-based impacts to inform their decision-making process.

Ms Renaud: Clearly, the Municipal Government Act allows the ministry to override a local decision, so have there been any instances in this fiscal reporting period where GOA or the regulator has used authority to override a municipal decision?

Mr. Alford: None that I'm aware of.

Ms Renaud: None that you're aware of. Okay.

Less than one month after welcoming Meta's billion-dollar artificial intelligence data centre, Sturgeon county has declared an agricultural disaster. No data centre proposed or built in Alberta to date has been required to undergo an environmental impact assessment, yet we understand greenhouse gases are not limited to municipal boundaries. Local governments are on the front lines of the climate crisis, yet evidently we see or understand that local governments – in this particular data centre case I'm talking about Sturgeon county – signed NDAs and are unable to answer important questions like: what is Meta's plan to report on GHG emissions related to the data centre? As I note, this particular company does not report publicly on greenhouse gas emissions, so what is your department or GOA putting in place to ensure environmental compliance with regulators, and what does that look like?

Mr. Alford: With respect to data centres this is where we need to separate data centres and power production. Data centres themselves are not a primary source of greenhouse gases. They are buildings. They are warehouses full of computers. With respect to environmental impacts that is where I would have to refer the question back to my colleagues either in Environment and Protected Areas or Affordability and Utilities with respect to the AUC process.

Ms Renaud: Excuse me for a moment. When you talked about the concierge program, it was really about – it's nice to hear, actually – bringing all of these ministries together to answer complex questions that people have about this process. Yet this oversight committee can't get a simple answer from this ministry that does work effectively with other ministries in a concierge service. It's not good that we are unable to get answers to some basic questions because you're able to punt it to another ministry. I'd really appreciate it if maybe a concierge service for this committee existed so we could actually get some answers.

The most recent GOA artificial intelligence strategy, 2024, states that GOA will act to provide regulatory certainty for AI data centre industry by collaborating with municipalities. What does that

collaboration look like in real time? It's in your strategy, so I'm assuming there are plans.

Mr. Alford: Could you refer me to the page in the annual report?

Ms Renaud: Okay. Let's move on. I'm not going to mess around. Page 34 of the '25-26 annual report notes that "AI data centres can create new revenue streams for local governments." The report further underlines the Alberta advantage of low taxes and affordability and existing water infrastructure while governments bring your own generations so ratepayers aren't on the hook. How does the government or your ministry support municipalities to project value for constituents? My colleague established earlier that the numbers being thrown out by the minister aren't really backed by much, so the question is: with what process does this ministry support municipalities to actually come up with real information to share with their constituents?

Mr. Alford: Over the fiscal year in question this ministry worked closely with our colleagues in Treasury Board and Finance and Affordability and Utilities and through the Utilities Statutes Amendment Act worked closely to allow the AESO to refuse connections that threaten reliability. It enabled a regulation prioritizing data centres that bring their own power. Then through Bill 12, working closely with Treasury Board and Finance, introduced the Financial Statutes Amendment Act.

Ms Renaud: Excuse me. I'm just going to cut you off there. It's in the report, so thank you for reviewing that. I'm going to ask you a question. Again, how will this ministry, the government of Alberta, ensure the economic benefits of data centres are not being overstated and pushed onto local governments and communities? I think we've seen examples across the province of different councils raising very serious concerns about this process. What is your ministry doing to ensure that the benefits are real, not overstated, so that they're not misleading their constituents?

Mr. Alford: There are a range of different benefits that have been put forward through recent projects. I won't speak on a specific project in general, but we know that through the data centre levy framework that was brought forward, the province is ensuring that Albertans, through this levy, get a financial return based on the value of the projects themselves.

We're also aware that the municipalities have their own mill rate, their own municipal taxes that would be applicable to any data centre individual site or campus. The minister has spoken publicly around the fact that grid-connected initiatives also contribute to transmission levies as well. That drives down the cost of transmission for all consumers in the province, and many of the proponents have also spoken publicly around job creation through construction.

Ms Renaud: I'm going to cut you off there. What is the total in this fiscal reporting period on expenditures spent by your ministry to attract data centre investment?

Mr. Alford: I can give you a specific number in writing, but it's represented by staff salary, the roughly six people working on it, and $111,000 for an external consultant to set up an IT tool to oversee.

Ms Renaud: So the six concierge are the people here as well?

Mr. Alford: Yes.

Ms Renaud: The same people. Okay. Can you also tell us what processes are in place to assist municipalities to undertake a risk assessment of data centres or cost pressures on emergency services, municipal roads, waste water, and utility upgrades?

Mr. Alford: I would refer that to the Ministry of Municipal Affairs.

Ms Renaud: All right. So I'm just curious. I don't have much time left. How is it that you're unable to answer these questions that involve other ministries so seamlessly but we're unable to get basic questions answered? It's quite frustrating and really not fair to Albertans who are concerned about this process.

Mr. Alford: As lead ministry on the AI data centre file we bring together the experts from every other ministry, and it would be inappropriate through the work we do as a concierge or at this table for me to speak on behalf of other ministries. I'm here to speak about our own ministry on the annual report.

The Chair: We will now hear questions from the government members for 10 minutes. Who is starting?

Mr. Sinclair: Thank you, Mr. Chair. Thank you, everyone, and all of your department and team members for all your guys' work. Specifically, I'd like to give you a shout-out on the access to Internet for Indigenous communities from 20 to 65 per cent. That is serious, meaningful work, and I deeply appreciate that, especially in some of my rural areas where I believe that's an essential service.

I'm going to switch gears a little bit here to cybersecurity and privacy. On page 13 of the annual report key highlights describe modern cybersecurity tools and threat intelligence reporting. I also note that the ministry issued 71 threat intelligence reports and implemented AI and machine learning enabled cybersecurity tools. The question is two parts. How did these activities strengthen the security of government systems during '25-26, and what measures does the ministry use to assess the effectiveness of its cybersecurity investments?

Mr. Alford: Thank you, Chair, and thank you to the member for the question. You know, I'm very pleased that our cyberteam is one of the best teams recognized internationally and led by our ADM and CISO Martin Dinel. The team has been doing a tremendous amount of work, and I'm going to walk through some of the key results. The ministry cybersecurity program uses a multilayered approach to identify, detect, and assess cyberthreats. In 2025-26 our systems recorded nearly 20,000 malware attempts. Of those, 97 per cent were prevented at the source, and then 615 infections were detected and contained before any serious impact. So we were able to shut down 100 per cent of those attempts without any impact on our systems or on Albertans' privacy or the integrity of our systems. That containment rate reflects the effectiveness of our modern tools that the member referenced.

10:40

The 71 strategic threat intelligence reports that we published during the year provide valuable insights into emerging threats and trends. These reports were distributed publicly to approximately 1,200 CyberAlberta community of interest members. Those are municipalities, public bodies. Those are postsecondary schools, private-sector organizations. Those threats highlight a range of different actions that those members of the community practice need to take. You know, when we look at those threats, those are things that could impact us, but it could also impact other organizations, so we share those very proactively.

We also have brought in AI to help us into this space. The cybersecurity team has brought in a machine learning solution that processes over 500,000 log transactions per day. That's allowing us to evaluate and stop before they actually impact us tens of thousands of attempts to access our systems, and because it's continually learning, we can grow and evolve as the threat grows and evolves as well.

The ministry has also invested $1.8 million into an annual subscription for AI-based fraud detection to detect and prevent fraudulent activities in government services. Whenever we do launch a service on behalf of a ministry partner, it's immediately attempted – you know, there are attempts to defraud the systems that our tools detect and block automatically. These tools improved vulnerability detection and automated patching, and our active infrastructure vulnerabilities fell in the fiscal year by 14 per cent. So our systems got safer overall.

Then, you know, with respect to the effectiveness we're continually monitoring and tracking the trends on cybersecurity incidents. There are over 3,000 increased attempts to access our system as well. That increase was 35 per cent more than the previous fiscal year. In future fiscal years you'll also see that these threats continue to increase as well.

So those are some of the controls that we have in place, and that's some of what we're measuring, and that is how we're also investing in better tools all the time and tools that continually learn as the threats evolve.

Mr. Sinclair: Excellent. Thank you.

Thank you, Mr. Chair. Page 29 of the annual report indicates that 100 per cent of in-scope critical government systems had their disaster recovery plans tested during 2025-2026. How many of these critical systems were included in this testing, and were any critical systems exempted?

Mr. Alford: Thank you for the question, Mr. Chair and to the member. I'm going to pass this to ADM Martin Dinel, our chief information security officer.

Mr. Dinel: Good morning. Thank you for the question. One hundred and eleven systems were essentially identified as critical for the organization this year, and all of them were tested. Indeed, no systems were exempted. There were some systems that fell off the list of critical systems because of revision of the requirement for return to operation after a disaster, but in total 111 systems were tested.

Mr. Sinclair: Appreciate that. Thank you very much, Mr. Dinel. Just a follow-up: what measures does this ministry use to assess the effectiveness of its cybersecurity investments?

Mr. Dinel: We have a large number of measures. Some of them have to do with vulnerabilities. We measure how many vulnerabilities are identified every year and per criticality level, and we also measure how many basically get resolved within a certain period of time. For critical and high, for instance, they have to be resolved definitely within two weeks. Usually we do it within a couple of days. We also have measures around indeed malware, the number of malware that has been blocked, the number of malware that got through but was indeed blocked by our end point detection systems.

When it comes to disaster recovery, which is a very important security indicator, we definitely want to test as many systems as possible. Up to now we've been testing critical systems. We're now moving down to essential systems, what we call essentials, and we're going to keep doing that over the years. But, yeah, we have a very large number of statistics that we keep track of on a monthly basis, and we produce them in our annual report.

Mr. Sinclair: Thank you very much.

Next question. On pages 18 and 19 of the annual report I note that the Protection of Privacy Act came into force June 2025 and that the ministry provided implementation resources to public bodies. What training, guidance, and compliance support did the ministry provide during 2025-2026?

Mr. Alford: Thank you, Chair, for the questions from the member. I'll refer this to ADM Hilary Faulkner.

Ms Faulkner: Thank you, Chair, and thank you to the member for the question. On training, guidance, and compliance support that the ministry provided during '25-26, I can confirm that with the Protection of Privacy Act coming into force on June 11, 2025, and replacing the Freedom of Information and Protection of Privacy Act the ministry introduced new training courses as well as resources on alberta.ca for all public bodies as the act introduced new requirements for all public bodies related to privacy management programs, privacy impact assessments, and mandatory privacy breach reporting. The resources provided on alberta.ca support public bodies in meeting those obligations through e-learning courses, fact sheets, as well as templates. We also held two information sessions in summer 2026 and continue to respond to questions submitted to the ministry from public bodies.

Mr. Sinclair: Okay. Thank you. Appreciate the answer, ADM Faulkner.

I'm just going to switch gears to page 39 of the annual report. I'll try and be quick here in the interest of time. The Alberta Enterprise Corporation attracted cumulative investment of approximately $1.64 billion, exceeding its target of $1.39 billion. The report also states that every dollar invested by the AEC attracted $5.13 in additional investment. First question is: how is this leverage ratio calculated?

Mr. Alford: Thank you, Chair, to the member for the question. I will invite Ms. Kristina Williams, CEO of AEC, to speak to that.

Ms Williams: Hi. Kristina Williams, president and CEO of Alberta Enterprise Corporation. Yeah. The leverage ratio is calculated on dollars that we've invested in venture capital funds versus how much money has been invested directly into Alberta technology companies from our funds and their syndicates.

Mr. Sinclair: Appreciate that. Thank you.

Just a follow-up on that. How does the ministry verify that the associated investments, companies, and employment benefits remain in Alberta?

Mr. Alford: I'm going to refer that to ADM Hilary Faulkner.

Ms Faulkner: Thank you, Chair, and thank you, Member, for the question on that. The ministry verifies the associated investments, companies, and employment benefits that remain in Alberta through working closely with Alberta Enterprise Corporation, who gathers information on investments from venture capital firms as a condition of their limited partner agreement with each fund. A company is considered an Alberta headquartered company if it is incorporated in Alberta or if more than 50 per cent of its employees work in the province. Employee counts reflect the growth of the Alberta base staff while an AEC fund is invested in that company.

The Chair: Thank you.

For this final round members can read questions into the record for a written response. We'll start with the Official Opposition. You have three minutes.

Member Eremenko: Hello. Thank you, Mr. Chair. If the ministry can please provide the data that backs up the assumption that the heuristic of $75 million per megawatt as the proxy for construction costs – what is that based on? Are there resources to back that up? Additionally, have there been any attraction incentives offered to companies to build AI data centres in Alberta?

The Chair: Any other questions?

Government caucus members, you have three minutes.

Mr. Cyr: Thank you, Mr. Chair. On page 16 of the annual report I note that Alberta Wallet has launched in August of 2025 and that more than 406,000 mobile health cards were issued during that fiscal year. There's a three-part question. Could the deputy minister provide an overview of the Alberta Wallet and the benefits it provides to Albertans? For the next question: what did it cost to develop and operate Alberta Wallet during 2025-26? And the last question: how does the ministry assess adoption, user experience, and value for money?

10:50

For my next question I'll stick with the Alberta Wallet. What privacy and cybersecurity assessments were completed before Alberta Wallet was launched? My next question: what protections are available if a user device or mobile wallet is lost or compromised?

Moving on to my next set of questions. On page 4 of the annual report I note that the number of government services available through an alberta.ca account increased from approximately 70 to more than 100. That's quite remarkable. How did the ministry prioritize which services to add? And the next question: what evidence demonstrates that this expansion made it easier or more efficient for Albertans to access government services?

Thank you.

The Chair: Any other questions? Seeing none.

Thank you. I would like to thank the officials from the Ministry of Technology and Innovation and the office of the Auditor General for their participation in responding to committee members' questions. We ask that any outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk. We will now be moving on to other business. You're welcome to stay, but if you wish to leave, you could do so quietly and quickly, and we'll move on to the other business. Thank you for joining us.

Under other business we do have a report on the 2026 CCPAC and CCOLA conference. This year the Canadian Council of Public Accounts Committees and Canadian Council of Legislative Auditors held their annual joint conference in Halifax, Nova Scotia, from August 23 to 25. It was attended by me, MLA Jackie Lovely, our committee clerk, research officer Rachel McGraw, as well as the Auditor General and his staff. I found the conference to be very informative and a great way to network with our counterparts in other provinces. I will provide the committee with a brief report on the conference, the presentation on Alberta's PAC that I provided, and some of the best practices of other jurisdictions around the country. I would also invite Ms Lovely to add her comments wherever she would like.

To begin the conference each jurisdiction provided an update on what their PAC has done since the previous conference and described notable occurrences with their committee. Each jurisdiction was assigned a topic to present on, and Alberta's topic was how to address partisanship. I delivered Alberta's presentation and spoke about how the deputy chair and I worked together to recommend a meeting schedule for each session and that we discuss any other ideas that the committee may want to consider. I also shared some information about our committee's audit-focused meeting trial, noting that, in my view, those meetings were some of the most collaborative meetings our PAC has had this Legislature.

After I concluded, Auditor General Phil Peters spoke about his view on his role. Mr. Peters emphasized the importance of the Auditor General being nonpartisan and that his goal is to fulfill the mandate under the Auditor General Act.

The conference had four business sessions which focused on PACs from different angles. The first was a panel consisting of two former deputy ministers who spoke about what it was like appearing before a PAC and responding to questions. They stated that their role as witness is not to defend the government but rather to provide factual information in the public interest. They noted that questions from committee members are often focused on small program details rather than on the systemic patterns that the former deputy minister often wished to speak about.

The second business session was a panel of former legislative reporters. They spoke about their experiences covering PAC and their relationship with the committee and its members. They said that their reporting strategy was to either follow the money or follow the impact and noted that some of the best public accounts stories were about impact of a program from a particular group of people, not necessarily about a large amount of money.

The third session had a panel of new PAC members who spoke about their expectations and experiences so far, with one being a seasoned MLA who was newly appointed to PAC. They spoke about how PAC is an excellent opportunity to learn about how government works, and they highlighted the importance of the committee engaging with the Auditor General, who is the subject matter expert on public accounts.

Finally, there was a mock PAC session hosted by the Canadian Audit and Accountability Foundation. Some members may remember that the CAAF provided us with an orientation on effective questioning at the beginning of this Legislature. This session involved members and an Auditor General performing scripted scenarios that we then discussed in small groups. The main theme of the mock session was how partisan gotcha and softball questions undermine the mandate and effectiveness of the Public Accounts Committee.

I would now like to give Ms Jackie Lovely the opportunity to add any comments she may have about her experience at the conference.

Ms Lovely: Thank you, Chair. It's always a privilege to attend the conference on behalf of my colleague MLA Brandon Lunty. One of the most valuable aspects was the opportunity to network with elected officials from across Canada and exchange ideas about Public Accounts Committee practices and procedures. Those discussions highlighted some of the strengths of Alberta's committee, particularly the frequency and duration of our meetings compared to many other jurisdictions. However, one notable observation was that PAC committees in other jurisdictions appear to operate in a more collaborative and less partisan environment, with government and opposition members working more closely together in carrying out their oversight responsibilities. This is an approach from which Alberta's committee could also benefit.

Also noted the chair's suggestion that the committee may wish to consider expanding Alberta's representation at future conferences. Given that the next conference will be held in Nunavut, I'd be open to supporting broader participation if the committee collectively determines that it would be appropriate and provide good value.

Similarly, when Alberta hosts the conference next, the committee could consider whether having all committee members participate would help members benefit from the learning opportunities while also allowing Alberta to expand its hospitality to delegates from across the country.

Finally, I appreciated the opportunity to spend time with the chair and team members. The informal conversations and relationship building outside the formal sessions were also a valuable part of the experience.

Thank you, Chair.

The Chair: Thank you, Ms Lovely.

There have been a number of best practices that we have heard again and again, both during this conference and at previous year conferences. There are some that we currently follow here in Alberta and others that would benefit our committee if we implement them. I plan to bring up some of these ideas at the next subcommittee meeting with the deputy chair, and I would like to talk a little bit about them now and then again invite Ms Jackie Lovely to weigh in as well.

The first was certainty in the committee's membership and schedule. Two practices that came up as being effective in helping PAC get their work done are having certainty in the committee's membership and a set meeting schedule. Having a stable membership ensures that all members understand their role, which helps the meetings go more smoothly. Some PACs will substitute in the critic for the ministry to attend a meeting during which the ministry will appear, often leading to further partisan questions, which successful PACs try to avoid. This doesn't appear to be the practice of Alberta PAC. We have a permanent membership, which is really good.

The second practice of having a predetermined meeting schedule makes planning and preparing for a meeting easier for members and staff. Some jurisdictions noted that they struggle with having a routine for scheduling meetings and that sometimes meetings do not occur as often as they would like. Having a stable membership and a predetermined meeting schedule are two best practices that we heard about at the conference and I wanted to highlight as a couple of notable things that our Alberta PAC does very well.

11:00

In camera meetings with the AG. In some other jurisdictions, including B.C., Saskatchewan, Ontario, and the House of Commons, to name a few, when the Auditor General releases reports, the PAC will meet with the Auditor General shortly after for an in camera briefing on those reports. These briefings enable the committee to use the Auditor General's information and advice to inform their decisions on whether they would like to undertake a review of the specific audit report. These briefings are held in camera to allow for a more candid conversation with the Auditor General on the reports and to ask questions that may not be asked while on record.

Committee list of questions. One common thing that we have heard from other jurisdictions is that prior to meeting with the ministry, PAC will meet in camera to discuss questions that the committee would like to ask ministry officials at the meeting. The committee jointly writes and agrees on a list of questions, and those questions are then randomly distributed to the committee members at the meeting. Because any member could ask an assigned question, any question on the list, the questions are designed in a nonpartisan fashion as much as possible. I would note that members are still able to ask their own questions and follow-ups in addition to the preassigned questions. However, the shared level of questions helps the committee limit softball and gotcha questions.

Action plan and routine follow-ups. Another best practice we heard about was that in addition to PAC receiving the ministry's implementation plan and outstanding Auditor General recommendations, the committee's request was that the ministry provide it with regular and ongoing follow-up information on the progress of the implementation of those plans. In addition, the implementation plans provided greater detail compared to what is provided to PAC on which changes the ministry plans to make to address the AG's recommendation. When the submission of an implementation plan is combined with PAC requesting regular follow-ups on the implementation status, it allows the committee a more fulsome picture of whether the ministry is meeting its implementation targets or if there have been delays. Ministries in Alberta already provide these details and ongoing implementation plans to the Auditor General's office. By receiving more information and having regular follow-ups on how the implementation process is going, PACs are better able to hold the government accountable for the implementation of the AG's recommendation.

Audit-focused meetings. A final best practice other PACs follow is conducting a review of the Auditor General's report. This came up repeatedly during the conference. As of this year all other jurisdictions, except Alberta, conduct a stand-alone review of the Auditor General's report. In fact, for many jurisdictions reviewing the audit report is the committee's main focus, with reviewing the ministry's annual report either taking more of a back seat or not occurring at all. Jurisdictions have some differences in how they conduct these reviews, but they are all similar to audit-focused meetings that we undertook last year. Typically audit-focused meetings work in conjunction with an in camera briefing with the Auditor General for committee members to learn about the reports and choose which reports to review. Those PACs hold one or more meetings with the relevant government officials to conduct the review and then deliberate on any recommendation they would like to make to the Assembly.

Additional participation at CCPAC. My last point is about our attendance at CCPAC. I have now attended the last three CCPAC conferences. Former deputy chair Garth Rowswell also attended two of these conferences. Mr. Rowswell and I heard all of these and other best practices in each of those conferences. This year MLA Jackie Lovely can speak about that as well. We agreed in recommending that the committee send additional members to attend future conferences so that more members can learn about these good practices and network with colleagues from across the country.

Some jurisdictions, especially the larger ones, send more members than just the chair and deputy chair, and there are often more than a few staff from the various AG offices. I think it would be beneficial for the committee to reconsider sending additional members from each caucus in addition to the chair and deputy chair and to LAO staff. My suggestion is that those additional members would rotate so that each year new members would get the experience of what the conference has to offer and learn about the best practices first-hand.

Those are my observations from CCPAC.

At this point I would like to offer Ms Lovely the opportunity to speak to any of these items, and then we will open the floor for discussion and questions.

Ms Lovely: No other comments from me. Thanks.

The Chair: Thank you.

Any other questions or discussion?

Well, thank you for listening to me. My notes say, "For your thoughts and discussions," so I'll have to edit that on the fly. As I said, these ideas that I talked about: we can talk at the subcommittee meeting in detail, and we will discuss how we can build some of these recommendations into our work.

With that, any other business? Seeing none.

The date of the next meeting is November 17 with the Ministry of Hospital and Surgical Health Services. Next week is constituency break and Remembrance Day.

At this point I will now call for a motion to adjourn. Would a member move that the November 3, 2026, meeting of the Standing Committee on Public Accounts be adjourned?

Mr. van Dijken: So moved.

The Chair: All in favour? Any opposed? Thank you. The motion is carried.

[The committee adjourned at 11:06 a.m.]

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